

Cabinet

30 July 2024

Regional Care Co-Operative (RCC)

Portfolio Holder: Councillor Adam Price, Portfolio Holder for Children's Services (including statutory responsibilities)

Report from: Raj Bharkhada – Assistant Director Children's Social Care

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Summary

This report provides the Cabinet with information about the development of the Regional Care Cooperative (RCC) Pathfinder. This is a Department for Education (DfE) funded project to encourage local authorities (LAs) to work together more closely on the commissioning and procurement of placements for looked after children. The Southeast has been approved as a national pathfinder and this report seeks Cabinet approval for Medway to join the RCC Pathfinder for the South East.

1. Recommendations

- 1.1. The Cabinet are asked to agree that Medway Council join the RCC Pathfinder and enter into relevant discussions and collaborations with DfE/other LAs as appropriate.
- 1.2. The Cabinet are asked to agree to delegate authority to the Director of People and Deputy Chief Executive, in consultation with the Portfolio Holder for Children's Services, to finalise and enter into relevant agreements such as Partnership Agreements and Service Level Agreements that result from Medway's involvement in the RCC Pathfinder.
- 1.3. The Cabinet are asked to agree to receive a further report on the development of the RCC later in the year when more detailed information about the implications and opportunities of the project for Medway Council are available.

2. Suggested reasons for decision(s)

- 2.1. Medway can benefit by working collaboratively on selected areas of development with other SE Local Authorities. Other South East authorities have agreed to join and being part of the RCC opens Medway up to further collaboration and funding opportunities over the next 2 years.

3. Budget and policy framework

- 3.1. The involvement would support a number of strategies including 'A Place Called Home' Medway Sufficiency Strategy 2023-2025. Child Friendly Medway, People Strategy 2021-25 and numerous other parts of the One Medway Council Plan 2024.

4. Background

- 4.1. The DfE published Stable Homes, Built on Love – an Implementation strategy and consultation on 2 February 2023. The consultation was backed by £200million additional investment. DfE launched a competition for regions to bid for the opportunity to be funded to implement an RCC. Medway Council expressed an interest to be part of the successful regional bid and will be working with the other 18 LAs involved to design and develop our RCC.
- 4.2. The Stable Homes, Built on Love Strategy sets out a vision to re-balance children's social care away from costly crisis intervention to more meaningful and effective early support. It sets out actions that seek to:
 - Address urgent issues facing children and families now
 - Lay the foundations for whole system reform
 - Set national direction for change
- 4.3. DfE state it will reform in phases, investing £200million over the next two years. After two years they will refresh the Strategy, scaling up new approaches that have been tested, and bring forward legislation (subject to parliamentary time).
- 4.4. DfE are running two regional Pathfinders to pilot RCCs. The South East region was successful in bidding for one of the pathfinder projects and has been awarded a grant of £1.95million of revenue funding and £5million of capital funding open to the 19 authorities in the region. As one of two regions taking part, we will play a key role in shaping future delivery of this key development in children's services.
- 4.5. RCCs are viewed as a radical shift in the care system and are part of a broader package of measures the DfE is beginning to deliver to transform the care placement market. Further measures include investing £259million to support areas to maintain capacity and expand provision in both secure and open children's homes, and £27million to recruit and retain more foster parents. In line with the Competition and Market Authority report recommendations, it is intended there will be national forecasting, procurement, and market shaping support; introducing a financial oversight regime; and reforming care standards. The DfE are also considering changes to ensure that planning requirements, or local interpretation of them, are not a barrier to the creation of more homes for children.
- 4.6. RCCs aims include the following areas:
 - Establish specialist data capabilities – the RCCs would analyse the LAs' data to improve the forecasting of demand across the region.

- Develop a regional sufficiency strategy – using their improved forecasts, the RCCs would develop robust plans for ensuring sufficiency across the region.
- Gain greater negotiating power with providers and, with greater confidence in its forecasts, be able to better shape the local market.
- Invest in new public provision – by securing better value for money, the RCCs will have greater financial confidence to invest in more public provision to meet local needs.
- Recruit, train, and support foster carers across the region – LA fostering services would transfer to the RCC which would harness its larger scale to provide specialist marketing, recruitment, training, and support for foster carers across the region.

