

Modernising Placements Programme

A - Hampshire County Council Fostering Services

1. Context

Children in care are one of the most vulnerable groups in society with national and local data showing that their needs are becoming more complex as societal influences change. The cost of care is also the most significant expenditure to Hampshire County Council's (HCC) Children's Services, influenced by market forces including high demand and limited supply in the national 'market' for external provider placements. Placements in Hampshire are a mixed economy between in-house provision and external, usually private, providers. It is a statutory requirement for Children's Services to ensure sufficient placements that meet the needs of its children.

2. Foster Care in Hampshire

Hampshire County Council recruits and approves its own foster carers (currently 486 foster carers) but currently 44% of children are living with foster carers approved by independent fostering agencies (IFAs). This is because recruitment of HCC foster care is struggling to keep up with demand, and Hampshire's foster carers are struggling to meet the needs of children presenting with the most challenging behaviours. This is resulting in:

- A reliance on the private sector (IFAs).
- Placement instability for some children.
- The use of more expensive placements.

The Modernising Placements Programme (MPP) will address these challenges by:

1. Changing the way that foster carers are paid to ensure HCC remain competitive in what is a highly distorted national marketplace.
2. Providing wrap around support to foster carers to build resilience and capacity to support children presenting with complex needs.
3. Delivering foster care services in a more efficient and effective way.

3. Changing the Way That We Pay Our Foster Carers

Payments to foster carers currently comprise two elements: an **age-related allowance** that is paid to all foster carers to cover the costs of caring for a child (food, household bills, pocket money etc); and a **skills fee** that reflects the foster carer's skill and experience. HCC foster carers are currently assessed against three categories: Skills Level 1, Skills Level 2, or Skills Level 3. Level 3 carers are those who have the most experience, who can care for children across the whole age range with complex needs and can commit to one carer fostering full time alongside providing support to the fostering community.

Comparisons with other local authorities and IFAs shows that Hampshire foster carer skills fees are currently only competitive at Level 3. This is resulting in the loss of potential foster carers to other agencies and local authorities who offer more financial

reward, especially those who would start at Level 1 in Hampshire (where HCC currently pays no skills fee).

Furthermore, analysis shows that there is a mismatch between the skills mix of carers and the needs of children. For example, the percentage of placements made at a Skill Level 3 (the most expensive placement) is 34%, but only 14% of children are assessed at having a need at that level. This mismatch is brought about in part through a lack of capacity within the in-house foster care system resulting in children being placed where there is an appropriate carer available, rather than a placement which is closely matched to their needs. It is evident that this is not optimising skills appropriately nor is it achieving best value for money.

MPP proposes to redesign the payments to foster carers to ensure that there is greater capacity to place children in-house and reduce the need for using more expensive IFA placements.

This change will:

- Attract more foster carers at Levels 1 and 2 where the greatest proportion of child need is.
- Be competitive with other local authorities and the private sector, increasing the number of fostering households in Hampshire.
- Support the care of children with higher needs (older children and children with challenging behaviours).

4. Providing Wrap Around Support to Hampshire's Foster Carers

MPP has shown that IFAs are providing a higher level of support to foster carers than HCC foster carers currently receive. For example: weekly contact, 24-hour telephone support from fostering professionals, clinical psychologist's consultations, regular respite, access to education and health professionals. Lack of support to carers can result in placement breakdown and can affect a carer's confidence to accept children into placement. It can also result in foster carers choosing to foster for agencies that offer more support. Increasing and improving the support offer will make HCC a more attractive fostering agency, help foster carers to build confidence to support children presenting with challenging behaviours and help increase placement stability. It is proposed to support foster carers in two ways:

A Psychological Service

The service will lead a change in how looked after children are parented by foster carers and residential care staff, by focusing on the systemic, cultural, and behavioural changes needed to implement trauma informed and therapeutically minded parenting. This will lead to an increase in carers' resilience, confidence and capability to support children with more challenging behaviour.

Trauma informed parenting will build on the foundation of the Hampshire Approach that has been successfully rolled out in our social work teams. It is an evidence-based approach that enables carers to:

- Understand the impact of trauma on a child.
- Recognise the signs and symptoms of trauma.

- Respond in a way that supports the child without causing further trauma.

