



**BIRMINGHAM
CHILDREN'S TRUST**

SUFFICIENCY STRATEGY

2025 – 2028

Birmingham Children's Trust

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www.birminghamchildrenstrust.co.uk

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1. Introduction

This Strategy sets out how Birmingham Children's Trust (the Trust) will meet its sufficiency duty as laid out in Section 22G of the Children Act 1989.

The purpose of the strategy is to:

- Set out what we know about the profile of our children in care and forecast future demand.
- Detail our current offer with reference to sufficiency requirements, value for money and quality.
- Set out the sufficiency plan for 2025/28.

Our Sufficiency Strategy is underpinned by the following key principles:

- We deliver good quality, supportive care settings that meet the needs of children in Birmingham.
- We continue to build our local sufficiency so children and young people can maintain local links and relationships and access to education, health and social care services.
- Children are best placed living with their family and friends and we will plan dynamically to ensure that we continually evaluate the prospect of returning to family-based care.
- Where children cannot live with friends or family, we want them to live with foster carers that are supported by the Trust.
- We work in partnership with residential providers to achieve good outcomes for the children they care for.
- We always aim to achieve value for money.

The national picture for sufficiency in children's services illustrates a system that is under significant pressure, particularly in securing appropriate placements for looked-after children, with demand often exceeding availability.

The key national issues include:

- Shortage of suitable placements, especially for children with complex needs or disabilities.
- Over-reliance on out-of-area or private placements, which can disrupt continuity of care and education.
- Rising demand for services, driven by increasing numbers of children entering care.
- Financial pressures on local authorities, limiting their ability to invest in in-house provision.
- Workforce challenges, including recruitment and retention of foster carers and residential care staff.

2. Progress Since Last Strategy

The Sufficiency Strategy 2023 set out a clear set of commissioning intentions which focused on increasing the number of children in family-based care, delivering earlier intervention and prevention, and developing provision both in partnership with the market and internally.

Progress has been made in delivering against these intentions. The highlights are as follows:

<p>Early Help & Ofsted City-wide Early Help offer delivered and embedded, judged Good by Ofsted in April 2023.</p>	<p>Adoptions Record A record 83 adoptions achieved in 24/25, with our Regional Adoption Agency rated Good with Outstanding leadership and management.</p>
<p>Fostering Agency Ofsted rating of Good in all areas (October 2024). Foster Birmingham approved 150 new placements in 24/25.</p>	<p>Kinship Care Growth Kinship carers within the Trust increased by 8% since April 2024. An additional 38 children supported within family networks.</p>
<p>Unregulated Care Significantly reduced incidents of unregulated/unregistered care, now at just 0.3% of the care population.</p>	<p>Costs & Savings Increased negotiating from placements team forecasted to save £1.5m as of May 2025. Fostering utilisation increased from 69% to 74%.</p>

Our priorities for this strategy reflect a balance between the ambition to continually innovate and develop our offer, with the need to consolidate and embed what we have achieved already.

- Capital investment secured to modernise the Trust's existing residential estate.
- Continued market engagement improvement with Birmingham Providers.
- Over 30 supported accommodation providers supported through registration process.
- West Midlands Placements Portal in development to allow efficient working with neighbouring authorities and providers.

3. Profile of Children in Care

Children in Care Data

Nationally, all authorities have seen an increase in children in care, and the Trust is no exception. We anticipate up to 278 additional children in care by 2028.

ETS Projection: If Birmingham trends continue, the number of children in care is expected to rise by 278 over the next three years (projected to 2028).

Since 2021 the Birmingham child population has increased by 0.9%, against a circa 1.4% increase in the looked-after population.

Birmingham is a young city, with the highest percentage (22%) of children under 15 among UK core cities.

The predominant age of children in care is 10–15 years, in keeping with national benchmarks.

