

Agenda – Public Accounts Committee

Meeting Venue:	For further information contact:
Committee Room 3 – Senedd	Fay Bowen
Meeting date: 12 February 2018	Committee Clerk
Meeting time: 13.15	0300 200 6565
	SeneddPAC@assembly.wales

(Pre-meeting)

(13.15 – 13.30)

(The Committee agreed on 5 February 2018, a motion under Standing Order 17.42 to resolve to exclude the public from Item 1 of this meeting.)

- 1 Care experienced children and young people: Meeting with children and young people**
(13.30 – 14.00)
- 2 Introductions, apologies, substitutions and declarations of interest**
(14.00)
- 3 Paper(s) to note**
(14.00 – 14.05) (Pages 1 – 3)
- 4 Care experienced children and young people: Evidence Session 3**
(14.05 – 14.50) (Pages 4 – 30)
Research Briefing
PAC(5)–05–18 Paper 1 – Consultation response from Children in Wales

Young people from Voices from Care

Deborah Jones, Chief Executive Officer, Voices from Care

Chris Dunn – Programmes Manager, Voices from Care



Sean O'Neil – Policy Director, Children in Wales

- 5 Care experienced children and young people: Evidence Session 4**
(14.50 – 15.40) (Pages 31 – 37)
PAC(5)–05–18 Paper 2 – Consultation response from Fabric

Young people from Fabric

(Break)

(15.40 – 15.50)

- 6 Care experienced children and young people: Evidence Session 5**
(15.50 – 16.40) (Pages 38 – 66)
PAC(5)–05–18 Paper 3 – Consultation response from the Fostering Network

Colin Turner – Director, The Fostering Network in Wales

Kate Lawson – Policy Manager, The Fostering Network

- 7 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:**

(16.40)

Items 8, 9 & 10

- 8 Care experienced children and young people: Consideration of evidence received**

(16.40 – 16.50)

- 9 Work programme: Consideration of correspondence received**
(16.50 – 17.00) (Pages 67 – 76)
PAC(5)–05–18 Paper 4 – Letter from the Wales Audit Office on the film and media industries (24 January 2018)

- 10 Ofcom: Consideration of draft Memorandum of Understanding**
(Pages 77 – 82)
PAC(5)–05–18 Paper 5 – Draft Memorandum of Understanding

Concise Minutes – Public Accounts Committee

Meeting Venue:

Committee Room 5 – Tŷ Hywel

Meeting date: Monday, 5 February 2018

Meeting time: 13.45 – 17.13

This meeting can be viewed

on [Senedd TV](#) at:

<http://senedd.tv/en/4506>

Attendance

Category	Names
Assembly Members:	Nick Ramsay AM (Chair) Mohammad Asghar (Oscar) AM Neil Hamilton AM Vikki Howells AM Rhianon Passmore AM Adam Price AM Lee Waters AM
Witnesses:	Mike Halstead, Conwy County Borough Council Sophie Howe, Future Generations Commissioner Andrew Jeffreys, Welsh Government Liz Lucas, Caerphilly County Borough Council Shan Morgan, Welsh Government Eurgain Powell, Office of the Future Generations Commissioner Steve Robinson, Cardiff Council Andrew Slade, Welsh Government



	Arwel Staples, Denbighshire County Council
Wales Audit Office:	Anthony Barrett – Assistant Auditor General for Wales Matthew Mortlock Mike Usher
Committee Staff:	Fay Bowen (Clerk) Meriel Singleton (Second Clerk) Claire Griffiths (Deputy Clerk)

1 Introductions, apologies, substitutions and declarations of interest

- 1.1 The Chair welcomed the Members to the meeting.
- 1.2 There were no apologies.

2 Paper(s) to note

- 2.1 The papers were noted.

3 The Welsh Government's initial funding of the Circuit of Wales Project: Evidence Session with the Welsh Government

3.1 The Committee questioned Shan Morgan, Permanent Secretary, Welsh Government; Andrew Slade, Director General, Economy, Skills and Natural Resources, Welsh Government and Andrew Jeffreys, Director, Treasury, Welsh Government on the Welsh Government's initial funding of the Circuit of Wales Project.

3.2 The Permanent Secretary agreed to write to the Chair clarifying a number of points raised during the evidence session.

4 Public Procurement: Committee correspondence

- 4.1 The responses were noted.

5 Public Procurement: Evidence Session 1

5.1 The Committee took evidence from Liz Lucas, Head of Procurement, Caerphilly County Borough Council and Steve Robinson, Head of Procurement, Cardiff Council as part of their inquiry into public procurement.

5.2 Liz Lucas agreed to send details of types and value of goods and services that Caerphilly CBC have purchased through the Crown Commercial Service framework.

6 Public Procurement: Evidence Session 2 (By video conference)

6.1 The Committee took evidence from Mike Halstead, Head of Audit and Procurement, Conwy County Borough Council and Arwel Staples, Strategic Procurement Manager, Denbighshire County Council as part of their inquiry into public procurement.

7 Public Procurement: Evidence Session 3

7.1 The Committee took evidence from Sophie Howe, Future Generations Commissioner for Wales and Dr Eurgain Powell, Office of the Future Generations Commissioner for Wales as part of their inquiry into public procurement.

8 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:

8.1 The motion was agreed.

9 Public Procurement: Consideration of evidence received

9.1 The evidence was considered.

10 The Welsh Government's initial funding of the Circuit of Wales Project: Consideration of evidence received

10.1 The evidence was considered and Members agreed that the Clerks should prepare a draft report which they will consider along with the additional information from the Welsh Government.

Agenda Item 4

By virtue of paragraph(s) vi of Standing Order 17.42

Document is Restricted



Children in Wales
Plant yng Nghymru

Consultation Response

Public Accounts Committee inquiry into Care Experienced Children and Young People

Children in Wales is the national umbrella organisation in Wales for children, young people's and their family issues, bringing organisations and individuals from all disciplines and sectors together to speak with one voice, to exchange knowledge and practice, and to provide opportunities to enhance policy and practice through shared learning. One of our core aims is to make the United Nations Convention on the Rights of the Child (UNCRC) a reality in Wales. Children in Wales campaigns for sustainable quality services for all children and young people, with special attention for children in need and works to ensure children and young people have a voice in issues that affect them. Children in Wales facilitates the voice of children and young people to influence government policy making through its 'Cymru Ifanc/Young Wales' programme of work.

For further information on the work of Children in Wales, please see www.childreninwales.org.uk and www.youngwales.wales

Children in Wales would wish to acknowledge the specific engagement with our member organisation **Voices from Care Cymru** who have kindly shared the notes from 3 engagement events they convened with care experienced children and young people to inform this inquiry and which took place in South East Wales, West Wales and North Wales. This is in addition to the policy exchange session with staff delivered by Children in Wales in September as part of collaborative arrangements under the **Getting More Involved in Social Care Programme of Work**. The comments by care experience young people are attached as appendices to our response.

1. Our Response

Children in Wales welcomes the opportunity to aid the Committee's Inquiry into care experienced children and young people, and to inform the four areas for scrutiny as outlined in the Terms of Reference over the course of this Assembly term.

1.1 This response focuses on the first line of inquiry - '**Expenditure and value for money of public services for care experienced children and young people**' - and is informed by our work over many years with the overarching aim of seeking to improve the well-being outcomes for all children and young people with care experience in Wales. This work includes helping to shape and inform policy and legislative developments through representation

activity and engagement with our member organisations¹, as well as the delivery of specific projects with the direct engagement of looked after children, care leavers and the professionals and kinship carers which support them².

1.2 We were delighted to have been able to accept the Committee's invitation to attend and provide verbal evidence to the **pre-inquiry stakeholder session** which took place in July 2017, with the aim of helping to further shape the Committees priorities for inquiry. Our response builds upon the comments made in that meeting and developments since.

1.3 Care experienced children and young people should be seen as children first, each with their own individual identities, yet often sharing the same ambitions, aspirations and interests as other children and young people with no experience or involvement in the statutory care system. However children and young people separated from their birth parents and their relatives, remain amongst the most vulnerable groups of children, often at greater risk of exploitation, abuse, gender based violence, bullying, hate crime and trafficking, as well as the stigma often associated with being in care which some young people have experienced.

1.4 Many will have faced a number of adverse childhood experiences prior to entering care and will require additional professional support and safeguards through a range of bespoke interventions from specialist services in addition to the universal social care, education and health provision to which all children have an entitlement.

1.5 Whilst the required resources and level of support required to meet the needs of each child will not be the same for every child in care, their entitlement to additional support and services underpinned by legislation should be consistent across all parts of Wales. **This the PAC will wish to examine further**

1.7 'Corporate Parents' should all have the same ambition and seek the same positive outcomes for care experienced children and young people in the same way as all of us do for all other children in Wales regardless of their background, circumstances or level of need. This should be the foundation for good corporate parenting arrangements.

1.8 It is essential to avoid describing children with care experience in terms of their deficits and as problems that need fixing and that we promote an assets based approach, identifying and promoting their strengths, abilities and achievements, as well as ensuring that we fully involve them in the decision making process.

1.9 The safeguarding, non-discrimination, participation and best interest of the principles for children enshrined in the **United Nations Convention on the Rights of the Child** (UNCRC) and applied through Welsh legislation is applicable to all children and young people, including those with care experience. All levels of government have an obligation to protect all

¹ For example, A Vision for Looked after Children's Care in Wales 2016-2020

<http://www.childreninwales.org.uk/resource/vision-looked-childrens-care-wales-2016-2020/>

² See Getting involved in Social Care project <http://www.childreninwales.org.uk/our-work/looked-children-2/getting-involved-social-care/>

children from violence and exploitation, to the maximum extent possible, which would otherwise jeopardise their right to life, survival and development.

1.10 The UN have issued supplementary guidelines on the alternative care of children to support governments meet their obligations to care experienced children and young people under the UNCRC³.

2. Allocation of Resources

The **United Nations Committee on the Rights of the Child** in June 2016 issued a series of recommendations (Concluding Observations)⁴ in relation to care experienced children and young people which reflected a number of concerns put forward by non-government coalitions as part of the monitoring process. In relation to the allocation of resources, the UN Committee was '*seriously concerned at the effects that recent fiscal policies and allocation of resources have had in contributing to inequality in children's enjoyment of their rights, disproportionately affecting children in disadvantaged situations*' (11)

2.1 In our joint submission to the UN Committee⁵, we called for there to be improvement in the necessary systems to enable routine analysis of Government spending in all budget areas to ensure full compliance with the Rights of Children and Young Persons (Wales) Measure 2011. Similar duties for local authorities and relevant partners are in place under the Social Services and Well-being (Wales) Act 2014, so similar arrangements should be put in place at a local level.

2.2 Regular child rights impact assessments of budget and economic decision-making processes should be undertaken and published, with budgetary lines for children in disadvantaged or vulnerable situations clearly defined. This should include children and young people with care experience as well as those children identified as being potentially at risk of entering the care system, including children with care and support needs (preventative spend)

2.3 The PAC will therefore wish to consider whether the Welsh Government, all local governments and other public bodies including Local Health Boards have firmly in place transparent and participatory budgetary decision making processes and regularly publish disaggregated budgets showing spending on children, including those most vulnerable.

2.4 We would support recommendations from the PAC for the Welsh Government, local authorities and health authorities to improve the existing systems to enable routine analysis of spend on children **and** care experienced children which would ensure there is compliance with duties prescribed in existing legislation. There is clearly a deficit of data on health expenditure in relation to spend on care experienced children. Similarly, there is predictably a need for extra support for care experienced children in relation to their education as they usually have

³ https://www.unicef.org/protection/alternative_care_Guidelines-English.pdf

⁴ <http://gov.wales/docs/dsijg/publications/cyp/160727-final-concluding-observations-2016-en.pdf>

⁵ All documents submitted to the UN Committee can be accessed via the website of the UN Human Rights Office of the High Commissioner - http://tbinternet.ohchr.org/_layouts/treatybodyexternal/SessionDetails1.aspx?SessionID=987&Lang=en

periods of trauma and/or miss school for periods of time or have to move school according to their placements in which case this should be funded appropriately.

3. Invest in Children – Prevent spend

We welcome the renewed emphasis on early intervention and prevention as prescribed in the Well-Being of Future Generations (Wales) Act 2015 and the Social Service and Well-Being (Wales) Act 2014. Research to date has been very clear in that if there is sufficient investment made early enough when need is first identified, better outcome for children can be achieved without recourse to more costly services such as for mental health later on when problems have been allowed to progress.

3.1 Children in Wales has welcomed the creation of the Improving Outcomes for Children Ministerial Advisory Group in which we are a member, and the 3 core themes, including the need to identify what early intervention action could be taken to support families and children on the edge of care.

3.2 Investment in early intervention support and preventative services should not simply be about seeking to prevent children entering care however. For many children state intervention will be in their best interests and provide a place of safety from where many children go on to thrive and have positive experiences from which to build upon in later life as they reach adulthood. The focus should firmly be on preventing escalation of need, safeguarding and reducing harmful behaviours, with appropriate resources put in place to ensure that children are safe yet also thrive.

