

Fostering the future

Paper 1

Helping local authorities to fulfil their legal duties

Matthew Oakley

SMF

**Social Market
Foundation**

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EXECUTIVE SUMMARY

This report is the first of two reports that look at how to improve the system of foster care in England. The need to do so is clear. Children experiencing the system have significantly poorer outcomes than their peers without care experience.

Our previous work in this area has argued that our collective sights must be set higher. In particular, we have called on the Government to set out a "Charter for Looked After Children", committing to raising the standards of care we expect and closing the gap in outcomes between children with experience of care and their peers. Our work has also focussed on the need to ensure that more is done so that local authorities improve the services they provide. In this respect, it is remarkable that prior to the pandemic, half of local authorities being judged to need improvement to be good or simply inadequate was not headline news. This would not be the case were it to be found in our school system, where 76% (secondary) and 88% (primary) are judged to be either good or outstanding.¹

With this in mind, it is welcome that the Government has launched an independent review of Children's Social Care and, as the country looks to build back better following the COVID-19 pandemic, it is vital that this review leads to action that improves outcomes for this vulnerable group.

This report focuses on the foster care system, which around three-quarters of all looked after children in England rely on. This is a system that has received significant attention over recent years, with Government reviews focussed on how the system performs and how it can be improved. However, progress remains slow and significant underlying issues remain.

The crisis has also been felt sharply across children's social care: while referrals have fallen during school closures, wider evidence points to increasing pressures, further straining budgets and new and deeper challenges. However, full evidence and data covering the impacts of the last year will take time to surface. As such, our focus is on the situation pre-pandemic.

To understand the scale of the issues involved, this report assesses whether the current system of foster care in England meets the needs of children who require foster care. In this respect, taken at face value, the number of available placements in the foster care system is large enough to meet the number of children needing care within it. Evidence also suggests that "...the overwhelming majority of children who need to be fostered are quickly found placements." However, overall, this report finds that it is very unlikely that the current system meets the needs of children and young people within it. There are a number of reasons for that:

- **Placement instability** - Despite a recent focus on improving placement stability, evidence on the current foster care system reveals significant levels of instability that is highly suggestive of poor placement matches due to a lack of effective capacity. More than half (51%) of foster placements that ceased in England in the year to the end of March 2020, lasted for less than six months. More than one in ten (12%) lasted less than a week.²

- **Next-best placements** - Existing reviews have suggested children are placed in the most appropriate of the available places, rather than necessarily a placement that meets their needs. One key example is that the latest data shows that one in eight (13%) children needing foster care as part of a sibling group are not placed according to the plan to place them together (affecting 8,360 children in England over the last five years). This figure varies across England from 20% in London to 9% in the North West and North East.
- **Out of approval range placements** - Research from the Fostering Network's *State of the Nation* 2019 report found that half of foster carers involved in the study had been asked to take children from outside of their specific age approval range. Nearly a third (30%) had been asked to take children from outside of the type of fostering that they are approved for. Of those with a specific age range for which they are approved, the report found that 32% had felt pressured into fostering outside of their age or type of fostering range; hardly a signal of a system that has adequate supply of foster carers to meet the needs of those children coming into foster care.

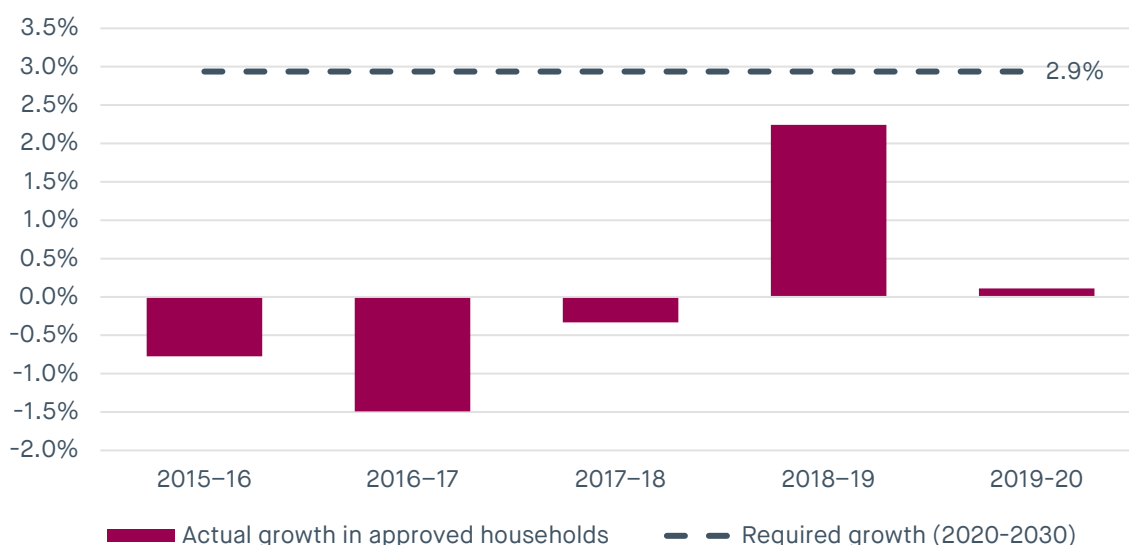
All of these examples point to the fact that is that **it is not the overall number of places that are available that matters. It is the appropriateness of these places and whether they meet the needs of children coming into the system.** This means that simply comparing places with children tells us very little about effective capacity within the foster care system. This echoes previous research, which found that there was a need to recruit 7,300 foster families into the system in order to meet needs in the next year alone.³

This all points to the current system not meeting current demands. We also know that pressure on the system is rising, with increasing numbers of children and young people needing foster care each year. In fact, based on the growth seen in the last five years, we could expect that close to 77,000 children will be in foster care by 2030; an increase of more than 30% from now.

Even if we assumed that the current number of foster carers is currently adequate to meet needs, meeting this increased number of children requiring foster care in 2030 would mean the number of fostering places increasing by 2.9% a year until then. The chart below demonstrates that, in all but one of the last five years, growth in foster care places was significantly lower than that level.

This suggests that, in the context of a system that currently looks to be failing to meet needs because of a lack of effective capacity, the future is only going to get worse.

