

**JOINT EDUCATION, YOUTH & CULTURE & SOCIAL & HEALTHCARE  
OVERVIEW & SCRUTINY COMMITTEE**

<b>Date of Meeting</b>	Thursday 30 <sup>th</sup> June 2022
<b>Report Subject</b>	Placement Commissioning Strategy (Children)
<b>Cabinet Member</b>	Deputy Leader of the Council and Cabinet Member for Social Services and Wellbeing
<b>Report Author</b>	Chief Officer (Social Services)
<b>Type of Report</b>	Strategic

**EXECUTIVE SUMMARY**

On 23<sup>rd</sup> May 2022, Albert Heaney CBE, Chief Social Care Officer for Wales, wrote to all local authorities to outline the Welsh Government's commitment to eliminate private profit from the care of looked after children. The stated aim is to transition to a not-for-profit system of care in the sector in Wales by transforming the market through the expansion of provision via public sector, charitable or not-for-profit organisations.

Local authorities were tasked with reviewing their Placement Commissioning Strategies (PCS) for the relevant service area for the 2022-2025 period to enable modelling and forecasting of future requirements by Welsh Government to inform the transition to a not-for-profit system. The deadline for submission of the local authority's Placement Commissioning Strategy to Welsh Government is 30<sup>th</sup> June 2022.

The purpose of the strategy review is to consider the future profile of residential and foster care services and plans for achieving this through development and evolution of services and assessment of workforce capacity and capability of the workforce. The strategy review is also to incorporate future financial modelling required to deliver services in order to support bids for financial support from a dedicated Welsh Government £30M fund which aims to support the transition to a not-for-profit system of care within the sector.

A subsequent review of the local authority's Placement Commissioning Strategy has been undertaken and details a programme to rebalance the children's care market within Flintshire in accordance with the stated aims of Welsh Government to eliminate profit. This programme will necessitate significant investment in key service areas such as residential services, fostering provision and also investment in those children deemed to be on the 'edge of care'.

Flintshire has one of the lowest rates of looked after children amongst local authorities within Wales. However, the relatively high population and geographical proximity to densely populated areas that experience higher than average levels of social deprivation, are contributory factors to Flintshire having the highest number of looked after children in residential care of all local authorities in North Wales.

The local authority has been proactive in commencing an ambitious programme for development of in-house residential children's services. The strategy outlines objectives towards further expansion in this area with plans for a further two in-house residential services. However, the plans for the additional prospective developments are conditional to receiving additional funding as part of the £30M allocation from Welsh Government.

The further developments would significantly reduce the reliance on the independent sector for residential provision. If the additional funding is not granted by Welsh Government to fund the potential developments, it is unlikely that the local authority will be able to source the requisite capital and revenue funding required to fulfil the plans for future residential provision as outlined in the strategy document.

Due to the timescale for submission of the strategy as indicated by Welsh Government, a meeting of the Social Services Programme Board was convened on 15<sup>th</sup> June 2022 where the draft report was presented.

## RECOMMENDATIONS

1	The report seeks approval for the future commissioning intentions as detailed in the Placement Commissioning Strategy to be submitted to Welsh Government.
---	--

## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE PLACEMENT COMMISSIONING STRATEGY</b>
1.01	The Welsh Government have made a commitment to the 'Eliminate private profit from the care of looked after children' Programme for Government and highlighted this a priority for delivery during the current Senedd term.
1.02	On 23rd May 2022, Albert Heaney CBE, Chief Social Care Officer for Wales, wrote to all local authorities to outline the Welsh Government's commitment to eliminate private profit from the care of looked after children.
1.03	The correspondence from Albert Heaney CBE made reference to a £30M Welsh Government fund available to local authorities over a 3 year period to assist with transforming children's care provision into the not for profit system of care as aspired to by Welsh Government.
1.04	Welsh Government are working with the Children's Commissioning Consortium Cymru (4C's) to collate data submitted from Welsh local

	authorities relating to existing foster care and residential care placement requirements to inform an overview of current market sufficiency.
1.05	In addition to mapping existing residential and foster care provision across Wales, Welsh Government have stated the need to undertake demand modelling and forecasting for future service requirements which will inform the transition to the not-for-profit system of children's care services.
1.06	To facilitate this process, each local authority in Wales has been requested to review their existing Placement Commissioning Strategies with specific focus on projection of future needs analysis and the requisite models, care and services required to satisfy anticipated demand.
1.07	It was stated that strategies should consider the future shape of required residential and foster care provision and plans to achieve and deliver the services needed. Financial considerations for future service developments and associated costs are also required to be included in the strategy to assist with bids from the £30M fund allocated to the transformational programme.
1.08	Therefore, the local authority has undertaken a review of the Placement Commissioning Strategy in accordance with the instruction from Welsh Government. The strategy has been updated to reflect both the current situation and outline the local authorities programme to satisfy future demand for services with an emphasis on rebalancing service provision according to the not-for-profit ethos as advocated by Welsh Government.
1.09	<p>Eliminating profit within the children's care market will require significant investment in key service areas such as residential services, fostering provision and also investment in those children deemed to be on the 'edge of care'. Analysis has identified that Flintshire has the highest rate of looked after children in residential care in North Wales.</p> <p>In order to meet the anticipated demand for residential placements the current data suggests that we need to develop in-house residential care for twenty children for the period covered by this strategy.</p>
1.10	<p>The local authority has already commenced a programme of developing in-house residential children's care homes as part of its Care Closer to Home programme. During 2022/2023 the local authority will be opening four registered services in Flintshire each with its own individual offer and focus.</p> <p>Subject to the availability of additional funding via the £30M Welsh Government fund, there are plans to develop a further two registered in-house residential services, subject to business case approval.</p>
1.11	The Placement Commissioning Strategy outlines the future commissioning intention regarding the additional residential provision referred to in 1.10 and provides indicative figures as to the projected capital and revenue costs associated with each development.

