

New models in fostering

An invitation to join the Fostering
Futures programme

TEN POINT BRIEFING

Is there a form of fostering delivery which balances the best of in-house and independent provision?

1. Eight out of ten looked after children in England are fostered.
2. These placements are currently provided in one of only two ways; through council services and third party agencies operating independently of council ownership and control.
3. Placement demand is growing and efforts to increase placement choice through both methods continue.
4. Senior officers now want to know whether more can be achieved through a 'hybrid' model; one which retains the cost and outcomes benefits of the in-house service, provides a business operating environment less fettered by local authority constraints and utilises features of independent sector models to enable further placement choice and savings.
5. Evidence shows that in-house improvement (sufficiency and savings) is possible with the right focus; this paper

proposes an approach to exploring how and why an alternative fostering delivery model could support, accelerate and extend that improvement.

6. Research suggests any such model must put carer values and needs at the heart of such an appraisal.
7. iMPower is therefore testing the appetite for a sector-led programme to explore options on this basis to influence the market and government.
8. This puts forward a careful process which is centred on the cultural factors important to carers.
9. Independent fostering providers point to a number of areas in which value could be added.
10. Already a mixed economy, fostering may therefore provide a good starting point for testing alternative delivery models in children's services, and to cement a 'level playing field' in placements commissioning.

The programme will be sector-led, co-ordinated by iMPower and funded by participating local authorities. To discuss joining and costs, please contact Alastair Thompson on: athompson@impower.co.uk

WHAT'S THIS ABOUT?

With council fostering services as one of the biggest and most volatile budget lines in children's services, senior council officers are asking us whether fostering should be done differently. This report offers a solution to that financial challenge.

iMPower is **testing the appetite for a new peer-led programme, *Fostering Futures***, to collectively influence the market, explore what new models of delivery are feasible and how they can provide added benefits for looked after children.

We recently undertook a short survey of senior council officers and managers, the results of which are presented in this report.

We are now seeking expressions of interest from councils and other parties to become involved further in work.

Through our Family Values programme, iMPower

continues to help many councils to develop greater self-sufficiency and achieve savings through in-house service development. We have invested in an innovative method to do so that is rooted in behavioural science, centred on the foster carer experience and works with the whole service team to design and implement reform.

This work is already enabling services with which we have worked to attract investment into fostering and its success can be seen across the range of important service performance indicators and ultimately has resulted in more family homes for vulnerable children (see our *Fostering Futures* report for more details).

Much of the thinking involved in this work has become received wisdom in the sector and helped to keep foster carers at the heart of the discussion. This is at a time when council budgets are contracting at unprecedented rates, and demand is continuing to rise.

A number of decision makers are now asking us and each other what more can be done and, specifically, whether there are different ways of delivering fostering that will allow in-house services to innovate and grow more

quickly. This would allow them to deliver both high quality services for children, young people and carers, and value for money for commissioning councils.

Alternative delivery models ('ADMs') are a controversial and hotly debated topic in children's services. They understandably divide opinion on many levels – ideological, political, strategic and even tactical. Yet, in the pursuit of improvement and economy, no stones are being left unturned.

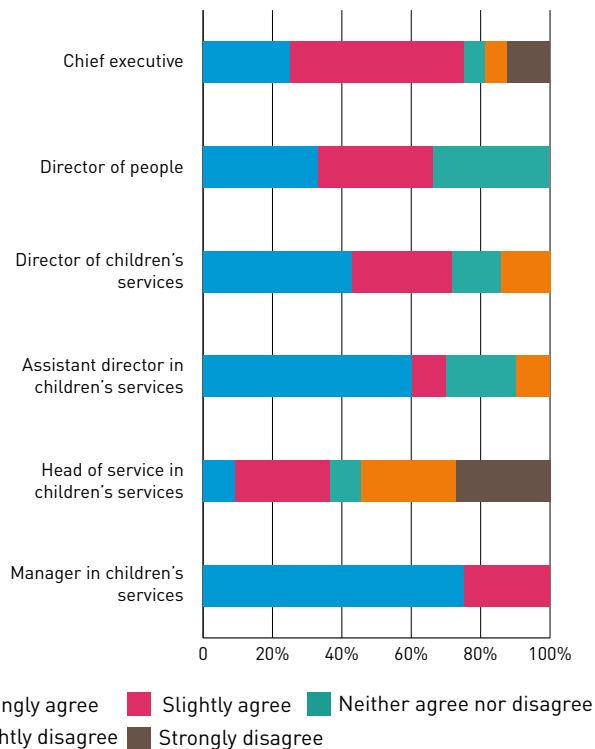
Fostering is an area in which services are already commissioned externally as well as being provided in-house. The balance between these two is often determined by need among children and their families and resultant professional practice, rather than strategy.