Growth in foster care families 2015-2020, and that required to meet potential 2030 demand



Source: Ofsted, SMF projection

A lack of understanding of needs makes it impossible to meet them

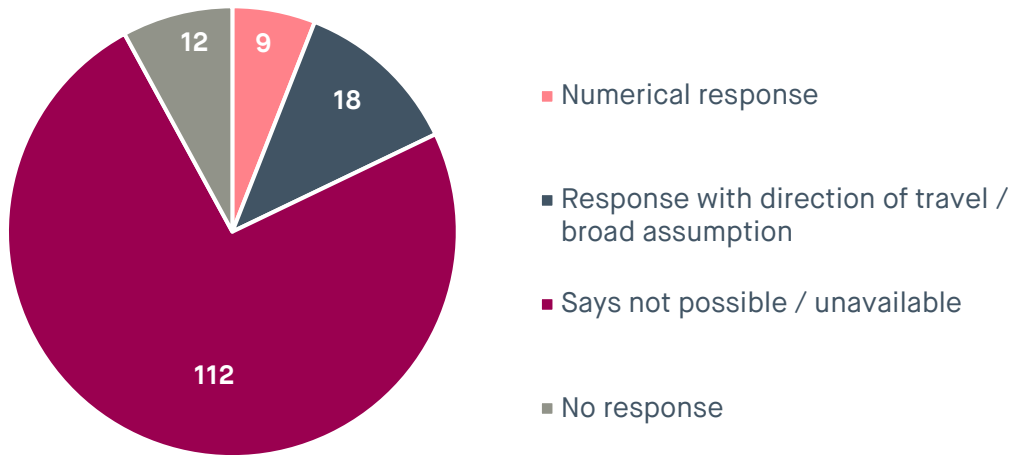
Meeting needs relies on the extent to which local authorities are able to understand the needs of children requiring foster care today and in the future, and then recruit and retain (directly, or through IFPs) the right number and range of foster carers to meet these needs. This report highlights significant issues with the first step of this: understanding needs.

This sounds, and is, complex. However, local authorities already have a statutory responsibility (their “sufficiency duties”) to do this. As such, we sought to assess the extent to which they currently fulfil these duties. However, publicly available statistics currently provide almost no information on the assessed needs of children entering the system and whether these are being met.

The exception is that information is available on sibling groups entering the care system and their subsequent placements. As highlighted above, data shows that significant proportions of children entering the care system as part of a sibling group are not placed in a way that fully meets their needs.

To try to explore this issue further, we sent out Freedom of Information requests to all 151 local Authority fostering agencies, asking them what they know about their provision of places for sibling groups and what they expect future demand from these groups to look like.

Summary of FOI responses on whether current and future needs for fostering sibling groups had been assessed



Source: SMF

In all, only 9 local authorities (6%) provided detail on the numbers of sibling groups that they expected to need to provide placements for in future years. A further 18 (12%) provided broad information on the expected direction of travel. **The vast majority (112, 74%) said that the information was not available or that it was not possible to calculate the demand for placements for sibling groups.**

Responses, which were typical of the majority of responses, included:

“We don’t have current predictions of placements and therefore cannot answer about the potential sibling placements”

“We are unable to speculate on sibling group requirements in future years”

“This information is not held by [local authority] as it does not forecast demand for fostering placements.”

“Placement demand changes on a day to day basis and predicting future years is not answerable without undertaking detailed analysis of children accessing services at all levels.”

The overall findings point to a systematic lack of strategic planning with regards to meeting the needs of what is an easily identifiable group of children entering the fostering system. Beyond this, many of the responses also raised real questions over the extent to which any meaningful attempt is made to project future demand, either in terms of the overall number of children needing foster care, or the specific needs that they might have and how these might change over time.

Without this information, it is hard to imagine how an authority can meaningfully plan for meeting future needs, undertake effective recruitment or design training or the provision of wider support services to meet these needs. Aside from this lack of strategic planning, other reports and our own analysis show significant issues with recruitment and commissioning activity.

All this points to a systemic failure of local authorities to meet their statutory sufficiency duty. Given the widespread nature of these challenges, this report is not about pointing the finger at particular local authorities. Instead, it highlights the need for significant improvements in this area across the board.

What can be done about it?

The evidence in this report suggests that to meet legislative sufficiency duties, local authorities are likely going to need to have a large supply of foster carers (and fostering households), over and above the number of children in need of foster care. Combined with the increasing number of children needing to be fostered and the increasing complexity of needs presented by these children, this suggests that the overall number and diversity of carers within the system is likely to need to increase significantly. The second report in this series covers this in more detail. However, understanding by how much effective capacity needs to increase is virtually impossible with existing information.

Therefore, the starting point is to ensure that we have a better understanding of what it would take to ensure that the foster care system has an adequate level of effective capacity in the system. This means that, across the fostering system, we need to understand how many foster carers would be needed, and the skills, attributes and training they would require, in order to meet the needs of children and young people needing fostering now and in future years. The following recommendations aim to deliver this.

Recommendation one – A nationally coordinated assessment of effective capacity

Whilst needs should already be assessed and met through statutory sufficiency duties, it is clearly not happening. Given the importance of this agenda, in the short term, the Department for Education should lead a review, working with Ofsted, local authorities and IFPs to compile as much information as is known about current and projected future need. This should be used to develop a new measure of effective capacity that assesses the extent to which needs can be met (now and in the future) and can be used to develop rules of thumb over the likely level of excess capacity (based on children needing foster care and the number of placements available) required to meet needs.

Recommendation two – A national strategy for increasing effective capacity

The national assessment should be used to develop a national strategy for defining, measuring and delivering effective capacity, which can support local strategies. A key focus for this national review will be to ensure a significant increase in the number of short-term and flexible care places. The second report in this series will show that there is demand for short-term placements based on both children's, and their birth parent's, needs, the need to increase the use of existing models of flexible foster care, and to ensure that respite can be taken when needed. The findings also suggest that more opportunities for short-term flexible caring could attract new carers into the system (and previous carers back to the system).

In the longer term, it is essential that authorities have accurate and reliable information on the demand and supply of foster carer places in their areas to ensure the best possible match between foster carers and children in need. This is the only way in which they could meaningfully claim to be fulfilling their sufficiency duties. To force this to happen, we believe that central government should be more prescriptive about what is needed.

Recommendation three – Provide local authorities with more support to meet their duties and improve accountability

We believe that central government should be more prescriptive about what is needed to meet sufficiency duties and give more support for doing so, including:

- Updating guidance around the sufficiency duty. The guidance should be more specific by setting minimum standards around the information that local authorities should be expected to collect in order to produce effective strategic needs assessments and meet their duties. For example, this should include more information about the qualifications, skills and characteristics of current and prospective foster carers as well as detail on the headline needs of children being fostered. It should also require more consistent use, and recording, of exit interviews for foster carers who are deregistering.
- Publishing more data on needs and sufficiency. Once minimum standards are set, summary statistics on these issues can then be published as part of the national statistics currently produced by Ofsted. This would provide the opportunity to monitor performance across the country and increase accountability.
- Providing a resource for local authority planning. To support local authorities in delivering their legal duties, we believe that the Department for Education should commission the development of a flexible demand projection tool that can be used by local authorities who do not currently have their own resource for this.

As highlighted by other reports, the introduction of clearer and more consistently collected data, alongside minimum standards for training and pay, opens up the potential for two key things that could improve the ability of local authorities to recruit and retain foster carers and, ultimately, improve placement matches. These are:

Recommendation four – A national register for foster carers

A national register, alongside defined training standards, and effective data collection could be used to improve recruitment and support local authorities to improve matching, including understanding the full range of foster carers that might be able to meet the needs of a particular child. It would also enable foster carers to move between fostering service providers, as it could give providers reliable information on the carer's training and background and so reduce the need for unnecessary checks and re-training.

