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22 January 2013

**Name of Cabinet Member:**

Cabinet Member (Children and Young People) – Councillor O'Boyle

**Director Approving Submission of the report:**

Director of Children, Learning and Young People

**Ward(s) affected: N/A**

**Title:**

The Placements Sufficiency Strategy for Children and Young People's Placements

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**Is this a key decision?**

No

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**Executive Summary:**

This report introduces the recently completed placements sufficiency strategy for placements for Coventry's looked after children. The strategy forms the basis of the commissioning plan for 2013-14 on how Coventry City Council, along with its Children's Trust partners, intends to meet the "sufficiency duty". It provides an analysis of our needs for placements as well as identifying some gaps in provision types. The Strategy will be used as the basis for developing commissioning plans to ensure we have the correct provision in future. This will enable us to make efficient commissioning decisions and help us achieve value for money when we let contracts.

A detailed action plan appears at the end of the Strategy detailing how issues raised in the strategy will be addressed

**Recommendations:**

The Cabinet Member is recommended to:

- (1) Endorse this strategy as the means for developing sufficient provision of placements for looked after children and ensuring value for money in the types of provision sourced by the Council.
- (2) In particular, endorse the priorities in section 3 and the action plan as the means of developing sufficient provision

**List of Appendices included:**

Appendix 1 – The Looked After Children Placements and Sufficiency Strategy

**Other useful background papers:**

None

**Has it been or will it be considered by Scrutiny?**

No

**Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?**

The strategy will be considered by Category Panel and Corporate Procurement Board

**Will this report go to Council?**

No

## **Report title: CLYP Placements and Sufficiency Strategy for LAC placements**

### **1. Context (or background)**

- 1.1 There are currently just under 600 children in care in Coventry. The budget for Placements for Looked After Children is currently £22m per year. Looked After Children have varying needs and therefore need a range of placements to be available to them when they enter care and should their needs change when they are in care.
- 1.2 We have a duty to provide sufficient placements for children who enter our care and this is expressed in Sufficiency – Statutory Guidance on securing sufficient accommodation for looked after children’ (2010). This guidance states that:
  - 1.2.1 “Securing sufficient accommodation that meets the needs of looked after children is a vital step in delivering improved outcomes for this vulnerable group. Having the right placement in the right place, at the right time, is a vital factor in improving placement stability, which in turn is a critical success factor in relation to better outcomes for looked after children”.
- 1.3 It is in that context that we have developed the attached strategy to enable us to better deliver good outcomes through the commissioning of the right placements for looked after children.

### **2. Options considered and recommended proposal**

- 2.1 The development of a placements sufficiency strategy is the only option we have pursued as it best helps shape our work to meet the statutory duty. The development of this strategy enabled a comprehensive needs analysis to be undertaken and a detailed review of current provision to be carried out. These two activities informed the action plan in the strategy which aims to address areas of shortfall in provision.
- 2.2 The strategy will be reviewed on an on-going basis to ensure that we are still commissioning the care our children and young people need and are achieving good value for money.

### **3. Results of consultation undertaken**

- 3.1 Consultation has not been undertaken on this strategy as a whole, although individual commissioned services within it (such as tenders for supported accommodation for example) are subject to consultation with services users to ensure that the commissioned service is fit for purpose.

### **4. Timetable for implementing this decision**

- 4.1 The strategy action plan will be implemented during 2013 and the strategy will be reviewed on an on-going basis to ensure that issues are swiftly addressed where any insufficiency in provision comes to light.

### **5. Comments from Director of Finance and Legal Services**

- 5.1 Financial implications

The Fundamental Service Review helped to identify that alongside reducing the number of LAC changing the mix of provision for LAC was key to reducing costs. The initial financial model identified savings in the region of £8M based on reducing the overall number of LAC

and then shifting the provision mix to be much more heavily weighted towards internal fostering provision.

The following table shows the average annual unit costs for different types of provision for LAC:

Type of Provision/Placement	2010/11 (£)	2011/12 (£)
Family & Friends	5,161	5,720
Internal Fostering	18,530	17,263
External Fostering	45,674	41,397
Internal Residential	200,049	228,215
External Residential (NC)	126,430	132,917
External Residential (Other)	117,551	98,019

These unit costs are derived using the FSR methodology and will include other costs (e.g. transport) where appropriate.

The initial baseline position for the FSR worked on 225 internal foster care placements increasing to 286 by the end of 2014/15. We have since lost a number of internal foster carer placements and currently our number of internal foster care placements is approximately 170. The new FSR financial model works on a base number of 190 internal foster carers by the end of 2012/13, and then a net increase of internal foster care placements of 23 per year, taking us to 281 internal foster care placements by the end of 2016/17.

The forecast spend on placements in 2012/13 is in excess of £23M. This is consistent with the level of spend in 2011/12. As part of the FSR we realigned budgets, so there is an additional £4M of budget resource in this area in 2012/13, so although the overspend in this area has reduced the actual levels of expenditure between years are similar.