3.3 Significant cost savings could be made if there a move to a holistic prevention model supported by long term funding commitments, incorporating both universal and specialist services, and delivered by a range of public and third sector services. Unfortunately in these times of austerity, we know from our members that non statutory services are the ones that are being cut first thus reducing the opportunity for children young people and families to access support at the time they first need it. In particular third sector organisations have been adversely affected by either funding cuts or by total transfer of their services in-house by local authorities. This is not necessarily a cost saving to the public purse.

3.4 The PAC will also wish to take account of the emerging findings from the Parliamentary Review of Health and Social Care⁶ aligning resources with outcomes that create value for the whole health and care system, including well-being

4. Deficit in service provision

The CSSIW inspection of care planning for looked after children and care leavers (2015)⁷ reported that too many care experienced children and young people couldn't access

⁶ <https://beta.gov.wales/sites/default/files/publications/2017-07/170714-review-interim-report-en.pdf>

⁷ <http://cssiw.org.uk/docs/cssiw/report/150130lacen.pdf>

appropriate services to meet their psychological and emotional health needs, when they need them, and for however long they need them.

4.1 For too many children, the availability of the services they receive can be dependent on where they live and information being made available about their existence. The challenge remains about how to achieve consistency of service provision that provides value for money and delivers improved well-being outcomes for care experienced children and children on the cusp of care. For children requiring **therapeutic services**, this can be a particular challenge. Whilst there are some multi-disciplinary services working across the third sector, health, education and social services⁸, these are not universally available for all care experienced children in all areas. Reducing mental health problems at an early stage through the provision of appropriate early intervention emotional and mental health services can help reduce the need for costly interventions such as CAMHS later on but also importantly help achieve stability and improved outcome for children in terms of their education, training/skills and placement.

5. Renewed emphasis on parenting and family support

We welcome the investment made by Welsh Government on programmes, such as Families First and Flying Start, which in general seek to improve the well being outcomes for parents and their children who present with additional challenges or live in challenging situations due to external factors such as low income. Families First has witnessed many changes since its conception in 2012 with many Team Around The Family projects working with children and families presenting with a range of complex needs that do not meet the threshold for local authority children's services.

5.1 PAC will wish to consider recent evaluations of these programmes and the extent to which they are helping to support families and children in preventing the need for care proceedings and keeping families together, as well as the interventions they deliver when some children are reunited with their families after leaving care.

6. Kinship care

Many children with care status are placed with family and friends. Children in Wales has produced a guide with and for kinship carers⁹ to help grandparents and other family members to access support and information on their rights and have a clearer understanding of the responsibilities of others. Despite some studies showing that children report a high level of satisfaction with kinship care arrangements, the UK as a whole has a low level of kinship carer arrangements. To date however, our experience shows that there can be high levels of need for services for kinship carers (many of whom are grandparents) who are struggling to care for their young relatives. We would support a greater emphasis being given to quality kinship care placements.

⁸ For example https://www.actionforchildren.org.uk/media/3417/moving_into_maturity_briefing.pdf

⁹ <http://www.childreninwales.org.uk/resource/kinship-care-guide-wales/>

7. Resources allocated for LAC

The national data publically available indicates that Social Services Revenue Expenditure on LAC services has increased by 35% since 2010 (currently £244m) with 46% of this spent on fostering services, 27% on residential care and 8% on leaving care services. The data also shows that there is wide variation in expenditure between local authorities per child looked after.

7.1 In the context of the data which is made available, the PAC will wish to further explore

- Are the local authorities which are spending the most or the least per child spending their resources wisely and most efficiently and providing value for money in terms of improving the outcomes for children?
- What is the relationship between current spend on LAC services and spending on early intervention and preventative services?
- Where there has been a reduction in spend on LAC by some local authorities in spite of numbers increasing, what has been the reasoning for this?
- Disaggregated data for spend by e.g. education and health

7.2 In the context of **statutory advocacy** provision for care experienced children and young people, encouraging strides have been made by Welsh Government, working in partnership with ADSSC, advocacy service providers and the CCfW, in developing a 'Range and Level Mechanism' (RLM) as part of the National Approach to Statutory Advocacy programme of work¹⁰. The RLM can consistently calculate the funding levels required to deliver the National Approach on a local, regional or national basis, based on the cost of an 'advocacy hour' plus average running costs set against a target 'take up' percentage of the eligible population. Whilst this is presently being implemented across Wales and will be subject to monitoring arrangements, it will enable local authority commissioners working collaboratively across 6 regions to effectively plan and allocate sufficient funds. There are some emerging concerns from our members that current levels of funding dedicated to statutory advocacy could be lost when it is absorbed into the RSG¹¹.

7.3 There could be some mileage at least exploring the possibility of utilising the learning from the NASA example and seeking to apply it to other services for care experienced children and young people (where this is possible and indeed appropriate)

8. Placement choice, availability, suitability and stability

Appropriate matching and placement stability are conducive to helping to improve the well-being outcomes for care experienced children and young people, but also help to avoid additional costly interventions and actions when placements breakdown. Presently, over 500

¹⁰ See Children in Wales joint response to the NafW CYPE Committee inquiry 2016-17 <http://senedd.assembly.wales/documents/s55968/SAP%2010%20All%20Wales%20Children%20and%20Young%20Peoples%20Advocacy%20Providers%20Group.pdf> and related information

<http://senedd.assembly.wales/ieIssueDetails.aspx?Id=16199&Opt=3>

¹¹ See the joint response of NYAS Cymru and Tros Gynnal Plant to this inquiry

(1 in 10) of children in care experience 3 or more placements per year. This is totally unacceptable as placement breakdown leading to multiple placements is both detrimental and disruptive for the child and their family, and costly for the placing local authority. A wider pool of placements is needed to ensure successful placements.

8.1 To illustrate this point, research by Demos (2010)¹² has shown that a child experiencing multiple placements over 4½ years (Child A) can cost a local authority 12% more than a child in a stable placement over 14 year (Child B)

Child A

Total cost (long term foster care) = £352,053 for 14 years (£23,470 per year)

Child B

Total cost (3 periods in care in 10 placements) = £393,579 for 4.5 years (£56,226 per year)

8.2 The PAC will wish to explore the availability of placements as well as the decision making process around matching and placement. Are non-emergency placements influenced in any way by where there happens to be a vacancy available at a particular time or solely determined by considerations around their suitability for the child with regard to their best interests, wishing & feelings, as well as the need for the child to retain meaningful contact with their siblings, relatives and friends where it is appropriate and safe to do so.

8.3 We know that there is an issue of capacity within foster care with a lack of foster care families in Wales, particularly for teenage children. Appropriate financial recompense may be one factor amongst many other factors. PAC will wish to explore the implications of this in terms of the challenges this presents for local authorities seeking to place a child in an appropriate setting.

8.4 Given the focus of this inquiry, PAC will be particularly interested to learn how a lack of placements can impact on current spend and budgets, and whether children can/are being placed in more costly and less appropriate settings, for instance in placements out of area (and often outside of Wales¹³) and/or in costly residential care settings (over a ¼ of social service revenue expenditure is for residential care for less than 5% of the looked after population)

8.5 PAC will also be interested to explore the decision making process in respect of whether children are placed in care settings managed by profit making private care providers, local authority care providers or third sector not-for-profit providers. What factors are driving decisions and is full consideration being given to any additional needs a child may present which could be addressed by the placement provider. We do not believe that profits should be made by providers in relation to children's placements.

¹² https://www.demos.co.uk/files/In_Loco_Parentis_-_web.pdf

¹³ <http://www.bbc.co.uk/news/uk-wales-39861470>

8.6 A placement should not be seen as simply a place to stay, but should provide wrap around quality support to help address needs and to help children recover, as well as seek to empower, build skills and resilience amongst children and young people. Are placement providers reinvesting in children in Wales? We welcome the recent example of co-production and cooperation between third sector foster care providers in Wales with the recent launch of collaborative arrangements between Action for Children, Barnardo's Cymru and TACT Cymru¹⁴.

8.7 There is a real need for a full assessment of placement planning processes undertaken at a local level

9. Renewed emphasis on Tackling Child Poverty

30% of children in Wales are in low income families, a figure which has increased over the past year and remains higher than in England and the other devolved nations. Independent projections suggest that child poverty will rise to around 5 million children across the UK by 2020 with the situation exacerbated by changes through welfare reform¹⁵.

9.1 The link between poverty and care has long been debated. A recent study by Cardiff University¹⁶ examined the link between child protection, care and social-economic status and reported that there was a higher chance of a child becoming 'looked after' if they came from a deprived area.

9.2 One could conclude that channelling sufficient resources to tackling deprivation and child welfare inequalities, alongside helping to prevent family breakdown where a lack of income is an aggravating factor would help stem the number of children entering the care system. The PAC may wish to consider seeking assurances that the maximum extent of available resources is being channelled to help tackle child poverty in Wales to help avoid children entering the care system due in part to income related pressures in the family. How many children enter the care system due in part to socio economic factors is not known. Capturing and reporting on this would be a welcome recommendation from the PAC to both Welsh and local governments.

10. Engagement with care experienced children and young people

Children with lived experience of living in care will be well placed to share their experiences and there are a number of third sector providers who would be best placed to support the PAC in accessing young people. Children in Wales through our Young Wales and Getting Engaged projects has worked with Voices from Care Cymru who convene a series of regional events throughout. The Chief Executive of Children in Wales also Co-Chairs Voices from Care Cymru with a young person.

¹⁴ <http://www.tactcare.org.uk/news/charitable-fostering-providers-cymru/>

¹⁵ <http://www.childreninwales.org.uk/resource/child-family-poverty-wales-results-child-family-survey-2016/>

¹⁶ <http://sites.cardiff.ac.uk/cascade/files/2017/02/Child-Welfare-Inequalities-Project-Wales-Country-Report.pdf>

11. Other considerations related to ‘value for money’

PAC will also wish to consider the cost for other services, for example the **Police**, when children go missing from their placements¹⁷, and the great risk to children placed in residential placements of child sexual exploitation¹⁸. A recent report of the summit hosted by the South Wales Police and CSSIW made several key recommendations which if implemented, would not only reduce the risks to vulnerable children but in the context of this inquiry, have a positive effect on finite resources¹⁹. These included removing barriers to multi-agency working, improved sharing of information and communication, and more placement options to allow for good quality care. Compliance with Part 9 Statutory Guidance on Partnership Arrangements to strengthen cooperation and strategic planning is a prerequisite to improving outcome for care experiences children.

11.1 We welcome the recent announcement of a recurrent **£1m St. David’s Day Fund** to help care experience young people aged 16-25 to be able to access a range of opportunities following calls from the CCfW for such a scheme to be put in place. Whilst the fund is still very much in its infancy, the PAC will wish to enquire what monitoring and reporting arrangements are in place to ensure the best use of these funds and to enable shared learning across local authorities as the administrators for this fund. It would be useful to know what of this funding if any is being used for services delivered by third sector organisations.

11.2 Finally, we are particularly interested in the emerging issues of how care learners who are young parents themselves are supported or otherwise to become successful parents. This issue was originally raised by Voices from Care and is currently being researched by Cascade in Cardiff University. .

SEPTEMBER 2017

APPENDIX 1

Public Accounts Committee – Inquiry into Care Experienced Children and Young People

Notes from Voices from Care Blueprint Group – Pontypridd

Tuesday 5 September 2017

Issues

- I moved around a lot and to places that weren’t suitable for my needs eg. Too strict / didn’t fit in. I settled better in a care home and told them that’s what I wanted from the start but nobody listened. Not everyone wants to be fostered, some would prefer a residential, or vice versa.

¹⁷ <http://www.walesonline.co.uk/news/wales-news/shocking-figures-show-hundreds-wales-13369630>

¹⁸ <https://www.childcomwales.org.uk/wp-content/uploads/2016/06/The-right-care.pdf>

¹⁹ <http://cssiw.org.uk/our-reports/national-thematic-report/2017/170818-joint-police-summit-report/?lang=en>

- There needs to be more than 1 designated teacher in each school that has experience supporting young people in care. If you don't like that one person, you miss out on all the support on offer.
- I've had 14 different placements in 1 year.
- More training is needed for carers about LGBTQ+ and other cultural / religious backgrounds. You shouldn't have to celebrate the faith of your carers – it can be disruptive.
- Short-term placements should be considered when there are concerns about safety but some placements last 5-6 days and aren't right for the individual – too disruptive.
- Lots of experience of older foster carers – assumed grandparents. Need to consider individual needs.
- Needs of the individuals need to be considered eg. Likes and dislikes (pets etc)

Support

What support do you receive as care experience children and young people?

– Good support

01. Barnardo's – listening and free Sunday lunch
02. Aftercare – apprenticeship
03. LAC nurse – BUT only once a year
04. Voices from Care – let us take the reins, talk to people and make connections ourselves
05. Advocacy – good when you know about it
06. Council tax – helped to set up payment plan when struggling with payments

– Bad support

01. CAMHS – long waiting lists, don't listen and referrals take very long time, if referred at all
02. Barnardo's – closed so support stopped
03. Aftercare – all depends on the social worker, very inconsistent
04. You are seen as a casefile by your social worker
05. Advocacy – need to know about it to get something out of it
06. Housing Association – not helpful with rent and have also been put in some dangerous housing (dangerous boiler)
07. Supported housing – I was 18 and was put into a house with a 53 year old violent, alcoholic.
08. I've been moved around too often

09. Mistakes! Only get 1 chance and then you are thrown out – not sympathetic to the fact that it might be your first time living on your own and being independent.
10. Aftercare don't learn from their previous cases

Challenges

Are there any challenges in accessing the support you need?

