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|---|--|--|--|--|
| <b>Title:</b><br>Changes to the assessment and approval process for foster carers<br>- Validation stage IA<br><b>IA No:</b><br><b>Lead department or agency:</b><br>Department for Education<br><b>Other departments or agencies:</b> | <b>Impact Assessment (IA)</b>                                  |  |  |  |
|   | <b>Date:</b> 23/01/2013  |  |  |  |
|   | <b>Stage:</b> Final  |  |  |  |
|   | <b>Source of intervention:</b> Domestic                        |  |  |  |
|   | <b>Type of measure:</b> Primary legislation                    |  |  |  |
|   | <b>Contact for enquiries:</b> Louise Lawrence<br>0207 783 8088 |  |  |  |

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| <b>Summary: Intervention and Options</b> | <b>RPC Opinion:</b> RPC Opinion Status |
|--|--|

| Cost of Preferred (or more likely) Option |                            |  |   |
|---|----------------------------|--|---|
| Total Net Present Value                   | Business Net Present Value | Net cost to business per year (EANCB on 2009 prices) | In scope of One-In, Measure qualifies as One-Out? |
|   | £0.583m                    | -£0.062m   | Yes   OUT   |

**What is the problem under consideration? Why is government intervention necessary?**

The process for assessing suitability to foster currently ties up resources by requiring an assessment to be completed (unless the applicant withdraws) even where it is clear early on that the person is not suitable; lacks clarity about when a person has access to an independent review; leads to unnecessary information collection due to constraints on information sharing across services; has requirements to obtain references that are not fit for purpose; and, once a foster carer is approved, there is a lack of flexibility to amend their terms of approval. These issues constrain fostering services in assessing suitable carers quickly and ensuring an available pool of carers to meet children's needs.

**What are the policy objectives and the intended effects?**

The aim is to make the foster carer assessment process more efficient, proportionate and timely, enabling fostering services to focus their available resources more effectively thereby making available greater numbers of suitable carers more quickly. The ultimate objective is to help address the national shortage of foster carers and ensure that existing foster carers can be deployed flexibly to meet children's needs. Costs to independent fostering services arising from the proposals are expected to be outweighed by savings.

**What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)**

Amend the Fostering Services (England) Regulations 2011. This option was chosen because of the need to clarify the assessment process, make it more efficient, reduce burdens on fostering services and enable foster carers to be recruited more efficiently and deployed more effectively to meet the needs of looked after children.

**Will the policy be reviewed? It will be reviewed. If applicable, set review date: Month/Year**

|  |                    |                       |                       |                           |                    |
|--|--------------------|-----------------------|-----------------------|---------------------------|--------------------|
| Does implementation go beyond minimum EU requirements?   |                    |                       | N/A                   |                           |                    |
| Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.                       | <b>Micro</b><br>No | <b>&lt; 20</b><br>Yes | <b>Small</b><br>Yes   | <b>Medium</b><br>Yes      | <b>Large</b><br>No |
| What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent) |                    |                       | <b>Traded:</b><br>N/A | <b>Non-traded:</b><br>N/A |                    |

***I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs.***

Signed by the responsible Minister: \_\_\_\_\_ Date: 30th April 2013

# Summary: Analysis & Evidence

Policy Option 1

Description:

## FULL ECONOMIC ASSESSMENT

| Price Base Year | PV Base Year | Time Period Years | Net Benefit (Present Value (PV)) (£m) |                |                |
|-----------------|--------------|-------------------|---------------------------------------|----------------|----------------|
|                 |              |                   | Low: Optional                         | High: Optional | Best Estimate: |

| COSTS (£m)    | Total Transition (Constant Price) Years | Average Annual (excl. Transition) (Constant Price) | Total Cost (Present Value) |
|---------------|---|--|----------------------------|
| Low           | Optional                                | Optional   | Optional                   |
| High          | Optional                                | Optional   | Optional                   |
| Best Estimate |   |  |                            |

Description and scale of key monetised costs by 'main affected groups'