Recommendation five – Adopting regional commissioning

A large proportion of local authorities have to commission at least some of their care from IFPs. However, evidence shows that most local authorities are too small to be able to exert significant influence on the market; meaning that they can both pay too much and struggle to ensure there are enough carers with the right skills in the right places. In contrast, regional bodies that plan and commission strategically could shape and manage the market, with scope to lower prices through collective bargaining power, block contracting (buying a set number of places rather than just agreeing prices) and realising economies of scale. Whilst this already happens in some areas, we recognise that this would be a significant step nationally, so suggest that a staged approach would be appropriate, where existing practice in this area evaluated and trials developed based on the learnings from this..

Conclusion

The number of children in foster care, and the diversity and depth of their needs has increased over the last decade and looks set to continue to increase. Our previous reports have highlighted the need to raise our collective sights to try to close the gulf in outcomes between children with care experience and their peers that have not had experience of the care system.

However, this report has shown that it is very likely that local authorities are failing to meet their statutory duties to meet the needs of children in care, both now and in the future. At the heart of this is the fact that there is currently no systematic attempt to measure and deliver effective capacity to ensure that children's needs are met. The impact of this on placement quality and, therefore, children's outcomes, is clear to see.

This can, and has to, change. We have outlined five recommendations which will require close consideration and joint working between central and local government, Ofsted and IFPs. We believe that if taken forward, these approaches could contribute to a significant improvement in the extent to which the foster care system can meet children's needs and, in turn, outcomes for some of the most vulnerable children in our society.

CHAPTER ONE - INTRODUCTION

For over a year, the country's collective efforts have been focussed on tackling the COVID-19 pandemic and its associated health, economic and social impacts. As vaccines against the virus continue to be rolled out, policymakers' minds can rightly begin to focus on the future. In this respect, the Government's focus on levelling-up is the right one. The pandemic has shone a light on, and widened, the inequalities that have been present in the UK for decades.⁴ Tackling these issues is complex and will require a focus on initiatives that can make a difference to the places and, importantly, groups, which have been left behind.

Looked after children are one of these groups. Looked after children are taken into care for a range of reasons, including abuse or neglect, their parent's illness or disability and family dysfunction. Whilst they are in care, local authorities act as a "corporate parent". This report and others in the series are clear that those working in children's services, both within local authorities, and more broadly, are focussed on doing the best they can, within extremely tight budgets. However, there is no escaping the fact that outcomes for children with care experience are worse than their peers without experience of care. This can be seen across a range of indicators including wellbeing, education and health.

Of course, outcomes for many with care experience are improved by being taken into care and are often better than those children on the edge of care. However, on the whole, as our report *The Silent Crisis* highlighted,⁵ our ambition should be nothing less than a system which helps looked-after children catch up with their peers, achieve the same outcomes, and have access to the same opportunities as any other children. In short, our ambitions must be set higher.

The need to aim higher is also apparent within the services provided by local authorities. Here, prior to the pandemic, Ofsted assessments concluded that the children's services run by half of local authorities were judged to be inadequate or need improvement to be good.⁶ Whilst this represents an improvement in performance compared to previous years, it is remarkable that half of local authorities being judged in need of improvement to be good or simply inadequate is not headline news. This would not be the case were it to be found in our school system, where 76% (secondary) and 88% (primary) are judged to be either good or outstanding.⁷ This issue clearly needs to receive more attention from politicians and policymakers.

Thankfully, this has already been accepted by the Government. It has recently launched an independent review of children's social care.⁸ This is a significant step and we look forward to working with the review team as they undertake this work.

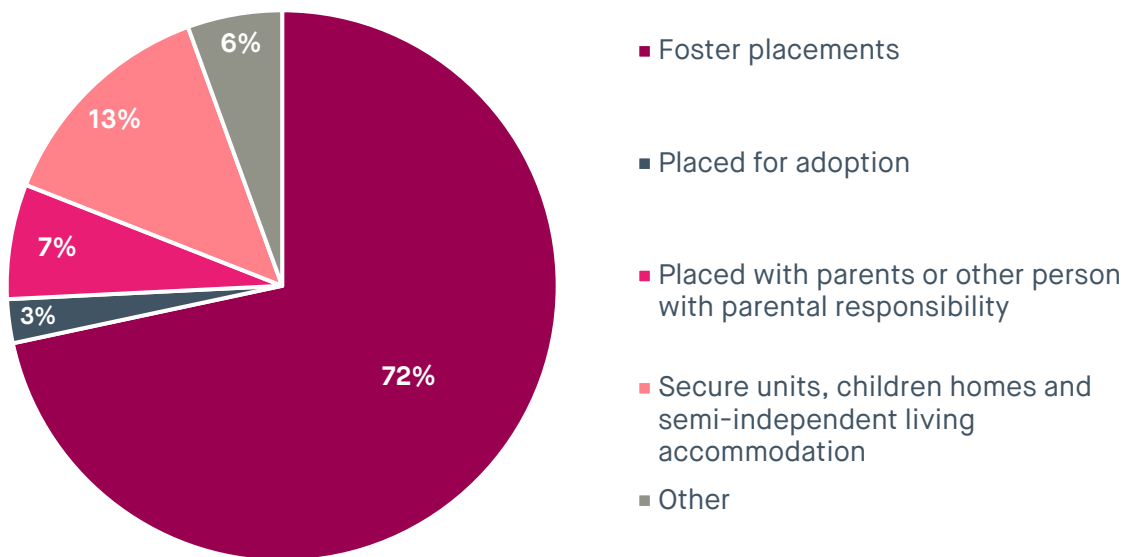
As part of our contribution to that process, this report is the first of two that focus on the foster care system that nearly three quarters of the 80,000 looked after children in England rely upon.⁹

The two reports consider the foster care system in England prior to the COVID-19 crisis. The crisis has been felt sharply across children’s social care: increasing pressures, further straining budgets and presenting new and deeper challenges. However, full evidence and data covering the impacts of the last year will take time to surface. As such, our focus on the situation pre-pandemic takes a step back from these challenges to ask whether, before being presented further challenges, the English foster care system was meeting the needs of the children who relied on it.

More specifically, this report looks at what we know about the extent to which local authorities were fulfilling their duties to plan for and provide placements that meet the needs of fostered children. The second report considers what we know about individuals and families that choose to become foster carers and how to ensure that carers with the right skills, training and attributes are recruited to and retained within the foster care system.

Together, the reports put forward recommendations that could improve the system and contribute to improving outcomes for the children within it.

Figure 1: Placements of children looked after at 31 March 2019



CHAPTER TWO - IS THE FOSTER CARE SYSTEM MEETING CHILDREN'S NEEDS?

Children and young people requiring foster care come into the care system from a range of different circumstances and situations, with very significant (and varied) needs. To meet these needs effectively, local authorities must ensure that they (directly, or through IFPs) have access to enough foster carers with the right skills, experience and personal qualities to match the needs of current and future children in need of foster care. Of course, alongside this, with local Authority budgets under increasing pressure to meet a range of services and growing costs, this all needs to happen whilst keeping a close eye on costs to ensure they are delivering value for money.