## 5.2 Legal implications

Section 22G Children Act 1989 places a general duty on the local authority to secure sufficient accommodation for looked after children that is, so far as practicable, within the authority area and that meets the needs of those children. This "sufficiency duty" also requires local authority's to have regard to the number of accommodation providers in the area and the range of accommodation capable of meeting different needs; such accommodation being sufficient to meet the duty.

Commissioning strategies should include where relevant plans for meeting the sufficiency duty. Appropriate procurement legislation and process will need to be followed.

## 6. Other implications

Our commissioning of placements will be in line with corporate procurement procedures and where possible and where it improves value for money we will seek to work collaboratively with other Directorates or other neighbouring authorities.

### 6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

This strategy will contribute to the delivery of our obligations as regards ensuring that children and young people are safe, achieve and make a positive contribution;

## **6.2 How is risk being managed?**

The main risk in the area covered by this strategy is around our not meeting the sufficiency duty. This strategy in itself will assist in the mitigation of that risk.

## **6.3 What is the impact on the organisation?**

As the commissioning work under this strategy is already carried out, there will be no additional organisational impacts from this strategy.

## **6.4 Equalities / EIA**

The strategy needs' analysis has identified the characteristics of the looked after children of which we need to be mindful in providing for their needs. Formal EIAs are carried out on larger commissioned contracts in addition to the work in the strategy.

## **6.5 Implications for (or impact on) the environment**

None

## **6.6 Implications for partner organisations?**

We commission services from a range of partner organisations and sometimes in collaboration with other authorities. We will continue this work. This strategy may assist partners in meeting our needs when we tender by giving them a wider contextual understanding of the needs we have identified in our cohort of looked after children and young people.

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This report is published on the council's website:

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## Appendices





# Coventry City Council

## Looked After Children: Placement and Sufficiency Strategy 2012-14

FINAL DRAFT  
NOVEMBER 2012



## 1. Executive Summary

This report provides an overview of the population of children and young people looked after by Coventry City Council, placement trends over a three year period from April 2009 until March 2012 and the interface between internal and external placement provision. It compares local needs and placement patterns with national and regional trends. It also looks at sufficiency of current provision within the local area, both internally and from external Providers.

The strategy reflects on demographic trends to inform targets for recruitment to Coventry's internal fostering service and future arrangements for the commissioning of placements for Looked After Children. It also forms the basis of the commissioning plan for 2012-14 on how Coventry City Council, along with its Children's Trust partners, intends to meet the 'sufficiency duty' as specified in 'Sufficiency – Statutory Guidance on securing sufficient accommodation for looked after children' (2010). It will be a 'live' document which will be kept under review and amended as necessary.

It is important to note that this strategy focuses only on provision of placements and sufficiency. It is set in the wider context of, and contributes to, the CLYP Fundamental Service Review and strategy to:

- Safely reduce the number of children becoming looked after through effective early intervention and edge of care services that support children and young people remaining with their family whenever possible
- Achieve a faster exit for children from being looked after through more timely care planning and securing of permanence where appropriate
- Secure better value for money from placements for Looked After Children
- Improve the quality of services and outcomes for Looked After Children

## 2. VISION AND AIMS

Coventry City Council will seek to ensure provision of sufficient placements for children and young people in need of accommodation and support, including Looked After Children and Care Leavers, which:

- Safeguard children and young people
- Are of high quality
- Focus on improving outcomes for this most vulnerable group of children and young people
- Provide stability and minimise placement breakdown
- Provide a warm and nurturing environment where Looked After Children are encouraged and supported to maximise their potential

- Meet a range of needs, including those of children and young people with complex and challenging needs and behaviours
- Keep Looked After Children at the heart of the service and involve them in decisions about their care and services provided
- Are local, whenever possible and appropriate to need, to enable children and young people to retain links with family, friends and their community
- Enable sibling groups to be placed together whenever possible and appropriate to individual needs and circumstances
- Give children and young people placement choice whenever possible
- Are responsive to the specific and changing needs of Coventry children and young people
- Deliver Value for Money
- Support CLYP priorities within the Fundamental Service Review

### 3. PRIORITIES

The priorities of Coventry's Placement and Sufficiency Strategy, which support the objectives of the Fundamental Service Review, are as follows:

- Safely achieve a reduction in the number of children starting to be looked after during the year, ensuring that the needs of children and young people are met.
- Ensure that children in care are progressed through the system without unnecessary delay and can achieve timely and appropriate rehabilitation or permanence
- Increase the proportion of looked after children placed with family and friends.
- Ensure timely achievement of permanent placements through dual assessment of fostering and adoption and concurrent planning
- Secure placement stability through adoption, Special Guardianship Orders, Residence Orders, and long term foster care.
- Reduce placement costs through better sufficiency and value
- Divert young people from residential care where possible and provide alternatives which offer better outcomes and greater value for money
- Improve outcomes through provision of stable placements which support continuity of relationships, community links, education and health provision and promote the right conditions for maximising potential
- Increase the proportion of looked after children in placements local to their home address/school.
- Continue to support looked after children and young people to make a successful transition into adulthood through the provision of good quality education, training and employment, suitable accommodation and support.
- Work with Adult Services to ensure clear pathways are in place for young people requiring services as adults.
- To involve children and young people, families, carers and professionals in the design, delivery and monitoring of services to

provide greater quality assurance and improve outcomes for Looked After Children and Young People and Care Leavers.

