

Draft Statutory Guidance

Securing Sufficient Accommodation for Looked After Children



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Section A: Introduction

Securing sufficient accommodation to meet the needs of looked after children and young people is a vital step in delivering improved outcomes for this vulnerable group. It can best be achieved through a step change in commissioning practice across *all services* which contribute to improving outcomes for looked after children and for children in need who are at risk of care or custody.

Where commissioning for these children and young people is already working well, we see examples of a choice of placement options, reduced placement breakdown, better links with universal and specialist services, lower numbers of children coming into care and, long-term, significantly reduced costs.

Aims and audience

1. This statutory document seeks to improve outcomes for looked after children and young people by offering guidance on the implementation of section 22G of the Children Act 1989 (“the 1989 Act”).¹ This section requires local authorities to take steps that secure, so far as reasonably practicable, sufficient accommodation for looked after children within their local authority area (“the sufficiency duty”).
2. This guidance is for:
 - members in local authorities;
 - directors of children’s services;
 - chief executives in primary care trusts (PCTs);
 - commissioners in joint commissioning units, local authorities, PCTs, youth justice and other teams or organisations with responsibility for commissioning children’s services;
 - commissioners of regional and national provision for children and young people; and
 - managers of services for looked after children, including private, voluntary and public sector providers.

¹ Section 22G of the 1989 Act was inserted by section 9 of the Children and Young Persons Act 2008.

Legal context

3. This document offers guidance to local authorities on the implementation of the sufficiency duty. It is issued under section 7 of the Local Authority Social Services Act 1970, which requires local authorities, in the exercise of their social services functions, to act under the general guidance of the Secretary of State.
4. Whilst the 1989 Act places the sufficiency duty on the local authority, each local authority is also bound by the duty at section 10 of the Children Act (“the 2004 Act”) to make arrangements to promote co-operation with its relevant partners² with a view to improving the well-being of children in the authority’s area. In turn, section 10 also requires the relevant partners of a local authority in England to co-operate with the local authority in this regard.
5. Statutory guidance on the duty to co-operate³ places great emphasis on the role of the Children’s Trust in ensuring that relevant partners work effectively together.⁴ Section 10 of the 2004 Act also requires all local authorities in England and each of their relevant partners to have regard to guidance from the Secretary of State when exercising their functions under that section. Therefore, this document is also issued under section 10 of the 2004 Act, in so far as it offers guidance to local authorities and their Children’s Trust partners on their duty to co-operate, within the context of securing sufficiency of accommodation. This duty also underpins the arrangements for effective corporate parenting which, as described in the *Care Matters* White Paper, is a shared responsibility across all services for children and young people.⁵
6. The sufficiency duty applies to all children and young people who are defined as ‘looked after’ (see paragraph 9).

² The “relevant partners” with whom the local authority must make such arrangements are set out in section 10(4) of the 2004 Act.

³ *Children’s Trusts: Statutory guidance on inter-agency cooperation to improve the well-being of children, young people and their families* (DCSF November 2008).

⁴ Legislative provisions to strengthen the partnership arrangements of Children’s Trusts are contained in the Apprenticeships, Skills, Children and Learning Bill. Subject to parliamentary approval, the Bill will add to the list of “relevant partners” and will grant statutory status to the Children’s Trust.

⁵ *Care Matters: Time for change* (DfES June 2007, paragraph 1.22)

Timescales and recommended actions

7. The sufficiency duty will be phased as follows:
 - from April 2010: If they have not already done so, local authorities should include in relevant commissioning strategies their plans for meeting the sufficiency duty.
 - from April 2011: Working with their Children's Trust partners, local authorities must be in a position to secure, where reasonably practicable, sufficient accommodation for looked after children in their local authority area.
8. To meet these milestones, we recommend that those addressed in paragraph 2 should:
 - systematically review the current situation in relation to securing accommodation which meets the needs of looked after children and young people and care leavers;
 - have regard to the standard for commissioning practice set out in this guidance and identify areas for improvement;
 - develop or enhance their strategic commissioning processes so that all relevant services, including universal services, make a full contribution to meeting the needs of looked after children and children in need, who are at risk of care or custody;
 - set priorities for action between now and April 2011.

Section B: Context

Looked after children

9. The term 'looked after children' in the 1989 Act refers to all children and young people being looked after by a local authority, namely:
- those subject to care orders or interim care orders (under sections 31 and 38 of the 1989 Act);
 - those children who have been placed, or are authorised to be placed, with prospective adopters by a local authority (section 18(3) of the Adoption and Children Act 2002);
 - those who are voluntarily accommodated under section 20 of the 1989 Act, including unaccompanied asylum-seeking children. Where children are accommodated under this provision, parental responsibility remains with the parents; and
 - those who are subject to court orders with residence requirements (e.g. secure remand or remand to local authority accommodation), in accordance with section 21 of the 1989 Act.
10. At any one time around 60,000 children are looked after, representing roughly 0.5% of all children. As many as 85,000 children will spend some time being looked after over the course of a year, with many entering and leaving the system very rapidly. 40% of children remain looked after for less than six months and only 13% are looked after for five years or more.
11. At 31st March 2009, 59% of looked after children were on interim or full care orders, and 32% were voluntarily accommodated. Most of the remainder were placed under Adoption Agency regulations. The chart at **Figure 1** shows the different types of accommodation for looked after children. As at 31st March 2009 approximately one third of looked after children in foster care were placed outside their local authority area.