This raises the obvious question of the extent to which local authorities are currently successful in meeting this challenge. This section considers this question by assessing what we currently know about two separate, but related, questions:

1. **Are there enough foster care placements?** At the most basic level, are there enough foster carers in the system, providing enough places to house all those children who need to be fostered?
2. **Are there enough of the right kind of foster care placements?** As children enter the system, are there placements available that can meet their specific needs, in terms of the experience, skills and personal qualities of the foster carers?

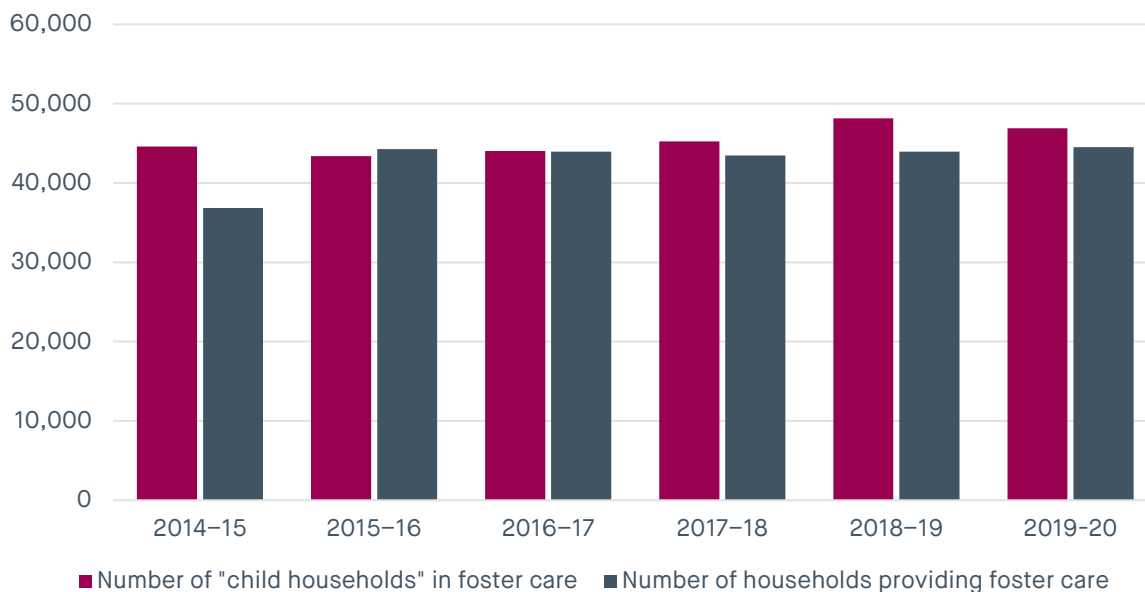
Are there enough foster care placements?

The first obvious part of answering this question is to assess whether there are currently enough foster carers in the system. Here we can see that there are currently more foster carers in England than children requiring a foster care placement. At the end of March 2020, there were around 75,300 approved foster carers, providing close to 90,000 approved fostering places, compared to around 56,500 children in foster care.¹⁰ The evidence also suggests that "...the overwhelming majority of children who need to be fostered are quickly found placements."¹¹

Taken at face value, this would suggest that there are more than enough carers in the system to meet demand. However, there are a number of deeper considerations here. First is that comparing the number of foster carers to the number of children in need of foster care can be a little misleading, as the majority (82%) of foster carers live in two-carer households. Further, while many fostering households are approved to accommodate more than one child, based on the needs and characteristics of the child this might not always be possible or feasible.

To take this into account, and provide a different perspective on the extent of capacity within the system and how this compares to the number of children needing foster care, we can compare the number of foster carer households and the number of "child households" needing foster care (i.e. the number of single children and sibling groups needing foster care). The results from this are shown in Figure 2 which shows (for example) that at the end of March 2020, there were around 47,000 single children or sibling groups in foster care, compared with 44,500 foster care households.

Figure 2: Comparing the number of child households (single children and sibling groups) in foster care with the number of households providing foster care, at 31st March 2020



Source: Ofsted¹²

Of course, this does not necessarily mean there is not enough capacity. Foster carer households can be approved to have more than one foster child, however it does provide a picture of foster care capacity that seems significantly tighter than when simply considering foster care places and children.

This is particularly relevant when we consider the needs of a specific child coming into the fostering system. For example, if a child entering the system were known to have significant mental health concerns or a history of abuse that would make it inappropriate for them to be placed in a foster household alongside other fostered children, it would be irrelevant whether this notional “place” was available, as it would be inappropriate for them to be placed there. Equally, many children entering foster care will need significant intensive support that it would be extremely difficult to provide alongside providing care for other foster children in the same household. Again, this would make the availability of a “place” alongside other foster children the wrong metric; it is the availability of a household that matters.

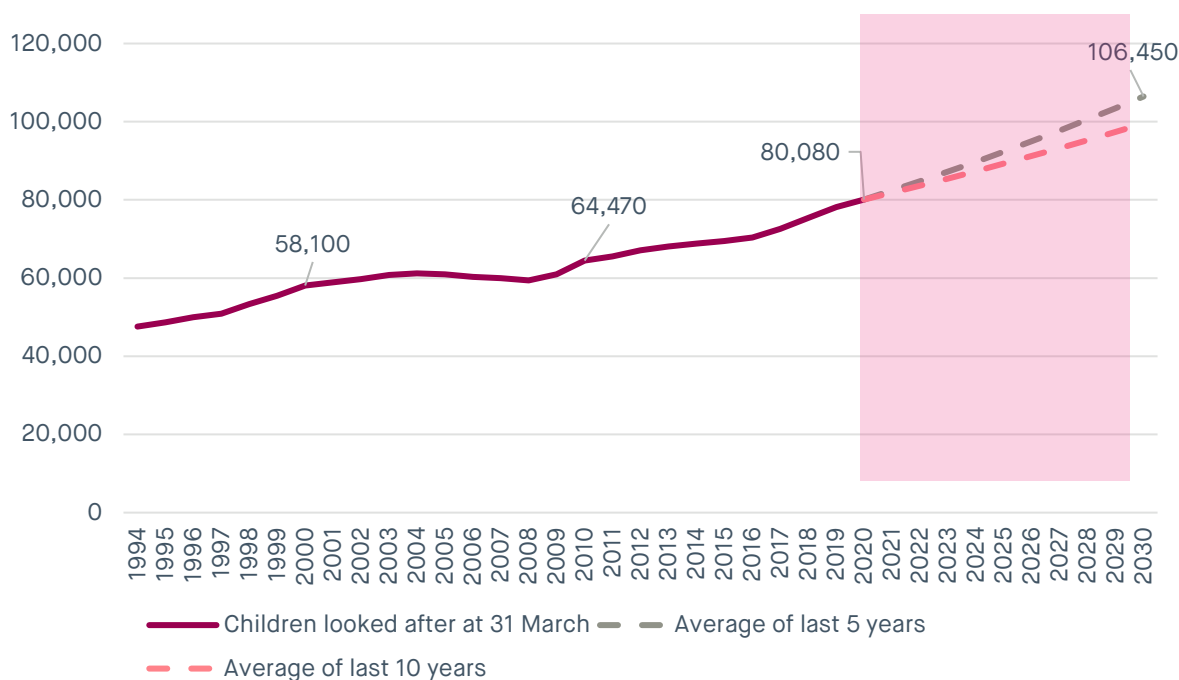
As such, considering only “places” and not “households” can provide a misleading view of the overall capacity within the system. In many respects, this one example reflects the wider issue at hand: it is not the overall number of places that are available that matters. It is the appropriateness of these places and whether they meet the needs of children coming into the system. This means that simply comparing places with children tells us very little about effective capacity within the foster care system. This finding echoes previous research from the Fostering Network, which found that there was a need to recruit an additional 7,300 foster families into the system in order to meet needs in the next year alone.¹³