- Achieve better value for money from placements through:
  - Increasing the number of in-house mainstream foster carers to reduce overall spend
  - Increasing the number of in-house specialist foster carers and more strongly aligning specialist foster care as an alternative to residential care and external foster care
  - Improving sufficiency of local placements
  - Robust commissioning arrangements for placements and supported accommodation which are evidence-based and informed by ongoing analysis of needs, gaps, costs and quality
  - Robust contract management arrangements which ensure quality of service and safeguarding of children and young people, and evidence impact on outcomes for them
  - Reduction in spot purchasing arrangements for provision of all placements
  - Review of unit costs for existing spot purchased placements.
  - A performance management framework

#### 4. Current Commissioning Arrangements

Current placement provision and commissioning arrangements for Looked After Children:

**Internal Fostering** – Coventry has its own internal fostering service which, as of May 2012, had 111 fostering households approved for 195 placements (based on full occupancy).

**Internal Children's Homes** - Coventry has 3 registered children's homes, all of which are located within the city:

- Gravel Hill – a 4 bed provision for males and females aged 10-18. The home offers short term placements for up to 12 weeks, with a focus on assessment and intensive support to enable young people to return home whenever possible or move them on to more suitable longer term provision. The home is able to provide emergency, remand and respite placements.
- The Grange – an 8 bed provision for males and females aged 10-18. The home offers short and longer term placements on a planned basis; it does not offer emergency provision.
- Broad Park House – a 4 bed provision offering emergency and respite placements for males and females aged 8-18. It specialises in placements for children with physical disabilities or learning difficulties.

**Fostering Framework Agreement** – Coventry, Solihull and Warwickshire Authorities have a sub-regional Framework Agreement for the provision of external foster placements. There are 12 Providers on the Framework, which commenced on 1 November 2009 and will end on 31 October 2013. Providers on the Framework vary from small third sector

organisations to much larger national Providers. Most have some foster carers located in or very near to Coventry and development of local provision to meet Coventry's needs has remained a key element of this contract.

**Children's Specialist Residential Service** – Coventry has a 10 year contract with an independent Provider for the provision of 30 block residential placements, with the option to purchase additional spot placements. The contract commenced on 1 January 2007 and is due to cease at the end of 2016. There are 6 local homes. 4 are located in the city – two 6 bed boys' homes, one 8 bed boys' home offering 6 EBD placements and 2 semi-independent placements, and 1 mixed home offering placements for up to 6 months. 2 homes are located just outside of Coventry, one 4-bed and one 5-bed homes for girls. Coventry also has access to the Provider's other homes nationally.

**West Midlands Residential Framework Agreement** - This contract commenced on 9 May 2012 and is for two years, with the option to extend for up to a further two years. The contract is held by 13 Local Authorities within the West Midlands region, with 121 Providers offering a range of children's home provision nationally from one bed to large children's homes, with or without education or therapy. A small number of Providers are residential schools which are also dual registered as children's homes. Coventry utilises the Framework where placements cannot be made through the Children's Specialist Residential Service.

**Spot Purchased Placements** – Coventry has retained a need to spot purchase both fostering and residential placements in order to meet the needs of Coventry children and young people, although the majority of spot purchased residential placements have now transferred onto the Regional Framework Agreement. Spot placements are made under the West Midlands contracts for residential and foster care services.

## 5. Coventry's Looked After Children Population

The number of Looked After Children in Coventry increased significantly from December 2008 to June 2010, rising during this period from 518 to 600. Over the next six months there was a gradual reduction to 565 in December 2011, followed by a further upward trend peaking at 603 in September 2012. Looking at the profile of Looked After Children as at 31 March 2010, 2011 and 2012, this indicates the following trends:

**Gender** - There has been an increase in the number of females who are Looked After. Previous needs analysis identified that between 2005 and 2008 they consistently represented approximately 45% of Looked After Children. From March 2010 to March 2012 this increased to 47% and 50.2% respectively. There has also been a corresponding increase in the number of girls placed in residential and foster placements particularly external placements.

**Ethnicity** - Almost  $\frac{3}{4}$  of all Looked After Children are of 'White' ethnic origin. Around 13% are of Mixed heritage and 5% of Asian or Asian British origin. There has been a slight reduction of Looked After Children of Black or Black British origin (7.1% in March 2010 compared to 5.5% in March 2012) and a slight increase in those from 'Other' ethnic groups (0.9% in March 2010 to 2.4% in March 2012).

**Age** - Looked After Children aged 10-15 have consistently comprised the largest proportion of Looked After Children, though the percentage has fluctuated more in recent years (consistently around 43% up to 2008, reducing to 39.6% in March 2010 and increasing to 48.4% in March 2012). There has been an increase in the number of Looked After Children aged under 1 (3.7% in March 2010 compared to 6.9% in March 2012). In contrast the number of Looked After Children aged 16 and 17 decreased from 18.9% in March 2010 to 6.7% in March 2012.