This disparity is nationally understood to be the result of:

- Reduced investment in early intervention and prevention.
- A growing awareness and recognition of various forms of abuse and neglect, leading to more children being identified as needing protection.
- Increased scrutiny and public accountability driving more risk aversion.
- Parental issues like mental illness, substance misuse, and domestic violence — recognised risk factors becoming more prevalent in the context of the cost-of-living crisis.
- More children living in poverty and greater levels of deprivation.
- The broadening of diagnostic criteria for SEND (Special Educational Needs and Disabilities), particularly in early years.
- Increasing numbers of unaccompanied Asylum Seekers.

Ethnicity Profile

White children and those of a mixed heritage background are overrepresented in the care system, while Asian children are underrepresented. These rates vary across the city and are currently the subject of further research.

Ethnicity Group	Number of Children	% of Care Population	% of Children in Birmingham
White British	1,090	47%	33%
Mixed	526	23%	10%
Asian / Asian British	276	12%	35%
Black / Black British	296	13%	10%
Other ethnic groups	131	5%	12%
Total	2,319	100%	100%

The underrepresentation of Asian children is greater within the East and Northwest of the city and more balanced in the South. Mixed heritage and White children are over-represented in East, North, West and Central areas. This is a complex issue and currently the subject of further research. It will be important to understand this cultural context to respond to any prospect of disproportionality in practice.

Where Children in Care Are Living

Placement Type	% in Placement	% Shift Last 12 Months
Connected Carer	17.7%	-0.14%
CwD External Fostering	0.9%	-0.29%
CwD External Residential	1.1%	+0.03%
External Fostering	30.9%	+0.02%
External Residential	9.6%	+0.16%
Internal Fostering	20.4%	-1.07%
Remand	0.4%	-0.14%
Secure Welfare	0%	-0.15%
Supported Accommodation	5.5%	+0.79%
UASC External Fostering	2.1%	-0.24%
UASC Supported Accommodation	12%	+0.98%

External Fostering remains the most prevalent placement type at 30.9% of placements, reflecting the national picture of fostering provisions dropping by 6%. Over the past 12 months, UASC Supported Accommodation placements have seen the largest increase (+0.98%), illustrating the notable rise in supported accommodation for unaccompanied asylum-seeking children. Connected Carer placements represent 17.7% of the total with a slight decrease of 0.14% over the last 12 months.

Stability of Children in Care

Our children and young people are benefiting from well-matched and stable homes. The Trust continues to perform well across all stability rates, outperforming comparators at the end of year figures for 2023/24.

Long-term stability is currently at 72% of the total children in care remaining in placement, showing continuous improvements from 2023/24. Children placed with connected persons are the most stable, and those in external residential the most volatile, confirming that family-based care achieves the best outcomes for children.

Placement Type	3+ Placement Moves in 12m	In Same Placement 2+ Years (in care for 2+yrs)
Internal residential	6%	63%
External residential	25%	34%
Internal fostering	3%	85%
External fostering	8%	78%
Connected persons	2%	89%

Source: 903 BCT LA Data, February 2025.

4. Sufficiency Requirements

4.1 Adoption

Provision

Adopt Birmingham, the Regional Adoption Agency for Birmingham, focuses on placing children into stable, permanent homes. The agency is delivered in partnership with Adoption Focus, targeting prospective adopters who meet specific criteria outlined within the recruitment, assessment and training process.

The agency provides therapeutic expertise, specialised programmes such as foster-to-adopt and concurrency, and comprehensive post-adoption support — earning a Good Ofsted rating with Outstanding leadership and management (2022).

The adoption landscape is becoming increasingly challenging due to declining adopter numbers. At end of December 2024, national sufficiency was at 54%, meaning there were only enough approved adopters for 54% of the children waiting with a plan of adoption. Within this context, the number of adoption plans approved and Placement Orders granted has not decreased.

We believe we are a preferred adoption agency for prospective adopters in the region, reflected in our sustained recruitment of prospective adopters, particularly from global majority communities.

Sufficiency

The national sufficiency for approved adopters is currently 54%. Birmingham is comparatively performing much better at 70%, but despite this we carry an annual deficit of circa 40 households. The graph of adoption plans approved versus children placed illustrates there are consistently more children with a plan of adoption than children being placed.