Other key non-monetised costs by 'main affected groups'

| BENEFITS (£m) | Total Transition (Constant Price) Years | Average Annual (excl. Transition) (Constant Price) | Total Benefit (Present Value) |
|---------------|---|--|-------------------------------|
| Low           | Optional                                | Optional   | Optional                      |
| High          | Optional                                | Optional   | Optional                      |
| Best Estimate |   |  |                               |

Description and scale of key monetised benefits by 'main affected groups'

Other key non-monetised benefits by 'main affected groups'

Key assumptions/sensitivities/risks

Discount rate (%)

## BUSINESS ASSESSMENT (Option 1)

|   |                  |              |                   |                      |
|---|------------------|--------------|-------------------|----------------------|
| Direct impact on business (Equivalent Annual) £m: |                  |              | In scope of OIOO? | Measure qualifies as |
| Costs: £0.000                                     | Benefits: £0.062 | Net: -£0.062 | Yes               | OUT                  |

# Evidence Base (for summary sheets)

## Background

1. A consultation stage IA was submitted to the RPC on this measure on 12 July 2012. The RPC response to the Department was received on 09 August 2012. The proposal was rated Amber. We believe that this measure falls under the low cost regulation fast track route in the new impact assessment system. This measure does not require a triage assessment as the RPC has already agreed that the measure is likely to be an OUT when they reviewed the consultation stage IA (see interim guidance, page 10, par.23). This measure does, however, require a validation stage IA as it is in scope of OIOO rules; it is a net benefit to civil society organisations.
2. The public's views on the proposals were sought via a 12 week consultation starting in September 2012. The consultation also included proposals to amend the adoption approval process (covered in a separate impact assessment). 197 responses to the consultation were received, including responses from local authority adoption/fostering teams (81); voluntary adoption agencies/independent fostering agencies (33); sector organisations (19); prospective adopters/adopters (15); adoption/fostering panels (15); prospective foster carers/foster carers (13); judiciary/lawyers (2); birth parents (1); others, including charities, social workers, medical advisers and respondents who did not specify their context (18).

## The problem under consideration

3. The process for assessing and approving foster carers lacks clarity, prevents resources being focused effectively and limits the flexibility of foster carers to respond to the needs of children in the care system. There are six broad aspects of the assessment and approval process identified as problematic following representations to the Department from the sector:
  - **When the assessment process starts is not clear.** The Fostering Services (England) Regulations 2011 (FSR) are currently unclear about when the formal assessment of a person's suitability to foster starts. They state that a fostering service "may carry out an assessment of any person who applies to become a foster parent and whom they consider may be suitable to become a foster parent". It is unclear about what information may be collected **before** the assessment starts as part of the decision about whether the person "may be suitable to become a foster parent." Clarifying the assessment start point is important because under current arrangements:
    - once started, an assessment must be completed (unless the applicant withdraws); and
    - once completed, if the determination by the fostering service is not to approve, the applicant has the option of making representations to their fostering service provider (considered by the provider's fostering panel), or of seeking a review by an independent review panel, prior to the provider's decision maker reaching their final decision.
  - **No provision for a brief report that allows assessments to be terminated before completion where appropriate.** Once an assessment has been started it must be completed. This is a wasteful use of resources in cases where it is clear, before the assessment is completed, that a person is unsuitable. It also contrasts with the process for assessing prospective adopters, where there is the option of a "brief report." Here, if evidence transpires part-way through an assessment that a person is not suitable to adopt, a brief report can be submitted to the agency's adoption panel for a recommendation, and subsequently to their decision maker for a determination about whether the assessment should be terminated or continued to completion.
  - **Requirements for references for foster carers moving service are not fit for purpose.** Currently fostering services that are assessing an individual's suitability to foster must interview at least two persons nominated by the individual to provide personal references, and make a written report of the interviews. This is appropriate where the individual has not fostered before.

However, where a person has recently been fostering for another fostering service and is moving service, a reference from that service will provide more useful information about the individual's suitability to foster than will personal references. The FSR do not, however, refer to a reference from the previous service.