**Disability** - The proportion of Looked After Children identified as having a disability has fluctuated - 14.6% in March 2010, 28.4% in March 2011 and 10.9% in March 2012. This may reflect reporting practices rather than a changing trend in need.

**Category of Need** - Abuse or Neglect has consistently been the largest category of need of Looked After Children. The proportion dropped considerably from 81.1% in March 2010 to 57.5% in March 2012. Conversely, the second highest category of need – family dysfunction – increased from 5.1% in March 2010 to 26.8% in 2012. However, further investigation indicates that this is due to a change in reporting practices, rather a change in need. No Looked After Children were identified as being in need due to low income in March 2010 or 2011, but 0.7% were in March 2012.

**Legal Status** - The proportion of Looked After Children accommodated under Section 20 or on Interim Care Orders decreased slightly from March 2010 to March 2012 (27.7% to 24.9% and 22.3% to 21.5% respectively). Conversely there was a slight increase in the percentage subject to Full Care Orders and Placement Orders (37.4% to 40.1% and 10.4% to 12.8% respectively).

**Placement Type** - The most significant change in trend has been the decrease in Looked After Children placed with internal foster carers (42% in March 2010 to 30% in March 2012) and the increase in those placed with independent foster placements (19% in March 2010 and 33.4% in March 2012). This change is further highlighted when considering that the number of external foster placements between 2005 and 2008 was consistently around 11% of the Looked After population. The change reflects a reduction in sufficiency of internal foster carers and the increased number of Looked After Children who require a foster placement.

The percentage of Looked After Children placed with Family and Friends or internal foster carers has decreased (10.9% in March 2010 and 6.4% in March 2012), with an increase in the percentage placed for Adoption (2.9% in March 2010 and 7.1% in March 2012).

There has been a slight increase in the proportion of Looked After Children in residential accommodation, which includes children's homes and residential schools (15.5% in March 2010 and 17.5% in March 2012).

## 6. Comparison with Statistical Neighbours

Data sets from the Department for Education Statistical First Release (SFR21-2011lav2) have been analysed to provide an overview of key metrics relating to children looked after by Coventry City Council and its statistical neighbours.

The SFR provides statistics on looked after children in England; and for the basis of this report, covers a three year period from 1 April to 31 March 2011, with profile information based on the position as at 31 March 2011.

### Summary of key findings:

Coventry, like most other authorities, has seen a rise in the number of looked after children (LAC) with 515 at the end of March 2009, rising to 590 by March 2010 and dropping slightly to 585 at the end of March 2011. Peterborough and Thurrock are notable exceptions with both seeing a small fall in 2011 compared to 2009.

In comparison with our statistical neighbours, Coventry is in the upper quartile with 86 Looked After Children per 10,000 of the local population (March 2011). This figure has risen from 76 in 2009. Leeds has the highest rate and Thurrock the lowest at 95 and 57 respectively.

72% of Coventry Looked After Children are in foster placements (internal or external); Thurrock has the highest proportion in foster care at 83%. Coventry has the highest level of Looked After Children placed in secure units, homes or hostels at 13%. This compares with Sheffield and Derby 12% and 11% respectively. Peterborough has the lowest at only 3%.

Unaccompanied Asylum Seeking Children (UASC) numbers have remained static at 10 while most other authorities have seen a fall in numbers e.g. Sheffield and Leeds have fallen by 71% (35 to 10) and 37% (80 to 50) respectively. However, this needs to be seen in the context that Coventry has consistently had a relatively small number of UASC who are looked after in Coventry.

The 10-15 age range makes up the highest percentage of Looked After Children across all local authorities; Coventry is in the upper quartile with around 42% while Kirklees is the lowest with 32%. Looked After Children aged under 1 make up the lowest group with Coventry at 6% and Telford & Wrekin with 4%.

As at March 2011, 78% of all Coventry Looked After Children were placed within 20 miles of the city, with 50% placed inside the city. Tameside,

Bolton and Leeds have higher percentages of local placements with 94%, 89% and 84% placed within 20 miles respectively.

Tameside, Leeds and Bolton also use the highest percentage of internal provision for LAC with 72%, 68% and 66% placed with internal providers. This compares to 47% for Coventry as at 31 March 2011.

Only 26% of Coventry Looked After Children are from a Black Minority Ethnic (BME) background which is less than the average population of 35% for Coventry children and young people.

Coventry has one of the highest percentages of Looked After Children having 3 or more placements in a year at 11.1% (England average is 10.7%). Derby performs best with 6.7% and Leeds has the highest with 13.3%.

Placement stability has fallen from 68% in 2009 to 65.4% in 2011. A similar pattern is seen across most statistical neighbours; however Sheffield significantly increased placement stability from 66% to 73%. Tameside and Kirklees also had improvements; albeit smaller at around 2% each.

## 7. Key Issues arising from the Needs Analysis, Placement and Service Activity

### Fostering

#### Financial analysis

In this section costs have been rounded and averaged to protect commercial details.