We also know that the pressures on the care system are rising. Official data shows that since 2016, there has been a significant fall in the proportion of total fostering places that are vacant. There was a 13% reduction in vacant places in the year to 2020 alone.¹⁴ This should be seen in the context of year-on-year increases in the number of children in care seen over the last decade. For example, the number of looked after children rose by 2% between 2019 and 2020. Overall, this means that the number of looked after children has increased by 24% since 2010 and 38% since 2000. Looking to the future, Figure 3 provides projections for the number of looked after children based on growth in line with two scenarios; that seen in the last five years and that seen in the last ten years.

If the number of children looked after rises by the average growth seen in the last five years, there would be 106,450 looked after children by 2030; a 33% growth compared to the figures from 2020.

Looking specifically at what this might mean for the number of children needing foster care, assuming the overall proportion of looked after children who are placed in foster care remains broadly level over time, this would suggest that close to 77,000 children would be in foster care by 2030.

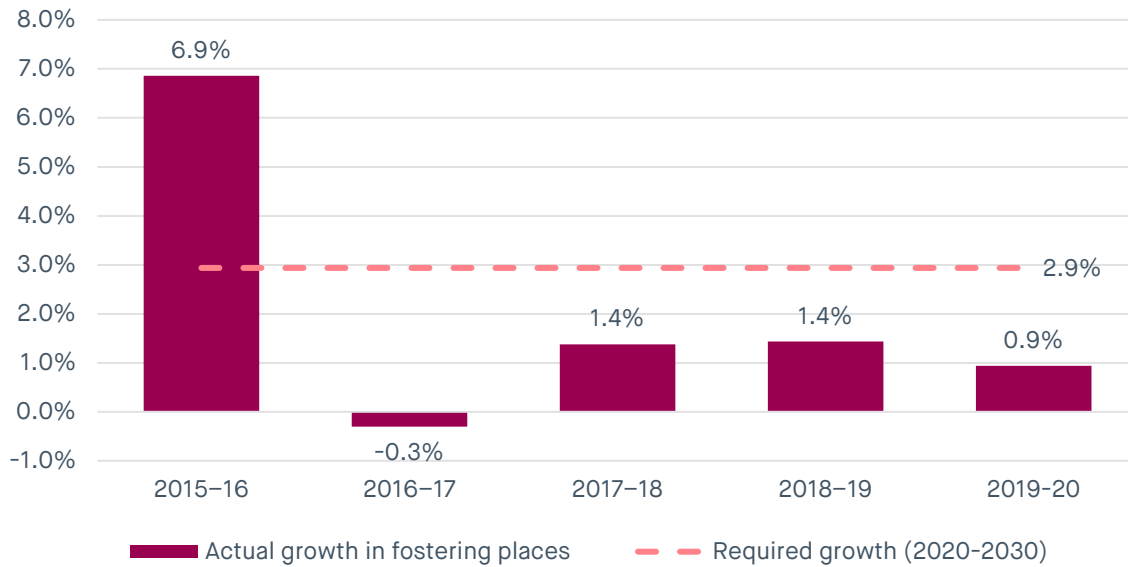
Figure 3: Number of looked after children at 31st March 1994 – 2020, and projection to 2030



Source: Ofsted, SMF projection

Assuming that the current number of foster carers is sufficient, and that increasing demand is not accommodated by continually approving foster care families to have a larger number of placements, meeting this increased number of children requiring foster care in 2030 would mean the number of fostering families increasing by 2.9% a year until then. Figure 4 demonstrates that, in all of the last five years, growth in the number of approved foster care families was significantly lower than that level.

Figure 4: Growth in foster care families 2015-2020, and that required to meet potential demand in 2030



Source: Ofsted, SMF projection

Are there enough of the right kind of foster care placements?

Aside from the overall number of foster care placements available, as highlighted above, it is also clear that for children’s needs to be met, available places and subsequent matches between child and carer need to be able to cater for the specific needs of the child or sibling group in question.

To do this, local authorities need to consider a range of factors in trying to find the best possible placement for a child. It is obviously challenging to systematically capture the extent to which a particular placement (including the skills, experience and personal qualities of the foster carers) is meeting the needs of a particular child in need of foster care, and there are currently no headline measures of this.

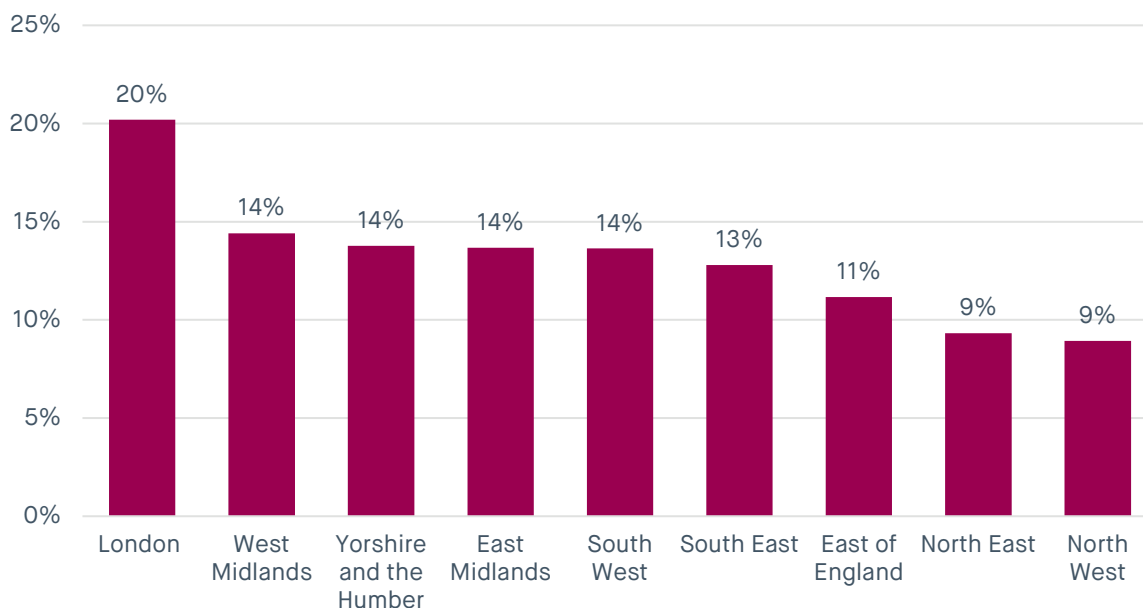
However, existing reviews have suggested that at least some demand is being met through “next best” placements where children are placed in the most appropriate of the available places, rather than necessarily a placement that meets their needs. This has found to particularly be an issue where authorities are looking to place older children and children with more complex needs.¹⁵

As well as these existing findings, there are also other indicators of the appropriateness of placement matches that we can turn to. In particular, we can assess the effective placement of sibling groups (where data is collected), views from foster carers themselves and measures of placement stability.

