

Summary of Market Facing Recommendations from Competition and Market Authority (CMA) and Josh MacAlister (JM) Children’s Review –2022

Report for Children and Young People’s Scrutiny Committee

November 2022

Local Impact

The Competition and Market Authority (CMA) and Josh MacAlister (JM) Children’s Reviews have each made recommendations to Government about the way the market is managed in England and how it might be better shaped to deliver better outcomes for Children and Young People.

The recommendations can be broadly summarised under the following broad headings -

Market Sustainability and Shaping

Not enough transparency about sufficiency across England and the regions, aggregate commissioning activity up to a regional approach to get better outcomes.

- **CMA**

Essentially – the CMA feel that the very different and narrative approaches taken by different Local Authorities to describe sufficiency of support for looked after children is so diverse that it makes it difficult to assess on a wider geographical level whether the system is working well. They suggest a template approach that would support the national aggregation of data and a requirement for LA’s to provide this data for national and regional analysis and publication.

The CMA recommendations support regional market shaping and sufficiency activity – which ties in with the JM report.

- **JM**

The JM report makes some very specific recommendations about the development of Regional Commissioning Cooperatives. These would be large geographical footprints that would manage the commissioning and direct delivery of care homes and fostering – taking this function from individual local authorities. The report says *“The scale and specialist capabilities of Regional Care Cooperatives will address the current weaknesses in the system and establish organisations able to transform the care system in the future. Local authorities will no longer perform the above functions but they will have direct involvement in the running of RCCs and children will continue to be in the care of the local authority.”*

The report goes on to say *“Cooperatives should be owned by and fully accountable to local authorities in the regional cluster. We anticipate there being up to 20¹ RCCs across England and their success will in part be determined by the engagement from local authorities in everything from matching children with homes through to projecting future needs. Government should consider the best organisational form for RCCs so that they give local authority members meaningful influence, and in some places they could be linked to Mayoral Combined Authorities. For the success of these new bodies it is essential that the leadership, culture and values of the new Cooperatives are driven*

¹ For comparison, there are 42 Integrated Care Boards in England. 152 LA’s currently run Children’s Services

by the best performing local authorities, and government should therefore select one or two lead Authorities within each region to oversee the setup of their Cooperatives.”

There has been some healthy debate among Local Authorities about whether RCC's are the solution to the problem. We do not always see local outcomes improve when responsibilities are aggregated up in systems.

Fostering

Not enough foster carers – immediate pressure everywhere meaning too many children in residential care – needs a national response.

- **CMA**

The CMA recommends more national support for “innovative” projects to recruit more foster carers to work directly with local authorities and reduce the reliance on Independent Fostering Agencies (IFA's). They believe that the recruitment and retention of foster carers should be subject to a national strategy that ties in with the “State of the Sector” review.

- **JM**

Better recruitment and retention is recommended, the report draws attention to the larger number of applications for fostering which seems to have a high “drop out” level. The report says *“there needs to be a national fostering recruitment programme. The recruitment programme should recruit 3,000 additional foster carers each year between 2023 and 2026 (9,000 in total). The programme should focus on recruiting new carers in areas of the country where they are most needed. It should also target carers with the skills to offer care to older teenagers, babies and their parents, unaccompanied children, siblings and children on remand, as well as recruiting carers from ethnic minorities. To deliver a campaign at the pace and scale required, the Department for Education should not only improve the conversion rate of people already interested in fostering but should also appeal to individuals and families who would not ordinarily consider fostering.”*

Regulation

Too much regulation, not evidently helping the market to deliver the flexibility of support that children need.

- **CMA**

The CMA recommends a review of the regulation of provision – “considering whether specific regulations are unnecessarily restricting the effective provision of placements.” It also recommends that planning regulations are reviewed – as there is a suggestion that they are impacting on the development of children's homes.

- **JM**

A similar view from this report, that “the ability to provide tailored home environments for children is being constrained, rather than supported by, a highly complex web of standards and legislation”. The JM report supports the CMA recommendation exemption of small homes from planning.

New care standards that apply across provisions are recommended that span different provisions – and the current legislative framework is considered to be stifling innovation and a relentless focus on providing the best support for the child(ren).

In fostering, the report recommends that a foster carer can act “as a parent” in most instances – for example not needing to seek the LA’s permission to allow a child to stay with a friend from school.

“State of the Sector” reviews

There should be greater clarity about the skills and availability of staff working in the delivery of support to children in care settings – where there are shortages to help shape a response.

- **CMA**

The CMA recommends that there should be an annual assessment of the state of the workforce to provide a clear overview of staffing pressures and concerns, and to recommend measures to address bottlenecks. This would be similar in scope to the CQC’s annual State of Care review in England.

- **JM**

The JM report covers across its recommendations a need for new approaches and a “new deal” to support more loving homes for children and young people. There is some “push/ pull” across the reports with the professionalization of support for children, while maintaining as “normal” a life for children as possible.

Is parenthood a profession? Locally, we definitely want to welcome experienced and skilled carers in to our fostering cohort – but how this experience and skill is both gained and recognised is something that the market has not yet fully explored.

Resilience of the market

Profiteering should stop – but not by capping costs or other similar proposals that have been made to the report authors.

- **CMA**

The CMA recommends that the Government creates an appropriate statutory oversight regime that is capable of assessing the financial health of the most difficult to replace providers of children’s homes and warning placing authorities if a failure is likely. *“The Government via its appointed oversight body should require the most difficult to replace children’s home providers to maintain a “contingency plan” setting out how they are organising their affairs to mitigate the risk of provision having to close in a sudden and disorderly way in the event that they get into financial difficulties or insolvency.”*

- **JM**

The report says that profiteering from children is unacceptable. The solution offered is twofold – better market management through RCC’s and a windfall tax for the largest providers.