

Brighton & Hove City Council

Cabinet

Agenda Item 138

Subject: Regional care cooperative DfE pathfinder

Date of meeting: Thursday, 23 January 2025

Report of: Cabinet Member for Children, Families, Youth Services and for Ending Violence against Women and Girls

Contact Officer: Name: Corporate Director for Families, Children and Wellbeing

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Ward(s) affected: (All Wards);

Key Decision: Yes

Reason(s) Key: Expenditure which is, or the making of savings which are, significant having regard to the expenditure of the City Council's budget, namely above £1,000,000 and is significant in terms of its effects on communities living or working in an area comprising two or more electoral divisions (wards).

For general release

1. Purpose of the report and policy context

1.1 This paper seeks Cabinet approval for Brighton & Hove City Council to continue its involvement in a Department for Education Pathfinder pilot of a Regional Care Cooperative (RCC), alongside 18 other Local Authorities in the South East.

1.2 The overarching purpose of the RCC is to increase the number and quality of care placements available for children in the region, to develop a regional view of sufficiency through data sharing and to shape the market to provide more appropriate placements locally, thus improving children's outcomes and experiences of care.

1.3 To achieve these outcomes a contribution of £250,000 is being sought over a three-year period 2025/26 – 2027/28

1.4 Involvement in a RCC aligns with the Council Plan 2023 – 2027. In particular, Outcome 3 A healthy city where people thrive – Keep children and young people safe and ensure no child or family is left behind.

2. Recommendations

2.1 Cabinet agrees for Brighton & Hove City Council to continue to be involved in the RCC.

- 2.2 Cabinet agrees for a contribution of £250,000 to be made from to the RCC, with £50,000 being made in 25/26; £100,000 in 26/27 and £100,000 in 27/28. An outline business case has been completed as part of the corporate budget setting process for 2025/26 to access modernisation funding for this purpose.
- 2.3 Cabinet delegates authority to the Corporate Director, Families, Children & Wellbeing in consultation with the Cabinet Member for Children, Families, Youth Services and for Ending Violence Against Women and Girls to agree the RCC delivery model.

3. Context and background information

- 3.1 In early 2024, the South East's bid was selected as one of the two pathfinder areas for the Department for Education's (DfE) Regional Care Cooperative programme. Brighton & Hove City continues to support the initiative in principle, recognising the benefits that it will bring to our Children in Care. Brighton & Hove City Council is able to continue to influence the development of the RCC through representation at the project board.
- 3.2 The current system for delivering children's social care is not functioning effectively, with many Local Authorities' experiencing heavy year-on-year increases in the cost of delivering services.
- 3.3 The RCC's strategic priorities are to:
- Carry out regional data analysis and future sufficiency forecasting.
 - Improve Local Authorities' ability to access care places for children and young people across the region at better value for money.
 - Influence the market to ensure South East provision is available and better meets the needs of South East children and young people.
 - Commission care places for those with the most complex lives.
 - Develop a high-quality workforce to care for children and young people.
- 3.3 The RCC is an opportunity to work regionally to bring down the escalating costs of care placements while delivering better outcomes for children and young people. The DfE has provided funding of £1.95m for the setup of the South East RCC (running from April 2024 to June 2025) and £5m for the creation of new regional residential/foster provision through a capital grant.
- 3.4 BHCC has benefited from the capital grant through an award of £521,000 which has supported the development of the specialist residential home Rainbow Lodge.
- 3.5 Between 2015/16 and 2021/22, the amount spent on children's residential care increased by 66.2% in real terms nationally. Without the ability to shape the market that an RCC provides, Local Authorities will continue to face

rising costs and insufficient placements, leading to poorer outcomes for children and young people.

3.6 As at November 2024 there are 74 children placed in independent residential and foster care placements who would meet the criteria the RCC are focusing on. The average weekly spend is between £1,015 - £7,372 depending on the complexity of need of the child. There are currently 47 on-going searches for placements.

3.7 Beyond the setup costs covered by the DfE, the RCC can only function if funded by annual contribution from all 18 Local Authority members. The proposal is for a 50% contribution in year 1, moving to a 100% contribution in years 2 and 3.

For BHCC this equates to:

Year 1 (2025-26) £50,000

Year 2 (2026-27) £100,000

Year 3 (2027-28) £100,000

3.8 A decision on the delivery vehicle for the RCC will be formalised in early 2025. Consideration is being given to the RCC being hosted by one of the 18 Local Authorities or for it be established as a Community Interest Company. Legal advice on behalf of the 18 Local Authorities is being sought.

3.9 In November 2024 the government published its strategy for the reform of children's social care – Keeping Children Safe, Helping Families Thrive. This document references the RCC pilot and the plan to legislate for all Local Authorities to be part of a RCC going forward.

