Membership of the South East Regional Care Cooperative

Committee considering report:	Executive
Date of Committee:	24 September 2026
Portfolio Member:	Councillor Heather Codling
Report Author:	Richard Howroyd

1 Purpose of the Report

1.1 The Executive is asked to agree to West Berkshire Council becoming a member of the South East Regional Care Cooperative (the RCC). The RCC is being run by the newly created not-for-profit company, Home + Future Limited (H&F), which has been developed by local authorities in the South East region. Regional Care Cooperatives are being mandated by the Department for Education (DfE) as a mechanism through which local authorities work together to plan and commission homes for children in care. They are part of legislative changes included in the Children's Wellbeing and Schools Act 2026 which received Royal Assent on 29 April 2026.

2 Recommendations

2.1 It is recommended that Executive:

- Agrees the Council's membership of the RCC
- Authorises Legal Services to make any necessary amendments to and when finalised seal all agreements required to give effect to the above and support delivery against the expectations of the DfE with relation to the Wellbeing and Schools Act 2026.

3 Implications and Impact Assessment

Implication	Commentary
Financial:	The total cost of membership of the RCC is £125,000 over three years with the two remaining years costing £100k. The RCC is a new government-backed initiative, so estimating financial benefits for specific local authorities is challenging. However, H&F has been clear in setting out its areas of

	financial focus, which are expected to deliver financial benefits for participating local authorities. The £125,000 the Council is paying to participate in the RCC from 2025-2028 represents only around 0.2% of its anticipated spend on children's social care placements across the same period. If the RCC has even a modest impact on any of the three priorities below, it is likely to more than cover the investment being requested in the RCC. From a financial perspective, the H&F interventions are focused on: • reducing inflation on placement costs; • reducing the number of high-cost placements over £10k per week; and • reducing the use of external residential placements, instead prioritising family-based homes. The minimum level of impact H&F would need to have to cover its costs through any one of the three areas above would be as follows: • Reducing inflation – H&F would need to have the effect of mitigating inflation on West Berkshire's placement budget by around 0.2% in 2026/27 and 0.2% in 2027/26 • High-cost placements - H&F would have to prevent the need for the Council to make one high-cost placement (defined as £10k+ per week or £520k per annum) in 2026/27. This would also create a significant saving for the Council. • Reducing external residential – H&F would have to prevent the need to make one averagely priced external residential placement (as at end of December 2025), instead enabling an additional home with a foster carer (the Council or from an Independent Foster Agency), in 2026/27 and one in 2027/28 It seems reasonable to assume at least a level of financial benefit from H&F, through a combination of the impacts shown above, that will as a minimum cover the additional cost associated with participation in H&F. The grant will be paid from within the overall placement budget.
Human Resource:	There are no immediate or direct workforce implications arising from the recommendations in this report. The proposals do not create any new staffing requirements for the Council, nor do

	they alter existing roles or structures within Children's Services. By participating in H&F, the Council will benefit from the planned development of a "regional workforce academy", as set out in H&F's business plan, providing opportunities to further enhance capability within the residential workforce. Although the detailed operating model is still being developed, the academy is expected to offer the Council staff access to strengthened training, development pathways and communities of practice.
Legal:	Joining H&F should assist the Council in meeting its statutory obligations under the Children's Act 1989 and any directions that the Secretary of State gives in relation to RCCs in accordance with the Children's Wellbeing and Schools Act 2026. The Council has undertaken significant due diligence on H&F, however, it was not in a position to sign the Deed of Adherence to both the Overarching Funding Agreement (OFA) and the associated Governance Agreement (GA). This was due to concerns surrounding the constitution of H&F and a prospective challenge under the Subsidy Control Act 2022. The Council took external legal advice that highlighted and verified those concerns; (1) By the way in which H&F was constituted, it was not capable of commissioning any services and (2) Clauses 7.1 and 7.2 of the OFA deemed that any contribution made by the Council was a subsidy and thereby subject to challenge. West Berkshire Council's Legal Team have worked with the H&F on those issues; (1) We are assured that H&F will be reconstituted so as it will be capable of commissioning services and (2) It is being requested that the Deed of Adherence carves out clauses 7.1 and 7.2 from the OFA so as any funding is not considered a subsidy. Once resolved, the Council should be in a position to sign the Deed of Adherence to the OFA and the GA.
Risk Management:	The aim of the arrangement is to support local authorities to manage and address the current operational risks around the shortages of foster carers and specialist residential provision nationally. Additionally, it should be noted that where local authorities do not sign up to a RCC, they are being are directing by the DfE