- When you leave care the access to support shrinks
- Aftercare is the only support but it isn't fit for purpose
- In care – access to loads of stuff but once leave there is nothing. Huge disparity as no money to continue doing the things you had access to previously
- Once you leave care, you don't want to go back to your carers to say you are struggling. You feel they have moved on or perhaps feel they were doing it for the money only (lack of confidence in whether they actually care about you).

Changes for the future

- If you could change one thing for care experienced children and young people, what would that change be?
 1. Second chance in housing post 21
 2. Smaller case files and input from the young people (need to know how to access and check all the information is accurate)
 3. Training for foster carers (LGBT / dealing with anger etc)
 4. More recruitment of good quality foster carers and from ALL walks of life (eg. Even those with minor criminal records so they can show us how change is possible)
 5. Second chances and more social workers

APPENDIX 2

Public Accounts Committee – Inquiry into Care Experienced Children and Young People

Notes from Voices from Care north Wales regional group – Colwyn Bay

Tuesday 29 August 2017

Issues

Write/draw all the different issues you have faced being a care experienced child or young person. This can be good or bad experiences.

- **The Children’s Commissioner for Wales’s staff held a workshop with the young people before I held this session. This happened to be the final question/task they asked young people in the group to participate in.**
- **Some of the issues written down included issues with the transition from 17 to 18 years old. One individual was explaining that when he was 17 he was working and still living in care, but once he hit 18 it was difficult for him to contain stability as he then had to deal with moving home and try and keep his job.**
- **Another individual spoke about the biggest issue being that there not enough information for foster carers about LGBTQA+ issues and foster carers willing to help in any way but not willing to speak about issues around the person they wanted to be.**

Support

What support do you receive as care experience children and young people?

– Good support

11. Had a good structure/routine
12. Inspirational support for future job opportunities
13. Constant contact with carers – even after leaving
14. Always had housing support
15. Events to attend to get our voices heard as care experience young people
16. Opportunities to get information to help young people with benefits
17. PA – personal advisor
18. Emotional support
19. Education support
20. Christmas support – providing Christmas hampers and Christmas gifts
21. Providing social activities such as trips to Alton Towers
22. Some Local Authorities provide free gym passes

– Bad support

23. Social worker
24. Housing support

- 25. Money and lack of funding for different support – some Local Authorities have more funds per person to help care leavers into independence
- 26. Mental health support
- 27. No support and poor adult social worker
- 28. Being lied to by workers
- 29. Not enough bereavement support available
- 30. Being misunderstood and disappointed – not enough support to discuss who they are as a person
- 31. Some in the group said they'd had good routine and structure but others disagreed
- 32. Not being able to express yourself in certain ways
- 33. Transitions – can't work or rent is higher, had to lose jobs and leave college course when moved

Changes for the future

– **If you could change one thing for care experienced children and young people, what would that change be?**

- 34. Better accommodation / housing
- 35. PA support beyond the age of 21
- 36. Mental health – lack of proper transitional support to adult services
- 37. Make funding the same across Wales i.e. setting up home grant and funding for university
- 38. Funding post 22 – i.e. housing benefit and benefits for college
- 39. Better social work support after 18 – feel dumped when turning 18
- 40. First homes grant - £1250 is not enough to set up first home
- 41. Offer independent living skills training when in care – currently not given
- 42. Give care experienced young people a chance to be a foster carer in the future
- 43. More education and employment support
- 44. Look at the transition from 17 to 18 – if you're in a job when you're 17 it's difficult to keep it long term if you have all the stress of moving when you're 18 and leaving care, especially when your new place is far away from your job and you need help and support with transport
- 45. More support for the older ages of care experienced young people
- 46. More support for transgender youths – transition in youths
- 47. More education about the LGBTQA+ community
- 48. Easier access to transport
- 49. More social activities – this will help with mental health problems too

- 50. Mental health awareness month events
- 51. More information about public service jobs

APPENDIX 3

Public Accounts Committee – Inquiry into Care Experienced Children and Young People

Notes from Voices from Care West Wales regional group – Llanelli

Thursday 17 August 2017

Support

What support do you receive as care experience children and young people?

– Good support

- 52. Went on holiday with foster carer
- 53. Foster carers taking an interest
- 54. Foster carer letting me do what I want
- 55. PA helps me with travel
- 56. PA listens to me
- 57. Aftercare help me financially
- 58. Paid for my uni tuition
- 59. Had a learner mentor

– Bad support

- 60. No support since leaving care (I'm 21)
- 61. Change in support workers
- 62. No much support with budget
- 63. Lack of support when part-time worked and got benefits cut so got into debt with housing
- 64. Foster carer annoys me
- 65. Foster carer doesn't always listen to what I like
- 66. Not going on holiday with foster carer (going into respite instead)
- 67. Not listening
- 68. Not explaining

Challenges

Are there any challenges in accessing the support you need?

- Not knowing the support is there is the big challenge
- Barrier in accessing counselling because of how the list is
- Social worker – may need to be more understanding, need to listen, need to help
- Get rid of most of social services (not Jamie or Nicky)
- No phone to contact anyone to get support
- Transport (lack of links and lifts) and access to activities and some cost too much
- Being allowed to do things

Changes for the future

– If you could change one thing for care experienced children and young people, what would that change be?

1. I'm happy – don't need to change anything right now!!
2. Nothing much at present but maybe the education system especially GCSE department as you need a grade C and above
3. Social workers to listen more and understand how you feel
4. To be able to use my phone / ipad through the night and have no cut off time to be able to listen to music when I feel anxious
5. Access to more things (activities)
6. Easier transport to places
7. More social workers, less work (smaller case loads) and better pay

Consultation Response to the Public Accounts Committee of the National Assembly's Inquiry into Care-Experienced Children and Young People.

Submission Date: 14th September 2017

Organisation: Fabric Social Enterprise

Author: Harri Coleman

Position: Managing Director

Qualification: Social Worker

This response will firstly provide background information on Fabric as the respondent to the consultation response before looking at the individual questions posed by the committee followed by views in relation to goals and principles within the Well-Being of Future Generations Act (Wales) 2015.

1. Background

Fabric is an award winning social enterprise which opened in 2016 to provide accommodation and support to 16 and 17-year olds who are the responsibility of the Local Authority. Fabric is in the process of expanding its services via a grant from Welsh Government's "Innovate to Save" programme. Fabric will provide a step-down provision, "Community Accommodation", where young people can remain post 18 until they are ready to be supported to live in accommodation reflective of that entered by their peers in the general population.

Fabric was developed by Harri Coleman who is a qualified and registered social worker with experience in Child Protection, Looked After Children, Fostering, Adoption and Children's Services staff training.

2. Committee Questions.

• **Overall cost and value for money in the range of public services aimed at improving outcomes**

Overall costs for children in care are difficult to ascertain for Wales due to different funding streams and agencies involved. The weekly of a child in care depends on where they are placed but can range in weekly cost (for a cost in a provision like a foyer for 16+) to £865 (median cost of Foster placement) and up to £5,769 for the costlier residential provisions.

More data is needed to assess the value for money in these services. Fabric supports young people who have left foster placements and residential homes and have assessed that these young people have very limited semi-independent living skills. All placements for young people should be supporting young people to develop these skills regardless of what age the original plan is for them to move on. Plans for young people change and therefore all young people should be supported to develop these skills prior to the age of 16 which the point at which they can move into supported accommodation

provisions. Not having these skills delays them entering independent living which is the key goal for most young people in supported accommodation and causes bed blocking.

Pathway plans needs to be put into effect at a younger age to ensure placements are working on developing these skills with young people. Whilst foster care is providing a family environment for young people it should still be focused on the fact that these young people will become independent currently at a much younger age than the general population as the foster carers stop getting paid at a certain age (18 or 21 with the “When I am Ready” scheme. There often appears to be a belief that as foster carers are paid to look after young people that they are paid to do things for young people, better training needs to be provided on how foster carers can support the development of semi-independent living skills (a service Fabric offers).

Better accountability should be placed on residential units to ensure that young people are being supported to develop semi-independent living skills and not simply “containing” young people. Evidence from young people who have been referred to Fabric suggests that young people in residential are less well equipped than those in foster care to manage in semi-independent living skills. Pathway plans put in at a younger age would assist this alongside better training for residential staff on supporting young people to develop these skills (a service offered by Fabric).

- Whether the Welsh Government desired outcomes for care experienced young people is being delivered by current expenditures.

It would be useful if there was an accessible list of the desired outcomes for care experienced young people to provide an accurate response to this question.

One basis for a response could be that Welsh Government recently published a strategy (28th January 2016) on children in care which emphasised the importance of education in achieving better outcomes. This strategy was subject to consultation and set many targets on improved outcomes but no information appears to be available on the achievements to date. The last update on progress was published on the 10th May 2017. Additional funding has recently been allocated to support existing service provision and to assess other approaches to improve outcomes. It is too early to assess how effective these measures will be.

Another basis for response could be to discuss against the concept of corporate parenting which is described by Welsh Government as that which seeks “the same outcomes for children in care and care leavers that every good parent would want for their own children by ensuring they do everything possible to give them the best possible start in life.” Statistics for care leavers highlight the difference in their outcomes in comparison to their peers in the general population.

LAC/ Care leavers are:

- 3 x more likely to be cautioned or convicted of an offence
- 4 x more likely to have a mental health disorder
- 5 x less likely to achieve 5 good grades at GCSE (A*-C)
- 8 x more likely to be excluded from school

These disadvantages continue into adulthood since:

- 14% of young women leaving care are already pregnant or already a mother

- 20% of homeless people are care leavers
- 25% of adult prisoners have been in care
- 70% of sex workers have been in care.

Experience from within Fabric would highlight that often young people are not provided with the placements that meet their needs best. Inappropriate placements are detrimental to young people's well-being and progress. Identification of appropriate placements earlier on decrease cost and risks to Local Authorities, young people's behaviour becomes more chaotic when their needs are not being sufficiently met.

To be effective Corporate Parents, Local Authorities need to be directed to supply a service which replicates that of a young person living at home. The average age a young person leaves home in the UK is 24 yet young people leaving care are (if not in a "When I am Ready" placement) are independent at 18. To quote a resident "the Local authority remove me from my family, impact on my relationship with my family, put me in homes where some may care and some may not and then say goodbye to me at the point I need them most."

From Fabric's experiences and statistical data that is accessible one point of view could be that whatever is provided is insufficient but on the other hand more could possibly be achieved by taking alternative approaches in some areas.

- **Whether the extent of spending specific to care experienced young children and young people is sufficiently transparent across the range of public services**

More transparency in the money being spent on services delivered to young people would allow for a thorough examination of the resources and services that are being used to deliver these outcomes. An example of this would be the role of the Young Person's Adviser (YPA), this role is often separate to the people that are delivering support to young people daily. Our residents would prefer their YPA to be a member of Fabric staff with whom they have a close working relationship and would alleviate frustrations about limited access to/contract from their YPA.

- **Whether public bodies have placed sufficient emphasis on long term preventative spend approach in line with the Well-Being of Future Generations Act to maximise benefits of public expenditure.**

No information is available to assess the effectiveness of preventative spending. It is likely that given the outcomes and numbers of Looked After Children that we see, the majority of spend is used in a reactive manner. If Local Authorities took an innovative and preventative spend approach to the current Looked After Children and Care Leaver population there would be significant financial benefits in the future. For example, if 14% of care leavers are pregnant or already mothers when leaving care, the percentage of them having children below the average age

3. Goals within the Well-Being of Future Generations Act (Wales) 2015.

There are 7 goals within the Act, the first 5 can be applied to this inquiry

1. A Prosperous Wales. This goal makes specific reference to a Wales which “develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities allowing people to take advantage of wealth generated through securing decent work.”

As of 31st of March 2017 there were 5,600 children who are looked after in Wales. Of these 5,600 children 940 were aged 16 and 17. 43% of care leavers are classified as Not in Education, Training or Employment. Whilst the looked after numbers will vary from care leavers (care leaver age range is substantially wider) a calculation based on the above could suggest that there are 400 young people not in education/training/employment which means 400 people that are significantly less likely to be contributing to the economy in the coming years.

There is no data available on the numbers of care leavers accessing university, experience indicates that this number is substantially lower than representation from the general population. Fabric is in the process of making links with Swansea University to access some data regarding this.

The educational attainment of children in care is markedly lower than other children. A study from 2009 found that 53% of looked after children leave school with no formal qualifications. Only 13% obtain 5 A-C Grades compared within 47% of children in the generation.

There is no available statistics/information regarding care leavers accessing benefits however reports have suggested that young people leaving care are over two times as likely to be supported to access benefits than they are to access education/training/employment. Experience from Fabric also highlights that many apprenticeship placements offer wages of £50 per week. This is not sustainable for care leavers post 18, meaning their decisions about career paths are dictated by surviving financially and not by what future they want to create for themselves.