Looking at the number of children waiting in 2020/21 (circa 90–100) compared to the present figure (circa 140 children) supports the annual deficit of circa 40 households.

Costs

Since 2021, the cost to BCT of recruiting, training, approving and matching an adopter has fallen from £47K to £34K. This ensures the Agency is efficient and competitive in the national marketplace. Adopt Birmingham has continued to provide services since 2021 within budget constraints, demonstrating a cost efficient and value for money service.

Quality

- Adopt Birmingham is rated Good with Outstanding leadership and management. As we enter an inspection year (25/26) we feel well prepared to maintain this rating.
- Quarterly surveys consistently return high satisfaction rates.
- The Agency achieves a 1.1% disruption rate compared to a national average of 3.2%.

- There is anecdotal evidence to suggest we have become the adoption 'agency of choice' in the West Midlands region.
- Proven record of co-production with adopters to improve service delivery.

Adoption: Key Recommendations

- Further investment in marketing budget to drive recruitment — target is 65 new adoption households by 2026.
- Review enquiry processes to achieve more efficient enquiry management and improved conversion rates through to approval.
- Evaluate capacity requirements to ensure more timely assessment and conversion rates.
- Explore financial support for adopters to negate the negative impact on recruitment caused by the cost-of-living crisis.
- Partner with VAAs on a 'business footing' to find, recruit, and train the adopters our children need, thereby locking in the limited adopter resource in our region.
- Promote a comprehensive support offer for open adoptions in partnership with Trust support services.

4.2 Fostering

Provision

Birmingham Children's Trust Fostering service is an Independent Foster Agency (IFA) established within the Trust. The Fostering Agency provides all types of foster placements, including Connected Persons placements and foster to adopt. The service is currently rated as Good and is considered well placed to retain this judgement.

As of 31st March 2025, the BCT Fostering Agency had 597 foster carers approved for 1,048 placements, making it the largest fostering agency in the UK.

Sufficiency

- The proportion of children in care in Kinship placements increased to 16%; internally fostered children in Kinship placements now at 45.1%.
- Occupancy rate at end of March was 91%; consistently over 90% for the past 12 months.
- The cessation rate for mainstream foster carers remains at 2.9%, below the national figure of 5%.
- This year 7.1% of enquiries and 56% of registrations of interest were converted to fully approved foster carers.
- The overall fulfilment rate for fostering requests is 84%.
- For children not provided with a foster placement: 7.4% placed in residential, 3.3% into supported accommodation, and less than 1% to specialist DoL's provision, secure or unlawful settings.
- A shortage of foster care homes exists for sibling groups, children with complex needs or disabilities, children over the age of 11, and children stepping down from residential. To reduce this deficit the service will need to recruit to a target of 54 additional beds.

Monthly Fostering Fulfilment (April 2024 – March 2025)

Month	Requested	Made	Fulfilment Rate
April	66	62	94%
May	72	64	88%
June	67	62	95%
July	83	78	95%
August	71	61	86%
September	80	68	85%
October	91	75	82%
November	72	61	85%
December	54	46	85%
January	81	74	91%
February	78	59	87%
March	87	73	84%

Costs

Both internal and external fostering have a stable cost base and can be accurately forecasted and managed, representing good value for money. Further analysis is being undertaken in relation to the cost of recruitment to hypothesise whether the required productivity is being achieved from the current investment made.

Quality

The fostering service is currently rated as Good and remains confident to maintain this rating. Routine surveys of foster carers consistently return high satisfaction rates. Children placed in foster care — particularly with internal carers, second only to connected carers — are the most settled and stable. 85% of children with BCT carers have been in their placement for 2.5 years or more.

As of August 2025, 733 Birmingham looked-after children are living with externally commissioned foster carers. 92.9% of these placements are with Ofsted-rated Good and Outstanding fostering agencies, providing additional assurance to the Trust as corporate parent.