	to do and can expect regular monitoring of adherence. There is also a risk of elements of social care funding being withheld.
Property:	N/A
Policy:	Regional Care Cooperatives sit within a wider programme of reform to England's children's social care system, driven largely by the **2022 Independent Review of Children's Social Care** and subsequent government policy. The policy context reflects longstanding systemic challenges, including rising numbers of looked-after children, shortages of appropriate local placements (especially for those with complex needs), escalating costs, and a fragmented market with a commissioning system dominated by spot purchasing and variable quality provision. Regional Care Cooperatives are intended as a structural response to these pressures, shifting from individual local authority commissioning towards a regional, collaborative model that improves use of data, and local authority purchasing power. By operating across multiple authorities, Regional Care Cooperatives aim to improve market management and oversight, increase sufficiency of local placements, reduce reliance on out-of-area or unregulated provision, and strengthen multi-agency working with health, education, and justice partners. Within this policy framework, Regional Care Cooperatives also reflect a broader shift towards system-level planning and intervention, with an emphasis on achieving better outcomes and value for money through coordinated commissioning, workforce development, and needs-led provision. The government's ambition is for Regional Care Cooperatives to become the default national model underpinning how care placements are planned and delivered. Regional Care Cooperatives are incorporated in the **Children's Wellbeing and Schools Act 2026**. The Secretary of State has powers to **direct local authorities to enter regional co-operation arrangements**, effectively mandating the creation of Regional Care Cooperatives rather than leaving them as voluntary partnerships.

Membership of the South East Regional Care Cooperative

	Positive	Neutral	Negative	Commentary
Equalities Impact:		X		
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		
Environmental Impact:		X		N/A
Health Impact:		X		
ICT Impact:		X		
Digital Services Impact:		X		
Council Strategy Priorities:	X			The function will assist in delivering the Council's obligations set out in its "Sufficiency Plan for Children and Young People in Care"
Core Business:	X			This is a statutory function of the Council. The agreement should improve the delivery of the function.

Data Impact:		X		The Council have already worked with the RCC on data sharing arrangements. This has included entering into a Data Processing Agreement and completion of a Data Protection Impact Assessment

Consultation and Engagement:	N/A

4 Executive Summary

4.1 This report seeks approval for the Council to join the South East RCC, delivered through the not-for-profit organisation H&F. The proposal aligns with emerging national policy and legislative changes, including the Children's Wellbeing and Schools Act 2026, which provides for the Secretary of State to give directions regarding Regional Care Cooperative arrangements as the approach for planning and commissioning placements for looked after children.

4.2 The current children's social care placement market is characterised by rising costs, insufficient local provision, and increasing reliance on high-cost and out-of-area placements (specifically Residential). The Council, like many authorities, faces significant financial pressure and challenges in securing appropriate local homes for children in care. The RCC has been established as a collaborative regional response to these systemic issues, bringing together 17 local authorities to improve sufficiency, quality, and value for money through coordinated planning and commissioning.

5 Supporting Information

Introduction

5.1 H&F is a joint initiative by the DfE and local authorities in the South East region. Its purpose is to improve quality, sufficiency and value of homes for looked after children (including residential, foster care and supportive lodgings).