2. A Resilient Wales: This refers to “healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change.”

There are numerous costs to society in Wales of Care Leavers, impacting on the social and economic resilience via unemployment, homelessness, substance misuse, prison and intergenerational transmission of social services involvement including children being brought into care.

The Care Leavers Association found that 25% of the prison population has been in care, 49% of the young men under the age of 21 in the Criminal Justice System have spent time in care and 27% of the young men in custody have spent time in care (33% for 15-18-year olds). These statistics should be taken together with the cost of the UK justice system in the points below

3. A Healthier Wales: “A society in which people’s physical and mental wellbeing is maximised and in which choices and behaviour that benefit future health are understood.

Over 25% of the prison population has been in care. In the UK, it costs £65,000 to imprison a person and after that it costs £40,000 for every subsequent year.

65% of children in care are assessed as having a mental health disorder as opposed to 10% of the general population

One research study found that 42% of the prostitutes interviewed had been in care however other studies show the % as high as 70%.

4. A More Equal Wales: A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio-economic circumstances).

It would be useful to know the % of care leavers that have children at a young age and the % of child protection cases where parents are young parents themselves. Experience would indicate that young people who have a history of being in care are more likely to have social services involvement in the future which indicates that young people in care are less able to fulfil their potential as parents.

5. A Wales of Cohesive Communities: Attractive, Viable, Safe and Well-Connected Communities

As noted above the likelihood of children who have been in the care system entering prostitution is significantly higher than the general population.

Statistics indicate that ¼ of Child Sexual Exploitation cases belong to the Looked After Children population. Social isolation. 77% of care leavers surveyed stated that social isolation was very difficult leaving care and loneliness predicts increased morbidity and mortality.

Care leavers often end up in managed accommodation provisions as they struggle to enter the private rented market due to issues in providing a bond/rent in advance, providing a guarantor and being viewed unfavourably by landlords' due to age and negativity attached to label of having "been in care" alongside concerns for financial management of independent living. Fabric's expansion plans for Community Accommodation aims to impact on these barriers and to support young people to move away from managed provisions and to encourage integration into the community.

Better support and provision of services to improve outcomes for care-experienced young people would likely decrease the number of child sexual exploitation cases which would make communities more attractive, viable, safe and well-connected.

4. Five Sustainable Development Principles within the Well-Being of Future Generations Act (Wales) 2015.

1. Long Term: The importance of balancing short-term needs with the need to safeguard the ability to also meet long term needs.

There is a lack of focus on working with care experienced young people to prevent them becoming the parents of children taken into care. There is a known pattern of this cycle within social services and is evident within the historical files of young people however little attention is paid to this factor. Improving

experiences, self-esteem, well-being and outcomes of young people leaving care would provide a more positive and equal entry into adulthood reducing the likelihood of becoming parents before being ready to be.

Looked After Children are perceived as being safe in comparison to those young people who are subject to Child Protection plans. The impact of being taken into care e.g. the issues of grief and loss are not addressed and recommendations for additional work such as life story work are not undertaken in a timely manner. If the concerns for young people leaving care were compared to those that were highlighted in relation to when living with their parents it would likely identify similar issues with the addition of not having family networks highlighting the lack of achieved outcomes for care experienced young people.

The long-term needs of care experienced young people are not taken into consideration by the withdrawal of most of social services support at the age they legally become an adult. This is a crucial age in development and yet young people who have had significantly more difficult childhoods are expected to be independent at an age significantly lower than their peers who on average stay at home until their mid-twenties. The removal of Local Authority responsibility at 18 is setting young people up to fail financially, practically and emotionally. The figures on the incidence of crime and prostitution bear this hypothesis out. Current finances are being considered over the long-term impact that setting young people up to fail has on the economy in the long run.

2. Prevention: How acting to prevent problems occurring or getting worse may help public bodies meet their objectives.

Investment in the current LAC population will create a positive impact on the public purse in the future. Giving better well-being to care experienced young people will benefit across all sectors. By placing an emphasis on improving the outcomes of the current LAC and leaving care population Local Authorities will be acting innovatively and preventatively to create a more positive future generation in Wales.

Improving access to supportive and nurturing semi-independent living provisions based upon an analysis of need and not finances or “legal status” led budgetary decisions will provide young people with the opportunity to transition successfully into independence at 18. The teenage years are a crucial stage in brain development which allows for positive interventions to have significant impact on outcomes moving forward, investment in this arena of children’s services will provide a substantial contribution to young people achieving better lives. Young people need to feel invested in to encourage them to invest in themselves, if services provided are not fit for purpose or do not show young people they are worthwhile then they are not likely to have any form of positive impact.

Support (financial, practical and emotional) to care -experienced young people should match that which is received by young people living in the general population. It would be beneficial for all services for young people leaving care (including financial support by children’s services) to be extended to 25. This may be costly in the short term but the benefits in the long run are likely to be considerably high.

3. Integration. Considering how the public body's well-being objectives may impact upon each of the well-being goals, on each of their objectives, or on the objectives of other public bodies.

Organisations need to develop fully integrated systems to achieve improved outcomes. Local Authorities provide Looked After Children's Services and the provision of education services yet there appears to be little integration which is designed to improve educational outcomes and thus improve the life chances of these children and young people

4. Collaboration: Acting in collaboration with any other person (or different parts of the body itself) could help the body to meet its well-being objectives.

There is a clear need for collaboration between all the various agencies involved with Looked After Children and should also include organisations affected such as the criminal justice system. The statistics above show the impact of the current arrangements so it is the interest of all parties to develop a more collaborative approach.

5. Involvement: The importance of involving people with an interest in achieving the well-being goals and ensuring that those people reflect the diversity of the area which they serve.

Links should be made with organisations such as Fabric etc who are actively working to improve outcomes and doing work with the young people who reside with them. These young people can inform the way in which the provision of services is developed in the future. Fabric has undertaken Research and Design sessions with young people and have gathered realistic, fair and accurate responses by young people to their experiences within care. One of Fabric's residents met with Sally Jones to discuss their views on how to improve the experiences of care for future generations of young people.

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Agenda Item 6



Consultation Response - Care Experienced Children and Young People

Submission from The Fostering Network, Cymru/Wales - September 2017

About The Fostering Network

The Fostering Network is the UK's leading fostering charity. We have been leading the fostering agenda for more than 40 years, influencing and shaping policy and practice at every level. We are passionate about the difference foster care makes to children and young people, and transforming children's lives is at the heart of everything we do. As a membership organisation we bring together individuals and services involved in providing foster care across the UK. We have approximately 60,000 individual members and nearly 400 organisational members, both local authorities and independent fostering providers, which cover 75% of foster carers in the UK. 21 of the 22 local authorities in Wales are members of The Fostering Network. Our views are informed by our members, as well as through research; in this way we aim to be the voice of foster care.

Response to the Public Accounts Committee of the National Assembly to inform their enquiry into care experienced children and young people.

The Fostering Network welcomes the Public Accounts Committee's inquiry into care experienced children and young people (who are, or have been, 'looked after' by a local authority under the Children Act 1989 and the Social Services and Well-being Act 2014).

Over the last few years the political and policy focus has rightly been on promoting and improving well-being outcomes for all looked after children. The Fostering Network now welcomes this opportunity to contribute to this consultation by specifically referencing a number of pertinent points and issues in respect of those children and young people who are looked after within foster care. Whilst our response does not address the specific points as listed in the committee's terms of reference, we hope you will find our contribution helpful to the enquiry.

As over three quarters of children in the care system are cared for by foster carers. Improving the outcomes of most children in care therefore starts with improving foster care, and it is right that it receives focus within the committee's inquiry. We know that good foster care is a protective factor for fostered children's education and wellbeing, despite the trauma of coming into care and the difficult starts these children have often had in life.

Our written response here highlights what we believe to be key issues in respect of fostering and makes recommendations for change, based on our extensive experience and research, most notably the findings of our State of the Nation's Foster Care 2016¹ which was published earlier this year. Our survey covered key practice and workforce issues such as matching, placement stability, training and support of carers and status and authority of the workforce. We received a record 2,530 (UK Wide) responses which has given us a unique insight into the issues currently facing foster carers across the UK. We would be happy to expand on any of the points highlighted in our response.

Fostering, while rooted in providing families for children, is not a single entity. Some foster carers offer occasional short break care, others emergency or short-term placements, while some provide children with a home for their whole childhoods and transition into adulthood. Many foster carers do a mix of these forms of fostering. Some foster carers are approved to provide care specifically to members of their extended family; these "kinship" or "family and friends" foster carers may have different needs and expectations from some of their "mainstream" colleagues. Our recommendations throughout this submission principally relate to mainstream foster carers. It is important that these differences are recognised in any recommendations made by the committee.

Throughout the text, where we refer to local authorities, this includes fostering services with statutory responsibility for children in care. Independent fostering providers refers to both non-profit and profit-making fostering services and includes charitable fostering agencies.

¹ State of the Nation's Foster Care 2016, The Fostering Network (2017)
<https://www.thefosteringnetwork.org.uk/sites/www.fostering.net/files/content/stateofthenationsfostercare2016.pdf>

Introductory points

We know that good foster care is a protective factor for fostered children's education and wellbeing, despite the trauma of coming into care and the difficult starts these children have often had in life. Foster carers provide children with stability, security, attachment, and often their first positive experience of family life. As well as providing this family environment, foster carers are also the primary advocates and first educators for the children they look after. Foster carers make a difference which is recognised by schools, by local government, by CSSIW, Social Care Wales, and by many others in wider society.

Various research by Sinclair, Schofield² and others also shows the positive impact of the care system on many vulnerable young people. We also know that there are many challenges within the care system that make it more difficult for foster carers and others working with fostered children to do their jobs properly and successfully, and that these challenges contribute to poor experiences and outcomes for some fostered children. These challenges include foster carers' "terms and conditions" as well as systemic issues around the way foster care is structured and delivered. We are clear that while some issues in fostering may best be addressed by legislative and regulatory change, many are actually problems to do with practice and the prevailing culture, both of which need challenging where they are causing problems or preventing an improvement in outcomes for children and young people.

Currently it is unclear how we measure outcomes for children and young people in care and who has the national and local oversight for outcomes. The Social Services and Well-being (Wales) Act 2014 and the ongoing work programme of the National Fostering Framework will undoubtedly address some of these issues. However, challenges around collecting a comprehensive and consistent set of data and measuring the impact of fostering (or any other form of care) in terms of children's outcomes remains problematic as is a general lack of understanding of what contributes towards the cost of care.

The legislative framework, policies and structure of local service delivery teams creates a barrier to providing a smooth continuum of care for young people up to age of 21 years. Policies and services focus on 0-18 years and then the young person becomes a 'care leaver'. If legislation, policies and

² For example, Sinclair, I., Wilson, K., and Gibbs, I. (2005) *Foster Placements: Why They Succeed and Why They Fail*, Jessica Kingsley Publishers, London; Schofield, G., Beek, M., Sargent, K., Thoburn, J., (2004) *Growing up in foster care*, BAAF

support structures were more child/young person focused and saw this as one journey from child to adulthood it would overcome many of the problems that currently exist for care experienced young people.

The issues currently being experienced in foster care are complex and require detailed investigation. However, foster care needs also to be seen in the wider context of the children in care system and the links and dependencies it has on other forms of permanence and care options and of course returning children to live with their birth families.

The approach over the last decade has generally been to review parts of the care system in a piecemeal fashion rather than looking at the children's social care system in its entirety and starting from the child or young person's perspective. These reviews have mirrored the complexities of a system that focuses on placement type and legal status rather than the young person at the centre, and as such have been unable to develop a clear picture of the system as a whole and then deliver potentially radical solutions which focus entirely on the needs of children.

Submission layout

We have structured our response into four interlinked areas:

- the **foster care system**, which includes the way in which fostering is commissioned, delivered, regulated and inspected;
- the **foster care workforce**, to include the status, role and function of foster carers;
- **outcomes for children and young people** in foster care; and
- **'When I'm Ready'** implementation issues.

In each of these areas we have highlighted the key issues in fostering, both those which require legislative or regulatory consideration or those which require practice or culture change. We have also put forward possible solutions. Many of these issues are complex and solutions will need to be debated and tested as part of the committee process.

Part one: Foster care system

The increased demand for children in care services coupled with the drastic cuts to local authority budgets due to austerity measures has placed a growing pressure on the care system in Wales. The number of looked after children in Wales is now at its highest as is the demand for foster placements.

In Wales, the vast majority of children and young people in care are living with foster families and consequently, any change to the demand and funding of looked after children's services will impact heavily on fostering.

It is not just the increase in demand in terms of numbers but also the complexity of needs of the children and young people coming into care. Children and young people coming into the care system may, for example, have been exposed to child sexual exploitation, trafficking domestic abuse, parental drug and alcohol misuse, in addition to abuse, neglect and family dysfunction. This changing landscape of need places an increasing pressure on foster carers to develop new skills and expertise.

In addition to the above, the cuts to other parts of the social care system requires foster care to fill these gaps e.g. the closure of parent and child specialist units and residential care provision. Also, funding cuts to other areas of social care such as early intervention services and tightening eligibility criteria to access mental health services impact on foster care.

As a consequence the foster care system has had to develop from an informal, voluntary and unregulated activity to a more formalised, highly regulated and professionalised system of care for vulnerable children and young people, often with complex needs.