Fostering: Key Recommendations

- Adopt a business model approach to foster carer recruitment and retention through the development of dashboards to track impact of marketing, recruitment and assessment activity. Target: by April 2026, 7 more fostering households than current baseline, caring for 464 children (increase of 54) with foster carer utilisation at 76%.
- Increase by 20% the number of specialist foster carers to meet the needs of specific cohorts through bespoke targeted recruitment campaigns underpinned by social media activities.
- Introduce foster carer home extension / loft conversion / garden pod scheme.
- Improve retention through enhancing the foster carer support scheme and development of the Mockingbird Model.
- Increase the number of Kinship Care family arrangements through continued partnership focus — target 20% of CIC living in a Kinship fostering arrangement.
- Increase the number of children stepping down from residential into family-based care (8 children by 2026) through the establishment of a dedicated task force.
- Hold quarterly external fostering provider engagement events to improve overall foster care sufficiency.
- Review fostering recruitment function and benefits of IFA partnership model.
- Deliver fostering realignment proposals to establish a dedicated recruitment function with required business acumen.

4.3 Supported Accommodation

Provision

The Trust commissions Ofsted-regulated supported accommodation for children aged 16–17. Accommodation is on a continuum of support from Category 1 (lowest, for those with greater independence) through to Category 5 (on-site 24-hour staffing presence).

In the Birmingham Local Authority Area there are 60 Ofsted-registered providers offering beds at 207 provisions across the city. The Trust has a Regional Flexible Contract Framework in place which accounts for 76% of placements made. A block contract is in place with St Basils who provide 18 regulated beds and 33 18+ beds to support transitions. Despite regulatory action following the commencement of Ofsted registration in 2023, there appears to be a steady flow of new entrants maintaining sufficient supply.

Sufficiency

Overall, 98% of requests for supported accommodation are fulfilled, illustrating adequate sufficiency.

Month	Requested	Delivered	Fulfilment Rate
April	15	12	80%
May	18	17	94%
June	15	15	100%
July	12	12	100%
August	15	11	92%
September	24	23	96%
October	17	17	100%
November	11	11	100%
December	14	13	93%
January	18	18	100%
February	17	17	100%
March	27	17	100%

Costs

While the average cost of supported accommodation has remained stable over the last 12 months, Category 5 is the costliest and represents 70% of all usage. Further analysis is required to understand the potential overuse of Category 5. Average weekly costs have ranged between approximately £1,400 and £1,680 over the period December 2024 to June 2025.

Quality of Provision

We have 249 young people under the age of 18 living in registered supported accommodation. In total, Birmingham has 219 Ofsted-registered supported accommodation settings, operated by 64 different

organisations. The majority of providers are still awaiting an initial inspection — only 7% of organisations have been inspected by Ofsted, covering 22 settings.

The Trust undertakes a rolling programme of site visits and environment checks to all providers. General quality of supported provision is deemed to be variable but generally compliant with regulations. Our assessment rates provision as 'Requires Improvement to Good' and a small number of provisions are not to the required standard, resulting in action planning, continued monitoring, and on occasion suspension of use.

Supported Accommodation: Key Recommendations

- Further evaluation to be undertaken to determine the reasons for high Category 5 usage.
- Continue to monitor and review the quality of provision as they become registered and inspected via Ofsted.
- Develop own in house supported accommodation provision.

4.4 Children with Disabilities – Short Breaks

Provision

The Trust operates three short breaks facilities for children with disabilities:

Edgewood Road – Kings Heath area, registered for permanent care of up to 10 children and short break care for up to 4 children per night, aged 5–17, including significant physical disability.

Charles House – West Heath area, registered for short break care for up to 7 children per night, aged 5–17, with a variety of disabilities.