Commissioners now want to know whether there is a 'third way' - somewhere in between the extremes we have now - that could achieve the best of both worlds.

Our recent survey bears this out.

It is this need that has prompted us to stimulate discussion and test demand for this programme.

Figure 1: Survey response - alternative delivery models should be actively explored for in-house fostering (by respondent job role, (n = 75)



Why?

Our conversations with Senior Officers so far have been driven by a number of different factors:

1. Almost invariably, limited resources must go further and placements budgets are escalating
2. The overarching strategic vision – for example of a commissioning or co-operative council model – inherently favours an alternative method of delivery
3. Senior or change management bandwidth is limited and it is difficult to prioritise in-house fostering improvement
4. Invest-to-save funding is not available for in-house improvement and savings initiatives
5. There is a view that the in-house service has now been optimised in its current form, and all other opportunities for in-house growth exhausted
6. The in-house service has received investment and is currently improving and assurance is needed that all opportunities for further growth are identified or ruled out
7. There are change readiness, cultural or business management challenges in the in-house service that may be best or only remedied through a different model or incentive structure
8. The reputation and brand of the service requires such repair or reinvention that only a clean break or new organisation can bring about or catalyse that change
9. The service would benefit from greater scale and a new model may enable that
10. It is evident that council structures and ways of working are stifling innovation in the service

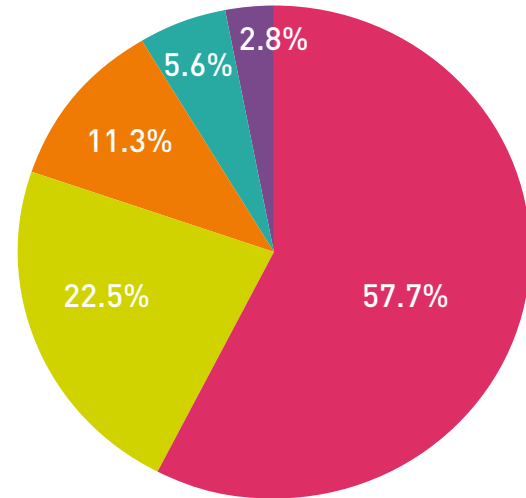
WHAT'S THE ANSWER?

We don't presume to prescribe that answer here and now. That must be determined locally. However it is clear that de-commissioning the in-house service is not the answer.

Our experience in a substantial number and wide variety of local authorities puts us in a good position to suggest how key decisions should be made, and some of the important factors that should be weighed in making them.

As lead advisors for some of the biggest transitions to ADMs in local government over the last decade, in children's and many other services, iMPower has overseen moves to myriad new forms of provision for service users and residents.

Figure 2: Overall, my sense is that simply de-commissioning in-house fostering services and re-commissioning all placements through independent agencies would not provide benefits overall (n = 75)



- Strongly agree
- Slightly agree
- Neither agree nor disagree
- Slightly disagree
- Strongly disagree

Having also worked closely with tens of councils on placement sufficiency and fostering service development, our view is that finding the right ADM in fostering requires a unique and precise approach: one that recognises and works from the fact that the main success driver is in the preservation and improvement of the service's ability to attract and retain carers, not in achieving short-term cost economy. **Getting this right will also save money.** It calls for a keen understanding of what foster carers value and what makes them come into the service, and the characteristics a service must keep and develop if it is to grow efficiently.

The big win – in both good outcomes for children and services, and financial terms – is in accelerating the growth of high quality placement provision by creating the conditions in which the in-house service can take ownership of its own destiny, and develop further.