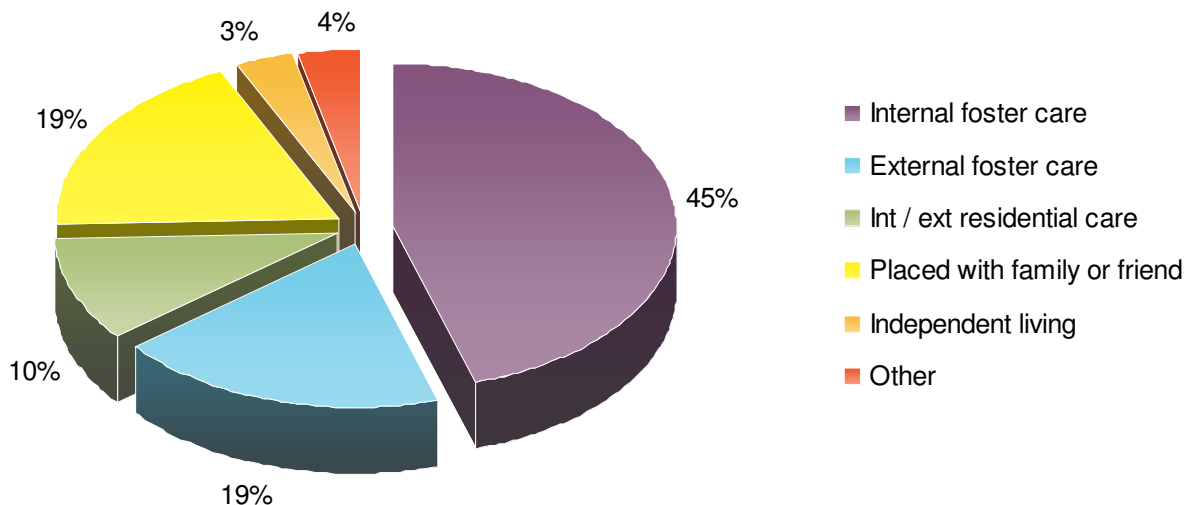


Figure 1: Types of placement

Why is the sufficiency duty being introduced?

12. The sufficiency duty is part of a broad suite of guidance and regulations being issued to improve outcomes for looked after children and young people, in line with the aims of the *Care Matters* White Paper (see paragraph 28).
13. Local authorities already have a number of duties towards children within their area which are related to the sufficiency duty. In particular:
 - section 17(1) of the 1989 Act provides that it is the general duty of a local authority to provide a range and level of services to children in need⁶ and their families in the local area which are appropriate to their needs;
 - section 20 of that Act requires local authorities to provide accommodation for children in need within their area who appear to them to require accommodation in accordance with the provisions of that section;⁷
 - section 21 requires a local authority to accommodate certain children who are either removed or kept away from home under Part V of the 1989 Act or who are subject to a criminal court order;
 - section 23(1)(a) requires a local authority to provide accommodation for a child who is in their care (by virtue of a care order);⁸ and
 - where a local authority makes arrangements to place a child whom they are looking after, section 22C(9), once it comes into force, will require that placement to be such that the child is provided with accommodation within the local authority's area, unless that is not reasonably practicable.
14. It is implicit that in order to fulfil these duties, the local authority must ensure that there is sufficient accommodation to meet needs in the local area — i.e. specifically within the local authority boundary. However, prior to the introduction of the sufficiency duty, there was no explicit statutory duty on local authorities to act strategically to address gaps in provision.
15. The sufficiency duty (see Annex for full wording) reinforces the duties set out above by requiring local authorities to have regard to the benefit of having:
 - a number of accommodation providers in their area;
 - a range of accommodation capable of meeting different needs.

⁶ A child “in need” is defined in section 17(10) of the 1989 Act.

⁷ Where the local authority provides accommodation in accordance with section 20 (and that accommodation is provided for a continuous period of more than 24 hours), that child will be a looked after child for the purposes of the 1989 Act.

⁸ Section 23 of the 1989 Act has been amended by the Children and Young Persons Act 2008 and, when those amendments come fully into force, section 23 will be substituted by sections 22A to 22F.

16. Existing good practice suggests that these requirements can best be met through a step change in commissioning practice in which local authorities and their Children's Trust partners work with each other to:
- support and maintain diversity of services to better meet the needs of looked after children including through the provision of preventive and early intervention services to reduce the need for care proceedings;
 - place children within their local authority area where reasonably practicable and where this is consistent with a child's needs and welfare;
 - support the market to deliver more appropriate placements and other services locally.
17. This involves not just the active management of the market in placements for looked after children, but the strategic development of the whole range of services which have an impact on outcomes for looked after children, as well as children in need who are at risk of care or custody. As such it covers universal, targeted and specialist services. A standard for good commissioning practice is set out in Section D.

What is sufficiency?

18. The sufficiency duty requires local authorities to do more than simply ensure that accommodation be 'sufficient' in terms of the number of beds provided. They must also have regard to the benefits of securing a number of providers and a range of services. The accommodation must also meet the needs of children. These needs can be wide-ranging, in line with the typology which underpins the Framework for the Assessment of Children in Need and their Families (see **Figure 2**).