Warwick House – Acocks Green area, registered as a short breaks home up until October 2025 when it was re-registered to provide long term placements for children with disabilities. Currently provides three placements for children aged between 5 years and 17 years who have learning disabilities including autism, complex behaviours and health issues. It is proposed that the home will extend the registration to provide up to 5 beds

Sufficiency: Charles House

Year	Number of Children Accessing Short Breaks	Average Occupancy
Aug 2017 – March 2018	32	65%
April 2018 – March 2019	29	59%
April 2019 – March 2020	22	44%
April 2020 – March 2021	CLOSED – COVID	CLOSED – COVID
April 2021 – March 2022	29	59%
April 2022 – March 2023	26	52%
April 2023 – March 2024	27	33.30%
April 2024 – Dec 2024	23	37.70%
Jan 2025 – March 2025	35	48%

Sufficiency: Warwick House

Year	Number of Children Accessing Short Breaks	Average Occupancy
Aug 2017 – March 2018	31	63%
April 2018 – March 2019	35	71%
April 2019 – March 2020	38	77%
April 2020 – March 2021	CLOSED COVID	CLOSED COVID
April 2021 – March 2022	38	77%
April 2022 – March 2023	24	48%
April 2023 – March 2024	19	31%
April 2024 – Dec 2024	11	18%

Sufficiency: Edgewood Road (Green Turtles)

Year	Number of Children Accessing Short Breaks	Average Occupancy
Aug 2017 – March 2018	33	No Data
April 2018 – March 2019	No Data	No Data
April 2019 – March 2020	40	No Data
April 2020 – March 2021	CLOSED COVID	CLOSED COVID
April 2021 – March 2022	29	No Data
April 2022 – March 2023	24	No Data
April 2023 – March 2024	19	17.50%
April 2024 – March 2025	21	18%

Costs

The current analysis demonstrates 1,168 stays annually for 29 children, averaging 40.3 stays per child per year. The homes average 3.2 children per night at £982 per child per night. Since the change in registration of Warwick House from short breaks to long-term permanent residency, costs have been significantly reduced (previously in the region of £1,900 per night per child). The underutilisation of short breaks makes this a costly provision.

Quality

- All homes are currently rated as Good and offer a high standard of care.
- Routine feedback from parents is very positive and the provision is well regarded.

Short Breaks: Key Recommendations

- Reduce the short breaks offer to meet demand requirements and utilise this capacity to increase the residential offer.
- Consider option of trading under-utilised short breaks capacity to the open market.

4.5 Children with Disabilities – Residential

Provision

Camborne House – Aston, purpose-built children's home for children aged 5–17 with a range of learning disabilities. Registered as a 10-bed home split into three units, each with four bedrooms. Some young people may stay beyond their 18th birthday while adult accommodation is pursued.

Edgewood Road – Kings Heath, registered for permanent care for up to 10 children and short break care for up to 4 children per night, aged 5–17, including significant physical disability.

Sufficiency: Camborne House Residential Home

Year	Average Occupancy
August 2017 – March 2018	Not available
April 2018 – March 2019	96%
April 2019 – March 2020	98%
April 2020 – March 2021	100%
April 2021 – March 2022	95%
April 2022 – March 2023	100%
April 2023 – March 2024	100%
April 2024 – March 2025	100%

Sufficiency: Edgewood Road Residential Home

Year	Average Occupancy
August 2017 – March 2018	94%
April 2018 – March 2019	91%
April 2019 – March 2020	69%
April 2020 – March 2021	60%
April 2021 – March 2022	73%
April 2022 – March 2023	88%
April 2023 – March 2024	100%
April 2024 – March 2025	85%

Costs

Model	Cost per Week (Average)	Minimum	Maximum
In-house CwD provision (95% occupancy)	£4,423 (incl. 12% services uplift)	—	—
Private CwD provision	£6,860 (Commissioning calc.) / £5,525 (Finance calc.)	£3,684	£15,635

Analysis of the costs of internal provision illustrates that it is more cost effective to run internal provision for Children with Disabilities, provided occupancy rates are maintained above 80%, which has been consistently the case across Edgewood and Camborne. The Trust is therefore able to provide more cost-effective and high-quality provision for disabled children than the external market.

The current demand profile reflects that there is demand for additional placements. At the time of writing, 23 children meet the admittance criteria for internal provision; demand therefore exceeds internal supply. The number of children placed with external providers is consistently at 1.1% of the total children in care population.

