

Clive Betts MP
Chair, Housing Communities and Local Government Committee
House of Commons
London
SW1A 0AA

22nd February 2019

Dear Mr Betts,

I am writing in my capacity as Chair of the Children's Services Development Group (CSDG) regarding the Housing, Communities and Local Government Select Committee's ongoing inquiry into the funding of local authorities' children's services.

Whilst CSDG is very supportive of the inquiry, we are concerned by some inaccurate comments made regarding the independent children's services sector during the oral evidence session on 11th February. As such we would like to formally set out CSDG's interest in giving oral evidence to the Committee.

As you may be aware, CSDG is a coalition of leading independent providers of care and specialist education services for children and young people with complex needs. Together, we provide a significant number of care settings and services across fostering, special educational needs and residential care in all of England's 152 local authorities. As a group, we fully support the Committee's inquiry, and have submitted [written evidence](#) and previously registered our interest in providing oral evidence with Committee Clerks.

However, we understand from the Clerks that witnesses have already been selected. We are very disappointed by this, particularly following the very critical discussion of the role of the independent children's services sector during the oral evidence session on 11th February, when there was no sector representation on the panel to balance the views given. Many of the comments made were inaccurate and misrepresentative of the sector. Therefore, CSDG would appreciate the opportunity to address these points through oral evidence to the Committee and contribute to a fair and balanced evidence base for the inquiry.

CSDG's members play an important role in children's services, providing high quality placements and supporting local authorities to meet demand, particularly for children with more complex needs. Contrary to some of the claims made by witnesses, our primary focus is on championing child-centred, outcomes-focused care for looked after children and young people with complex needs that ensures their stable and successful transition into adulthood. In addition:

- In contrast to comments made by witnesses, the independent sector is very high quality. 80 per cent of independent fostering agencies (IFAs) and 78 per cent of independent sector children's homes are rated good or outstanding, and the independent review of foster care "found no discernible difference in the quality of care offered by local authority and IFA carers."
- The involvement of private sector investment in children's services does not equate to a focus on reduced costs. All of CSDG's members are focused on delivering high quality care and support that meets the individual needs of each young person. Our members have invested significantly in their provision, in order to offer innovative, quality services, particularly for young people with the most complex needs who require highly specialist services. In the current environment of financial constraint for local authorities,

this investment is becoming increasingly important and has enabled members to offer a range of high-quality care to children and young people that local authorities do not necessarily have the resources to invest in.

- CSDG's members have extremely robust procedures in place for placement matching. Each young person's needs are always at the forefront of members' placement decisions. However, members have found that local authority funding pressures have led to commissioning decisions that do not primarily focus on improving a child's outcomes, with commissioners choosing placements based on short-term affordability rather than what will best meet the child's needs, often on an 'in-house first' basis.
 - This invariably leads to multiple failed placements and further emotional upheaval for vulnerable children. CSDG has been campaigning for some time for the implementation of a commissioning approach that is needs not cost-based, via the development of a National Outcomes Framework that benchmarks all providers (local authority and independent) on value, quality, cost and outcomes to support effective outcomes-based commissioning.
- There is a prevailing, inaccurate, belief among local authorities and sector commentators that in-house services are cheaper than independent sector provision. Direct comparisons are difficult as in-house foster carer fees are just one element of the real cost of a placement while an independent sector overall fee is a total, all-inclusive cost including return on investment, risk, and training costs. Sir Martin Narey recognised this in his independent review of foster care, noting the price of an IFA placement compared to an LA placement is much closer than is often suggested.
- These inaccurate cost perceptions are also due to the specialist care offered by the independent sector, particularly for children with the most complex needs, which local authorities are often unable to provide directly and naturally comes with associated cost implications. The independent review of foster care found the independent sector tends to care for more young people with complex needs. The reviewers found 53 per cent of children in local authority foster care provision were aged ten and over, compared to 72 per cent in IFAs, and children in IFA provision had, on average, higher scores on the strengths and difficulties questionnaire.
- Effective collaboration is essential to ensuring quality and tailored support is provided for each young person in a stable placement. There are numerous instances of collaboration between independent providers and local authorities on children's services provision. In order to provide positive long-term outcomes for vulnerable children, there need to be strong working relationships between local authorities, schools, children and their parents, and local health services, including mental health services.
- Independent providers make a substantial investment in recruitment, helping to grow the overall base of sector expertise and ensure every staff member and foster carer receives the tailored support required to meet the needs of the children in their care. This enables provision of a range of support, including 24-hour telephone support for foster carers and specialist training. The training delivered to staff, as well as the wider investment in the quality of provision, is undertaken without any guarantee that placements will be commissioned by local authorities. However, this investment is seen as essential by the sector to ensure the best possible care is available when needed.
- All our members' allowance rates are set at least at the national minimum fostering allowance, and often allowances are increased to reflect the specialist care required to meet the complex needs of many of the young people we care for. This is similarly reflected in pay for care and education staff.

Given the inaccurate claims made about independent sector providers, it is vital that CSDG is afforded the opportunity to address these with the Committee. Without a robust and rounded analysis of these issues the

Committee's work will be undermined which will ultimately be to the detriment of the vulnerable children and young people we all want to support.

CSDG would welcome the opportunity to provide oral evidence to the Committee and we hope this will be given due consideration. We would also be very happy to meet with you to discuss these issues further and how CSDG can best support your and the Committee's work on this crucial policy area.

In the meantime, if you or the committee would like any further information from CSDG, my colleague Cameron Wall ([REDACTED]) will be happy to assist.

Andrew Isaac,
Chair, Children's Services Development Group

*CSDG's members are Core Assets Group, Compass Community, National Fostering Agency Group, Outcomes First Group, SENAD Group and Witherslack Group.