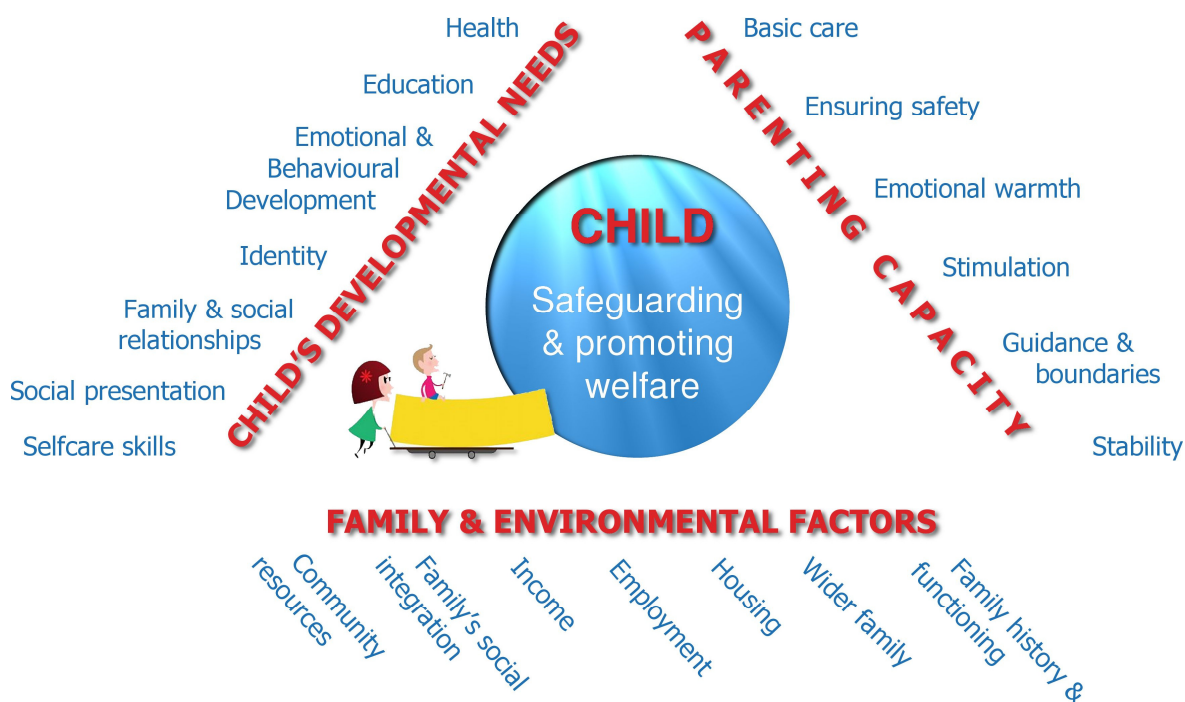


Figure 2: Wide-ranging needs require a wide range of services working together

19. A local authority which is taking a strategic approach to delivering sufficient accommodation will include in their analysis, planning and delivery, children and young people who are in need and are at risk of care or custody. Meeting the needs of these children and young people will have a significant impact on the ability of the local authority to deliver sufficient accommodation for those who are looked after. This means that securing sufficient accommodation requires a whole-system approach which delivers early intervention and preventive services to support children in their families, as well as better services for children if they do become looked after. Securing accommodation which 'meets needs' therefore has implications for a number of aspects of service provision, for example:
- the type of placement provision that might be needed, from short breaks and emergency placements through to adoption, fostering, residential care and secure accommodation;
 - the particular skills, expertise or characteristics of carers;
 - physical adaptations for children with disabilities, including accessible housing stock;
 - a range of provision to meet the needs of care leavers including arrangements for young people to remain with their foster carers and other supported accommodation; and
 - the availability of a range of additional services to ensure that the needs of vulnerable children and young people are met.
20. Local authorities should not move children from out of authority placements for the sole purpose of meeting the sufficiency duty if their needs are being met by the existing range of services.

What does 'sufficiency' look like?

An example of best practice in securing sufficiency would be that:

- all children are placed in the local authority area, except where this is not consistent with their needs and welfare;
- all children with adoption recommendations are placed with an adoptive family within 12 months of that recommendation;
- there is a diverse range of universal, targeted and specialist services working together to meet children's needs, including children and young people who are already looked after, as well as those at risk of care or custody;
- Children's Trust partners, including housing, work together to secure a range of provision to meet the needs of those who become looked after at the age of 16 and 17, and support the continuity of accommodation beyond the age of 18;
- services are available in adequate quantity to respond to children and young people, including predicted demand for a range of needs, and emergencies;
- in addition to meeting relevant National Minimum Standards, services are of high enough quality to secure the specific outcomes identified in the care planning process for children

and young people;

- services are situated across the local authority area to reflect geographical distribution of need;
- placement providers (including private, voluntary and public sector providers) are linked into the wider network of services and work with these services to offer appropriate support to deliver identified outcomes for looked after children;
- universal services know when a child or young person is looked after and have good links with the range of targeted and specialist services which support them, including placement providers;
- there are mechanisms in place to ensure that professionals involved in placement decisions have sufficient knowledge and information about the supply and quality of placements and availability of all specialist, targeted and universal support services within the local authority area;
- the local authority and its Children Trust partners collaborate with neighbouring Children's Trusts to plan the market for services for looked after children and commission in regional or sub-regional arrangements.