- **Restrictions on fostering services sharing information to support assessments.** Where a foster carer is moving to a new fostering service, the FSR require the old service to make the foster carer's records available for inspection by the new service. This helps to avoid information having to be collected again when the new service reassesses the carer's suitability. However, the FSR only allow this information to be shared once the approval with the old service has been terminated. This is problematic given that the reassessment can take several months, but foster carers (particularly those with a child in placement) often need to move seamlessly to a new service in order to avoid a period when they are not approved to foster and so cannot have a child placed with them. It is anomalous to allow information to be shared only after the point, in many cases, where the assessment would already have had to be completed. The current drafting of the regulations also limit the exporting fostering services to making the foster carer's records "available for inspection". This implies that access can only be given to the records via the new fostering service viewing them on the previous service's premises.
- **Restrictions on fostering and adoption services sharing information to support assessments.** Where a foster carer wishes to become an adopter or an adopter wishes to become a foster carer, there is no power for the fostering service / adoption agency to share the foster carer's / adopter's records with the new service/agency in order to support the assessment process. This results in unnecessary duplication of information collection which has a cost attached and delays the assessment process.
- **Requirements around amending terms of approval are inflexible.** When a person is approved to foster, their approval may be limited by terms such as the number and age of the children they can foster. A local authority is only allowed to place a child with a foster carer outside of the carer's terms of approval in an emergency and then only for a maximum of six days. A foster carer's terms of approval cannot be amended in less than 28 days because, once a determination to amend has been made, the foster carer must be given twenty-eight days to seek a review by the IRM, or make representations to the provider, should they wish to do so. This is the case regardless of whether the foster carer is happy with the change of terms, or was even the one to ask for the change. The requirement to limit placements outside a carer's terms of approval to no more than six days, in conjunction with requiring twenty-eight days to amend terms of approval, results in some children not being able to stay with a particular carer despite this being the most appropriate placement.

## Rationale for intervention

4. The current process for assessing and approving foster carers as set out in legislation is felt to be inefficient in places and Government intervention is necessary to address this. The rationale for intervening is to make the process for assessing suitability to foster clearer and more transparent for fostering services and applicants, to enable resources to be focused more effectively and to remove inappropriate barriers to the flexible deployment of foster carers to meet children's needs. Currently, there is a shortage of foster carers in some parts of the country. The Fostering Network has estimated this shortage to be around 7,350 carers in England<sup>1</sup>. By making the assessment process more transparent and efficient, these measures are intended to maximise the number of suitable applicants who are approved to foster.

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<sup>1</sup> <http://www.fostering.net/about-fostering/recruitment-targets>

## Description of the policy changes and costs and benefits to business

5. The policy measures were developed following 'deep dive' visits to 5 local authorities and in partnership with working groups (including representatives from sector organisations, local authorities, fostering agencies and foster carers) and following evidence gathered over a 12 week public consultation.<sup>2</sup>
6. In this section we describe each policy measure in turn in relation to the problem that each addresses. These problems were detailed above. We also articulate the costs and benefits of each measure to business. This section has been informed from information supplied by the Nationwide Association of Fostering Providers (NAFP), responses to the consultation, and Ofsted statistical data.
7. These measures affect two groups of business sector providers:
  - **Independent fostering agencies (IFAs).** These agencies assess and approve prospective foster carers. Local authorities can also carry out this function. Some IFAs are profit making organisations whilst others belong to the voluntary sector. The most recent Ofsted data shows that there are 295 IFAs. There is also data on the number of applications received and approved by a large sample of these agencies. Of a possible 295, 270 returned data on these questions. These agencies received 7,787 applications from new prospective fostering households between 1 April 2011 and 31 March 2012. They approved 2,779 applications between 1 April 2011 and 31 March 2012. These agencies made 17 referrals to the independent review mechanisms (IRM) between 1 April 2011 and 31 March 2012.<sup>3</sup>
  - **Voluntary adoption agencies (VAAs).** These agencies assess and approve prospective adopters. Local authorities can also carry out this function. There are 22 Voluntary Adoption Agencies (VAAs) in England.<sup>4</sup> Some of these have more than one branch. 49 branches were registered with Ofsted in England at 31 March 2012.<sup>5</sup>