Foster Carer Networks

A support network for HCC fostering families is proposed that is based around an extended family model for children in care. The bespoke Hampshire Hive model will bring together six to eight fostering households, offering mutual support in a natural extended family environment. Each Hive of fostering families will be supported by a Hive carer (an experienced foster carer) who in conjunction with support from the fostering service social workers, will provide coaching, training, social events, flexible telephone support and sleepovers. The aim of the fostering network is to increase the support available to foster carers, resulting in increased placement stability, and an increase in foster carers' confidence to support children presenting with challenging behaviours.

5. Delivering Hampshire's Foster Care Services in a More Efficient and Effective Way

In order to ensure that HCC are competitive and attractive to prospective foster carers in a competitive marketplace, it will be necessary for HCC to adopt a more business-like focus on marketing and recruitment. This will:

- Deliver a targeted marketing campaign which promotes the HCC Fostering Service as the 'go-to' fostering agency for prospective foster carers, drawing on our analysis of what works for IFAs.
- Optimise assessment and approval of foster carers – providing a more commercial approach to speed up and maximise fostering applications.
- Focus on efficient matching – optimising placement capacity.
- Ensure an efficient and effective use of resource.

Operating in this way will provide the autonomy for the HCC Fostering Service to develop its own identity, and the space for continuous innovation, efficiencies and improvements.

6. Costing

Initial investment to support the development of the HCC Fostering Service will be recouped through a reduction in IFA placements (moving into in-house fostering) and a reduction in Non County Placements (NCPs) (moving the placements into IFA / In-house fostering and HCC homes).

A summary of the investment and cost avoidance is set out in the table overleaf. Temporary corporate funding of £2.1m is required in the first year, and £873,000 in the second year. A saving of £873,000 is projected in the third year with the potential to deliver further savings (all things remaining equal) in future years.

Enhancing In-House Foster Care	2021/22	2022/23	2023/24	2024/25
Skills Fees (option 2, age level)	2,250,000	2,499,000	2,755,000	2,755,000
Supervising Social workers	108,000	239,000	387,000	387,000
Hampshire Hives	341,000	506,000	730,000	730,000
Psychological Service	242,000	738,000	930,000	930,000
Marketing	40,000	40,000	40,000	40,000
Communications Lead:	23,000	13,000	0	0
FosterTalk	24,000	27,000	31,000	31,000
Evaluation	0	0	15,000	0
Total Additional Cost	3,028,000	4,062,000	4,888,000	4,873,000
Cost Avoidance	(904,000)	(3,189,000)	(5,761,000)	(7,429,000)
Corporate Funding required	2,124,000	873,000	0	0
Saving	0	0	(873,000)	(2,556,000)

These forecasts are based on a realistic profile of increased numbers of foster carers over time that have a positive impact on the placement mix and leads to cost avoidance.

One of the key financial risks of the package of measures outlined above is that there are significant extra costs associated with changing the payments for foster carers and providing the wrap around support. Should the level of savings not reach the estimates as outlined above then there could be a net cost going forward since it is not a practical option to revert back to the previous arrangements once these changes have been implemented.

Sensitivity analysis has been carried out and it is estimated that as long as we can achieve just over 60% of the increase in foster carers then this will offset the full costs of the programme from 2023/24 onwards, albeit there may also be a one-off cost impact in the early years depending on the speed of take up.

Whilst this does still represent a financial risk, it is mitigated to some extent by the results of the sensitivity analysis, and in overall terms the wider benefits to foster carers and the children in care of the proposed measures make it worthwhile even if only a cost neutral position is achieved.

B - Urgent and Extended Care

7. Context

There is a small (but significant) number of children who come in to care each year that Children's Services struggle to place. These are the children who present with the most challenging behaviours including:

- Complex mental health problems, self-harm, and aggression to others.
- Danger of exploitation (including County Lines).

- Fire starting behaviours.

These children can end up being placed in the most expensive placements include welfare secure units, and single placements in the private sector (NCPs).