Productivity should always play its part in work of this nature, but that is a secondary opportunity. Increasing supervision caseloads from 14 to 18 per worker are not enough reason to explore ADMs, but attaining the goal

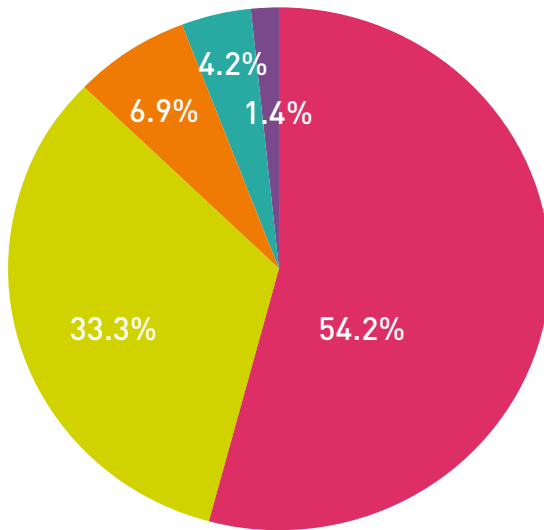
of improved sufficiency of high quality carers committed to improving children's lives is.

To justify an ADM, it must be clear how that ADM would help the service grow. And to reach that, there must be a clear view of what drives service growth.

Criteria rich in cultural insight about what works for carers and therefore children in placement, and what drives best outcomes and value, is the lens through which we believe options should be identified, filtered and evaluated.

Our research and improvement experience provides the insight required, including among other things, issues of the currency of the local council brand, the importance of engagement methods and messages in recruitment and support, the value of the local carer 'community' and the relationships with the locality's teams around the child.

Figure 3: The council brand and organisational values are important in recruiting and retaining foster carers (n = 75)



- Strongly agree
- Slightly agree
- Neither agree nor disagree
- Slightly disagree
- Strongly disagree

Whether it is a form of a mutual, a social enterprise or charity, a joint local authority trading venture or something else, we believe the model selected and the commercial arrangements around it must first and foremost enable and strengthen policy, practice and development.

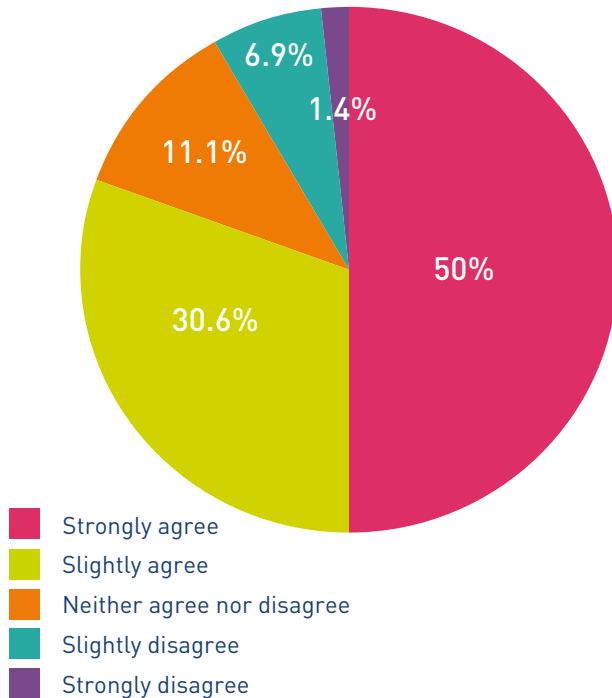
Why look at transferring council fostering services out of the authority at all?

For some commissioners retaining services in-house and making them the best they can be, will be the optimum strategy in the first place. For others, there may be added value that partners can bring to this model – 80 per cent of those surveyed reported that council ways of working can hold fostering back.

iMPower has engaged with a number of independent fostering providers and other providers from the third and private sectors. All of them have an appetite to explore options for collaboration in the interest of children.

Enough, it seems, to take this forward seriously.

Figure 4: Some ways of working in the council – systems, processes, workforce or culture – can inhibit innovation, investment and service development in fostering (n = 75).



What could an external partner add to a council fostering service?