The average weekly cost of an internal foster placement was between £420 and £430 in 2011/12, taking into account direct overheads. This appears very low but even allowing for any costs not included this remains much lower than external placements. The average price of Coventry's external foster placements as at 31 March 2012 was just above £700 through the Framework and around £800 through spot purchasing (this includes specialist parent and child and solo placements). Even the lowest averages on the framework and through spot purchase, which were for a mainstream placement for a child aged 0-4, were still considerably higher than an internal foster placement.

This indicates a strong financial rationale for developing Coventry's own internal provision and reducing the number of external foster placements to meet Coventry's sufficiency needs.

**Analysis of internal foster placements** as of July 2012 shows that:

- Almost half (47.8%) of the children were aged 10-15. 26.1% were aged 0-4, 20% were aged 5-9 and 6.1% were aged 16+ (this was



the position as of July 2012 and does not reflect the child/young person's age on admission).

- 53% were male and 47% were female. This trend varies from external placements where the number of females in placement over the last 3 years is higher than the number of males (54% in external fostering, 51% in the Children's Specialist Residential Service and 58% in other external children's homes).
- In respect of children's ethnicity 64% were 'White', 15.6% were 'Mixed' ethnicity, 9.4% were 'Black', 6.1% Asian and 5% Chinese & other origin.
- A high proportion (85.6%) had no recorded disability. Of children who were identified as having a disability, the highest proportion had a learning difficulty (8.9%) and/or a behavioural disability (6.1%). As with all placements types, these figures may not be truly indicative of the disability needs of children in placement due to recording practices.
- 96.7% were British citizens, with the remaining 3.3% being unaccompanied asylum seeking children (1.7%), asylum seekers (1.1%) and children with indefinite leave to remain in the UK (0.6%).
- 74% of children in placement had been in care for a year or more and of these, a significant proportion had been in care for a number of years - 11.1% for 2-3 years, 17.2% for 3-5 years, 18.9% for 5-10 years and 10.6% for 10 years and over. This indicates good stability of placement for almost 60% of children who are placed internally.

It should be noted that this is based on a snapshot day and therefore may not be representative of the wider picture. Further analysis would be required to understand this and to consider the extent to which existing fostering provision is able to meet the specific needs of children and young people more recently referred.

**Needs Analysis** of all external foster placements over the last 3 years indicates that:

- 65% of all placements were for children of White British ethnicity, with children of African, and White and Black Caribbean heritage, each representing 7-8% of all placements.
- The age of children on admission to placement has been relatively consistent, with 33% aged 0-4, 31% aged 5-10 and 30.5% aged 11-15. Only a small proportion was aged 16+, which is to be expected. However, over 7 months between December 2011 and June 2012 there was a significant change with 55% of all new external foster placements for children aged 0-4. Experience in this field indicates that this is a somewhat unusual trend, with many

local authorities tending to place the youngest children in internal foster placements.

- Children aged 5-10 and, to a lesser extent, aged 11-15 tend to remain in placement much longer than children aged 0-4. This is particularly evident in spot purchased foster placements, where 21% of children aged 5-10, 8% of children aged 11-15 and only 4% of children aged 0-4 have remained in placement for 4 years or more. Therefore the financial commitment to these placements will be high based not only on length of placement but also the higher placement fees for older children and relative costs of internal and external provision.
- There has been a small but growing need for parent and child foster placements, with 8 such placements having been made between December 2011 and June 2012 (8% of all external placements during this time). Most placements have been for one parent with one child; parents have been both under 18 and over 18.
- The average cost of an external parent and child placement (based on placements as of 31 March 2012) was just over £1400 through the Framework and just over £1300 through spot purchasing. This is significantly higher than an equivalent internal placement where cost including direct overheads is estimated at around £700 per week. However, Coventry currently only has one internal parent and child foster placement. Developing further internal capacity to meet this need could potentially deliver an annual saving per placement of circa £32k compared to spot purchasing and £37k compared to Framework placements.
- Half of all external placements are for sibling groups. Some placements have been needed for very large sibling groups of up to 7 children, but actual placements made have been for two (majority), three or four siblings together in the same foster home. Data is not currently available to compare this with internal foster placements.
- 6% of Framework placements and 13% of spot placements have been for children identified as having a disability. Only one placement is regarded as a specialist disability foster placement. However, a number of children with complex needs are being cared for by Independent Fostering Agencies able to offer enhanced services to meet individual needs. Further analysis is required to assess level of need and sufficiency of provision for this group.

Analysis of **internal fostering sufficiency** as of May/June 2012 indicates that:

- Coventry currently has 111 fostering households, 84 located within Coventry and 27 located outside the city. 79 are two carer households, 32 single carer households.
- 98 carer households are of White British ethnic origin.