What is 'reasonably practicable'?

21. The sufficiency duty is a general duty that applies to strategic arrangements rather than provision for an individual child or young person. Local authorities must show that – at strategic level – they are taking steps to secure sufficiency, so far as is reasonably practicable.
22. This means that a local authority may not be failing to discharge the duty simply because an individual child or young person's particular need is not being met at a particular time within the local authority area, as it may be judged to be not reasonably practicable to do so, or may not be consistent with their welfare.
23. However, a local authority should not assume that it is 'not reasonably practicable' to secure appropriate accommodation simply because it is difficult to do so or because they do not have the resources to do so. Any constraining factors should not be taken as permanent constraints on sufficiency. What is practicable at one time and in one area may not be in another.
24. The local authority, working in co-operation with its Children's Trust partners, should have in place a strategy for addressing supply issues and reducing constraints over time, through effective commissioning. Methods for doing this might include building their own capacity and expertise, as well as those of local private, voluntary and public sector providers.
25. One implication of the sufficiency duty is that local authorities will need to be active in managing their market, for example developing new provision in response to emerging trends. In order to accommodate any emergency placements there is likely to be a limited need for planned standby accommodation or surplus provision (where spare capacity is not available).
26. If challenged by a child, young person, family, social worker, children's guardian, independent reviewing officer (IRO) or other advocate, a local authority should be in a position to demonstrate how, working with its Children Trust partners, it has done all that is reasonably possible to secure sufficiency. Plans should be documented and

published, within the commissioning strategy or the Children and Young People's Plan, to allow scrutiny and challenge.

How can 'reasonably practicable' be assessed?

In assessing whether they are doing all that is 'reasonably practicable' to secure sufficiency, there are a number of factors which local authorities, working with their Children's Trust partners, may wish to take into account, for example:

- current progress within an effective, phased programme to meet the sufficiency duty;
- the number of children for whom a local placement is not consistent with their needs and welfare;
- the extent to which local universal services meet needs;
- the state of the local market for accommodation, including the level of demand in a particular locality and the amount and type of supply that currently exists;
- the degree to which they are actively managing this market;
- the resources available to, and capabilities of, accommodation providers (where 'resources' means not just the available funding but also staff and premises and 'capabilities' includes experience and expertise); and
- the Children's Trust's resources, capabilities and overall budget priorities.

How will sufficiency be monitored?

27. Under current arrangements for the Comprehensive Area Assessment (Ofsted 2009), inspectors are required to discuss with directors of children's services the arrangements for accessing further documentary evidence. This specifically includes commissioning strategies relating to looked after children. Children's Trust partners will therefore wish to ensure such information is readily available and that commissioning practice addresses sufficiency issues.

Other developments relating to sufficiency

28. The sufficiency duty is part of a broad range of measures being introduced to improve outcomes for looked after children and young people. These include:

- updated regulations on care planning, placement and review;
- revised national minimum standards;
- new regulations and guidance on leaving care, as well as national indicators for care leaver outcomes;
- statutory guidance on promoting the health and well-being of looked after children;
- statutory guidance and regulations on the appointment of the designated teacher for looked after children; and
- national indicators in relation to the attainment of looked after children, placement stability and the participation of care leavers in education, employment and training.

Section C: Using commissioning to deliver sufficiency

Commissioning is the process for deciding how to use the total resource available for children, young people, parents and carers in order to improve outcomes in the most efficient, effective, equitable and sustainable way.

29. Commissioning is increasingly recognised as the primary mechanism for delivering better outcomes, while using resources more efficiently. Across a Children's Trust area there will be a range of people in different services, organisations and teams with responsibility for commissioning services which are used by looked after children.
30. All local authorities, with their Children's Trust partners, should follow the same commissioning framework. These are locally developed and set out a shared process and common principles for commissioning. They follow guidance such as the Joint Planning and Commissioning Framework for Children, Young People and Maternity Services⁹, or World Class Commissioning.¹⁰ In practice all commissioning cycles can be summarised by the simple four stage model in **Figure 3**.

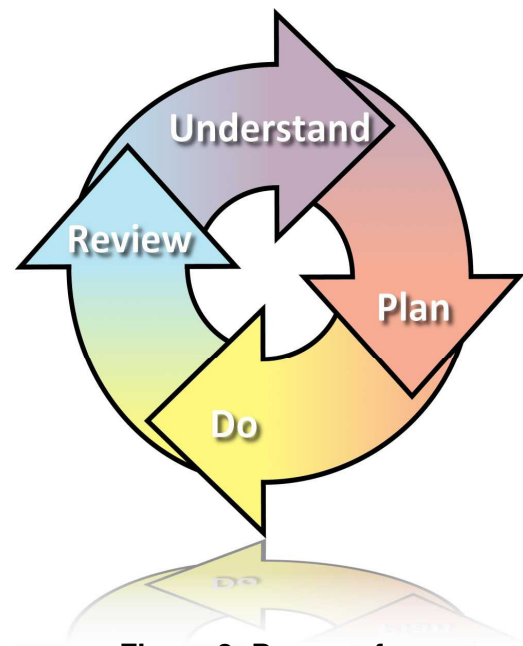


Figure 3: Process for commissioning

⁹ HM Government, 2006. *Joint Planning and Commissioning Framework for Children, Young People and Maternity Services*. Available at <http://publications.everychildmatters.gov.uk>

¹⁰ See for example Department of Health, 2007. *World Class Commissioning: Vision*. Available at www.dh.gov.uk

31. In relation to strategic commissioning for looked after children, research with providers and commissioners suggests the key gaps are:

- quality of individual needs assessments;
- strategic needs assessment and demand analysis;
- market management;
- procurement including purchasing and contract management;
- adopting a whole system approach to designing universal, targeted and specialist services to improve outcomes for looked after children and those at risk of care or custody; and
- involvement of children and young people in placement decisions.