As a general rule, local authorities will seek to place siblings together whenever possible. In turn this means that local authorities need to have access to a pool of foster carers who are able and willing to take sibling groups into their home. However, across England, the latest data shows that one in eight (13%) children needing foster care as part of a sibling group are not placed according to the plan to place them

together.¹⁶ Figure 5 shows that this figure varies across England from 20% in London to 9% in the North West and North East. However, these regional figures also hide a significant sub-regional variation. In fact, some 23 authorities with data available in the latest data release have failed to place more than one in four (25%) children presenting in sibling groups. Five authorities had failed to appropriately place more than 50% of those presenting in sibling groups. Overall, this affected 8,360 children needing foster care in England over the last five years.

Figure 5: Proportion of children in sibling groups that are not placed “according to plan”



Source: Ofsted, SMF

More generally, whilst the Government’s review of Foster Care in England contested the idea that there were not enough foster carers in the system, it did concede that:

“...shortages are down to geography or the availability of carers who can look after more challenging children. This means that, too often, matches are made between carers and children that are not ideal and, after a short period, the child has to be moved again.”¹⁷

This summary echoes the experiences and views of foster carers themselves, which shed light on the extent to which they feel that they are able to meet the needs of the children placed with them. One clear indicator of the system not being able to meet the needs of children with specific needs is the extent to which foster carers are asked (or required) to take children outside their approval range.¹⁸ Here the research from The Fostering Network’s *State of the Nation 2019* report found that half of foster carers involved in the study had been asked to take children from outside of their specific age approval range. The same research also found that nearly a third (30%) of foster carers had been asked to take children from outside of the type of fostering that they are approved for.¹⁹

Of those with a specific age range for which they are approved, the report found that 32% had felt pressured into fostering outside of their age or type of fostering range;

hardly a signal of a system that has adequate supply of foster carers to meet the needs of those children coming into foster care. This is a result echoed in qualitative research undertaken for this report where around half of participants said they had looked after children outside of their approval age range and many had felt pressurised by their fostering service to do so.

Overall, the foster carers we spoke to as part of this research felt that placements happened too quickly, with too little information about the needs of the child and too little regard for creating a match that fully met these needs. This lack of focus on matches that meet children's needs is a real issue; children matched to suitable foster placements are more likely to stay there longer and research shows that children in stable placements have better outcomes. For example, they are more likely to have higher education outcomes, to be in work in future and feel better about themselves.²⁰

Despite a recent focus on improving placement stability, evidence on the current foster care system reveals significant levels of instability. Of the 49,780 foster placements that ceased in England in the year to end of March 2020, 12% (6,150) lasted less than a week and another 11% (5,590) lasted between a week and a month. Overall, more than half (51%) of foster placements that ceased lasted for less than six months.²¹

Data is also available on the proportion of looked after children who have had three or more placements during the year to end March 2020. This shows that across England, 11% of looked after children had three or more placements during the year. There is also significant variation across different local authorities, with the best performing having only 3% of looked after children experiencing three or more placements during the year, and the worst having nearly one in five (19%) looked after children experiencing this level of placement instability.

Overall, while it is clear that some placement moves are necessary because finding the right placement for some children can take time, the overall number of placement moves remains too high and this points to real issues with the extent to which placements currently meet the needs of the child.

What would be needed to meet children's needs?

This chapter has asked whether there are enough foster carers, and whether the placements available can meet the varied needs of the children coming into the system. The headline conclusion is that any excess capacity that is currently in the system is being squeezed and there looks set to be increasing pressures over the coming years. The extent of placement instability, and the reports of foster carers themselves also point to a failure to provide placements that fully meet children's needs. We also know that Ofsted reports of the performance of local authorities show half of areas needing to improve in order to provide a good level of service.

Taken together, this all points to a system that is not doing all it should to support some of the most vulnerable children in our society. With this in mind, it is essential to consider what would be needed in future to ensure both that there are enough foster

carers in the system and that the placements available meet the needs of children needing foster care.

Doing this would require local authorities to:

- **Understand the needs of children requiring foster care now and in the future**, including understanding the types of skills, experience and (potentially formal) qualifications that foster carers would require to meet these needs.
- **Recruiting and commissioning to meet needs**, including understanding the characteristics, skills, experience and qualifications of existing foster carers and meeting any unfilled requirements by planning and undertaking strategic recruitment. For local authorities who commission foster care services from external providers, this also requires effective procurement practices.
- **Support and retain foster carers**, Once the pool of foster carers is sufficient to meet current and future needs, these foster carers should receive the support they need to fulfil their important roles effectively, and do not leave the system prematurely.

The next section assesses the extent to which local authorities currently understand and systematically track the needs of children who require foster care either now or in the future. It also highlights existing evidence on recruitment and commissioning performance. It provides recommendations for improvements in each of these areas. The second report in this series considers recruitment and retention from the perspective of foster carers themselves.

Do local authorities understand current and future needs of children requiring foster care?

The starting point in ensuring that the foster care system can meet the needs of children requiring foster care is understanding what the needs of these children are. In fact, legislation requires local authorities to do just this. The “sufficiency duty” requires that local authorities:

“...ensure that there is sufficient accommodation for [looked after] children that meets their needs and is within their local authority area.”²²

Guidance supporting the duty goes on to explain the implications that this has for service provision, including the need to consider:

“...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 are met.”²³*

In order to ensure that this is the case, the same document goes on to highlight that local authorities should be able to:

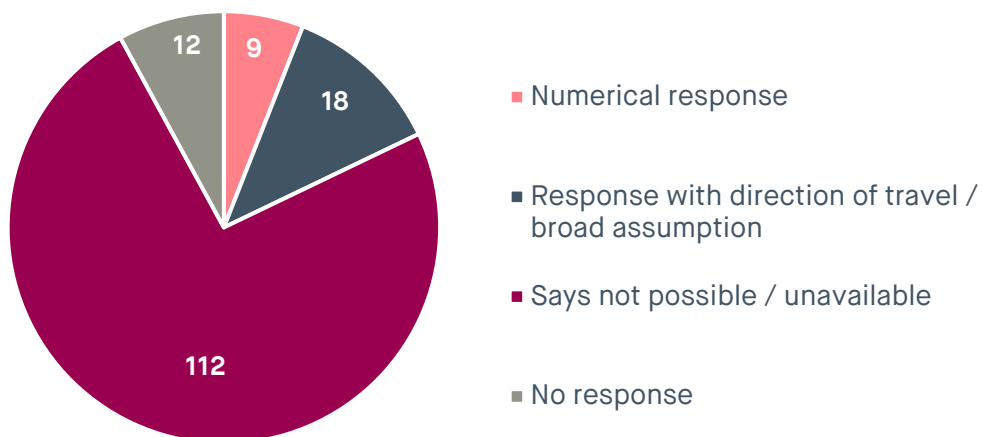
“...predict demand for both the quantity and quality of services, drawing on a wide range of available national, regional and local data including individual care plans and individual assessments.”²⁴

The implication of this is clear; **to ensure that the statutory sufficiency duty is met, local authorities will need to understand both current and predicted future needs** that children requiring foster care might have (so that they can ensure that sufficient accommodation is available to meet these needs).