Background

5.2 The RCC was established by the DfE in response to the Independent Review of Children's Social Care and publication of the Competition and Markets Authority (CMA) Children's Social Care Market Study, both in 2022. Josh McAllister, who led the 2022 review, is now Minister for Children, Families and Wellbeing and is strongly committed to these reforms. This commitment was reconfirmed to Local Authorities in a letter from the Minister on 6 February 2026. The South East of England ("SE") was one of two regions that successfully applied for funding in 2024, following a competitive process, to run a pathfinder project to test out the development of RCCs. The Council supported this bid and has continued to influence the development of the RCC to date.

5.3 The overarching purpose of the RCC is to increase the number and quality of homes available for looked after children across the SE region (which comprises 17 upper-tier

local authorities), develop a regional view of sufficiency through better data sharing, and shape the market to provide more appropriate local placements, thus improving children's outcomes and experiences of care.

5.4 As highlighted by the **CMA Market Study in 2022**, the current system for delivering homes for looked after children is not functioning effectively, with significant issues in terms of supply of the right homes in the right locations to meet local needs and the ongoing, increasing cost of commissioning those homes. The Council, like many other local authorities continues to experience year-on-year increases in costs. Specifically, more than 50% of West Berkshires looked after children currently live outside of the area, whilst the Council is facing a budget pressure of over £3.3million in 2025/26 linked to the cost of children's social care placements.

5.5 The RCC represents an opportunity to work as a collective of 17 South East local authorities (including West Berkshire) to manage escalating costs, whilst also delivering better outcomes for children and young people.

5.6 The two-year initial RCC DfE - funded set up phase and pilot is now ending and agreement is being sought from 17 partner local authorities to fund the RCC as a new not-for-profit private company, called Home + Future Limited, to continue the delivery of the RCC through to 2028.

5.7 The Council's financial commitment would require an award of a grant of £125k over three years - £25,000 in 2025/26 and £50,000 in each of 2026/27 and 2027/28. Other (but not all) local authorities are treating this as a subsidy. The funding award in 2025/26 is for work undertaken by the RCC to begin implementing changes in the SE and developing the proposed future model for the RCC, in partnership with local authorities. This relates, in part, to the period when the RCC was hosted by West Sussex County Council.

5.8 The DfE has been clear in communicating its intention to roll out Regional Care Cooperatives' to other regions nationally and published its evaluation of the first phase of RCC development in November 2025.

5.9 The Children's Wellbeing and Schools Act 2026 (the Act) states in section 12 that the Secretary of State may give directions requiring two or more local authorities to make regional co-operation arrangements. Regional co-operation arrangements are defined in the Act to be:

(a) for the local authorities to carry out their strategic accommodation functions jointly,
(b) for the local authorities' strategic accommodation functions to be carried out by one of the local authorities on behalf of the others, or
(c) for a body corporate to support the local authorities in carrying out their strategic accommodation functions.

Furthermore, the Act defines a local authority's strategic accommodation functions as:

(a) assessing current and future requirements for the accommodation of children being looked after by the local authority,

(b) developing and publishing strategies for meeting those requirements,

(c) commissioning the provision of accommodation for children being looked after by the local authority,

(d) recruiting prospective local authority foster parents and supporting local authority foster parents,

(e) developing, or facilitating the development of, new provision for the accommodation of children being looked after by the local authority, and

(f) any other functions relating to a local authority's duties under section 22A, 22C or 22G that are specified in regulations made by the Secretary of State

5.10 H&F has set out the following priority areas of work for 2026-28, in response to DfE directives relating to RCCs and local needs and priorities co-designed with participating Local Authorities in the SE region.

- **Build a shared regional sufficiency strategy** – H&F will create a shared regional sufficiency strategy, aligning all local authorities around common goals of sufficiency, quality and cost control, rather than local authorities competing for limited placements. They will use shared data to develop joint sufficiency plans, adopt consistent performance measures and provide benchmarking information to support local budget-setting and identify common challenges.