32. The commissioning standard described in Section D provides guidance in relation to these core areas.

Redesigning targeted support to address a broad range of needs: London Borough of Enfield

Alongside its social work service, Enfield has designed a range of other support services to ensure that looked after children achieve their full potential. The HEART service is jointly run by children's services and the local NHS trusts for primary care and for mental health. It is made up of Child and Adolescent Mental Health Services, the education service, the specialist nurse service and Connexions. Initial contact is usually made by the child's social worker, teacher or other relevant professional. The different practitioners offer support to foster parents and social workers, individual therapy for children and support to improve children's educational attainment and access to employment opportunities.

Section D: Standard for commissioning practice

33. To meet the requirements of the sufficiency duty, local authorities, working with their Children's Trust partners, are expected to practise a level of commissioning which is commensurate with the standard outlined in this section. It has been developed in conjunction with local commissioners and providers of looked after children services. It is designed to enable the effective practice demonstrated in a number of local areas to be universally applied across the country. The standard covers the following five areas:

- individual assessment;
- commissioning decision;
- strategic needs assessment;
- market management; and
- securing services.

Commissioning domestic adoption services: London Borough of Harrow

Harrow is the first local authority to commission an external provider to deliver its domestic adoption services in partnership. Since 2007, Coram Family has been working with the local authority to find adoptive families, place children and to support social workers in planning for permanency.

The borough has relatively low numbers of looked after children: 150 at 31st March 2009. Coram's target is to find adoptive families for 11 children each year. If this target is not reached, the number in subsequent years increases accordingly. Since Coram's involvement the number of children with a 'should be placed for adoption' recommendation has surpassed the target and Coram has been able to match all children within six months of the adoption recommendation. A number of the children have been placed with concurrent carers and this provides additional benefits as children have no further moves. Currently, 20% of eligible looked after children in the borough (i.e. not including asylum seekers or those looked after on a series of short breaks) are adopted or in special guardianship arrangements, increasing the number of fostering places available and reducing overall costs.

The success of the project has in part been dependent on a social care workforce strategy which has resulted in the employment of more permanent staff, a reduction in social worker caseloads and higher staff morale. The involvement of Coram in planning and chairing meetings has ensured that permanency planning is at the core of all decision-making. Delays have reduced and children are exiting care more speedily than previously to be reunified, placed with kin or adopted.

Individual assessment

A robust needs assessment is the starting point for all commissioning decisions for a child or young person's services. A care plan which details the needs of the individual and specifies planned outcomes will enable providers to design services around the child or young person and innovate where this will improve outcomes. It will in turn enable commissioners to set clear performance expectations. An incorrect decision at this point will lead to vastly inefficient or ineffective service provision. Improvements in the capacity, quality or systems for assessment can have a large impact on both outcomes and resources.

34. Individual assessments will describe the needs of the child or young person, the specific desired outcomes and the way in which services should respond to these needs, including an expected timeline. This will be used to inform the commissioning process and will be the basis of the agreement between the commissioner and provider.
35. Local authority and partner commissioners will ensure that social workers and other professionals who contribute to individual assessments are appropriately trained, and that their assessments inform the commissioning process and are communicated to the range of providers involved in the placement process.

Putting the child's assessment at the heart of the placement decision: Devon County Council

Devon has introduced an 'option appraisal' model to commission individual placements. Instead of social workers having to search for a service, they now have to specify the child or young person's needs and desired outcomes for the placement. This is sent electronically to all pre-qualified providers, who express an interest by submitting proposals for a package of support which show how they will meet needs and deliver positive outcomes.

A multi-agency team evaluates how each proposal meets the five *Every Child Matters* outcomes. This process follows a clear protocol and the results are summarised as a matrix. Only after options have been appraised as suitable does the price become a factor.

On average five to ten providers respond to each tender, which ensures strong competition and a range of options for improving outcomes for the child or young person. Over the first four years this has resulted in a fourfold increase in placement choice and savings in the region of £2 million. As choice is increased so is the likelihood of finding the 'right match' and Devon has also seen a marked improvement in placement stability where this model has been used.

Early intervention through multi-agency allocation groups: Essex County Council

To meet the needs of children and families before problems escalate, Essex County Council has established two multi-agency allocation groups (MAAGs) on a pilot basis, with a view to rolling them out in 12 areas across the county. Their role is to allocate resources when a child requires services from more than one agency. Any agency can refer to the MAAG after a practitioner has assessed a child's needs and recorded this using the Common Assessment Framework. The MAAG allocates a lead professional to co-ordinate service delivery. The group can also plan transition packages to enable children and young people with more complex needs to be supported in their local community, including those who have been looked after. The MAAG model has also been adopted in a number of other local authorities where it has proved to be effective in getting support to families in a quicker and more efficient way, in many cases removing the need for social care intervention.