Suggestions so far on how partnership models could drive improvement and savings include:

- access to investment
- the capacity and imperative for innovation, for example combining the child and fostering social work, or in developing edge of care and other propositions
- access to specific best practice, for instance in care planning, reunification and permanency approaches, or in carer support models
- access to specialist infrastructure in the front and back office, including HR and marketing/communications/recruitment
- added scale benefits through the 'pooling' of carers from different agencies, for example in training and matching
- performance management processes and productivity

- greater agility of decision making and practice development
- workforce flexibility and customer service culture
- a focus on needs analysis and outcomes evidence that comes with the associated regulatory environment, and the requirement to demonstrate value to commissioners.

Of course, exploring these possibilities does not come without risks. Even an options appraisal should not be entered into lightly and certainly not before the most open possible consultation with carers and staff. Once consulted on, the responses then need to show consultees that they have been listened to. In the worst case, many of the outcomes and cost benefits of in-house services could be lost. But in the best scenarios the sufficiency and commitment of carers increases, children's and service outcomes improve, and otherwise-escalating placement budgets are more safely managed.

To achieve the best and avoid the worst case scenarios, a deep understanding of the cultural, technical and

commercial imperatives is required. We are testing the appetite for this programme so that we can play our part and councils can work together and with the market to find a new way that benefits children.

WHAT'S DIFFERENT ABOUT FOSTERING?

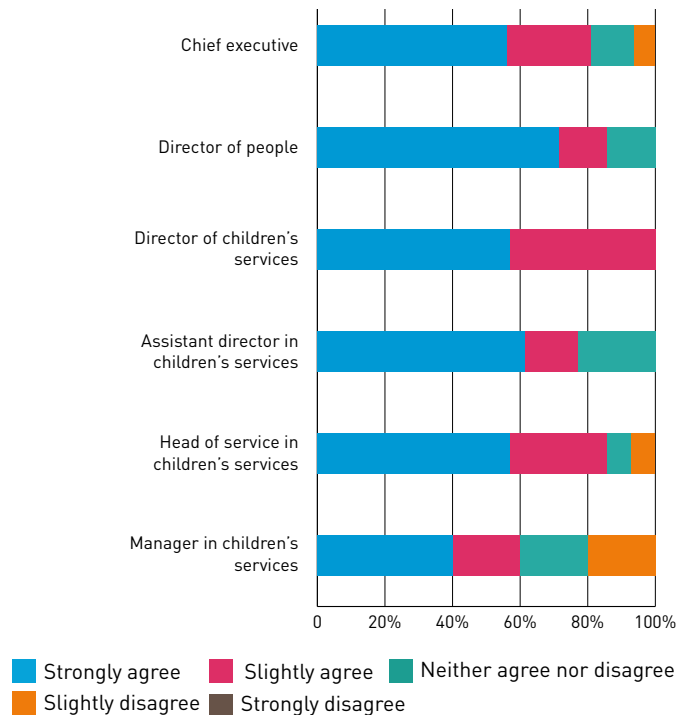
In purely commercial terms, council fostering services can perhaps be thought of as a revenue-generating business. 85 per cent of respondents to our survey believe that the service provides placements at a preferential rate to the market. The more placements the service provides, therefore, the more budget this releases for savings and re-investment. And, assuming those placements are in the child's best interests (statutorily, they must be the "most appropriate placement"), the better the outcomes for more children.

One option is therefore to sell an in-house service as a going concern with a relatively secure revenue stream (possibly a guaranteed volume of business) - along the lines of a 'sale and leaseback' arrangement. This may

bring in funds today, but tomorrow and in the longer term what would follow? Interviews with more than 1,000 council foster carers suggest it would only increase disruption and costs. 80 per cent of survey respondents agree – simply re-commissioning placements from the market is not the answer in fostering.

Council foster carers who stay with an authority tend to share a strong affinity with the council and what it stands for. They associate the council with vulnerable children and, ultimately, with public good. For all the gripes with bin collections and other local issues, we know that this is what brought more than 80 per cent of council carers directly to the council in the first place: cultural affinity and trust. In working alongside the council, carers consider – and are affirmed in believing – that they are playing their part in the public good. The goodwill accompanying that is immeasurable and breaking this link without carers’ understanding and permission risks undoing all of it, losing not only the potential of a new model but also the benefits of the current one.