1.12	The strategy also outlines the commitment towards employing a dedicated Responsible Individual (RI) for the portfolio of local authority operated children's services.
1.13	There is currently no capital nor revenue funding identified within the local authority budget or via grant funding sources such as the Regional Integrated Fund (RIF) to achieve the aim of developing the additional two proposed residential services. Consequently, realising these developments as stated within the timescale of the strategy is conditional to receiving additional grant funding from Welsh Government via the £30M grant.
1.14	<p>The risk of not obtaining additional funding as part of the bid via the submission of the Placement Commissioning Strategy is that the local authority is unable to realise its ambitious target for expanding the number of in-house residential placements.</p> <p>Accordingly, the pace at which the local authority can proceed in transitioning from out of county residential placements to locally based not-for-profit care, will be to some extent constrained by the availability and access to the additional Welsh Government funding.</p>
1.15	<p>The draft strategy was presented at a specially convened meeting of the Social Services Programme Board on 15th June, 2022. This meeting was scheduled in order for the draft strategy to be presented to the board to comply with the deadline of submission for the strategy of 30th June, 2022 as requested by Welsh Government.</p> <p>The draft strategy received approval by the board.</p>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	To realise the ambition to develop two further residential registered services as stated in the strategy, capital funding would be required for the 2023/24 financial year and revenue funding for the 2024/25 financial year and beyond.
2.02	It is anticipated that subject to business case approval, indicatively each prospective development would require approximately £0.8-1.0 M in initial capital funding and additionally, continued revenue funding of approximately £0.345m per annum when the services become operational.
2.03	It is also anticipated that the local authority would require investment to employ a specific Responsible Individual for Children's services in order to comply with requirements under The Regulation and Inspection of Social Care (Wales) Act 2016. This post will need to be recruited to and funded in the immediate term to support the stated ambition for service transformations as outlined in the Placement Commissioning Strategy.
2.04	There is a current revenue funding commitment in the local authority's Medium Term Financial Strategy (MTFS) of £300K per annum for the next three years towards the operational costs of one in-house residential service currently in development.

	<p>The funding request as outlined in the strategy would request revenue funding of £350K per annum for each year of the programme, with £50K allocated towards funding a dedicated Children’s Responsible Individual role.</p> <p>If funding was awarded accordingly from the £30M grant then this may alleviate some pressure from the allocated budget in the local authority Medium Term Financial Strategy.</p>
2.05	<p>Commitments for the £30M grant from Welsh Government have been made up to and including the 2024/25 financial year. The financial situation regarding the grant beyond this period is not currently clear. It is likely that significant continued funding from Welsh Government will be required beyond the current timescale in order for local authorities to deliver aspirational and transformative programmes.</p>
2.06	<p>As stated above, the prospective residential developments outlined as part of the commissioning strategy will necessitate continuing revenue costs which could be mitigated in the short to medium term if the local authority funding bid was successful as stated.</p> <p>If continued dedicated grant funding beyond the 2024/25 financial year was made available from Welsh Government, this may partially or completely mitigate the increased revenue costs associated with the newly developed internal residential provision.</p>
2.07	<p>Furthermore, as the ratio of local authority operated residential provision increases in relation to external placements, it would be expected that the subsequent reduction in expenditure on external placements would offset some of the revenue costs of the expanded portfolio of in-house residential provision.</p>

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
3.01	<p>There is a risk that inability to source additional funding via the £30M Welsh Government grant will adversely affect the capability of the local authority to transform residential service provision to a locally based not-for-profit care model on a sufficient scale according to local needs analysis.</p>
3.02	<p>Development of regulated local provision to enable more looked after children to live closer to home is likely to result in better outcomes for children in receipt of care. Financial constraints on the development of local residential provision as outlined in the strategy will affect the feasibility of this and necessitate continued use of out-of-county provision at a higher volume than would otherwise be necessary.</p>
3.03	<p>The prospective development of additional in-house residential provision will require significant workforce recruitment and staff development. It is acknowledged that recruitment within the social care sector is challenging</p>

and an innovative approach towards both recruitment and retention will be necessary in a competitive employment market.