Commissioning decision

The right decision, first time, is the best way to improve placement stability, service efficiency and effectiveness. Decision-making will be most effective when it is informed by the strategic assessment, the resource analysis, the individual assessment and the views of the child or young person. Commissioners who have built a strong decision making process will reap benefits in terms of better outcomes for children and young people and better use of resources.

36. Except in some emergency circumstances an individual assessment should be made before the type of service or likely provider is considered. As such the commissioning decision must follow the needs assessment (see Section C, paragraph 30).

Level playing field: Gloucestershire County Council

Gloucestershire has adopted a level playing field between internal and external provision for commissioning fostering services for children and young people aged 12 and above. Outcome-focused commissioning forms are sent to a group of pre-qualified providers and the local authority's in-house services at the same time. These forms detail identified needs (based on core and other assessments), outcomes and timescales for delivery.

The provider responses are anonymised so that the commissioning decision is made on a needs and outcomes basis. Whilst the new strategy is still in the early stages of implementation, there is evidence that this approach is moving the operation of in-house services to a more business-oriented approach. The new commissioning arrangements have also resulted in positive market engagement which has reduced unit costs and increased placement choice.

37. Similarly, regardless of whether a provider offers volume based discounts or is run by the local authority (i.e. internal provision), services and placements must meet the assessed needs and be reasonably expected to deliver the outcomes described in the individual assessment. Therefore local authority and partner commissioners must have a clear understanding of the quality and full costs of all provision (including internal unit costs) in order to assess value for money. If this information is not available commissioners will use commissioning mechanisms through which services compete on a "level playing field" basis. Market competition will enable commissioners to be assured of the efficiency and effectiveness of services.

Decision-making by a senior multi-agency panel: London Borough of Enfield

Admissions into care in Enfield are managed by a well-established panel process. The placement panel makes decisions about instigating care proceedings, considers all new placement requests, and reviews placements and care plans for all looked after children. The panel meets weekly and is chaired by the assistant director of children's services. Other members include the heads of services for looked after children, children in need, commissioning, fostering, child psychotherapy, safeguarding and quality assurance, as well as the looked after children education specialist, the finance and activity officer and the panel coordinator. The panel is seen as a key factor in Enfield having comparatively low number of looked after children, better placement stability and better outcomes for looked after children.

38. Local authorities should include the following in decisions about the best placement and/or services:

- children and young people;
- parents or carers;
- appropriate professionals, e.g. the social worker; and
- the strategic commissioner.

Streamlining access to resources: Bournemouth Borough Council

The Placements and Contract Team within Children's Strategic Services has re-organised to become an Access to Resources Team (ART), which focuses not just on placements but also on services to help divert children from care. The new structure means that the team can ensure that placements are better matched to the needs of individual children, as well as researching and suggesting alternative strategies and services to support families to look after their children and prevent the need for care proceedings. They work as a 'virtual team' with health and education, arranging a multi-agency meeting when a child has needs which require input from these services. ART administers all aspects of the placements process including payments, contracts and management information. The anticipated benefits include a reduction in the numbers of children coming into care, improved placement stability and lower unit costs. Over the longer term Bournemouth plan to incorporate services commissioned by other business units within the local authority, including housing and universal services such as education.

Strategic needs assessment

Commissioners are dependent on comprehensive aggregate data about the needs of looked after children to prepare for the sufficiency duty. The strategic needs assessment is intended to inform the Children and Young People Plan and commissioning strategies for a range of services.

39. The strategic needs assessment will:

- be undertaken with partners (including internal and external providers), for example, as part of the Joint Strategic Needs Assessment process;
- assess the desired outcomes and needs of all looked after children and those at risk of care or custody, including the needs of their families;
- cover the full range of needs and outcomes including: be healthy, stay safe, enjoy and achieve, positive contribution and economic wellbeing;
- include short term and long term timescales (up to 10 years);
- predict demand for both the quantity and quality of services, drawing on a wide range of available national, regional and local data including individual care plans and individual assessments;
- assess the likelihood and impact of unexpected demand and the availability of appropriate contingency arrangements.

Investing in strategic needs assessment: Gloucestershire County Council

When Gloucestershire was redesigning its services for children with complex needs (including looked after children and disabled children) they required in-depth information and analysis to supplement the Joint Strategic Needs Assessment. Gloucestershire worked with a range of stakeholders to gather local data, review current services and gaps in provision, and consider best practice and research evidence. The analysis included reviews of individual cases and pathways, forecasts of future demand, and scoping of current resource allocation. This detailed report informed the development of the new strategy, which is contributing to the redesign of community services. The aim is that more looked after children and young people have their needs met within the community and closer to home.

40. The strategic needs assessment will inform the design of appropriate universal services including health and education services, specialist health and education services, early intervention and prevention, family support and outreach, targeted support for children at risk of care or custody, placements, including adoption, and transitions to adulthood and adult services.

41. The strategic needs assessment will be shared with all partners including regional partners and providers. A summary should be available for families and communities.

Market management

Market management – which includes resource analysis and workforce development – is essential to improve outcomes. Commissioners must have effective relationships with all providers (including private, voluntary and public sector providers) to ensure the markets can be incentivised and changed to secure sufficient provision. Commissioners must therefore lead the markets and children’s services system, including universal services and internal services.