In this section we have outlined the key issues for the different aspects of the foster care system. We have started to outline possible alternative models and approaches to structuring the foster care system.

These ideas are at an early stage of development and require detailed discussions and testing with the sector. All the recommendations we put forward in this section have a central aim to improve outcomes for children and young people.

1.1 Assessment of children and young people's' needs

All services for children and young people in the care system are dependent on accurate, high quality assessments of need and effective commissioning to meet the identified needs. In order to get the right placement first time for each child there needs to be an accurate assessment of their needs. When a child has to move placements this can be hugely unsettling and often results in poorer outcomes for the child as well as being more costly.

The Fostering Network understands the challenges around assessing and predicting need but we believe there is much room for improvement. It is essential that individual social care assessments of children and young people are aggregated in each local area or region in order to strategically plan the services required for the looked after children population.

The Fostering Network believes that Local authorities must assess not only the placement needs of children and young people but also the other social care, educational and health needs in order to provide therapeutic services and support for children and young people, many of whom have suffered, abuse and neglect before coming into the care system.

Cuts to local authority services have led to a severe reduction in early intervention children's services. Early support services prevent problems from escalating and risks being identified at an early stage. If there are further cuts to this type of support we will be left with a situation of crisis intervention which will result in more children and young people entering the care system with severe emotional and behavioural problems and requiring specialist support.

We believe that planning for children and intervention should happen in a timely manner and not just in response to crisis. Planning for individual children should allow them to be matched to a carer in the context of that carer's household and the needs of the other children living there, rather than each child's care planning being considered in isolation with no thought being given to competing or conflicting needs of the wider household.

Recommendation

- **Each local authority or region must conduct an annual needs analysis of their local looked after children population** in order to determine types of care placements required and to inform a targeted recruitment programme for foster carers who are able to meet the needs of the current care population. Local authorities must work with IFPs to achieve this whilst the demand for IFP placements prevails. If this was done at a consistent standard and framework at a local level, it would be possible to aggregate results regionally and nationally for other purposes i.e. recruitment campaigns. It is encouraging that the National Fostering Framework has recognised this as a priority within their work programme.

1.2 Effective use of the foster care workforce

1.2.1 Recruitment and managing vacancies

Recruitment of foster carers is a year-round activity. In an ideal world, this recruitment would only be to find foster carers to meet children's needs; all recruitment would be targeted and based on needs analyses, with local authorities and IFPs working together to identify who is needed and where. In reality, however, all fostering services are able to recruit foster carers without regard to whether the skills they bring and homes they offer are actually needed for children, or to whether other carers already exist who could provide the necessary placements.

As a result, there is likely to be a fundamental disconnect between the supply of foster carers and the demand for their services – local authorities have responsibility for all looked after children and therefore can choose to place them with their own foster carers or those fostering for IFPs. IFPs can recruit as many foster carers as they like, but often have little knowledge of current and future demand trends and no influence over commissioning of services. Therefore, if no local authorities choose to use their services, or if these carers don't provide the skillsets or homes required, few children will be placed with them.

The mixed economy has therefore led to a situation in which recruitment in foster care is often driven by increasing numbers rather than by meeting the needs of children currently in the care system. Anecdotally, we hear of local authorities recruiting foster carers to bring children back “in-house”, and IFPs recruiting foster carers without reference to whether any local authority has a need for the skills and placements they can offer. Because few foster carers are paid retainers between placements, it is of little cost for fostering services – LA and IFP – to keep foster carers on their books even if they are not being used; we know that some foster carers have vacancies for long periods of time, and that they understandably find this very frustrating, particularly if their fostering service is still recruiting new foster carers.

In fact, fostering services often operate in competition with each other over access to new foster carers, with potential applicants being exposed to advertising from multiple fostering services in any one geographical area. This leads to duplicated costs of advertising, as well as potentially confusing people who just want to become foster carers but do not know which service to choose. In addition, we hear stories of fostering services encouraging existing foster carers to move services rather than recruiting people new to fostering, through financial incentives being offered to move existing carers from one service to another and placements being threatened unless the carer agrees to move. This in effect is just moving existing pool of carers around the system rather than meeting individual children’s needs – our State of the Nation 2016 report found that 14 per cent of foster carers had moved service, with a further 2 per cent in the process of moving.

We end up with a situation, in which there is constant recruitment, foster carers with vacancies and shortages of carers for some “types” of children such as teenagers. We believe that fostering services should work together to make best use of the existing foster carer workforce, and to recruit only where there is a need. Communicating with foster carers about why they have vacancies is also crucial.

Recommendations:

- **All recruitment of new foster carers should be targeted to meet needs of the current care population, based on local authority’s needs assessments.** No fostering services should be recruiting foster carers for whom there is no demand. Instead local authorities and IFPs should work together to make best use of the existing foster carer

workforce and ensure they are recruiting the right foster families to meet the needs of the children in and coming into care i.e. target and match skills of carers with the needs of children. Fostering services should encourage any potential applicants whose skills they don't currently need to contact an alternative fostering service which does need these skills.

- **All fostering services must publish an annual statement of vacancies and usage of existing foster carers, as well as need going forward.** This will help prospective foster carers to make an informed choice between fostering services.
- **Closer joint working protocols should be encouraged between local authorities and independent fostering providers.**
- **An increase in regional consortia for needs-led and targeted recruitment should be explored,** to increase effectiveness and reduce duplication
- **Fostering services should pay their foster carers between placements.** While some foster carers may choose to hold a vacancy until a young person who matches the their skill set needs a placement, many foster carers offer a home to a broad range of children and expect to be working as a foster carer on a full-time basis.
- **If a fostering service thinks it is unlikely that they will place a child with a family, they should be clear about this.** For short term gaps, they should consider whether the foster carer can widen the range of children they take or use their skills more creatively between placements (as long as they are being paid a retainer) to support other foster carers, provide short break care, undertake or deliver training, or assist in recruiting foster carers. If a fostering service thinks it is unlikely that they will place a child with a family in the long run, they should tell the carers to allow them to make decisions about the future.

1.3 Monitoring and inspection of fostering services

Fostering services should be commissioned on the basis of thorough assessments of the child's needs but rather based on costs. Placements should be measured on the likelihood of improving outcomes for looked after children, rather than being measured on cost.

In order to measure whether we are commissioning effective fostering services we have to be clear of the purpose of the care system and specifically the purpose and benefits of foster care. The Fostering Network believes the care system should protect children from further harm, offer an environment where the child can rehabilitate from past harm and neglect and improve the outcomes for the child so they can realise their potential. We have to ask if the current system is achieving this for all our looked after population.

Over the last 10 years, in Wales, the foster care sector has moved to a formal contracts commissioning framework. As well as the commissioning approach changing over the years the market split has changed. When the independent sector first began to operate in fostering it was to meet the local authority shortfall and to offer specialist placements; the independent sector in Wales now accounts for a significant market share.

However, even though more formalised approaches have been developed, the fundamental principle underlying most commissioning is still simply spot purchasing. Price has become a focus of commissioning foster care placements. Decisions are often being made based on short term affordability rather than what are in the long-term best interests of the child.

The fixing of local authority budgets annually does not lend itself to long-term care planning. There are clear tensions between local authority and independent fostering providers about the true costs of a foster placement, and the differing methods used to calculate costs make it almost impossible to assess value for money. There needs to be more work on how much a 'good' foster placement costs and how we quality assure placements – The Cost of Foster

Care³, produced by The Fostering Network and BAAF in 2005 and updated in 2010 by the University of Loughborough, could provide a model here.

Local authorities have multiple roles in the fostering system - child protection, assessment of needs and care planning, corporate parent, placement matching, service delivery and commissioning of services. Local authorities often adopt a sequential approach to commissioning fostering services and look at the in-house services first where they have invested resources and then look externally based on a tiered contracts approach. There needs to be consideration of how we can move away from the competition being created between the two sectors (local authority and independent fostering services) and move towards a more collaborative approach whereby all potential foster carers are in the available pool for children referred.

Finally, commissioning teams within local authorities are sometimes split from practice teams and hold little detailed knowledge of fostering. Some independent providers have reported challenges in their ability to develop a relationship with individual local authorities and that relationships with the commissioning structures are price focused rather than child focused.

Recommendations:

- **Foster care commissioning should always sit within local authority children's services and not the finance/business division of the local authority.** This move would re-focus commissioning on children rather than budgets and bring the decisions closer to practice and those who hold a detailed knowledge of fostering.
- **Commissioners need to understand and exercise their duty of care to looked after children as part of their corporate parenting role.**

³ The Cost of Foster Care, The Fostering Network and BAAF (2005); Update to The Cost of Foster Care, Loughborough University (2010), <https://www.thefosteringnetwork.org.uk/sites/www.fostering.net/files/content/update-cost-foster-care.pdf>

- **The commissioning framework for fostering needs to link to outcomes for children and young people rather than cost.**
- **Long-term fostering and ‘When I’m Ready’ placements need to be embedded as part of the commissioning contract and be part of every local authority’s sufficiency duty.**
- **A comprehensive needs analysis of the local looked after children population must inform commissioning models.**
- **Placement of fostered children should not be ended unless a case review has been held** and views of all concerned have been taken into account. This includes the child if they are of sufficient age and understanding, their parents, their foster carer and the fostering service as well as the placing authority. This will ensure placement decisions are being made purely in the best interests of the child and not for any financially motivated or other reasons.

1.4 Long-term fostering

As stated above fostering is not a single entity and therefore it is worth considering whether it can be best served by a single legal framework or whether a different approach for different types of fostering is required.

There has been a legal definition of long-term foster care in England since 2015, which is welcome, but we now need to consider how long-term foster care sits in the broader permanence framework. Other permanence options, such as special guardianship orders (SGOs) and adoption, are legal orders and can only be granted, or ended, by the courts. All decisions on long-term foster care sit within local authority children’s services department.

The implications of this can be placement drift rather than early decisions being made on which results in children staying with foster carers for years by accident rather than design. Also, feedback from our members through our State of the Nation survey shows placements can end when they feel it is not in the best interests of the child, but rather for financial reasons, or lack of support, or a difficult relationship between the carer and social worker, and other reasons that would likely not be accepted if a court were involved. This includes allegations, where child protection thresholds in place for all other children are not adhered to, and children are moved without a proper

assessment. The State of the Nation report also found placements can end with little independent review and scrutiny of the decisions.

This lack of legal permanence leads to children in otherwise stable long-term relationships feel less secure and more vulnerable to disruption, in a way that those living in adoptive families or under SGOs do not.

The Fostering Network wants to see long-term foster care being given equal status and consideration in permanence options, and for long-term fostering relationships to be respected, valued and actually seen as permanent as adoptive and special guardianship placements are.

When making a decision about permanency for a child decision makers need to be clear why a child is being placed in long-term foster care as opposed to SGO or adoption. The key difference between long-term foster care and other permanency options is the child remains in the care system which offers a protective and nurturing environment, remains in a family setting, is able to remain in contact with their birth family and is afforded rights to therapeutic services, access to social work support for the child and foster carer and care leaver entitlements.

Recommendations

- **Long-term foster care must be given equal status and protection as other permanence options and to ensure long term fostering relationships are respected and valued.** Our view is that children in long-term fostering placements should have a legal order ensuring stability and security of that placement.

Part two: Foster care workforce

Foster carers' employment status is a confused picture. For example, for tax purposes they are considered to be self-employed, but at the same time they can only work for one fostering service at once, unlike other self-employed people. There is also a confusion over their role; while some fostering services insist that foster carers give up or cut down on their other paid work in order to foster, others are clear that foster carers must earn money outside of fostering, and indeed actively encourage "professionals" to bring their skills to fostering alongside their work.

The foster carer workforce holds a diverse range of opinion on the issue of employment status. This lies on a spectrum from expert volunteer on the one hand to fully professional child care expert on the other. The Fostering Network appreciates that this is complex area. We hear regularly from many foster carers, and while we know many do think full employment by a fostering service might be a way to deal with the problems they are encountering, others – including long-term foster carers and family and friends carers – are less sure. For example they are concerned about the potential impact this could have on tax arrangements, combining fostering with other employment outside of the home, and being able to say no to a placement if it doesn't suit their family situation. This is an area that needs more focus and exploration.

Regardless of employment status, The Fostering Network's starting point is that all foster carers must have:

- Status and authority
- Equal respect as key member in the team around the child
- Payment for time and skills, as well as all expenses covered via allowances
- Support and training.

Around 12 per cent of the foster care workforce leaves or retires each year and The Fostering Network currently estimates that a further 450 foster families are needed in the next year across Wales. There remains a significant shortage of placements in Wales for

- foster carers for teenagers;
- foster carers for sibling groups.
- Parent and child placements

Recommendation:

- **The recruitment and retention of foster carers should be driven by the needs of the existing care population, and be based on local authority needs analyses.** See part one for more detail.

2.1 Part of the team

Foster carers are a key part of the team working with fostered children. They must be treated as co-professionals and given all the information and authority they need to be able to look after these children to the best of their

ability. However, according to the State of the Nation 2016 survey, 32 per cent of foster carers felt that children's social workers do not treat them as equals.