If these guidelines were being followed, it would be likely that local authorities would be fulfilling their sufficiency duties and there would be a good chance of children’s needs being met. As such, we sought to assess the extent to which this is currently the case. However, whilst Ofsted currently publish some limited data on current foster care placement capacity by type of provision, publicly available statistics currently provide almost no information on the assessed needs of children entering the system and whether these are being met.

The exception is that information is available on sibling groups entering the care system and their subsequent placements. As highlighted above, data shows that significant proportions of children entering the care system as part of a sibling group are not placed in a way that fully meets their needs. To try to explore this issue further, we sent out Freedom of Information requests to all 151 local Authority fostering agencies, asking them what they know about their provision of places for sibling groups and what they expect future demand from these groups to look like.

Figure 6: Summary of FOI responses on whether current and future needs for fostering sibling groups had been assessed



Source: SMF

Encouragingly, all authorities that responded to the request (89%) were at least able to detail the number of placements that were suitable for sibling groups. This information is also published as part of national statistics.

In contrast, very few were able to provide any meaningful estimates of expected demand for sibling placements in the future. We assessed responses on whether they could provide a numerical response, a broad response / assumption (e.g. “...we expect the numbers to stay the same”) or whether the response said that the information was not available / not possible to calculate.

In all, only 9 local authorities (6%) provided detail on the numbers of sibling groups that they expected to need to provide placements for in future years. A further 16 (11%) provided broad information on the expected direction of travel. The vast majority (110, 73%) said that the information was not available or that it was not possible to calculate the demand for placements for sibling groups. Responses, which were typical of the majority of responses, included:

“We don’t have current predictions of placements and therefore cannot answer about the potential sibling placements”

“We are unable to speculate on sibling group requirements in future years”

“[local authority]...holds no recorded information falling within the scope of your request. We cannot predict how many sibling groups will need to be placed.”

“This information is not held by [local authority] as it does not forecast demand for fostering placements.”

“Placement demand changes on a day-to-day basis and predicting future years is not answerable without undertaking detailed analysis of children accessing services at all levels.”

“[local authority] has estimates of children who will need foster placements but no specific estimates of sibling groups needing placement.”

Here, it is worth noting that some local authorities did come back with meaningful answers. For example:

“We have seen both a growth in the number of sibling groups coming into care and the size of these sibling groups. Over the last 3 years there has been a 140% increase in the number of sibling groups in care...It is estimated that this figure will increase over the next 3 years with an emphasis on recruiting foster carers approved to care for larger sibling groups.”

“Projecting the demand for sibling placements is not an exact science. However, based on recent data we would estimate that around 40% of our placements throughout the year will have a sibling component.”

“...160 children in total...based on last 2 years, 60% of these at least will require foster placements with a further 15% with connected persons.”

However, aside from this small number of positive responses, the overall findings point to a systemic lack of strategic planning with regard to meeting the needs of what is an easily identifiable group of children entering the fostering system.

Beyond this, many of the responses also raised real questions over the extent to which any meaningful attempt is made to project future demand, either in terms of the overall number of children needing foster care, or the specific needs that they might have and how these might change over time. Without this information, it is hard to imagine how an authority can meaningfully plan for meeting future needs, undertake effective recruitment or design training or the provision of wider support services to meet these needs. In short, without this information it is hard to see how local authorities can be meeting their statutory sufficiency duties, or providing the kind of support and care needed by children in the foster care system.

A poor understanding of needs makes strategic recruitment and commissioning impossible

Given the findings above, it is clearly impossible for local authorities to systematically identify gaps where they might need to target recruitment or training. However, aside from understanding needs, we can separately consider whether local authorities are able to understand the skills, experiences and characteristics of the current pool of foster carers. With this information, and better information on current and future needs, local authorities would be able to undertake a systematic assessment of gaps.

Unfortunately, existing evidence points clearly to a lack of understanding in this area too. For example, the Government's review summarised that "...our understanding of the availability and skills of foster carers is not good enough" and rightly concluded that the implication of this is that:

"...we can't expect to recruit the right number and type of foster carers and in the right parts of the country, when we know so little about the capabilities and location of current carers".

Not only does this lack of information hinder effective recruitment, it also means that it is virtually impossible to hold government to account on a national basis in terms of the extent to which the current pool of foster carers meets the needs of children requiring foster care. In fact, nationally available data only provides information on foster carers age and ethnicity.

Aside from a lack of understanding of needs and skills and capabilities of existing foster carers, evidence also identifies significant problems with existing recruitment and commissioning practices. On the latter, challenges with commissioning from IFPs have been regularly identified as a problem in a large number of previous reviews. For example, the guidance supporting the sufficiency duty itself highlights, in relation to effective strategic commissioning, key gaps including:

- Market management;
- Regional and sub-regional collaboration;
- 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 children in need at risk of care or custody.

The more recent Government review also found similar issues, concluding that:

“...the quality of local authority commissioning is not good enough. Most councils are too small easily to influence the market to provide a sufficiency of the right type of carers or to commission effectively.”

Whilst improving commissioning is clearly a vitally important issue, given the significant coverage of it in other reports, we do not cover it extensively here.

Summary

While headline figures show there are enough foster carers to meet current demand, a wealth of evidence suggests that the system is struggling to recruit and match carers with the right skills and background in the right places to meet the growing demand for places and range of children’s needs. A lack of data on foster carer skills and availability as well as children’s needs makes it difficult to understand the true scale, location and nature of the underlying problems and for local authorities to plan effectively to address current and future gaps in capacity. With this in mind, it is no surprise that local authorities’ recruitment and commissioning activities draw significant criticism.

All this points to a systemic failure of local authorities to meet their statutory sufficiency duty. Given the widespread nature of these challenges, this report is not about pointing the finger at particular local authorities. Instead, it highlights the need for significant improvements in this area across the board.

CHAPTER 3 - RECOMMENDATIONS

While addressing these challenges will not be easy, it is crucial that improvements are made to ensure we are giving some of society's most vulnerable children the best opportunity to succeed. To address this, and make it more likely that the needs of children that require fostering are met, we believe that urgent reforms are needed to how planning, recruitment, monitoring and reporting take place. The second report in this series considers recruitment and retention in more detail.

1. Create measures of effective capacity and conduct a nationally coordinated needs assessment.

The current assessment of capacity, which (in the official statistics at least) simply considers the number of available placements with the number of children in need of foster care, is misleading and inaccurate.

Given the evidence in this report, it is clear that delivering a foster care system which has adequate *effective capacity* (i.e. capacity that recognises circumstance and needs) relies on having a large supply of foster carers (and fostering households), over and above the number of children in need of foster care.