- Coventry has 97 'mainstream' foster carers, 10 specialist foster carers and 2 respite carers. 2 foster carers provide emergency placements only. However, all carers can potentially provide same day placements and carers with vacancies may provide emergency placements in the event that no dedicated emergency bed is available.
- 53 (27%) of carers are approved for one child, 60 (30%) are approved for two children and 84 (43%) are approved for three children.
- 72% of internal foster carers are located within Coventry, with the remaining 28% within a 20 mile radius of the city.
- Foster carers may be approved for children between the ages of 0 and 18. Under current approvals:
  - 48 (43%) are approved for children within the 0-4 age range
  - 78 (70%) are approved for children within the 5-10 age range
  - 67 (60%) are approved for young people within the 11-15 age range
  - 44 (40%) are approved for young people aged 16+.
  - 18 households (16%) are approved for children of all age ranges.
- At maximum capacity, Coventry has a potential 197 placements. 13 foster carers are approved for a further child if siblings are placed together, which increases potential capacity to 210.
- All foster carers could potentially offer placements to unaccompanied asylum seeking children and children with physical disabilities, learning difficulties, autistic spectrum disorders, ADHD, mental health needs and those at risk of sexual exploitation.
- 72 carers (65%) could offer placements for sibling groups and 83 (75%) could offer solo placements.
- Only 1 foster carer is currently approved to provide parent and child foster placements.

Whilst Coventry appears to offer a range of foster placements, there is not sufficiency to meet local need. Capacity within internal fostering has reduced over time and this, combined with increase in the number of Looked After Children, has resulted in a four-fold increase in the number of external foster placements over the last 4 years. The growth of external placements has had serious impact with overspend on children's placements of £6.5m in 2011/12 and overspend of £2.1m forecast for 2012/13 despite budget realignment. Expansion of internal fostering sufficiency is already being taken forward through the FSR.

Analysis of **external fostering sufficiency** indicates that:

- There are 295 households available through the Framework within 20 miles of Coventry. 77% are two carer households, with females the main carer in 88% of households.
- 99% of households are approved for both male and female children. 21% are approved for 1 child, 41% for 2 children and 38% for 3 children.
- 96% are approved to care for children aged 5-10, 97% for children aged 11-15 and 93% for children aged 16+. Only 74% are approved for children aged 0-4 therefore less sufficiency for this age group though this is a growing area of recruitment within the Framework.
- Only 10% of approved households within 20 miles of Coventry are located within the city.
- Households are potentially able to meet a wide range of need, including sexual exploitation (58%), learning difficulty (93%), physical disability (38%) and mental health (80%). 21% are able to provide parent and child placements.
- A number of other Independent Fostering Agencies have foster carer households located within or near to the city though further data is required to inform analysis of sufficiency.

Coventry's priority in commissioned contracts is to purchase through the Fostering Framework where need cannot be met internally, with emphasis on provision of local placements. Greater sufficiency has been delivered and there has been a gradual increase in the proportion of placements made through the Framework (from 38% of all external foster placements at start of contract, to 60% by December 2011, reducing slightly to 55% by June 2012). However, there are still insufficient placements available to meet Coventry's external fostering needs, particularly within the city, which has resulted in some continued spot purchasing. This is of concern, given the higher average cost of spot placements and impact on ensuring quality and contract management when working with a large number of Providers.

### **Proposed Actions:**

1. Priority to developing internal fostering capacity across all placement types as this option will deliver better value for money, with unit costs significantly lower than external placements.
2. Consideration is given to more strategic development of internal fostering, particularly after the first year of recruitment to increase general capacity, to expand and focus provision on:
  - Ages 5-10 and 11-15 in particular as it is children in these age groups who are more likely to require longer term, and therefore higher spend, placements.
  - Sibling group placements
  - Parent and child placements

This may require specific training programmes for foster carers to develop skills in meeting challenging behaviour and risk management specific to this group (e.g. sexual exploitation)

3. More strategic direction to development of external provision through the Fostering Framework, including potential focus on developing capacity for children aged 0-4. This may require work with Framework Providers to ensure that foster carers are equipped and able to meet the specific needs of this group e.g. supporting high levels of contact, provision of transport, contribution to assessments of need and safeguarding, attendance at court.
4. As per the FSR, review the current in-house specialist fostering programme and re-focus it to more strongly align it as an alternative to residential care and external foster care. This would divert young people from residential care where possible, where outcomes can be poorer for Looked After Children and placements are very expensive for the Council.
5. It is essential that local capacity through the Framework continues to increase given the time period that will be required to expand our internal service. This should be focused on joint work with Tier 1 Providers, whose prices are lower, to ensure Value for Money. Based on average price of actual placements by Tier 1 in May 2012, an indicative efficiency of £10k pa could be achieved by placing through Tier 1 rather than Tier 2.
6. Re-tendering of Fostering Framework Agreement to commence in Autumn 2012:
  - The need for external fostering is clearly evidenced and quality assurance through the Framework has been high, with all Providers currently judged as 'Outstanding' or 'Good' by Ofsted. Value for money has also been evidenced through efficiencies which are estimated to be circa £977k up until June 2013, based on transferring placements and reduction in unit costs, plus circa £230k per annum through reduction in transport spend. Value for money would not be achieved through a return to spot purchasing.
  - A block contract is not recommended due to diversity of need, current sufficiency issues and risks to the Council of having a small market.
  - A single authority tender is unlikely to be the best route forward as greater cost efficiencies through volume are likely to be achieved through partnership with other Authorities. Consideration of a sub-regional or regional tender should be progressed.