We have noted a rise in fostering being increasingly described as "therapeutic parenting" in some parts of the sector; while foster care of course provides children with a home and family and therefore involves parenting, the needs of most fostered children and the system within which foster carers work require them to be child care experts at the heart of the team.

As part of our State of the Nation survey of 2016, when asked "would you recommend fostering to others who may be considering it?", only half of foster carers said yes. This represented a marked decrease from our 2014 survey, when the corresponding result was two-thirds. We wanted to find out why a growing number of foster carers feel unable to recommend the role. Analysing the answers of those who answered 'no' to this question showed that foster carers felt increasingly unsupported and underpaid, and that they were not treated as equal members of the team. One example is what happens when foster carers face an allegation, which is unfortunately something that many will experience during their fostering career. Most foster carers accept that allegations are an occupational risk, and nearly all of them will be unsubstantiated or unfounded. However, once an allegation is made, carers are not treated as other professionals; they are too often left not knowing timescales, not being given access to independent support and having financial support removed. In contrast, their social work colleagues would be afforded HR, legal and emotional support should an allegation be made against them. Moreover, foster carers must be involved in decision making for a child's future, but many feel they are excluded.

Many foster carers also feel that they are still not given the authority to make day-to-day decisions about the children in their care. According to the State of the Nation survey, 33 per cent of short-term placement carers felt that they were only allowed to make appropriate decisions some of the time, rarely or never.

Another long-standing issue is that of information sharing: in our State of the Nation survey, 31 per cent of foster carers reported that they were rarely or never given all of the information about a fostered child prior to placement. This was often about the complexity of the child's needs and challenging behaviour. This is of real concern, because without full disclosure, it is extremely difficult for foster carers to make an informed decision about whether they can look after a child and meet their needs, as well as keeping everyone else in the household safe.

Foster carers need proper supervision and support from their supervising social worker. It is best practice that foster carer review meetings should be independently chaired, although we believe this does not happen routinely.

Recommendations:

- **Foster carers must be given the authority to make everyday decisions on behalf of children in their care without unnecessary delays and restrictions.** Although this already exists in guidance, it is still not happening with sufficient regularity. Strengthened guidance needs to address the need for all professionals – social care, education, health, police and so on – to understand and respect the role and responsibility of foster carers.
- **Foster carers must be recognised and valued as the experts who best know the children they care for; their views must always be taken into consideration.**
- **Foster carers and fostering services must always be given all the available information they need to help children reach their potential and keep them and those around them safe.** As part of the team around the child, foster carers must be given access to children's files, particularly for long-term placements.
- **We recommend all foster care reviews are independently chaired.**
- **A transparent framework should be in place for dealing with allegations, and ensuring adherence to timescales.** Foster carers should be given the same HR, emotional and legal support that would be afforded their social work colleagues.
- **Foster carers must be made aware of their statutory entitlement to independent support and should have access to independent support when needed.**

2.2 Support

Fostering is an immensely rewarding role but it can often be challenging. Therefore the support foster carers receive from their fostering service and their peers is crucial and often makes a difference to the stability and success of placements.

Our 2016 State of the Nation survey found that foster carers, on the whole, reported a positive view of support from their supervising social worker, with 66 per cent declaring it to be *excellent* or *good* and 15 per cent saying it was *acceptable*. However, in our 2014 survey the result for the same question was 73 per cent, so there has been a slight drop in the overall rating of supervising social worker support.

We found that out of hours and respite support is currently poor for many foster carers. One third of foster carers describe out of hours support as could be better or poor, while only a quarter of foster carers described respite provision as excellent or good, down from one-third in our 2014 survey⁴.

Recommendations

- **Support for foster carers should be tailored to the individual needs of the child** they are caring for and should be matched to the developmental stages of the child.
- **All fostering services should provide a dedicated full-time support service** for foster carers and **ensure access to respite provision** for all foster carers.
- **Peer support opportunities** should be enabled and promoted at a local level.

2.3 Status and portability

We often hear that foster carers feel insufficiently supported by their fostering services. Foster carer charters are an important first step in setting out what this support should entail. They can help to get foster carers get the recognition they deserve and need to provide children with the best possible care, and represent a strong step, along with fees, improved status and authority, and better training, towards a professional foster care workforce.

While we know a number of fostering services have a charter in place, and we have recently sent our updated charter to all fostering services in Wales and will shortly be distributing a tool kit to further embed the principals of the

⁴ State of the Nation's Foster Care 2016, The Fostering Network (2017)
<https://www.thefosteringnetwork.org.uk/sites/www.fostering.net/files/content/stateofthenationsfoster-care-2016.pdf>

charter. However, much more can be done to encourage more fostering services to take them up, to embed those that currently exist into practice, and to ensure that all charters remain relevant and respected by the whole team around the child.

Increasing the status of foster carers is also about legitimising the occupation as something owned by the foster carer rather than their service. However the process of transferring to another fostering service often requires repeating the assessment process for the new fostering service, a key factor which hampers portability of the workforce. Foster carers responding to the State of the Nation 2016 survey stated that it was not just the bureaucratic hindrances of repeating the assessment process that deterred them from transferring agencies, but also the lack of placements and income during the transition period. With such periods usually lasting several months, this immediately discourages all foster carers who rely on fostering to provide an income for the household. There are also implications for currently fostered children when a foster carer moves services, who are likely to face being moved out of their home during the reassessment process.

We believe that an immediate improvement to the portability of foster carers could be made by the introduction of a register, a centrally held list of approved foster carers in England. A central list would serve a number of purposes in addition to improving portability, as follows:

- improving safeguarding of children and young people, as currently there is no way of knowing that an applicant previously fostered elsewhere if the carer chooses to withhold the information;
- increasing portability of the workforce, enabling them to transfer providers more easily, which as a result could drive up standards in training and support for foster carers;
- supporting the creation of a standardised pre- and post-approval training framework linked to the register; and
- improving the formal status of foster carers to allow the role to be more recognised and valued within the sector and by the

general public.

Recommendations:

- **There should be a national register of foster carers in Wales.**
- **It must become a duty for all fostering services to have a charter in place that is reviewed every three years, with a clear and transparent process that allows foster carers and fostering service staff to provide challenge if it is absent or not being adhered to.**
- **When transferring service, the original fostering service should pass on all assessment and review paperwork for the past three years – currently this is in the regulations but it does not happen in practice.**
- **All fostering services should be required to give a reference to the new fostering service.**

2.4 Training

Children and young people coming into the care system have an increasingly complex set of needs, due to their diverse experiences, for example child sexual exploitation, trafficking, gangs or arriving as unaccompanied asylum seeking children. There is a corresponding increased demand for foster carers to meet these needs, and yet there is no nationally defined learning and development framework for foster carers that could address this.

A standardised and accredited framework with standardised learning objectives for training for foster care would set out the areas in which foster carers must demonstrate or develop knowledge and skills, and would provide the framework for services to develop their foster carer training programme. However, standardisation does not need to lead to a lack of flexibility in training. There will always be a need for foster carers to undertake specialised training relating to the demands of their specific situation and the needs of the children they are caring for. Personal development plans should be able to address both the standard and the specialised training.

However, it is not just about training for foster carers: other professionals should have knowledge of foster care woven into their own training and

development processes. This is because, as already argued, foster carers are part of the team around the child but are often not treated in that way. They are viewed as the junior partner, and unduly pressurised to take placements that don't correspond to their skills, knowledge and experience.

Children's social workers (CSWs) need to understand fostering and foster carers much better, so that they can develop realistic expectations and the skills to support them, as well as being a voice and advocate for the child. Supervising social workers (SSWs) have a split role – support and supervision – and there is no reason why CSWs cannot have one as well. The best children's services already do this. CSW need to build relationships with foster carers and view them as a tool through which to meet the needs of the child. This allows for intervention before a crisis, and not at too late a stage. There is also a need to ensure that all stakeholders in the team around the child understand fostering and the role of foster carers, including education and health professionals, police and commissioners.

Recommendations:

- **A learning and development framework for foster carers should be implemented in Wales, covering accredited and standardised pre- and post-approval training.** Within this national framework there must be flexibility for training to be tailored to allow foster carers to meet the individual needs of children and promote their own personal development.
- **It is essential that knowledge of fostering is included in training for social workers to enable them to work more effectively with the primary carers of the vast majority of looked after children.** Other professionals working with looked after children should also be given training to understand the role of foster carers.

2.5 Finance – allowances and fees

2.5.1 Allowances

Our State of the Nation 2016 survey asked foster carers about allowances. We asked them if they felt their allowance, and the expenses they could claim, met the full costs of looking after fostered children.

Over half of all foster carers said that their allowances did not meet the full costs of looking after fostered children. When we asked this question two years ago 80 per cent of respondents felt their allowances did cover the costs of fostering. In 2016 this figure has fallen sharply to only 42 per cent.

Foster carers told us that allowances have been frozen, while additional payments such as mileage have been cut and that teenagers are especially expensive and the costs far exceed the allowances foster carers receive.

Foster carers and fostering services rightly have high expectations of what children in care should experience, but in many cases, the level of allowances do not allow for those expectations to be met. Caring for a teenager can be especially expensive with the cost of, for example, driving lessons, mobiles and holidays.

2.5.2 Fees

While there are national minimum rates specified by Welsh Government - the money to be spent on looking after the child – the payment of foster carers' fees for their time and skills is determined locally and in Wales there is a significant variance across local authorities.

We believe that all foster carers should be paid for their time, skills and experience, at a level equivalent to that of a residential care worker.

There are a number of issues to consider when exploring fee payments to foster carers:

- While we support retainers, there are foster carers who perform respite care only, or who don't take a placement for a long time by choice. Alternatives to retainers would be required in these situations.
- Moreover, some foster carers are more specialist and would command a higher fee, which could then lead to the issue of perverse incentives: we would not want to see a foster carer penalised for turning a young person's life around from being a "challenging" to a "less challenging" placement and thereby receiving a reduction in pay.
- Some family and friends and long-term foster carers may not want to be paid – we have no firm evidence for this, but hear it anecdotally and would like to see a system that has the flexibility to reflect these.

- Some foster carers have full-time jobs outside the home – should they also be paid as foster carers for these hours, while other foster carers are with children or carrying out other fostering tasks all day?
- In some households both people in a couple would consider themselves primary foster carers and therefore deserving of pay.

Despite the complex issues involved in considering fees, we believe we will only get the high quality service we need if central and local governments are prepared to invest in it.

Recommendations:

- **The Government should review the level of national minimum fostering allowances**
- **All fostering services should be required to pay an allowance at a level that meets or Welsh Government's national minimum allowance, and the Government must fund all local authorities to allow them to achieve this. Consideration should be given to implementing standardised fees and allowance across Wales ensuring fairness and transparency.**
- **All foster carers should be paid for their time and skills, preferably via a tiered payment scheme which includes retainer fees between placements.**
- **The administration of fee and allowance payments should be transparent, and clearly distinguish between the two, so that all foster carers are clear about their entitlement to allowances and fees.**

2.7 Foster Carer Approval

Once they have been approved as a foster carer, the foster carer's terms of approval will be determined by the fostering service. This is commonly based on the age range of children.

If a foster carer is deemed suitable only to offer certain types of placements, this should be made clear not only in their terms of approval, but also the

foster care agreement. Foster carers should not be asked to provide types of placement for which they are not approved.

Recommendation:

- **Foster carers should always be advised in writing of their terms of approval. This will make clear the type of fostering placement they will provide, and this clarity should also be in their foster carer agreement.**
- **Foster carers must not be asked to provide types of placement outside of their approval range.**

2.8 DBS checks

Current practice regarding DBS checks is variable across the UK particularly in respect of the “timeliness” of DBS checks being completed for rising 18 year olds living in fostering households⁵ i.e. foster carers own children and looked after young people transitioning to adulthood.

In the current provision there is no mechanism to allow for checks in respect of children’s services and adults services to be run simultaneously e.g. if a former foster carer moves to work in adults services details held on an enhanced DBS check do not automatically “flag” across and vice versa. Furthermore children’s services are not permitted to request the adults barred list nor are adults services permitted to request the children’s barred list.

Recommendations

- **The DBS, and the Home Office should undertake a thorough review of the regulations which govern DBS checks for prospective foster carers and all adult members of a foster care household, including a review of the Update Service.** This would serve to both address the current problems/difficulties in practice across DBS offices in processing checks on young adults and would serve to ensure that children and young people in foster care are afforded consistent practice in respect of safeguarding.

⁵ The requirements for a DBS enhanced check on prospective foster carers and members of their household aged 18 or over is determined under The Care Planning, Placement and Case Review and Fostering Services (Miscellaneous Amendments) Regulations 2013; Regulation 26(1A) and (2) Schedule 3.

- **All fostering and adoption enhanced DBS checks need also to include information about whether someone is unsuitable to work with vulnerable adults as well as children.** This information is relevant to safeguarding children in the care system.

Part three: Outcomes for children and young people

3.1 Relationships

It is well evidenced that those children who lack stability while in care have poorer outcomes⁶. An essential way to achieve stability is to focus on the relationship and attachment the child has with their foster carer(s). Attachments impact on social and emotional development, educational achievements and mental health. The Care Inquiry in England found that the 'golden thread' running through the care system was relationships. The Inquiry recommended that there should be a renewed focus on using the powers and resources from all sectors in nurturing positive and meaningful relationships for children who cannot stay with, or return to, their birth parents.