5. Options

- 5.1 Option 1 -To agree to participate in the RCC Pathfinder Project - Medway Council has significant pressures and challenges finding affordable placements for Children in Care and have attempted a number of initiatives to develop access to affordable placements. This market is extremely difficult to engage with. The RCC represents a good prospect of developing new and innovative ways to secure the placements and resources needed for looked after children. The DfE are providing funding to design a new approach and access to capital grants that are not available to authorities who are not part of an RCC pathfinder.
- 5.2 Option 2 - To opt out of the RCC. This would likely mean that we would be the only one of 18 SE LA's not to take part and we would have to turn down a grant offer of £912,872 (referenced below at 9.1.2 and is the subject of another report on this agenda entitled 'Aut Even Redevelopment').

6. Advice and analysis

- 6.1. The RCC is at its very early stage and what we have seen from the pathfinder in the North East is that some of the initial aims developed into wider ideas and scope.
- 6.2. There is no obligation to provide funding/resource into the RCC unless the Local Authority feels that it would benefit from a pooled budget or shared projects.
- 6.3. The partnership will include the NHS through Integrated Care Boards, the Youth Justice sector and others involved in providing placements and supporting looked after children and young people.
- 6.4. A project team is being set up to create the capacity required to design and implement the RCC. This is made up of a combination of people representatives from South East LAs and additional capacity recruited centrally to support the project. The work will be led by a SE Director of Children's Services (DCS) who will be seconded to the programme.

- 6.5. The project is being broken down into two phases. The first is an intensive design phase (between now and the end of summer 2024) and the second is a longer implementation phase from September to go live on 30th June 2025.
- 6.6. The design phase will be led by a small group of DCSs and key partners representing NHS (ICB) and Youth Justice, supported by the project team. This group will meet on multiple occasions in the summer of 2024 to develop the outline design for the RCC. This will include the structure, terms of reference and governance arrangements. A further report will be presented to the Cabinet in the autumn.

7. Consultation

- 7.1 No consultation has been undertaken with stakeholders but extensive consultation with local authorities has taken place over the past 6 months

8. Climate change implications

- 8.1. There are no direct implications in relation to climate change arising from this report.

9. Financial implications

- 9.1 The DfE will support the Pathfinder regions to get started as follows:

- 9.1.1 Up to £1.95million for the RCC to set up the new arrangements:
- Funding is to cover legal due diligence, HR, finance and project management costs plus evaluation of the pathfinders.
 - The DfE have also procured a delivery partner to work with RCC regions to support their successful implementation. This will include intensive support and access to a wide range of skills and knowledge to help set up the RCC.

- 9.1.2 £5million capital funding per RCC to develop new provision:
- Medway have been offered £912,872 for capital development if we participate in the RCC (there is more detail on this in a separate report within this agenda regarding the redevelopment of Aut Even)
 - There is a tight deadline to spend the money: funding has to be committed by March 2025.
 - DfE are not asking regions to match-fund the money.

- 9.2. As set out in paragraph 6.2 above, there is no obligation to provide funding/resource into the RCC unless the Local Authority feels that it would benefit from a pooled budget or shared projects. Following the design phase of the RCC project (which is scheduled to be completed in late July), we will have more information about the specific cost and staffing implications that there could be through the RCC for Medway Council, along with the business case which will set out the expected benefits of the RCC. At this stage, we will analyse the implications and if they cannot be delivered within existing budgets, we will present a further report setting out the full

implications and request agreement to make the changes if needed. This may include some financial and staffing implications (e.g. a possible requirement to contribute funding or staff to the RCC in exchange for specific services).

10. Legal implications

- 10.1 Partnership Agreements will be required in establishing an RCC. It is assumed a lead LA will be required to manage the funding and employ staff to deliver the RCC Project. It is likely that when developed the RCC will operate as a hosted service in one of the South East local authorities.
- 10.2 Legal advice will be sought in relation to any subsequent contractual activity in developing the pilot projects.
- 10.3 A further report will be presented in Autumn 2024 when the full design of the RCC has been agreed. This will provide further detail of the agreements reached and the legal and financial implications.

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Appendices

Appendix A – List of LAs that have indicated that they will be part of the RCC

Background papers

1. Independent review of children's social care: final report
<https://www.gov.uk/government/publications/independent-review-of-childrens-social-care-final-report>
2. Children's Social Care: Stable Homes, Built on Love
https://assets.publishing.service.gov.uk/media/650966a322a783001343e844/Childrens_Social_Care_Stable_Homes_Built_on_Love_consultation_response.pdf