- **Pool expertise and resources** – H&F will jointly commission placements, services and training to reduce duplication and improve bargaining power, while also sharing specialist roles such as data analysts and market managers. They will collaborate on innovative models of care, including new therapeutic residential care pathways.

- **Strengthen and professionalise the workforce** – H&F will develop a regional workforce academy to attract and retain residential staff, share training and recruitment programmes and create communities of practice to promote professional learning and best practice across the region.

- **Use collective market influence** – H&F will establish regional commissioning frameworks with standardised contracts and quality standards, develop preferred provider networks and share intelligence and pricing data to improve regional transparency around cost and value for money. They will work collaboratively with the market based on shared goals.

- **Invest in local family-based care** – H&F will partner with Fostering SE and the DfE to expand fostering capacity, including launching a foster carer home-adaptation scheme. They will prioritise keeping children local by sharing regional placements before using distant or high-cost options.

- **Embed data and evidence in decision-making** – H&F will build a regional data platform for real-time sufficiency analysis and forecasting, use assessment tools to better match children to placements, and evaluate outcomes across the region to understand what delivers stability and long-term savings.

- **Co-produce with young people and families** – H&F will involve care-experienced young people and families directly in planning and service design, ensuring commissioning decisions reflect lived experience and children's voice and choice.

- **Advocate for systemic reform** – H&F will work collectively to influence national policy, funding and regulation, especially in relation to profit controls, workforce investment and foster care reform. They will demonstrate learning through the SE model to support national Regional Care Cooperatives rollout.

5.11 H&F expects to deliver positive impacts in the following areas, through the steps proposed above:

- A minimum of 40 new children's homes beds in the SE region, enabled through DfE capital grant funding

- More children living locally, enabled through keeping children local initiatives

- Stronger relationships with placement providers, Integrated Care Boards and Youth Justice

- Improved foster carer recruitment and retention by bring SE foster care hub under the umbrella of H&F

- Improved skills to meet need within the children's social care workforce

- Improved and more consistent joint commissioning

- Improved understanding of regional data about need, provision and cost

- Reduced numbers of children in unregistered care placements

- Reduction in the average cost of care placements

- Reduced reliance on venture capital backed new entrants to the market

5.12 H&F will focus exclusively on the availability of homes for children in care (residential, supported accommodation and fostering), and will provide the SE with new tools and insights to shape the market based on the needs of children. Alongside this, H&F is also considering some limited scenarios in which it would become a provider of regulated homes itself. This would only be considered in response to identified failures in the current market and done in consultation with member local authorities.

5.13 The Council already has a comprehensive "Sufficiency Strategy" and implementation plan in place, in response to its statutory sufficiency duties.

5.14 H&F is a new government-backed regional initiative, so estimating financial benefits for specific local authorities is challenging. H&F is focusing its interventions on reducing inflation on placement costs, reducing the number of high-cost placements over £10k per week and reducing the use of external residential placements, instead prioritising family-based homes. As an example, if H&F was to prevent the need for West Berkshire to make one high-cost placement (defined as £10k+ per week or £520k per annum) in

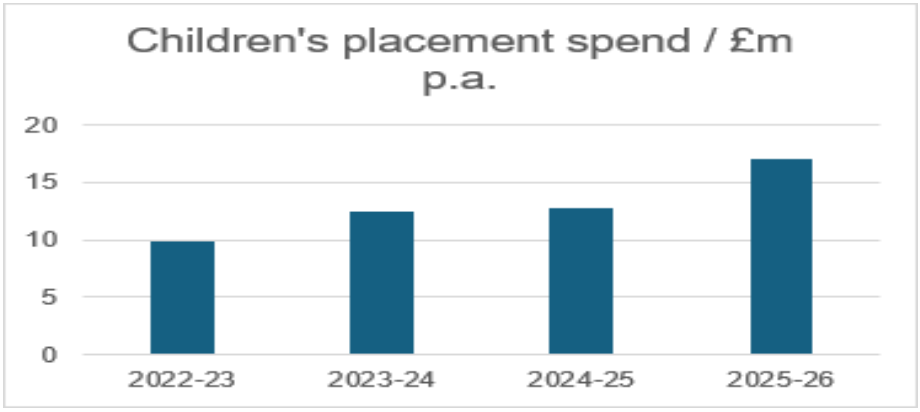
2026/27 and one in 2027/28, this would more than cover the cost of the RCC funding several times over. As a result, it is assumed that collaboration with H&F will support, underpin and potentially support and amplify West Berkshire pre-existing efficiency plans, rather than building additional efficiencies into the budget plan.