### When the assessment process starts is not clear

8. To address this problem we intend to:
  - State in the FSR that the assessment starts after the outcome of the Criminal Record Bureau (CRB) and health check, and after references, have been received and considered **and** to allow the assessment and pre-assessment phases to occur concurrently.
9. This will clear up the current confusion as to when the assessment formally starts. If a person is deemed unsuitable because of information obtained in the statutory checks (pre-assessment information), and is unhappy with this decision, they may complain via the service's complaints process but will not have access to the fostering service's fostering panel or the independent review mechanism. The additional clause of allowing the assessment and pre-assessment phases to occur concurrently attempts to reduce the delay that may be incurred if fostering agencies treated the two processes sequentially.
10. Seventy-eight per cent of all respondents to the consultation agreed with the specific option to 'state in the FSR that the assessment starts after the outcome of the Criminal Record Bureau (CRB) and health check, and after references, have been received and considered'. Nineteen out of the 20 independent fostering or adoption agencies who responded to the question agreed with the option.
11. There will be a **benefit** for those IFAs who currently believe that the assessment starts **before** the outcome of the CRB and health check, and after references, have been received and considered. This is because, as noted above, once an assessment has deemed to have started by a fostering service

<sup>2</sup><https://media.education.gov.uk/assets/files/pdf/a/adoption%20and%20fostering%20tackling%20delay%20-%20consultation%20document.pdf>

<sup>3</sup> <http://www.ofsted.gov.uk/resources/fostering-quality-assurance-and-data-forms-2011-12-first-statistical-release>

<sup>4</sup> [http://www.cvaa.org.uk/news/stats12/CVAA\\_Sector\\_Performance\\_Report-ENGLAND2011-12.pdf](http://www.cvaa.org.uk/news/stats12/CVAA_Sector_Performance_Report-ENGLAND2011-12.pdf)

<sup>5</sup> Ofsted (2012) Adoption quality assurance and data forms 2011-12 first statistical release <http://www.ofsted.gov.uk/resources/adoption-quality-assurance-and-data-forms-2011-12-first-statistical-release>

provider, if must be completed (unless the applicant withdraws). Also, once the assessment is completed, and the determination is not to approve, the applicant has the option of making representations to their fostering service provider (considered by the provider's fostering panel), or of seeking a review by an independent review panel, prior to the provider's decision maker reaching their final decision.

12. Therefore, these providers will no longer have to invest resources in completing, or spending extra time on, detailed assessments where an applicant is deemed unsuitable to foster because of issues arising within the statutory checks.
13. Over the period 2009-10 to 2011-12 there were 245 IRM reviews relating to fostering cases across all fostering providers (local authority and independent).<sup>6</sup> 33 of these related to the determination not to approve a prospective foster carer. Hence, approximately 13.5 per cent of referrals to the IRM from fostering agencies relate to an initial assessment of a person's suitability to foster. Ofsted data shows that 270 out of a total of 295 IFAs made 17 referrals to the independent review mechanisms (IRM) between 1 April 2011 and 31 March 2012.<sup>7</sup> Extrapolating this upwards to capture a population estimate implies 18.6 referrals across all IFAs.<sup>8</sup> Estimates show that approximately 45.6 per cent of initial assessments referred to the IRM relate to issues that would have become apparent because of the CRB check, health check, or references. Applying these estimates implies that 1.14 referrals to the IRM from IFAs would not have occurred had this policy option been in place. This estimate is given by 18.6 referrals x 0.135 percent relating to a person's suitability to foster x 0.456 per cent relating to CRB, health check, or reference issues.
14. Fostering agencies are required to pay a contribution towards the cost of the IRM panel review. This is £2,591 from 1 April 2013.<sup>9</sup> Given this, the expected annual financial saving to IFAs as a result of fewer IRM reviews is estimated to be £2,954 (e.g. 1.14 x £2,591). These providers will also achieve savings in relation to the staff time spent preparing for the review and completing a response to the review. Accurate sector estimates are not available on these resource costs.
15. Data on the number of representations to providers that occur to applications being rejected due to issues relating to statutory checks is not available. Data on such activity is not collected nationally. For this reason, we cannot monetise this effect. We are, however, able to monetise the unit cost. Each time representations to a provider are avoided, the fostering service avoids the cost of setting up their fostering panel. Direct estimates of the cost of setting up a fostering panel are not available, however the cost of setting up an adoption panel can be used as a proxy – this is estimated at around £4,540 (2012/13 prices).<sup>10</sup>
16. The cost savings associated with the remaining activities required to complete an assessment for those who fail the statutory checks are also not known. The saving per case will depend on the outstanding number of activities that must take place after problems with the statutory checks are identified. Unpublished sector estimates put the full cost of assessing a foster carer at between £20,000 to £37,000 dependent on the efficiency and specialism of the particular provider.