Quality

Edgewood Road and Camborne House are currently rated as Good and provide an excellent standard of care. Both homes are showing signs of deterioration and their energy ratings will not meet new environmental standards, requiring significant investment in the coming years. Both buildings have historically received criticism from Ofsted regarding their institutional appearance. A decision is therefore required to either refurbish or replace.

Children with Disabilities (Residential): Key Recommendations

- The Trust to continue providing internally delivered residential homes for Children with Disabilities.
- Evaluation to be undertaken to determine whether to refurbish or replace the existing Camborne and Edgewood sites.
- Expansion of the residential estate via an existing unused C2 registered property, Trinity Road.
- Issue detailed business case to set out the expansion plan for internally delivered children's homes.

4.6 Residential Care

Provision – Internal

Bridgelands Residential Home – Tile Cross, Birmingham. Registered to provide permanent care for up to 3 children with emotional and behavioural dysregulation. An extended semi-detached property in a popular residential area close to local amenities and transport links. Bridgelands is the only internally run home for children; all other residential care relies upon the external market.

At any one time, circa 230 children will require a residential placement — around 10% of the looked-after population.

There are currently 70 providers on the Regional Framework for Residential Care (FCA Framework) providing access to 326 homes and 1,229 placements. The framework is due for re-commissioning in 2026 and has maintained a traditional approach to managing the market, which has become increasingly ineffective. Only 30% of placements are purchased through the framework, with the remaining 70% spot purchased, limiting control over costs.

The Trust spends more on external provision for children than any other care type, despite this group only making up around 10% of the looked-after population. The usage from other local authorities in Birmingham has increased by 6% over the last 12 months, further limiting available local supply.

As a result, the Trust continues to experience:

- Limited availability of placements.
- Ongoing persistent use of expensive unlawful arrangements.
- Limited capability to control costs.
- Variable quality.
- More than 20% of children living outside of Birmingham.

Historically, up to 27 children have lived in unlawful settings at any one time. While this has been proactively reduced to 5 children (25 at the time of writing), the priority remains to reduce these arrangements to zero. As at August 2025, children are staying on average 57.6 days in unlawful placements before moving to registered provision.

Factors triggering unlawful placements include:

- High levels of self-harm / suicidal behaviours.
- High levels of aggression towards staff.
- Existing high levels of staffing ratios.
- Frequent missing / risk-taking behaviour.
- Children subject to Deprivation of Liberty Orders (DoL's).

Residential Sufficiency

Month	Requested	Delivered	Fulfilment Rate	Alternative Sourced
Apr 2024	13	10	77%	2x Supported, 1x Foster Care
May 2024	10	7	70%	3x FC
Jun 2024	11	8	73%	1x EDT Foster Care, 2x Unlawful
Jul 2024	14	11	78%	3x Unlawful
Aug 2024	14	10	71%	2x Foster Care, 2x Unlawful
Sep 2024	14	12	80%	1x Unlawful, 1x Foster Care
Oct 2024	12	11	92%	1x Unlawful
Nov 2024	14	11	79%	1x Return Home, 2x Unlawful
Dec 2024	9	7	86%	2x Unlawful
Jan 2025	15	13	77%	1x Foster Care, 1x Unlawful
Feb 2025	10	10	100%	—
Mar 2025	8	7	88%	1x Unlawful

Costs – Bridgelands

Model	Cost per Week (Full Occupancy Average)	2/3 Occupancy	1/3 Occupancy
Bridgelands	£4,774	£7,160	£14,321
Private Residential provision	£6,122	—	—

At full occupancy Bridgelands represents good value comparable to the residential market. Bridgelands is now a longer-term home maintained at full occupancy. However, it does not benefit sufficiency requirements as stable homes across the independent market are more easily sourced and comparatively priced for less complex young people.