42. Local authority and partner commissioners will assess the markets of providers for universal and specialist services that meet the needs of children and young people in care and those at risk of care or custody. They will also assess the different business models used by both internal and external providers, and the way in which they can respond to address identified needs.

Cost Calculator for Children’s Services: Loughborough University

Establishing accurate cost comparisons between internal and external services is essential to understand the markets and ensure provision is efficient and effective. There are many models to calculate internal costs and understand different business models, one example is the Loughborough Cost Calculator which is a software tool to help local authorities identify and analyse the costs of different types of placements. The model distinguishes eight core processes including initial placement decision, care planning and placement changes. It calculates the cost of each by applying the unit costs calculated from time spent on each activity, salary information, on-costs and capital overheads. These can be customised by local authorities and help ensure commissioners have complete information to support decision making.

43. Local authority and partner commissioners will manage the markets to ensure that there is sufficient accommodation and other services to deliver the needs and desired outcomes described in the strategic assessment.
44. Local authorities and their partners will use national, regional and sub-regional commissioning arrangements to manage the markets, where this will have a positive impact on sufficiency.
45. It is expected that universal services will change in configuration as a result of the strategic assessment. Local authority and partner commissioners will be able to make appropriate service design changes.

Sub-regional collaboration to secure fostering services: Eastern Region 5

Eastern Region 5 is a sub-regional commissioning forum comprising Essex, Hertfordshire, Southend, Suffolk and Thurrock. In 2008 it established a preferred provider framework for fostering services, with the aim of ensuring that children are placed locally and improving the quality of provision and contracting arrangements. As part of a robust procurement process 38 independent fostering providers bid for the tender and contracts were awarded to 22 preferred providers. As a result of the tender, the weekly price of a foster place was reduced by an average of 10% and fixed for three years. The contract also incorporates long-term placement discounts and a regional cost and volume arrangement, with discounts of between 0.5% and 15% based on aggregated spend across the region. The contract requires providers to deliver additional services (such as health services) which are not always included within the standard pricing structures of independent fostering providers, improving outcomes for looked after children and young people.

Regional collaboration between commissioners and providers: West Midlands

Across the country, there is regional collaboration to improve commissioning practice for looked after children. The West Midlands Children's Commissioning Partnership comprises all 14 Children's Trusts in the region, the improvement and efficiency partnership, the strategic health authority, representatives from fostering (the Nationwide Association of Fostering Providers, the Joint Forum of Fostering Providers and the Fostering Network), independent special schools (the National Association of Special Schools) and residential social care (the Independent Children's Homes Association and a representative residential social care provider).

Like many areas, the West Midlands has developed a placements database to help commissioners match a child's needs with suitable provision. Commissioners and providers have worked together, with providers' views being sought on developing the requirements, tendering, interview and selection, design and testing. This has resulted in www.westmidlandsplacements.com which reflects the needs of all parties and covers all placements types. The website incorporates information on both internal and external placements, helping everyone across the region to understand needs, trends and gaps in sufficiency. It also supports providers in adapting their services to reflect these challenges.

Securing services

There is a variety of commissioning mechanisms and performance management options which can drive particular market behaviours and therefore the efficiency and effectiveness of services. This requires commissioners to be familiar with and to employ more sophisticated techniques to optimise outcomes.

46. A range of procurement and other commissioning mechanisms will be used to secure services. Spot purchasing has been found to be inefficient and reduces the ability to manage the market. Alternative procurement mechanisms – for example framework contracts – are now available which give the flexibility of spot purchasing but generally with lower costs and greater market management potential. This type of procurement mechanism is appropriate in the majority of cases, with spot purchasing used only as a last resort where services are required at a low volume, or if there is a clear documented rationale for its use in preference to other commissioning mechanisms.
47. Before a service is commissioned, commissioners will increasingly seek evidence that it is effective at meeting needs and desired outcomes.
48. All services, including those provided by the local authority, will be performance managed through a contract, grant, service level agreement or other similar approach – based on the needs and specific outcomes described in the child or young person's individual assessment. Performance management should be evidence based.

Redesigning the spectrum of services: East Riding of Yorkshire Council

East Riding of Yorkshire has taken a whole systems approach to redesigning its services for looked after children. A culture change programme for the social care workforce has focused on enabling them to explore community-based options to support families in difficulty. They are now better linked in to early support services such as parenting support, children's centres, primary mental health workers, behaviour clinics and children's fund projects. The system redesign has resulted in fewer requests for placements and a greater number of options when a placement is required. At the same time, the council refocused its two children's homes so that one provided long term placements while the other became a short term home with a focus on rehabilitation and developing family resilience. Over a six month period this proactive approach has enabled the home to provide short term care for ten young people who have returned home to live with their families without the need for a further care episode.

Developing a pathway of services for vulnerable young people: Oxfordshire Country Council

Oxfordshire has taken a partnership approach to developing housing and support services for vulnerable young people aged 16-24 including looked after children aged 16-18 and young people leaving care. Funding from the Children, Young People and Families Directorate, Supporting People Partnership and the local housing authorities has been brought together into a joint commissioning process to enable the development of a clear pathway of services for young people and prevent homelessness. The process, overseen by the Children's Trust, was underpinned by a joint commissioning strategy and a partnership agreement.