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<sup>6</sup> <http://www.independentreviewmechanism.org.uk/resources>

<sup>7</sup> <http://www.ofsted.gov.uk/resources/fostering-quality-assurance-and-data-forms-2011-12-first-statistical-release>

<sup>8</sup> The Ofsted data may not be nationally representative, but instead refers only to those agencies that responded to the survey. Therefore this extrapolation should be treated as indicative and with caution.

<sup>9</sup> <http://www.independentreviewmechanism.org.uk/agencies>

<sup>10</sup> This estimate comes from Selwyn et al (2009). The estimate was based on one large local authority that supplied data on the expenditure incurred for room hire, salaries for administrators and the chair, training, and fees and expenses for panel members and medical advisors. It does not include overheads or the costs of attendees, such as the professional advisor to the panel, whose attendance is part of their role. This estimate in Selwyn et al is in 2007/08 prices. To express the figure in 2012/13 prices, we uplifted using the HM Treasury GDP Deflator Index. Selwyn et al. (2009). Adoption and the inter-agency fee. Research Report DCSF-RR149

No provision for an a brief report that allows assessments to be terminated before completion where appropriate

17. To address this problem we intend to:

- amend the FSR to introduce a power to terminate an assessment following a brief report.

18. The process would mirror that for adoption by giving decision makers the option of terminating an assessment if they consider this is appropriate following a recommendation from their fostering panel. In reaching their recommendation, the fostering panel would take account of a report concerning the prospective foster carer's suitability submitted by the assessing social worker, along with any observations on that report submitted by the applicant. If the determination is to terminate the assessment, the applicant would have the option of seeking a review by the IRM or of making representations to the provider, in which case the decision maker's final decision would take account of the further recommendation. There would be the option of a further IRM review, or to make representations to the provider, if the assessment were completed with a determination not to approve.

19. This measure will **benefit** IFAs through enabling a reduction in resource use; IFAs will be able to terminate assessment prior to completion via the production of a brief report which is then considered by the fostering panel. It is not possible to monetise this benefit as it is not known how often the report termination route will be used. Sector feedback indicates that, when assessments are terminated prior to completion, this is most often by mutual agreement and with 'counselling out.' Data from 270 out of 295 IFAs shows that there were 3,916 applications withdrawn between 1 April 2011 and 31 March 2012.<sup>11</sup>

20. The routes through which resource savings will materialise are:

- **fewer panels convened to consider full assessments.** By enabling the early termination of assessments where there is evidence before completion that the person is not suitable to foster, there will be fewer panels convened to consider the final assessments of those applicants who would otherwise have completed the process. The cost of a fostering service provider convening their fostering panel is discussed above and is £4,540 (2012/13 prices);
- **fewer IRM reviews and representations to the provider following a full assessment and determination not to approve.** By enabling the early termination of assessments, there will be fewer panels convened to consider final assessments and therefore a corresponding reduction in the number of applicants making representations to their fostering service provider or seeking a review by an independent review panel in response to determinations not to approve following a full assessment. The cost of a fostering panel is estimated to be £4,540. The cost to an IFA of an IRM review is £2,540. As noted above, this refers to direct expenditure by IFAs and does not take account of the additional cost to the IFA associated with preparing and attending an IRM review.
- **fewer resources spent on activities that would be required to complete the assessment.** For those assessments that are terminated following the completion of a brief report, the provider bears less costs than would otherwise be borne in carrying out the remaining activities required to complete the terminated assessment, e.g. any information collection, visits, meetings, training, etc, that have not already been carried out. Information about the cost of this latter stage of the assessment is not collected, nor is it known when in the process an assessment may be terminated, therefore it is not possible to calculate the potential size of the saving.