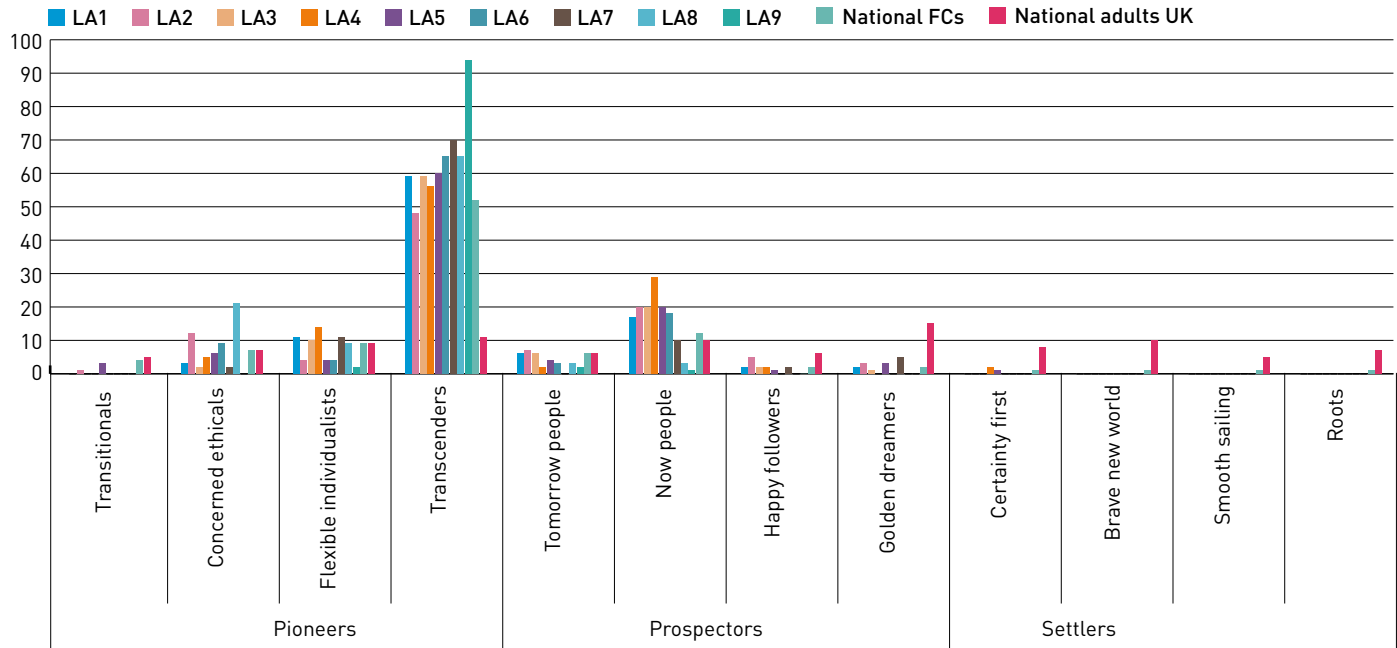
Figure 5: Overall, my sense is that simply de-commissioning in-house fostering services and re-commissioning all placements through independent agencies would not provide benefits overall (n = 75).



Creating a New Delivery Model

Figure 6: Values segmentation of foster carers across nine local authority sites, using the Values Modes system (n = 825).

This is why fostering and many other children’s services are different, and why a nuanced and careful approach is called for. A council fostering service is not like a customer contact centre or a waste collection service. It



cannot simply be 'outsourced' to the highest bidder or the provider with the lowest cost model. Fostering is a people business. It is 'relational'. The single most important thing – for children as clients, and for resources – is the relationship between the service and the carer, and amongst carers. Any new model must be considered in the context of carers' behaviours and values, and must go on to work with the grain of these.

Council foster carer values are different from those of the wider UK adult population.

Over 75 per cent of foster carers share a values set which means they are concerned with the betterment of society, as an end in itself. It is important to them to understand how what they do - and how the work of others who are also fostering - contributes to this goal. This values set has far-reaching implications both for how foster carers are best engaged and what they will and will not do. (For more on this, see our Fostering Futures report, and the Fostering Network's Why Foster Carers Care report.)

This is why the options identification and appraisal

process for any options must be thoroughly transparent to carers, ideally being co-produced with them. This is also why the early positioning of any proposals is so important, and why the goals, values and form of any new model must align with those of its carers.