3.04

Although it is acknowledged that this is a strategic report presenting a revised strategy which details future commissioning intentions, a full Integrated Impact Assessment has not been completed as part of this report.

Given the timescales as directed by Welsh Government for submission of individual local authorities' Placement Commissioning Strategies, it would not have been possible to complete a fully, signed off Integrated Impact Assessment to accompany this report in time for submission.

The strategy is nonetheless a live document and it is anticipated that an Integrated Impact Assessment could be completed as part of any subsequent review or update to the Placement Commissioning Strategy.

**Ways of Working (Sustainable Development) Principles Impact**

Long-term	Positive impact – The strategy outlines the local authority's plans to transition to the not-for-profit' system of care as detailed by Welsh Government in the longer-term whilst ensuring that strategies for commissioning provision in the short to medium term are in situ.
Prevention	Positive impact - Through enabling more children to live closer to home and achieve positive outcomes regarding health and well-being. Opportunity to develop local provision and markets to best meet the commissioning needs of the local authority.
Integration	Positive impact – Implementation of the strategy will enable more children to live closer to home and configure service provision within the sector in alignment with the not-for-profit vision as stated by Welsh Government.
Collaboration	Positive impact - Collaboration with local providers who are committed to the not-for-profit ethos to develop partnership working within the sector and to deliver positive outcomes.
Involvement	Positive impact – Increased development of regulated local provision will facilitate greater oversight of commissioned services and allow for effective stakeholder involvement.

<b>Well-being Goals Impact</b>	
Prosperous Wales	Positive impact on local economy through development of locally based service provision.
Resilient Wales	Neutral impact.
Healthier Wales	Positive impact through enabling more children to live closer to home and achieve positive outcomes regarding health and well-being.
More equal Wales	Positive impact through improving educational opportunities and reducing adverse childhood experiences
Cohesive Wales	Positive impact through enabling more children to be active and connected to their local communities.
Vibrant Wales	Neutral impact.
Globally responsible Wales	Positive impact through development of new local service provision which could contribute to reduced carbon footprint in the supply chain in accordance with the goals of the local authority Climate Change Strategy 2022.

<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	There has been engagement from officers in the Social Services Planning and Development Team with associated professionals within the Social Services and the Education and Youth directorates to inform the needs analysis and ambitions for the Placement Commissioning Strategy.
4.02	The North Wales Population Needs Assessment (April 2022) collated stakeholder feedback relating to children's services and service providers.

<b>5.00</b>	<b>APPENDICES</b>
5.01	<p>Appendix 1 – Copy of the letter dated 23<sup>rd</sup> May, 2022 from Albert Heaney CBE, Chief Social Care Officer for Wales. English</p> <p>Appendix 2 - Copy of the letter dated 23<sup>rd</sup> May, 2022 from Albert Heaney CBE, Chief Social Care Officer for Wales. Welsh.</p> <p>Appendix 3 - Placement Commissioning Strategy</p>

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p>Please see below a link to the North Wales Population Needs Assessment (published April 2022).</p> <p><a href="https://www.northwalescollaborative.wales/wp-content/uploads/2022/04/Population-Needs-Assessment-April-2022-Final-2.1.pdf">https://www.northwalescollaborative.wales/wp-content/uploads/2022/04/Population-Needs-Assessment-April-2022-Final-2.1.pdf</a></p>

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<p><b>Contact Officer:</b> Craig Macleod, Senior Manager: Children and Workforce  <b>Telephone:</b> 01352 701313  <b>E-mail:</b> <a href="mailto:craig.macleod@flintshire.gov.uk">craig.macleod@flintshire.gov.uk</a></p>

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
8.01	<p><b>Children’s Commissioning Consortium Cymru (4C’s):</b> a pan-Wales team that support local authority Children’s Social Services departments to commission placements for looked after children. All Welsh local authorities are members of the Children’s Commissioning Consortium Cymru.</p> <p><b>Medium Term Financial Strategy (MTFS) :</b> A strategy that provides a financial framework within which financial stability can be achieved and sustained in the medium term to deliver the Council's key strategic outcomes, priorities and sustainable services.</p> <p><b>Placement Commissioning Strategy:</b> The Institute of Public Care define a Placement Commissioning Strategy as ‘a formal statement of plans for securing, specifying and monitoring services to meet people’s needs at a strategic level.</p> <p><b>Regional Integrated Fund:</b> The Health &amp; Social Care Regional Integration Fund is a five year fund from April 2022-March 2027. The fund is intended to enable integration of health and social care services.</p> <p><b>Responsible Individual (RI):</b> The Regulation and Inspection of Social Care (Wales) Act 2016 requires providers to designate a Responsible Individual (RI) for each place at, from or in relation to which a regulated service is provided as part of the registration process.</p> <p><b>The Regulation and Inspection of Social Care (Wales) Act 2016 (RISCA):</b> The Act became law on 18<sup>th</sup> January 2016 and provides the statutory framework for the regulation and inspection of social care in Wales.</p>