Foster carers not only have a vital role to play while the child is living in their home but also in supporting the child as they move on, whether this is a move home or a move to another placement. Children and young people in care and care leavers told us that being able to stay in touch with their former carer was very important to them. However, surveys that The Fostering Networks carried out in 2015⁷ showed one third of foster carers and one third of children and young people had been prevented from having contact and over half of the children and young people surveyed said they were not supported at all to keep in contact with former foster carers. The practice of cutting off the relationship between the child and their former foster carer is damaging and social work practice in this area needs to change.

Another key relationship for children in care is that they have with the independent reviewing officer (IRO). IROs play a crucial role in ensuring children's relationships are recognised, supported and sustained. IROs

⁶Data Pack Improving Permanence for Looked after Children, Department for Education (2013)

⁷Keep Connected: Maintaining Relationships When Moving On. The Fostering Network (2016).

currently work within local authority structures which many feel can affect their impartiality in representing the best interests of children. We would like to see IROs becoming independent of local authorities and having more authority, in order to be independent and effective, and to be able to truly ensure decisions are in the best interests of the child.

Recommendations:

- **IROs should work for a body outside of the local authority structure, and given more authority to make independent, effective decisions in the interests of the child.**
- **The Government should ensure that guidance and regulations require that children and young people in care are enabled to remain in contact with their former foster carers and that foster carers are enabled to support their former fostered children as they move home, move to a permanent placement, or move into and through the leaving care process.**
- **How children in care's relationships are being built and supported should be considered as part of CSSIW inspections.**

3.2 Improving outcomes through innovation

In recent years The Fostering Network has run a number of innovative programmes and projects across the UK which seek to improve outcomes for fostered children and young people, including Mockingbird and Inspiring Voices in England. The learning from these programmes supports the organisation's objectives to innovate so that our members are able to respond to the changing world of fostering and allow us to improve outcomes for children and young people in foster care and leaving care.

The Fostering Network will continue to deliver the Mockingbird programme over the next three years and beyond in England but we would urge local authorities to consider introducing the programme across Wales. This an alternative method of delivering foster care with the potential to improve placement stability, safety and permanency for children and young people in care and to improve support for, and retention of, foster carers. The Mockingbird Family Model, upon which the Mockingbird programme is based, increases the protective factors around children through the provision of an extended network of family support. It uses the concept of a 'constellation'

which is where six to 10 'satellite' families of foster and kinship carers live in close proximity to a dedicated hub home of specially recruited and trained carers offering respite care, peer support, regular joint planning and social activities.

Relationships are central to the Mockingbird programme, with hub carers and foster carers providing frontline care and with social workers able to concentrate on successful relationship building. The hub empowers families to support each other and overcome problems before they escalate, and offers children a more positive experience of care. The hub also builds links with other families important to the children's care plans and to resources in the wider community which can provide them with enhanced opportunities to learn, develop and succeed.

Through delivering these programmes clear themes have emerged which we believe can be used to improve local arrangements in the delivery of foster care services:

- **Peer support:** The programmes are based on the central principle of peer support. Peer support can increase the knowledge and confidence of foster carers and prevent problems from escalating which offers children a more positive and stable care experience. Peer support can also be a cost-effective intervention.
- **Foster carers valued as equal members of the team around the child:** We believe it is essential that foster carers are respected and treated as skilled co-professionals, and are recognised as part of the team working with the child. Often the foster carer is the person who knows the child best. In order for foster carers to be respected as a professional child care expert they need to be given all the information on each child, be fully involved in decision making and empowered to make appropriate day-to-day decisions concerning the children in their care, as explored in part two.
- **Involvement in decisions:** Children and young people should be involved in all decisions made about them, particularly when it involves placement moves or contact arrangements.

Recommendation:

- **Good practice models that offer intensive peer support and aim to prevent placement breakdown, such as the Mockingbird Family Model, should be further explored and invested in across Wales.**

3.3 Involvement of young people in their care

At the heart of improving outcomes for children and young people is ensuring they have a strong voice in all decisions which affect their care. Too often, despite good intentions, children and young people's voices are absent from the system, decision making and reviews. We believe that this absence is a contributory factor to a range of the perceived issues within the system.

Last year The Fostering Network completed a project in England, Inspiring Voices, designed to raise young people's and foster carers' awareness of, and engagement with, children in care councils in England. Through this project we ran regional consultation events for young people across the country. The project exposed a great variability in provision. There is a direct link between well-resourced structures and young people being able to influence the design and delivery of services.

The Fostering Network believes that all fostered young people should have their voices heard and be given the opportunity to shape and co-produce children's services in partnership with local authorities and decision makers.

Recommendation:

- **Local authorities should ensure that they have in place mechanisms for listening to the voices of their fostered children, whether they live with in-house carers or are placed with an IFP, e.g. through children in care councils.**

3.4 Access to therapeutic support

The Fostering Network firmly believe that there should be the availability of prompt and robust assessment of looked after children's mental health needs, clear pathways for accessing mental health support and sufficient provision.

Recommendation:

- **Foster carers and the children in their care should have access to mental health support and therapeutic services when needed, without delay.**

3.6 Life-long care

Children living with their own families are rarely expected to move out and stand on their own two feet at the age of 18, and in fact many rely on family support for many years into adulthood. We would like to see this same “life-long” approach to young people who have grown up in care with the state as corporate parents. When I’m Ready and other 18+ living options are a good first step, but we believe that local authorities should continue their commitment as corporate parents in the longer term. This would have long-term benefits for the individual and both benefits and savings for society as a whole.

Recommendation:

- **Local authorities must be proactive in offering long-term support for care experienced young people, and must outline this in the local offer for care leavers.**
- **Local authorities should ensure all fostering service providers, foster carers and eligible young people are aware of their local ‘When I’m Ready’ policy.**
- **‘When I’m Ready’ should be introduced as an option as early as possible in the care planning process and children and young people should be involved in all the decisions which impact on their care.**

4.3 Finance

Feedback from foster carers clearly shows that financial reasons are a key factor preventing foster carers from agreeing to When I’m Ready arrangements. Many carers have reported that their income diminishes once the young person reaches 18. For some foster carers this will be too little to allow them to continue to provide a home for the young person, and will

therefore cause strong relationships to be severed.

Foster carer fees are often stopped once a young person in their care reaches the age of 18. The fee is a foster carer's income in recognition of their skills, knowledge and experience. We believe that foster carers should not be financially disadvantaged if taking on a staying put arrangement.

Recommendations:

- **Following the success of the national minimum fostering allowance, there should also be a national minimum 'When I'm Ready' allowance and an expectation of no financial detriment for foster carers who offer 'When I'm Ready' placements.**
- **There should be a reallocation of housing benefit between public authorities and payment must be made directly by the relevant authority to the foster carer.**

4.4 Independent Fostering Providers

Commissioning for 'When I'm Ready' is not a contract requirement for Independent Fostering Providers (IFPs) and they often will not receive a fee from the local authority in respect of the staying put arrangement.

Recommendation:

- **We would like to see a principle in place that a young person should not be disadvantaged because of the contractual arrangement between their (former) foster carer's agency and the local authority.**

For more information, contact:

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WALES AUDIT OFFICE
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Agenda Item 9

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Mr Adam Price AM
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National Assembly for Wales
37 Wind Street
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Carmarthenshire SA18 3DN

Reference: PA243/hcj

Date issued: 24th January 2018

Dear Adam

Thank you for your letter to the Auditor General of 21 December 2017, requesting that he open an investigation into Welsh Government funding for the film and media industries. I am replying on behalf of the Auditor General in his absence.

Your letter touched on a wide range of issues and I am mindful that any examination seeking to address all of them in detail could be very resource-intensive and time-consuming, assuming that they could be brought together reasonably within the scope of a single piece of work. I am also aware that the Welsh Government has considered some of these issues over recent months. As noted in the brief exchanges about your letter at the Public Accounts Committee on 15th January, wider matters relating to the Welsh Government's overall policy objectives in this area are perhaps best considered by the Assembly's Culture, Welsh Language and Communications Committee, which we understand has shown an interest in taking forward further scrutiny.

We would find it helpful to meet with you to discuss your concerns in more detail and then to take account of the wider views of the Public Accounts Committee to determine whether there are specific matters that would be of common interest and concern. For example, and as discussed on 15th January, the investment in Pinewood where we could consider a facts-only approach to set out the history for the Committee. In the meantime, we will be seeking to confirm the possible scope of the Culture Committee's interest in these matters.

One of the issues that you mentioned concerned the investment in and around Roath Lock. The Auditor General received correspondence about related matters in 2014 from Eluned Parrot AM. I have enclosed a copy of the response that we issued following our initial consideration of the issues that were raised with us. The response was shared with the [then] Public Accounts Committee in February 2015 and is therefore in the public domain.

As you are aware, we are currently undertaking a wider review of the Welsh Government's business finance arrangements, having started that review in response to issues raised by previous Wales Audit Office and Public Accounts Committee work on funding to Kancoat Ltd. We have been planning to undertake this work in two phases:

- The first phase considers, at a relatively high-level, the Welsh Government's business finance expenditure over recent years and issues relating to its overall strategic approach and evidence of the outcomes from that investment, also looking forward in the context of the new Economic Action Plan. The project focuses on support provided by the Welsh Government to businesses, which has job creation and safeguarding as its primary purpose and will not include coverage of all of the various ways in which public funding has been provided to support the film industry / media sector.
- Our thinking was that the second phase of the work would look in more detail, on a sample testing basis, at the decision-making and monitoring around individual packages of support. Our aim in that phase of the work would have been to check for demonstrable evidence that the Welsh Government has embedded the changes in process that it has made in response to the issues raised by previous cases.

We are aiming to report on the first phase of our work by around the end of May 2018. We had intended that the second phase of the work would start immediately after the end of the first phase, but we are currently taking stock of the scope and timing of phase 2 given that there may also be other structural changes arising from the new Economic Action Plan. Any commitment that we make to looking specifically at funding for the film and media industries may also affect our plans for phase 2.

I will ask colleagues to contact your office to arrange a meeting to discuss the matters that you have raised in more detail. Ultimately, the Auditor General will then need to consider your request in the context of our wider programme of audit work, both our planned work and other matters brought to his attention over recent months that may merit further audit scrutiny.

Yours sincerely



Anthony Barrett
Assistant Auditor General

cc. Nick Ramsay AM, Chair – Public Accounts Committee

Encs: Letter to Ms. Eluned Parrott AM re. Welsh Government Investment in Roath Basin (4 February 2015)

Ms Eluned Parrott AM
Assembly Member for South Wales Central
National Assembly for Wales
Cardiff Bay
Cardiff CF99 1NA

Date: 4 February 2015
Our ref: HVT/2266/fgb
Page: 1 of 3

Dear Eluned

WELSH GOVERNMENT INVESTMENT IN ROATH BASIN

On 16 June 2014, you wrote asking me to examine claims made by the former First Minister – Rhodri Morgan – that the Welsh Government had spent £10 million on road improvements in Cardiff Bay to enable BBC Wales to build a new headquarters building at the Roath Basin site adjacent to the BBC's 'Drama Village'. Media coverage at the time of your letter had quoted Mr Morgan's assertion that the decision by BBC Wales to instead locate its new headquarters in the centre of Cardiff was contrary to indications he had been given by a former BBC official – Nigel Walker – that, when required, the new headquarters would indeed be located at Roath Lock.

I am writing now to advise you of the outcome of work that Wales Audit Office staff have undertaken on my behalf to consider these issues. Wales Audit Office staff have reviewed relevant documentary evidence and they have discussed this matter with Welsh Government officials. They have also sought confirmation of certain factual matters from the BBC. However, they have not sought to discuss the details of this matter with current or former BBC officials, or with the former First Minister.

I should emphasise that my audit powers give me no right of access to the BBC. The BBC Trust appoints its own auditor, currently Ernst and Young, and while the National Audit Office (NAO) does conduct value for money studies of the BBC's use of licence fee income, these are underpinned by the provisions – specifically clause 79 – of the July 2006 'Broadcasting Agreement', as amended in September 2011, between the Secretary of State for Culture Media & Sport and the BBC. There is no wider statutory basis for the National Audit Office's value for money work at the BBC. The National Audit Office carried out a study of the BBC's property strategy in 2014 and the BBC Trust has recently [published](#) the findings from that work. The report includes references to the BBC's estate in Wales, but the NAO did not examine the details of the deal to locate the

new BBC Wales headquarters in central Cardiff. The BBC has confirmed that the Roath Basin site was included in a previous longer shortlist of potential sites for its new headquarters but did not make the final shortlist of three sites, one of which was in the Cardiff Bay area.

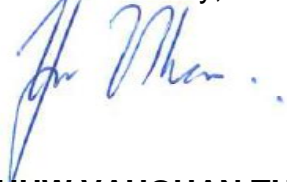
Wales Audit Office staff have confirmed that, on 7 December 2009, the Welsh Government's Cabinet Committee on Budget and Performance approved a £10 million package of investment in Roath Basin, not all of which related specifically to improved access. The Welsh Government has, in fact, since spent £11.9 million in total as part of its package of investment in Roath Basin, having approved up to a further £2 million of funding in March 2011 to cover increased costs arising from unexpected town planning obligations.