Financial pressures relating to the external residential market are attributed to: rising complexity of need driven in part by the pandemic and latent unmet need; and rising costs of care — a widely reported national challenge driven by inspection, regulation, and market failures. Despite these conditions, the Trust has maintained consistency in average price, comparing favourably to core cities.

Quality

The internal EBD home is rated Good by Ofsted, fully occupied, and provides a high standard of care. As of August 2025, 240 young people are placed in Ofsted-registered residential provision. Over 82% of Birmingham children live in Good and Outstanding-rated homes.

The placements commissioning service has commenced a proactive approach to quality assurance with externally commissioned residential providers, tracking homes judged 'requires improvement' by Ofsted and undertaking monitoring programmes with these providers. Developing structured partnerships with trusted high-quality providers will be key in driving sufficiency and quality.

Ofsted Rating	Number of Children Placed	Percentage
Good	188	78.33%
Outstanding	9	3.75%
Requires Improvement	32	13.33%
Inadequate	4	1.67%
Not yet inspected	7	2.92%
Grand Total	240	100.00%

Residential Care: Key Recommendations

- Deliver Bournbrook development and evaluate to determine scalability.
- Identify market providers that have demonstrable capacity to meet needs of our harder-to-place young people and develop proposals to establish a range of soft block partnership arrangements.
- Further investment in placement team to improve market management and provider relations capability.

5. Commissioning Residential Care

The following commissioning options are appraised:

Option 1: Developing In-House Provision **NOT RECOMMENDED**

Developing enough internal provision to support the circa 230 children requiring residential homes would involve opening approximately 76 homes (average 3 children per home) and employing over 1,000 staff. The challenges associated with this are:

- Sourcing homes and securing required planning permissions could take many years.
- Maintaining this vast estate would be costly.
- Continued exposure to regulatory activity and associated reputational damage.
- LA staff terms and conditions are more costly than the private sector, making staffing costs prohibitive.
- Insufficient staffing levels impact occupancy and cost-effective services.
- Matching requirements may mean even with plentiful supply not all children would match well.
- Becoming self-sufficient would open the local market to more children from outside Birmingham, significantly increasing pressure on local services.
- Smaller providers may be squeezed out, resulting in loss of good quality local provision.

Option 2: Block Contracting **NOT RECOMMENDED**

Block contracting secures exclusive access to a provider's residential provision at a fixed cost, transferring the risk of underoccupancy to the Trust. Key challenges:

- Increasingly unpopular in a demand-led market as underoccupancy is low risk for providers.
- Providers can achieve required income without sacrificing sizeable discounts — discounts would likely be limited.
- Underoccupancy was a significant feature of all historic block contracts in Birmingham and across the West Midlands area, proving cost prohibitive.

Option 3: Soft Blocking — Partnership Model **RECOMMENDED APPROACH**

Soft Blocking establishes exclusive access to provision while sharing the risks associated with underoccupancy — a more flexible arrangement that seeks to establish a working partnership between purchaser and provider. The Trust is currently piloting this model with a procured provider specialising in residential care for children with complex needs. The local provider will manage residential home operations, handle Ofsted registration, ensure regulatory compliance and absorb underoccupancy risks, while the Trust provides the building and receives favourable residential weekly fees in lieu of rent.

Benefits of this model:

- Greater flexibility in establishing mutually beneficial arrangements to work in partnership and share the risks of delivery.
- Approaches can be tailored to the circumstances of the provider, which incentivises interest.
- A model that can be scaled at greater pace to meet sufficiency needs.
- Cost modelling shows local private providers can operate within a smaller cost envelope than local authorities, which the Trust can benefit from within a partnership model.
- Better control of costs.
- Easier matching to demand and need of Birmingham children and young people.
- Many private providers have a proven track record of high-quality care with a range of specialisms the Trust can draw on to diversify the residential offer to children.

Residential Care: Key Recommendations

- Deliver Bournbrook development and evaluate to determine scalability.
- Identify market providers with demonstrable capacity to meet the needs of harder-to-place young people and develop proposals to establish a range of soft block partnership arrangements.
- Further investment in placement team to improve market management and provider relations capability.