Combined with the increasing number of children needing to be fostered and the increasing complexity of needs presented by these children, this suggests that the overall number and diversity of carers within the system is likely to need to increase significantly. However, understanding by how much effective capacity needs to increase is virtually impossible with existing information. Recommendations below suggest how this can be tackled in the medium term.

Given the importance of this agenda, in the short term, national government should take a lead role in developing an understanding of needs and a strategy towards recruitment. We believe that the Department for Education should lead a review, working with Ofsted, local authorities and IFPs to bring together all existing evidence on current and projected future needs. This should be used to:

- Develop a new measure of effective capacity that assesses the extent to which needs can be met (now and in the future) and can be used to develop rules of thumb over the likely level of excess capacity (based on children needing foster care and the number of placements available) required to meet needs; and
- Use this evidence to identify where needs are likely being unmet nationally, regionally and (where possible) locally.

2. Develop a national strategy for increasing effective capacity

Given the findings in this report, we expect that this review will conclude that there is a systematic under provision of placements in the current foster care system. As such, we expect that a significant recruitment exercise will be needed to increase effective capacity. This will mean ensuring that the overall numbers of foster care placements increases and that this increase goes hand in hand with ensuring that the placements can meet children's needs.

There are two key elements to this:

A) Develop a national strategy for increasing effective capacity, which can support local strategies

Use the findings of the national needs assessment and new measures of effective capacity, to develop a national recruitment and retention strategy. The second report in this series will provide more information and insight on the factors that drive recruitment and retention, which can be used to inform this strategy.

B) Short-term flexible care

A key element of this is likely going to include an increase the number of short-term and flexible care places. Our research highlights a need for more short-term placement opportunities for foster carers. Not only is there demand for short-term placements based on children, and their birth parents' needs, but also to cover foster carers when they take respite care. Research in our second report also suggests that more opportunities for short-term flexible caring could attract new carers into the system (and previous carers back to the system). Examples also already exist where flexible arrangements can provide better quality of care. For example, Step Up, Step Down, run by the Fostering Network in partnership with the South Eastern Health and Social Care Trust in Northern Ireland, gives parents the support of a foster carer who can step up if the family needs additional support and 'step down' when parents are in a better place to support their children.²⁵

3. Provide local authorities with more support to meet their duties and improve accountability

In the longer term, it is essential that authorities have accurate and reliable information on the demand and supply of foster carer places in their areas to ensure the best possible match between foster carers and children in need. This is the only way in which they could meaningfully claim to be fulfilling their sufficiency duties. Data that needs to be collected includes on the skills, availability, retention and location of current carers and on the needs of children in care. This must also be used to build projections for future demand and supply.

As there is no central system (or requirement) for collecting this data, it is currently up to local authorities to design their own processes and systems to do so. We believe that central government should be more prescriptive about what is needed.

Updating guidance around the sufficiency duty

A key way of ensuring that local authorities are collecting the right information to understand needs and effective capacity within the foster care system is to update the guidance on the sufficiency duty. This was last updated in 2010 and, as highlighted by others, since then there have been significant changes in the system, including rising demands and deepening needs.²⁶ The guidance should be more specific by setting minimum standards around the information that local authorities should be expected to collect in order to produce effective strategic needs assessments and meet their duties. For example, this should include more information about the qualifications, skills and characteristics of current and prospective foster carers as well as detail on

the headline needs of children being fostered. It should also require more consistent use, and recording, of exit interviews for foster carers who are deregistering.

Publishing more data on needs and sufficiency.

Once minimum standards are set, summary statistics on these issues can then be published as part of the national statistics currently produced by Ofsted. This would provide the opportunity to monitor performance across the country and increase accountability.

Providing a resource for local authority planning.

We have some sympathy with local authorities who highlighted the challenges they face in forecasting future needs. A systematic approach to developing a methodology for this, and updating it regularly, will likely require commissioning experts and could be costly. However, we must also recognise both that this is essential in meeting the needs of children needing foster care and a legal requirement. To support local authorities in delivering their legal duties, we believe that the Department for Education should commission the development of a flexible demand projection tool that can be used by local authorities who do not currently have their own resource for this.

4. Developing a national register of foster carers

As highlighted by numerous other reports, once the data above are consistently collected, we believe that the sensible next step would be the development of a national register of foster carers that includes data on their skills, training, availability, approval range and experience. This data could be used to improve recruitment and support local authorities to improve matching, including by providing information on the full range of foster carers who might meet a child's needs. It would also provide a necessary staging point for a potential move to regional commissioning (see below).

A national register, alongside defined training standards, would also enable foster carers to move between fostering service providers. Foster carers often have to retrain and are reassessed when they move region or to another local provider because the new provider cannot verify their training and experience. A national register and accredited training standards for carers could give providers reliable information on the carer's training and background and so reduce the need for unnecessary checks and re-training.

5. Adopting regional commissioning

A large proportion of local authorities have to commission at least some of their care from IFPs. Other reviews have found significant issues with this commissioning process. More recently, local authorities have begun to form consortia to help improve their commissioning process. For example, some agree an approved provider list and framework contract, with pre-agreed prices, for those providers on the list. Some consortia just agree an approved list of providers and help to share information between members, but are not involved in procuring services.

While these consortia are a step in the right direction, we think their use should be expanded to cover larger regions and foster carer recruitment within those larger regions. The fact is that local authorities are too small to be able to exert significant influence on the market; meaning that they can both pay too much and struggle to ensure there are enough carers with the right skills in the right places.

In contrast, regional bodies that plan and commission strategically could shape and manage the market, with scope to lower prices through collective bargaining power, block contracting (buying a set number of places rather than just agreeing prices) and realising economies of scale. They could also help to improve the effectiveness of commissioning through pooling expertise and reducing bureaucracy; for example, reducing the number of unnecessary and costly information demands on IFPs, as local authorities currently ask IFPs for similar information but in different formats. It would also help reduce competition between local authorities for carer places, which unnecessarily leads to higher prices.

With all of this in mind, we believe that, with a national register of foster carers in place, a move to regional commissioning (and potentially matching) could be a sensible next step. Whilst this already happens in some areas, we recognise that this would be a significant step nationally, so suggest that a staged approach would be appropriate, where existing practice in this area evaluated and trials developed based on the learnings from this.

Conclusion

The number of children in foster care, and the diversity and depth of their needs has increased over the last decade and looks set to continue to increase. This report has shown that we currently have no systematic way of understanding whether the fostering system is able to meet the needs of looked after children today, let alone in another five or ten years' time.

Our previous reports have highlighted the need to raise our collective sights to try to close the gulf in outcomes between children with care experience and their peers that have not had experience of the care system. If this is going to happen, we must improve our understanding of needs and effective capacity within the foster care system and ensure that children's needs are met now and in the future. We have outlined five areas of recommendations, which will require close consideration and joint working between central and local government, Ofsted and IFPs. We believe that, if taken forward, these approaches could contribute to an improvement in outcomes for some of the most vulnerable children in our society.

ENDNOTES

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