21. Such resource savings are offset to an extent by the resources required to initiate a termination and the resources required if the applicant appeals the decision. Namely, there will costs associated with:

- **completing a brief report and convening a fostering panel to consider this report.** In order to terminate an assessment early, service providers will have to dedicate resources to complete a brief report. They will also have to bear the cost of the fostering panel that considers the report.

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<sup>11</sup> <http://www.ofsted.gov.uk/resources/fostering-quality-assurance-and-data-forms-2011-12-first-statistical-release>

Information about the cost of putting together a brief report for a prospective adopter is not collected. The cost of convening a fostering panel is discussed above; and

- **IRM reviews and representations to the provider following a determination not to complete the assessment.** For any case where, having been turned down following a brief report, the applicant seeks an IRM review, or makes representations to the provider, the fostering service must bear the cost of this IRM review or representation. The cost of these are discussed above.

#### Requirements for references for foster carers moving service are not fit for purpose

22. To address this problem we intend to:

- replace the FSR requirement to interview two personal referees with a requirement to do so only if a written reference from the previous fostering service is not available

23. It is not proposed to place exporting fostering services under a **duty** to provide a reference. For this reason, there are no costs imposed by the measure relating to the time taken for IFAs providing a reference when one of their foster carers moves to a new service. When asked, the Nationwide Association of Fostering Providers said that services already seek a written reference from the previous service when a foster carer moves service, despite this not being required in the current regulations. Again, this suggests that changing the requirements around references will have little impact on the exporting fostering service.

24. If a reference is provided to a fostering service importing a foster carer previously approved at another agency, then the importer will not be required to interview two personal referees and make a written report of these interviews (though they will have the power to do so if they wish). This is therefore a benefit to the importing IFA. We can indicatively monetise this benefit. Sector feedback indicates that at least 7 per cent of foster carers approved by IFAs have been approved in the past by another fostering service. Out of 295 IFAs, 270 IFAs reported that they received 7,787 applications between 1 April 2011 and 31 March 2012.<sup>12</sup> Extrapolating this figure to represent the entire population gives 8,508 applications received by all IFAs over the year.<sup>13</sup> Applying 7 per cent to this gives an estimate of 596 applications received per year from individuals previously attached to a different fostering service. Sector estimates reveal that it takes approximately 4-6 hours, if travel time is considered, to complete these interviews and write them up. The unit cost of an hour of work for a social worker in children's services (including salary and salary on-costs) is estimated to be £26 (2011/12 prices).<sup>14</sup> Using 5 hours as the best estimate, this implies that the cost to IFAs from the interviews and write up is £130. In the consultation, 20% of respondents from independent fostering or adoption agencies responded that they wanted to keep personal reference checks because circumstances can change. Using this figure, we assume that 80% of the 596 applications (477 applications) will rely on the written reference from the previous agency while 20% will continue to interview two personal referees. Across 477 applications, therefore, the total cost savings is £61,984 per year.

#### Restrictions on fostering services sharing information to support assessments

25. To address this problem we intend to:

- amend the FSR to allow a fostering service to whom a foster carer is moving to access the carer's records from their previous service before their approval with that service has been terminated; and provide more options for providing access to the records

26. Allowing a foster carer's records to be shared with a new fostering service before the carer's

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<sup>12</sup> <http://www.ofsted.gov.uk/resources/fostering-quality-assurance-and-data-forms-2011-12-first-statistical-release>

<sup>13</sup> The Ofsted data may not be nationally representative, but instead refers only to those agencies that responded to the survey. Therefore this extrapolation should be treated as indicative and with caution.

<sup>14</sup> PSSRU (2012). Unit costs of health and social care 2012, p.191

approval with the original service has been terminated means that the records can in fact form a useful part of the assessment. In addition, giving an exporting fostering service wider options for how they provide an importing fostering service with access to a foster carer's records will also make it easier for services to use existing information to inform the reassessment process.