The Welsh Government's investment was part and parcel of changes to a development agreement for Roath Basin that the Welsh Government had entered into in 2007 with Igloo Regeneration, and was clearly related to the development of the drama village. Wales Audit Office staff have seen no evidence to suggest that the Welsh Government's decision to invest in Roath Basin was based upon any formal agreement that the BBC would locate its headquarters there, although the BBC had negotiated an option to do so. That option agreement, and some of the background to the Welsh Government's investment, was outlined in March 2010 in an independent report – [The Heart of Digital Wales: a review of creative industries for the Welsh Assembly Government](#). That report had called upon the Welsh Government to seek to secure Roath Basin as the site for the new BBC headquarters, pointing to the potential economic benefits that could result, well in excess of the benefits forecast from the drama village alone.

I have annexed to this letter some further details about these matters. Taking into account the findings of the preliminary review undertaken by Wales Audit Office staff, I do not intend to take forward any further audit work regarding the role that the location of the BBC headquarters played in the Welsh Government's original investment decision. However, please let me know if you would like to discuss this matter with me or with Wales Audit Office staff. While I have set out, for context, some additional factual information about the overall development agreement that the Welsh Government has entered into for Roath Basin, I have not sought to form a view at this stage about the overall value for money of that arrangement.

I am copying this letter to Darren Millar AM who, in his capacity as Chair of the Public Accounts Committee, has also raised this matter with me.

Yours sincerely,



HUW VAUGHAN THOMAS
AUDITOR GENERAL FOR WALES

Enc: Annex A: Welsh Government Investment in Roath Basin – Briefing Paper

cc Mr Darren Millar AM, Chair of Public Accounts Committee

WELSH GOVERNMENT INVESTMENT IN ROATH BASIN – BRIEFING PAPER

1. The Roath Basin site is home to the BBC Wales drama production centre – the ‘Drama Village’. This 176, 510 square foot facility comprises a number of studios and produces BBC Wales made dramas which to date have included Casualty, Pobol y Cwm, Doctor Who, Upstairs Downstairs and the children’s production Wizards vs Aliens. The Drama Village opened in 2011. Also located at the site is a 32,000 square foot office block originally known as the Digital Media Centre, but now known as GloWorks.
2. In 2003, the Welsh Government developed a ‘master plan’ for the derelict former dockworks at the Roath Basin site, with the aim of providing one million square feet of commercial property for use by media and life sciences focussed businesses, together with just over 1,010 residential properties and waterfront walkways. The ambition was for completion by 2020, The Welsh Government undertook an open competitive process to select a private sector partner to support its delivery of the masterplan and, on 20 August 2007, signed a ‘development agreement’ with [Igloo Regeneration](#)¹. At that time, the Welsh Government envisaged that Igloo Regeneration would build and sell the first 500 residential apartments and use the capital receipts to fund the initial infrastructure work.
3. Within a short time of the development agreement being agreed, a number of factors meant that the master plan and the proposed mechanism for funding the infrastructure work was no longer feasible. In particular:
 - plans for a life sciences technium on the site fell through; and
 - the recession and the subsequent downturn in the housing market created an oversupply of residential apartments, casting doubt on the prospect that Igloo Regeneration would be able to fund the infrastructure work through the development and sale of the proposed apartments².
4. At around the same time, the BBC entered the property market looking for a site either for a stand-alone drama production facility or a site to accommodate both drama production and a new headquarters building. Representatives acting on behalf of the BBC approached the Welsh Government to identify if there was any scope for the Welsh Government to support elements of the BBC’s plans. The Welsh Government told the BBC that State Aid rules would restrict the nature of any investment it could make, but that it was willing to explore how it could help the BBC develop its drama production facilities in Wales.

¹ The Igloo Regeneration Fund describes itself as ‘a partnership of pension, life and charity funds managed by Aviva Investors, which invests in sustainable urban regeneration across the UK’.

² The Welsh Government had expected to lever in around £250 million of private investment from Igloo Regeneration between 2012 and 2020. While Welsh Government officials are working with Igloo Regeneration to identify a way to take forward the residential element of the development agreement, this is still not deemed commercially viable at present.

5. We understand that, in early 2009, the BBC's Finance Committee rejected the idea of constructing both a new drama village and a headquarters on a single site in Wales at that point in time on cost grounds, and taking into account the organisational and resource demands of other major commitments to developments in Salford, London and its preparation for the 2012 Olympics. However, the Finance Committee supported the idea of BBC Wales looking for a site for a new drama production unit for the production of a range of programmes, or a stand-alone unit to produce *Casualty*. The Welsh Government decided that it would not offer any support for a stand-alone facility to produce '*Casualty*'. The Welsh Government's view was that only a drama village producing a range of programmes would act as a catalyst for the expansion of the creative industries sector in Wales, something that remains a key Welsh Government objective³.
6. In June 2009, BBC Wales selected Roath Basin as its preferred option for a drama village. There was then a period of negotiation between BBC Wales and Igloo Regeneration, and Welsh Government officials intervened to help broker an agreement. These negotiations included discussions about the prospect of agreeing a time-limited option to develop a new headquarters on the site.
7. On 14 December 2009, the then Deputy First Minister agreed plans in relation to the development of the drama village and changes to the original development agreement with Igloo Regeneration which would mean that⁴:
 - The Welsh Government would sign a 25 year lease with Igloo Regeneration for the drama village and GloWorks, with Igloo Regeneration then taking forward the construction of these premises. The total rent payable for both properties was estimated at £2.1 million per annum. Under the terms of the 2007 development agreement, the final rental payments can only be confirmed once the construction costs of the two buildings are finalised. Those final construction costs and the implications for the amount of rent payable are still to be agreed, although negotiations are underway.
 - The Welsh Government would agree a 20 year sub-lease with the BBC for the drama village under which the BBC is committed to an annual rental payment to the Welsh Government of £1.35 million. The sub-lease gives the BBC the option to exercise a break clause after 10 years (on giving 12 months' notice and a penalty payment of two years rent) and also at year 15 (on giving 12 months' notice and a penalty payment of one year's rent)'. - The Welsh Government would invest what was expected at the time to be £10 million in capital works, comprising:
 - £1.5 million to 'fit out' GloWorks; and

³ See *Economic Renewal: a new direction*, Welsh Government, July 2010.

⁴ In December 2009, Ieuan Wyn Jones held the posts of Deputy First Minister and Minister for Economy and Transport. It was as the Minister for Economy and Transport that he agreed the changes to the Development Agreement with Igloo Regeneration.

- £8.5 million of infrastructure work to: decontaminate a section of land; bring utilities on-site; and to provide vehicle and pedestrian access, installing a road through the site from the Queensgate roundabout to the Norwegian Church next to the Outer Roath Basin Lock and upgrading the Roath Basin Inner Lock Swing Bridge and the Outer Roath Basin Lock bridge. The original development agreement anticipated that Igloo Regeneration would use capital receipts to fund this work (paragraph 2).
 - The original development agreement would be amended, such that Igloo Regeneration would no longer have to pay, at the end of the agreement in 2026, the anticipated sum of £2.5 million⁵ for the first phase of land due for release with any remaining land to have been sold for the nominal sum of £1. Instead, all land would be paid at the prevailing open market value relative to each phase of building works. However, even when assuming planning consent for the development and completion of the infrastructure works that the Welsh Government was committing to fund, professional advice at the time indicated that the value of the land on which GloWorks and the drama village was located was nil or nominal. On that basis, the Welsh Government still sold that land for £1. The professional advice that the Welsh Government obtained suggested that, over 10 to 15 years, land receipts could exceed the facilitating investment.
 - The Welsh Government's lease arrangement with Igloo Regeneration would entitle Igloo Regeneration to only a 6.3 per cent rate of return, compared to the 12.5 per cent rate of return permitted in the original development agreement.
8. On 15 January 2010, the Welsh Government and Igloo Regeneration signed a 'deed of variation' to the original 2007 development agreement, to reflect the changes listed above. On 15 January 2010, the Welsh Government, Igloo Regeneration, and BBC Wales, signed an agreement that confirmed a near four-year option (until 31 December 2013) for the BBC to require that Igloo Regeneration develop on the site a new headquarters to cover approximately 150,000 square feet that would be leased by the BBC.
9. The Welsh Government had sought funding for its investment in infrastructure work at Roath Basin from the UK Government's Strategic Investment Fund (SIF). Ultimately, the UK Government, through the Department for Trade and Industry, decided instead to provide SIF funding for the High Performance Computer Network in Wales⁶. While they were seeking SIF funding from the UK Government, Welsh Government officials also submitted a bid for funding from the Welsh Government's Strategic Capital investment Fund (SCIF) for the full £10 million package of work. On 7 December 2009, the Welsh Government's

⁵ The figure of £2.5 million comprised costs incurred by the Welsh Government to the point at which it signed the development agreement in August 2007.

⁶ High Performance Computing Wales is a collaboration between the Welsh Government, Welsh universities and Fujitsu. It describes itself as giving 'businesses and researchers access to world-class, secure and easy to use high performance computing technology'

Cabinet Committee on Budget and Performance had approved that bid⁷. The Welsh Government's Cabinet Secretary has confirmed that, as First Minister, Mr Rhodri Morgan attended the Cabinet Committee meeting on 7 December 2009.

10. The minutes of the Cabinet Committee meeting on 7 December 2009 record that: 'The funding of the Media Capital and Roath Basin Regeneration project was dependent upon the BBC agreeing to locate its new Cardiff drama studios in Roath Basin'. Wales Audit Office staff have not seen the full set of minutes for this meeting, but Welsh Government officials have confirmed that this is the only reference to the funding decision. This and other documentary evidence reinforces the key relationship between the Welsh Government investment and the decision by the BBC to commit to the drama village in Roath Basin. There appears to have been no secret about the fact that the BBC was investigating the possibility of an option to locate its new headquarters at Roath Basin. For example:
 - The Welsh Government's bid document for SCIF funding refers to the BBC having reached an in principle agreement for that option, although the option is not mentioned in the paper that went to the Cabinet Committee. The paper for the Cabinet Committee focuses on the link with the proposed development of the drama village.
 - The submission to the Deputy First Minister that informed his decision to approve the £10 million Welsh Government investment on 14 December 2009 stated that the risk of the BBC pulling out of the drama village before the full 20 year period of its lease elapsed would be reduced should the BBC decide to exercise its option also to locate its headquarters in Roath Basin.
11. In March 2011, Ieuan Wynn Jones, the then Deputy First Minister, approved a further £2 million of funding for the project, due to 'increased infrastructure costs arising from unexpected town planning obligations'. Welsh Government officials told us that the single largest component of the additional work required was 'Variable Messaging Signage to direct traffic to the relevant site entrance depending on whether the Inner Lock Swing Bridge accessing the site is open or not. Under a further deed of variation, the additional investment reduced the rental liabilities of the Welsh Government by £126,000 per annum. The total cost of the additional infrastructure was £4.5 million. At the time the work was completed, Igloo Regeneration met the £2.5 million balance. The extent to which that £2.5 million is an eligible cost for the purpose of calculating rent (paragraph 7) is part of ongoing negotiations.
12. Also in 2011, Igloo Regeneration sold on the drama village and GloWorks to British Steel Pension Trustees. This sale will generate an overage payment of

⁷ In 2008, the Welsh Government established for a period of three years the Strategic Capital Investment Panel, comprising six independent experts, to advise it on allocating its Strategic Capital Investment Fund. Final decisions about the allocation of the funding fell to the Cabinet Committee. The Panel did not initially recommend funding the project, but subject to further work developing the project the Cabinet Committee reconsidered the project under the second tranche of SCIF funding.

£3.75 million. The Welsh Government has agreed with Igloo Regeneration, and through it with British Steel Pension Trustees, that this overage payment should be converted from a cash payment to a rent reduction. Under a further deed of variation, the overage reduced the rental liabilities of the Welsh Government by £178,850 per annum. The Welsh Government took this decision because of the revenue risk it is carrying, given that it had agreed a longer lease with Igloo Regeneration than it had agreed with the BBC.

13. In entering into the lease agreement with Igloo Regeneration, the Welsh Government acknowledged at the time that these arrangements exposed it to a potential liability of around £760,000 because it did not, at that time, have any tenants for GloWorks. The Welsh Government also acknowledged the risk that BBC Wales could exercise its break clause, albeit with penalty payments, potentially leaving the Welsh Government without a sub-tenant to help meet the total costs of its rental agreement. As of July 2014, GloWorks had two tenants, both creative sector industries, and the building was 80 per cent occupied.
14. It is not possible at this time to put a value on the Welsh Government's liabilities, should it not achieve full occupancy of GloWorks. As stated above, the final rental costs are determined by the final construction costs, which have not as yet been agreed between the Welsh Government and Igloo Regeneration. As at August 2011, the Welsh Government was estimating that the final annual rent for the two buildings will be below the initial forecast of £2.1 million.
15. Pending agreement of the final rent with Igloo Regeneration and British Steel Pension Trustees, to date the Welsh Government has received rental income of £4,393,459 and made payments of £4,326,192. These figures do not include any payments for GloWorks, nor do they include any income from that building as the current tenants have the benefit of a initial commercial rent free period.

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