All the usual disciplines and processes of finding new models apply (baselining, market testing and options identification, business case development and implementation planning) but, for fostering, these must be done differently.

Overcoming challenges

In most local authorities, fostering services are already commissioned externally. We already trust non-related carers and families to look after our most vulnerable children and young people at one remove from the council. Therefore, fostering is perhaps one of the least difficult children's services in which to work out a process for testing ADMs that stakeholders find constructive.

The financial case is also clear: 85 per cent of our survey respondents believe that more placements at the cost

rates of the in-house service would bring financial benefits.

Our conversations suggest two things have prevented this agenda from moving forward.

The first is simply the lack of options. Commissioners and providers together have successfully engineered a provider landscape in which competition rules. Usually this provides a force for good, driving innovation and value. There are also great examples of market development, especially in encouraging and enabling specialist provision. An effect of this is the 'them and us' mindset and culture. Providers of all shapes and sizes will recognise this, as will commissioners, not least when locating an emergency placement. It is perhaps understandable that collaboration has not thrived.

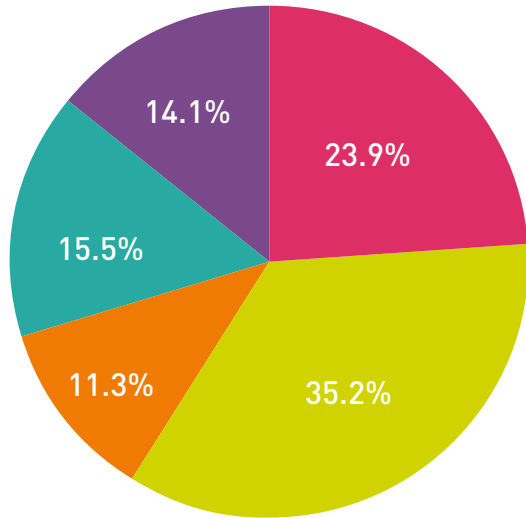
The second – a result of the first – is a fear of ceding control on the commissioner side. Discussions about how a new model could operate cannot get past a view that the council service will 'become an independent fostering agency' and all benefits will be lost.

This need not be the case. One only has to look outside children's services to see the many models and contractual arrangements which can balance the potential risks and rewards of alternative delivery models. With an intelligent contracting function, these are now within reach.

The first step to unblocking both of the above issues is a well-structured discussion.

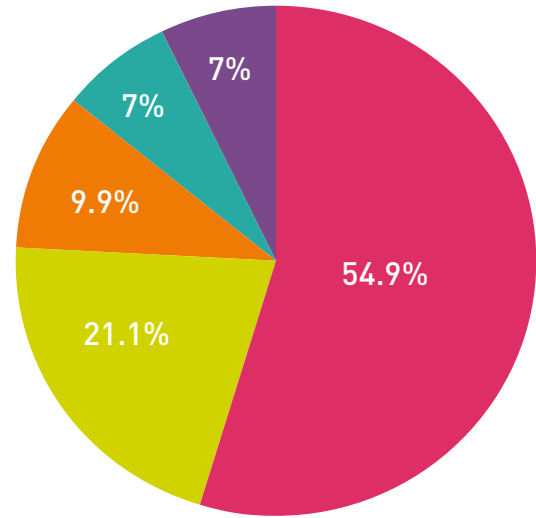
With appetite and ideas from the provider side and council side, the time for that seems right.

Figure 7: I would be interested to understand whether there are other feasible ways for my council to provide fostering services (n = 75).



- Strongly agree
- Slightly agree
- Neither agree nor disagree
- Slightly disagree
- Strongly disagree

Figure 8: With only council services and independent agencies to choose from, there are limited options for commissioning fostering placements (n = 75).



- Strongly agree
- Slightly agree
- Neither agree nor disagree
- Slightly disagree
- Strongly disagree

WHAT NEXT?

iMPOWER is testing whether a multi-authority programme approach would help the sector unlock new options, by providing:

- a common project approach
- shared learning
- comparator datasets
- a conduit to a pool of providers, and market testing platform
- standard project tools and outputs, including business cases and implementation plans
- a shared framework for option identification and evaluation methods
- a community of interest through which to influence sector policy and practice.

To express an interest or to discuss this paper, please contact Amanda Kelly or Alastair Thompson:

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