27. This measure will **benefit** IFAs when importing fosterers from other services. As noted above, an indicative estimate of the number of applications received each year by IFAs from foster families previously attached to another service is 596. Under current arrangements, when a foster carer moves to a new service this service can require the original service to give them access to the carer's records, but only **after** the carer's approval with the original service is terminated. Under the policy option, the new service will be able to access records **before** the foster carer's approval with the original service is terminated. This should increase the number of occasions in which information is shared, by enabling the information to inform assessments that must be completed before the approval with the original service is terminated. Benefits should accrue as a result of not having to recollect information already in the foster carer's records.
28. There will also be **costs** to IFAs as removing the current barrier to accessing a foster carer's records for reassessment purposes should increase the number of times an exporting fostering service is asked for access to their carer's records. Information that would enable an estimate of the size of the cost of this to the exporting service is not collected. It is also not possible to quantify the size of the benefits of the policy. However, given that agencies are importers as well as exporters of foster carers, we believe that the cost savings of not duplicating information collection, and of having full information to inform assessments, will outweigh the costs of providing this information.

#### Restrictions on fostering and adoption services sharing information to support assessments

29. To address this problem we intend to:

- amend the FSR and Adoption Agency Regulations so that where an applicant to foster has previously been approved to adopt, or vice versa, the assessing service/agency can access the person's records from their previous agency/service in order to inform the assessment process.
30. National level data from Ofsted shows that, of all adoption agencies (voluntary sector and local authority) that returned a response, 280 foster carers were approved on a date between 1 April 2011 and 31 March 2012 to adopt the child/children they were fostering.<sup>15</sup> 3,048 applications in total were approved by the responding agencies within the same time period. Given this, we estimate that at least 9.19 per cent of approved adopters have already been approved to foster (e.g. 280 / 3,048). Voluntary adoption agencies received 664 applications to adopt in 2011/12.<sup>16</sup> Therefore, at least 61 assessments carried out by voluntary adoption agencies (VAAs) each year apply to households that are already approved to foster.
31. It is proposed that information will only be shared with the agreement of the applicant. Moreover, there will be a power for the new agency/service to access the information and a requirement on the old service/agency to provide that access. As with the proposal for information sharing between fostering services, the requirement will be to disclose and provide access to the information.
32. This measure will **benefit** fostering services/VAAAs when they assess individuals who have already been approved to adopt/foster by another provider. By enabling records to be shared when a foster carer applies to become an adopter and vice versa, the importing service/agency will have more information on that applicant to hand. This should reduce unnecessary duplication of information collection which has a cost attached and delays the assessment process. It will also ensure that the new fostering service has the fullest available information about the applicant to inform their decision about their suitability to foster.
33. The measure will also lead to **costs** to fostering agencies in supplying information on foster carers

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<sup>15</sup> Ofsted (2012) Adoption quality assurance and data forms 2011-12 first statistical release <http://www.ofsted.gov.uk/resources/adoption-quality-assurance-and-data-forms-2011-12-first-statistical-release>

<sup>16</sup> Source: [http://www.cvaa.org.uk/news/stats12/CVAA\\_Sector\\_Performance\\_Report-ENGLAND2011-12.pdf](http://www.cvaa.org.uk/news/stats12/CVAA_Sector_Performance_Report-ENGLAND2011-12.pdf)

that they have approved when these carers choose to go through an adoption assessment process with another agency. Under current arrangements, there is no power for the exporting fostering service / adoption agency to share the foster carer's / adopter's records with the new service in order to support the assessment process. Therefore, this policy option is expected to result in additional information sharing to that which currently takes place. There may be a cost to the exporting agency in collecting together this information. It is not possible to quantify the size of the costs or benefits of the policy. However, given that agencies are importers as well as exporters of carers, we believe that the cost savings of not duplicating information collection, and of having full information to inform assessments, will outweigh the costs of providing the information.

#### Requirements around amending terms of approval are inflexible

34. To address this problem we intend to:

- amend the FSR to allow terms of approval to be amended in less than 28 days if the foster carer has signed to agree this; a review of the carer's approval has been completed; and any additional support needs resulting from the change, and how these will be met, have been considered and recorded in writing.