3.10 In December 2024 the government introduced the first reading of the Children's Wellbeing and Schools Bill which sets out a direction for local authorities to form "regional co-operation arrangements" to discharge their strategic accommodation functions, which includes commissioning the provision of accommodation for children in care.

4. Analysis and consideration of alternative options

4.1 The council could make the decision to withdraw from the RCC pilot – this would necessitate returning the £521,000 capital grant for the development of Rainbow Lodge. Withdrawal from the pilot would also mean Brighton & Hove would need to commission placements outside the RCC with a significantly reduced ability to shape the market, thereby resulting in increased costs and poorer placement choice.

4.2 The government's strategy and resultant legislation to reform children's social care is clear that RCCs will be the delivery model for commissioning and securing children's placements going forward. If Brighton & Hove were to withdraw from the RCC pilot now, it is highly likely we would need to join a

RCC at a future point under the new legislation. We would then however have missed out on the opportunity to shape a system that maximises the benefits for the children and young people of the city.

5. Community engagement and consultation

5.1 No specific community engagement has been conducted at this stage as we are seeking an improvement in ways of working, cost efficiencies and most importantly improved outcomes for children.

5.2 As we move forward with the RCC development we will continue to work with our strategic partner PaCC and our Children in Care Council and Care Leavers forum to inform decisions and service delivery.

6. Financial implications

6.1 Capital funding

BHCC have accepted Capital Funding of £521,000 from DfE as part of the RCC bid to support the establishment of Rainbow Lodge. Rainbow Lodge is a new residential home for children and young people with complex needs and disabilities due to open March 2025. It is anticipated that we will be able to bring at least four of our children, currently placed out of the City, into Ireland Lodge thereby improving their outcomes and offering a financial saving for BHCC in the region £700,000.

If a decision is made not to join the RCC then it would be necessary to return the investment and would put the saving proposal at risk .

6.2 The effect of the proposal:

- bringing children and young people back into B&H to Rainbow Lodge with an estimated saving of £700,000

Name of finance officer consulted: Steve Williams

Date consulted :10/01/25

7. Legal implications

7.1 Legal advice is currently being sought by one of the LA's in the Pathfinder, on behalf of all involved LAs, regarding the setting up of the RCC as a social enterprise. Further information will be provided when the full design of the RCC has been agreed. This will provide further detail of the agreements reached and any legal implications.

7.2 Further legal advice will be provided in relation to any subsequent contractual activity in developing the pilot projects.

Name of lawyer consulted: Natasha Watson

Date consulted:14.01.25

8. Equalities implications

- 8.1 There is no group which is adversely affected by the council's continued involvement in, or contribution to, the RCC. The anticipated outcomes are only positive for children and young people with a closer scrutiny on their placements and better value for money enabling more services in the future.

9. Sustainability implications

- 9.1 No specifics in relation to this report.

10. Health and Wellbeing Implications:

- 10.1 Through our inclusion in the RCC it is anticipated that the outcomes for children and young people who are in care or require a specialist placement will be improved. Providers will be held to account on positive outcomes for our young people such as working in a trauma informed way, supporting a positive mental health approach and developing independence and employment skills.

Other Implications

11. Procurement implications

- 11.1 The RCC is intending to develop strong provider relationships, meaning that the RCC can work hand in hand with providers to create a stable placement landscape which is beneficial to all parties. New entrants who do not rely on a venture capital backed business model will be encouraged into the market.
- 11.2 These benefits will be achieved by working with providers to ensure provision better meets children's needs, improving the quality and size of the workforce, and collating, analysing and sharing regional data to ensure that decisions are evidence-based.
- 11.3 Costs will be reduced by commissioning placements regionally for those with the most complex lives, using data to improve transparency over provider pricing, improving relationships with providers, and enabling Local Authorities to commission collaboratively where appropriate. High-cost, complex placements are a particular focus.
- 11.4 Specific impact on procurement for individual Local Authorities is not known.

12. Crime & disorder implications:

- 12.1 Not applicable at this time.

13. Conclusion

- 13.1 Individual Local Authorities have a very limited ability to influence and change the way the care placement market operates. Working with 18 other Local Authorities will give the scale and volume to make significant changes.

- 13.2 By being part of the South East RCC pilot, Brighton & Hove City Council have already benefited from £521,000 capital funding to develop Rainbow Lodge – a residential provision in the city for children with complex needs. It is likely we will continue to benefit from being part of a regional cooperative that has the ability, through its size and purchasing power, to shape the market to provide placements that our children need.
- 13.3 Central government has indicated its intention for every Local Authority to be part of a RCC going forward as set out in Keeping Children Safe, Helping Families Thrive strategy and the Children’s Wellbeing and Schools Bill.

Supporting Documentation

Appendices

None

1. Background documents

None