The service pathway has a single point of referral and includes services that provide emergency, short term provision focussed on assessing needs and longer term supported housing where young people develop and practice their independent living skills. In addition there are specific services for young asylum seekers and young people with multiple needs.

This approach has enabled a 20% efficiency saving to be made while maintaining the level of provision in the County. All new contracts are clearly focussed on the outcomes for young people and will be closely monitored to ensure these are being achieved.

Strategic Service Delivery Partnership: Buckinghamshire Country Council

In preparation for the sufficiency duty, Buckinghamshire is redesigning its approach to securing foster care places. To reduce waste, the Council is considering the replacement of two separate processes for in-house and external provision with a strategic partnership with other local authorities and independent fostering agencies to deliver an integrated fostering service. The arrangement is based on a service specification which incorporates the national contract for fostering and the national minimum standards for foster care. It is anticipated that this model will increase placement choice across the local authorities involved, reduce bureaucracy created by the present systems, and improve the efficiency and effectiveness of services.

Section E: Further information and next steps

49. In Section A, local authorities, together with their Children's Trust partners, are urged to:

- systematically review the current situation in relation to securing accommodation which meets the needs of looked after children and young people;
- have regard to the standard for commissioning practice set out in this guidance and identify areas for improvement;
- develop or enhance their strategic commissioning processes so that all relevant services make a full contribution to meeting the needs of looked after children; and
- set priorities for action between now and April 2011.

50. This section signposts to sources of information to support them in this work.

Policy

Care Matters: Time for Change. 2007. TSO

This White Paper introduced the concept of the sufficiency duty, as well as a range of other policy developments designed to improve outcomes for looked after children.

The Children's Plan. 2007. Department for Children, Schools and Families

Paragraph 7.8 sets out the role of universal services at the heart of an effective system of prevention and early intervention.

Who Pays? Establishing the Responsible Commissioner. 2007. Department of Health

For children placed out of area, local authorities and PCTs should refer to this 2007 guidance which is in place to establish who pays for and commissions a patient's care.

Adoption and the Inter-agency Fee by J Selwyn, J Sempik, P Thurston and D Wijedasa. 2009. Department for Children, Schools and Families

A study exploring the costs of arranging adoptions by local authorities and voluntary adoption agencies.

Commissioning practice

Department of Health and Department for Children, Schools and Families Commissioning Support Programme

The Commissioning Support Programme provides tailored support as and when Children's Trust partners need it. It has developed online resources and networks to help commissioners share best practice. See www.commissioningsupport.org.uk for further information and resources, including the following:

Achieving Better Outcomes: Commissioning in Children's Services. 2009. Commissioning Support Programme

Introduces the essential characteristics of good commissioning in children's services.

Commissioning for Looked After Children: Practice Guidance. 2009. DCSF

This guidance was developed in conjunction with commissioners and providers. It is aimed at lead members, directors of children's services and senior commissioners and

sets out a number of practical solutions which may be useful in optimising the commissioning of LAC services.

Tools

Monte Carlo model

www.dcsf.gov.uk/everychildmatters/resources-and-practice/IG00215/

Monte Carlo is a recognised statistical technique recommended by the Treasury. It enables commissioners to consider the many factors that may affect levels of expenditure and to estimate spend while considering uncertainty. This spreadsheet based tool provides easy access for local authorities to Monte Carlo statistical modelling techniques.

Education of looked after children toolkit

www.audit-commission.gov.uk/localgov/audit/childrenandyoungpeople/lactoolkit/pages/default.aspx

This toolkit is produced by the Audit Commission and has been designed to help councils improve the educational outcomes of looked after children. It is based upon rigorous, honest self-assessment of current outcomes and processes, which will enable councils to identify key areas for improvement. The downloadable self-assessment tool generates spreadsheets and charts to show progress. An action plan is also provided.

Healthy Care Programme

www.ncb.org.uk/healthycare

The Healthy Care Programme is supported by DCSF through regional government offices and developed by the National Children's Bureau. It seeks to improve health and wellbeing outcomes for looked after children by developing good practice through partnership working, policy development and the participation of looked after children and young people. The Healthy Care Audit Tool aims to help local authorities and NHS services take stock of where they are in providing good quality services to looked after children, and what actions they have to take to bring about improvements. It takes account of the Healthy Care Standard.

Annex: Excerpt from the Children Act 1989

“22G General duty of local authority to secure sufficient accommodation for looked after children

(1) It is the general duty of a local authority to take steps that secure, so far as reasonably practicable, the outcome in subsection (2).

(2) The outcome is that the local authority are able to provide the children mentioned in subsection (3) with accommodation that—

- (a) is within the authority’s area; and
- (b) meets the needs of those children.

(3) The children referred to in subsection (2) are those—

- (a) that the local authority are looking after,
- (b) in respect of whom the authority are unable to make arrangements under section 22C(2), and
- (c) whose circumstances are such that it would be consistent with their welfare for them to be provided with accommodation that is in the authority’s area.

(4) In taking steps to secure the outcome in subsection (2), the local authority must have regard to the benefit of having—

- (a) a number of accommodation providers in their area that is, in their opinion, sufficient to secure that outcome; and
- (b) a range of accommodation in their area capable of meeting different needs that is, in their opinion, sufficient to secure that outcome.

(5) In this section “accommodation providers” means—

- local authority foster parents; and
- children’s homes in respect of which a person is registered under Part 2 of the Care Standards Act 2000.”