35. This measure has an advantage to IFAs for it enables them to respond more flexibly to children coming into the care system. If a child is placed with a carer in an emergency outside the carer's terms of approval and the carer can meet the child's needs in the longer term, the child will no longer need to be moved within 6 days if the carer's terms of approval are amended within that time.

#### **Risks and assumptions**

36. Making the process of moving to a new fostering service easier could potentially increase the incentive for fostering services to recruit foster carers who have already been approved, and reduce the incentive to recruit new carers, in order to cut costs. This could reduce the overall size of the foster carer workforce with negative implications for looked after children. However, the cost saving associated with having access to the applicant's previous fostering records prior to their previous approval being terminated will be small compared with the existing cost saving of recruiting an already approved foster carer in terms of the costs of training the carer, etc. Therefore we do not expect the impact of the amendment on recruitment strategies to be great – the amendment should simply make it less bureaucratic to reassess carers who have already decided to move, thus focusing resources more efficiently. Furthermore, any increase that did arise in services' incentives to recruit existing foster carers could have a positive impact, by encouraging services to provide better support to their foster carers in order to avoid them moving to another service (with consequent benefits for children placed with the carers).

37. There is a risk that making it easier to amend foster carers' terms of approval will result in more inappropriate placements, with a consequently higher risk of placement breakdown. This risk should be mitigated, however, by the proposed new requirements to have the foster carer's written agreement to the change of terms, and to assess and set out in writing any additional support needs that the foster family will have as a result of the change and how these will be met. This is in addition to the requirement, which applies whenever terms of approval are changed, to undertake a review of the carer's approval (including seeking the views of children placed with the foster carer; those of any local authority who has placed a child with the foster carer in the last year; and the views of the foster carer).

#### **Overall estimate of business impact (following OIOO methodology)**

38. These measures are in scope of OIOO for they have effects on both private and voluntary sector providers. Collectively, they are a net benefit to these providers and are therefore classed as an OUT under OIOO methodology. In this section we lay out the relevant business calculations.

39. The following impacts have been fully monetised:

| <b>Impact</b>   | <b>Value</b>                                      |
|---|---|
| Fewer IRM reviews by stating in the FSR that the assessment starts after the outcome of the CRB and health check, and after references, have been received and considered | £2,954 benefit per year to IFAs (2013/14 prices)  |
| Fewer interviews and write-ups of these interviews through more references being provided by exporting fostering agencies.  | £61,984 benefit per year to IFAs (2011/12 prices) |

40. The future time stream of estimated benefits to providers over 10 years is depicted below. We use the HMT GDP deflator series to express all annual benefit values in 2013 prices. The Business Net Present Value is £583,242. The net cost to business per year (EANCB on 2009 prices) is £-61,702. Only the impacts outlined in paragraph 39 have been monetised. Other impacts on business were described in the 'Description of the policy changes and costs and benefits to business' section above. Where possible, we numerically quantified the scale of these non-monetised impacts.

| Appraisal Year | Calendar Year         | Annual Benefit (2013 prices) | Discounted Annual Benefit |
|----------------|-----------------------|------------------------------|---------------------------|
| 0              | June 2013 – June 2014 | £ 67,758                     | £ 67,758                  |
| 1              | June 2014 – June 2015 | £ 67,758                     | £ 65,467                  |
| 2              | June 2015 – June 2016 | £ 67,758                     | £ 63,253                  |
| 3              | June 2016 – June 2017 | £ 67,758                     | £ 61,114                  |
| 4              | June 2017 – June 2018 | £ 67,758                     | £ 59,047                  |
| 5              | June 2018 – June 2019 | £ 67,758                     | £ 57,051                  |
| 6              | June 2019 – June 2020 | £ 67,758                     | £ 55,121                  |
| 7              | June 2020 – June 2021 | £ 67,758                     | £ 53,257                  |
| 8              | June 2021 – June 2022 | £ 67,758                     | £ 51,456                  |
| 9              | June 2022 – June 2023 | £ 67,758                     | £ 49,716                  |