8. Urgent and Extended Care Service

The Urgent and Extended Care Service has been designed to address the needs of this group and to prevent the escalation to more expensive placements. The service will deliver **urgent care** in the form of a 12-week assessment placement which will stabilise the children, providing the opportunity to effectively assess their needs and plan a move to a permanent placement. **Extended care** will be delivered as an outreach service which will support the transition to a permanent placement - including transition back to family (where appropriate) and time-unlimited support to prevent the placement breaking down. The extended care service will also provide support to HCC's seven other children's homes to prevent placements breaking down, and "stepdown" to less expensive placements (where appropriate) including fostering and supported living.

The Urgent and Extended Care Service will benefit from the Psychological Service (see above) which will provide consultations and training for staff to help them support, understand and respond to the behaviour of children and their families in a trauma informed way.

9. Costing

Initial investment to support the development of the HCC Urgent and Extended Care Service will be recouped through an increase in bed utilisation and a reduction in NCPs (moving the placements into IFA / In-house fostering and HCC homes).

A summary of the investment and cost avoidance is set out in the table below. Temporary corporate funding of £552,000 is required in the first year. A saving of £964,000 is projected in the third year with the potential to deliver further savings (all things remaining equal) in future years.

Urgent and Extended Care	2021/22	2022/23	2023/24	2024/25
Cypress Lodge Hub	510,000	457,000	464,000	464,000
Psychological Service	74,000	144,000	146,000	146,000
Total Additional Cost	584,000	601,000	610,000	610,000
Cost Avoidance	(32,000)	(790,000)	(1,574,000)	(2,068,000)
Corporate Funding required	552,000	0	0	0
Saving	0	(189,000)	(964,000)	(1,458,000)

10. Sensitivity analysis

Sensitivity analysis has also been carried out for the urgent and extended care proposals and indicates that the breakeven position is around 30% of the expected

savings. The difference with this proposal is that there is the option to reduce the additional expenditure should the proposal not work as planned and therefore this represents a lesser financial risk, albeit there would be one-off costs that could not be recovered.

Highways Status Update

1. Introduction

- 1.1 It is recognised that a good transport network is essential for a successful economy and society for Hampshire. Our roads provide access to; jobs, services, schools, get goods to the shops and allow us to make the most of our free time. Our local roads are at the heart of the transport network and have a key role to play in ensuring that transport in Hampshire delivers the services our residents both want and need.
- 1.2 Hampshire is responsible for maintaining 5,300 miles of roads and highway queries have doubled in the last 10 years to over 100,000 per annum. Satisfaction with the road network in Hampshire has in the past consistently been one of the best of any County Council and we continue to have significant success in attracting new investment from developers, Local Enterprise Partnerships and the Government through our forward thinking approach.
- 1.3 Like most highway authorities though, the relentless increase in traffic levels coupled with extremes of weather both in the summer and the winter are having a severe impact on the highway network leading to a position of 'managed decline' that is being reflected in residents' views of the network as outlined below.

2. Funding Streams

- 2.1 There are a range of revenue and capital funding streams that are available to maintain and improve the highway network on a prioritised basis. The table below outlines the key funding and its purpose:

Activity	Funding
Revenue	Revenue
Routine / Reactive Maintenance, Environmental Maintenance, Winter Service, Emergency Response	£'000
Staffing to deliver both revenue & capital work	Core revenue budget 18,006
	Uplift – Winter Maintenance saving plus corporate contingencies 2,000
	20,006
£'000	
Capital	Capital
Operation Resilience (Planned Maintenance) 27,576	Local resources 11,823
Other structural maintenance 7,869	DfT - Local Transport Plan grant (maintenance) 21,584
Bridges 4,000	DfT - Incentive Fund 4,495
	DfT - Pothole Fund 1,543
39,445	39,445

- 2.2 Operation Resilience was established in 2010/11 and was originally due to run for seven years. However, the pace of decline on the network and the mounting pressures on the reactive maintenance budget prompted the County Council to continue the funding. 2021/22 will be the twelfth year of Operation Resilience and the main budget report recommends a further temporary increase by £3m to £13m for 2021/22 as was applied in the current financial year.