## Residential Provision

In this section costs have also been rounded and averaged to protect full commercial details.

**Financial Analysis** of internal and external residential provision indicates that:

Based on analysis for 2011/12:

- At 100% occupancy, the average 2011/12 weekly cost of a placement at The Grange was just under £2500. Actual occupancy was maintained at approx. 90% between 2007 and 2010. However, in 2010-11 and 2011-12 it reduced to 76% and 71%, increasing the actual average weekly price significantly.
- Gravel Hill was established in 2010-11. In 2011-12 its average weekly cost based on full occupancy was about £3750, but based on actual occupancy of 66% was over £5500. This is very high cost in comparison to external residential placements. However, value for money needs to be assessed in the context of outcomes for young people and diversion from longer-term care, given the focus of Gravel Hill is on intensive 12 week assessment and intervention to enable young people to return to family or to fostering or supported accommodation.
- Data received as of November 2012 is that 50 placements have been made at Gravel Hill since its first admission on 9 September 2010, 4 of which are ongoing. Of the remaining previous 46 placements:
  - 19 (41%) returned home within 12 weeks
  - 5 (11%) moved to semi-independent living
  - 6 (13%) moved to foster care
  - 5 (11%) moved to The Grange
  - 10 (22%) moved to the Specialist Residential Service
  - 1 (2%) moved to other residential provision
- Further analysis and monitoring of outcomes over a longer period of time is needed to assess the impact of this service and value for money.
- The average weekly cost of a placement through the Children's Specialist Residential Service is nearly £2450. This is slightly lower than the average cost of a placement at The Grange at around £2500 with full occupancy, though much lower when average cost is based on actual occupancy rates (£3500 in 2011/12). The two are a more comparable service than Gravel Hill, which is a specialist home providing intensive support services.

Financial analysis for 2012/13, based on the period 6 forecast:

- Overall, the total forecast overspend for internal residential care is estimated at about £185k (The Grange is estimated to be £70k of that, Gravel Hill £115k) – in both cases, this is due to higher than expected salary costs.
- The actual weekly unit cost for The Grange is currently just under £3000 (77% occupancy) and about £5,500 for Gravel Hill (76% occupancy)

- It is evident that occupancy rates have a serious impact on unit costs and therefore the need to maintain high occupancy in Coventry's own provision is essential in terms of Value for Money.

**LAC data as of 31 May 2012** indicates that:

- Young people placed in internal residential placements were aged 14 and above on admission, whereas those in the children's specialist residential service were aged between 12 and 17 on admission.
- Young people had been placed through the Specialist Residential Service for a longer period of time (currently up to 2.5years) than in internal placements (currently up to 1.5years). This is not necessarily an indicator of stability as young people may move between different homes.
- This is only one point in time and therefore may not reflect the wider picture.

**Analysis of all placements through the Specialist Residential Service** over the last 3 years indicates that:

- The majority of children placed were of White British ethnic origin (78%). 5% were of White and Black Caribbean origin, 3% of Caribbean origin and 3% of 'other' ethnic groups.
- 61% of all placements have been for males, though females comprised approximately half of all placements in September 2012. This increased need for local placements for girls has resulted in one of the local homes changing its Statement of Purpose from a boys' home to a girls' home.
- 13% of children placed are identified as having a disability. No specialist placements for children with disabilities are available through this contract.
- Looking at young people who have now left the Specialist Residential Service, 80% had placements under 1 year in duration and 14% had placements for 1-2years.
- Review of placement bandings, which are part of this contract, provides a basic indicator of the level of need of young people in placement. Of all placements between July 2011 and May 2012:
  - 35% of children placed had emotional and behavioural difficulties
  - 54% were children with higher level need which may include serious offending, persistent absconding, presenting some

danger to others, a history of self harm or autistic spectrum disorder who present with significant management difficulties.

- 11% had complex needs which may include risky or sexualized behaviour or serious eating disorders.
- Further analysis is required to more fully understand the needs of Looked After Children on referral to the Specialist Residential Service.

**Analysis of spot purchased residential placements** over the same period shows that:

- Coventry has purchased 62 placements for 45 children/young people
- 58% of placements have been for females, a higher proportion than placements through the Specialist Residential Service and indicates a gap in provision.
- 91% have been for young people of White British ethnic origin, 7% White and Black Caribbean and 2% Indian origin.
- There was a significant increase in the number of spot residential placements made during 2011-12 (23 compared with 14 in 2010-11 and 13 in 2009-10). Analysis of the range of needs at time of referral suggests that young people in spot placements have high level needs including risk of sexual exploitation, mental health, self harm and challenging behaviours such as physical and verbal aggression and risks associated with absconding. There has also been a need for some small bed provision, including a solo home and two and three bed provision. This is not currently available through the Specialist Residential Service. Feedback from the Placements Team is that these are the primary reasons for spot purchasing and it indicates a gap in residential provision for young people at risk of sexual exploitation and/or with high risk behaviours and mental health needs.
- Specialist disability placements continue to be spot purchased, as they are not within the scope of the Specialist Residential Service. The number has reduced over time, with only 1 or 2 placements made each year since 2009 though they tend to be longer term. Work undertaken with CDT suggests the development of a range of short break provision has impacted on the need for residential placements.