3. Highways Status

- 3.1 The highway network was in a state of gradual decline before the financial impacts of the 'decade of austerity' saw significant reductions in staffing levels and operational revenue maintenance budgets. Whilst the establishment of Operation Resilience has provided significant local investment by the County Council to support the improvement of the worst affected parts of the network, the restrictions on revenue maintenance activities over an extended period have had an impact on overall road condition.
- 3.2 The policy of managed decline of the highway network has resulted in a visible and accelerating deterioration of the road network, which is particularly apparent on the classified and unclassified roads (making up 83% of the network). The annual revenue funding gap is now estimated at £3 to 5m per annum. The National Highways and Transport Network (NHT) 2020 survey showed that, against a backdrop of falling overall scores nationally, Hampshire's score for highways condition has slipped from the top quartile last year to the second quartile this year.
- 3.3 The ongoing investment from the County Council in structural improvements through 'Operation Resilience' has helped reduce the rate of decline, albeit that the annual value has remained at £10m since it was introduced which is why the one-off increase to £13m in 2020/21, agreed by Cabinet and the County Council in February 2020, and the proposed increase for next year is particularly welcome, alongside additional one-off government grant funding such as the Pothole Fund.
- 3.4 However, the revenue budget provision available for reactive maintenance and safety defects continues to be under significant pressure. It is worth noting that the issue also extends to structures with major bridges such as Redbridge and Langstone, built during a programme of road expansion in the 1960s, all currently requiring major structural works at a similar time.
- 3.5 The revenue pressures in highways maintenance have been eased in the current financial year by an additional one-off sum of £3m for the Operation Resilience programme to increase planned works and provide extra flexibility to transfer funding to the reactive maintenance programme. This same flexibility is being recommended for the additional £3m proposed in the main budget report and will help to manage maintenance pressures next year if approved.
- 3.6 The additional funding together with the flexibility to use it to support essential reactive maintenance and safety defects work has already been of benefit in the current financial year with £2m of one-off funding transferred to revenue.

4. Looking to the Future

- 4.1 The primary objective will be to reverse, or at the very least arrest, the declining trend in network condition but this requires a targeted and sustained investment in the highway asset. This will not be a short term fix and it will require additional funding over a number of years, which we will look to the Government to provide.
- 4.2 The Highway Service has a robust asset management framework and dataset in place for managing the whole highway asset and this is already used to target those parts of the network where the best return on investment can be secured, both in economic terms and also in terms of maximising the lifecycle of the asset. This will continue but new and innovative digital techniques are currently being explored to capture asset data more effectively; and the multi-layering of this data can be used to precisely target spend, taking into account factors such as road condition, level of usage, damage / injury claims history, surface water flooding risk, and complaints. These datasets can provide a good evidence base to demonstrate the positive impact that continued and sustainable investment can have.
- 4.3 A particular focus needs to be rural roads (2,540 miles or just over 50% of the entire network) where there is tangible evidence of widespread accelerated deterioration. Many of these roads are not engineered roads in the true sense and are simply historic track routes that have evolved over hundreds of years, most only being thinly surfaced during the 20th century. These roads require further significant investment from Government to make them more resilient to the effects of extreme weather events, and whilst Operation Resilience has obviously helped to provide a degree of longevity on the minor roads treated over the past 11 years that the programme has been running, this is only a very small percentage of the network. A high proportion remain in a less than satisfactory condition having only had ad-hoc reactive repairs as resources allow.
- 4.4 Another area of focus will be the County Councils highway drainage assets. Effective and well maintained surface water drainage underpins the fabric of the highway network and ensures the road structure remains resilient and better able to withstand increasing traffic demands. Poorly maintained gullies, chambers and carrier drains can lead to an increased risk of surface water flooding and premature failure of the road structure. A decade of budget cuts has necessitated a managed reduction in routine cleansing and a broader implementation of the risk based approach endorsed by the current version of the national Highways code of practice. Whilst this reduction has not compromised the County Councils statutory duty as Highway Authority, there is strong evidence that the incidence of damage, blockages and localised structural failure is increasing and it is highly probable that this can, at least in part, be attributed to the reduced maintenance regime.
- 4.5 In addition to reintroducing multiple routine cleanses each year, a smarter, more intelligent approach to highway drainage management is required, embracing new and emerging remote sensor technology where appropriate, to more effectively identify those areas with the highest risk factors and to proactively target interventions accordingly. With climate change already altering weather patterns and increasing the incidence of more severe weather events, drainage systems are under increasing pressure, and optimal operation is essential as universal increases in drainage system capacity are unlikely to be affordable or practical. This enhanced

maintenance will require sustained investment in order to realise any significant benefit.