### **Proposed Action Plan:**

1. Small bed and specialist provision for young people at risk of sexual exploitation is a current gap in provision. Given relative costs of internal and external provision, and management of vacancy risks, look to this need being met externally. Further research is required to assess and inform strategic direction as to whether such provision should be local or further afield.



2. Configuration of local provision within the Children's Specialist Residential Service to be reviewed in light of the needs analysis, with Statements of Purpose that reflect specialist areas of need and services and skills of staff. Training of staff to develop expertise in specific areas to be taken forward and opportunities for joint training to be considered.
3. Specialist residential provision for children and young people with complex disability needs to be purchased through the West Midlands Residential Framework Agreement (or spot purchasing if unable to identify suitable provision through the Framework). It is not recommended that the Council proactively seeks to expand local residential provision, either internally or with external Providers, as there are two existing homes within the city and need for this type of provision has significantly reduced. However, this should be considered as part of the Fundamental Service Review of disability services to inform future commissioning of services for Looked After Children with complex disability needs, including consideration of specialist fostering as an alternative to residential care which would offer young people a family-based placement and potential for improved outcomes, whilst also reducing costs.
4. Given the high cost of internal provision:
  - Further analysis of the impact and outcomes achieved for young people placed at Gravel Hill, in particular prevention of longer term care, to evidence Value for Money.
  - Continue to monitor and manage occupancy rates for Gravel Hill and The Grange so that occupancy is maintained at 85-90%. This is essential to reduce average unit costs.
  - Ongoing analysis of reasons for placement referrals being rejected to ensure that the service is responsive to local need and any factors acting as a barrier (such as insufficient referral information) are addressed.
  - Initiate a review as to the best options for the provision of this service going forward

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### Placement and Sufficiency Strategy Action Plan

Action		Further Details/Notes	Timescales	Lead
1	Expand number of internal foster carers for all placement types	To be achieved through FSR recruitment strategy for 2012-2014	Targets and timescales TBC	Fostering Manager
2	Further analysis of placement trends and financial impact of a more strategic approach to internal recruitment strategy for 2014/15	To consider recruitment for specific age groups (and inform potential policy decision to place children aged 0-4 in external placements), sibling, parent and child and specialist placements Associated carer development needs to be considered and incorporated into workforce development plan as appropriate	June 2013  2013/14	Commissioning & Fostering Service
3	Ongoing market development to increase sufficiency of local provision to meet work Coventry's existing need for external foster placements	Focus on Tier 1 Framework Providers; achieved through 6 monthly reviews and contract management, sharing of needs analysis; wider market development as move towards contract end	Ongoing – with 6 monthly review	Commissioning
4	Re-tendering of Fostering Framework Agreement	Decision to be made on sub-regional or regional tender Project Team to be established including Commissioning, Placements, Finance, Procurement, SW Team If regional tender, potential contract extension to be sought until 2014 to align with regional timescales If sub-regional tender, completion by October 2013	Jan 2013  Jan 2013  Feb/March 2013  October 2013	Commissioning

5	Commission sufficient provision for LAC at risk of sexual exploitation and with high risk behaviours	Further analysis of need including small bed children's homes and specialist services; to include consideration of location of provision for young people at risk of sexual exploitation; to be informed by residential contract review Once analysis complete, undertake commissioning activity as appropriate to secure provision	Feb 2013  TBC	Commissioning
6	Review configuration of current services within Specialist Residential Service to meet local need	Placement Strategy and needs analysis to be reviewed with Provider, to inform service development and review of Statements of Purpose of local homes	March 2013	Commissioning
7	Review need for specialist residential provision for children with complex disability needs and consider specialist fostering as a potential alternative	To link in with the FSR on disability services	May 2013	
8	Review of value for money for Gravel Hill	Interrogate data on outcomes to inform value for money analysis	March 2013	
9	Occupancy of internal residential provision to be monitored to ensure value for money and responsiveness to local need	To be included on placements dashboard Reporting to Performance Board	Monthly review Performance Board from Jan 2013	
10	Undertake analysis of reasons for placement referrals to The Grange being rejected and inform a review to address this	Review of individual referrals to be undertaken	Jan 2013	

11	Project Review of 8, 9 and 10 above to inform decisions about future commissioning of internal provision		Commence April 2013	
12	Understand if there is a business culture within internal provision and make recommendations accordingly	Business culture is defined as recognising that the service is a Provider to the LA; it meets need flexibly and responsively; and is proactive in identifying gaps in provision or blockages to enable the placement needs of LAC to be effectively met through internal provision and fully utilise resources	Feb 2013	Commissioning

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