5.15 Following the completion of the DfE-funded RCC pilot in the SE, a new organisation, H&F, has been established with DfE endorsement to take forward the delivery of the RCC, initially through to 2028. The organisation has been set-up as not-for-profit independent company limited by guarantee, which affords maximum flexibility and agility, as the organisation seeks to take forward innovative approaches in response to the entrenched challenges within the children's social care market.

5.16 One important consequence of the decision to establish a company to deliver the RCC is that the way the 17 local authority participants are required to fund their contribution towards costs is treated as the award of subsidies to H&F, covering its start-up costs and costs of delivery of the initial programme of activities planned through to 2028. For West Berkshire, this equates to a total of £125k, in three instalments: £25k in 2025/26; £50k in 2026/27; and £50k in 2027/28.

6 Other options considered

6.1 **Do nothing or delay the decision**- If the Council chose not to join the RCC, costs of placements for children in care are likely to rise as they have done over the last 5 years (as illustrated in the graph below).



6.2 Evidence of the Council's experience to date suggests it is difficult for small unitary authorities to influence the placement market and reduce costs. Working with sixteen other authorities will enhance the Council's ability to negotiate with the providers of care. The DfE have also said they expect all local authorities to join a Regional Care Cooperative over the next few years.

6.3 **Join another Regional Care Cooperative** – The SE is one of only two pathfinder Regional Care Cooperatives that have been set up so far (the other one covers the Greater Manchester region). Part of the aim of Regional Care Cooperatives is to help keep children local, so it is difficult to see how joining an alternative Regional Care Cooperative would work for the Council. See **Appendix A** for further guidance.

7 Conclusion

7.1 The proposed membership of the SE RCC, delivered through Home + Future Limited, represents a strategic and timely response to the significant and well-documented challenges within the children's social care placement market. By working collaboratively with regional partners, West Berkshire Council will be better positioned to influence the availability, quality and cost of placements, while supporting improved outcomes for looked after children. The proposal aligns strongly with national policy direction and anticipated legislative requirements, ensuring the Council remains proactive in shaping, rather than reacting to, future reforms.

8 Appendices

8.1 Appendix A Guidance on Setting Up a Regional Care Cooperative

Background Papers:

sufficiency-statement.pdf, West Berkshire Sufficiency Statement for Children and Young People in Care 2023-2026

Children's social care: stable homes, built on love - GOV.UK, DfE, February 2023

Children's social care market study final report - GOV.UK, CMA, March 2022

Independent review of children's social care: final report - GOV.UK, May 2022

Children's Wellbeing and Schools Bill - Parliamentary Bills - UK Parliament
H-and-F-SE-Sufficiency-Report.pdf, Home and Future, November 2025

Evaluation of Regional Care Cooperatives: phase 1 - GOV.UK, DfE, November 2025

Costs and complexity in care: The real drivers of high-cost placements for children in care | Local Government Association, LGA, May 2025

High-cost children's social care placements survey | Local Government Association, LGA, November 2023

Managing children's residential care - NAO report, NAO, September 2025

Educational poverty: how children in residential care have been let down and what to do about it, House of Commons Education Committee, June 2022
Educational Pathways and Outcomes for Care-Experienced Children: End of Project Report - Population Data Science, Swansea University, March 2025

The relationship between placement instability and mental health among care-experienced children and young people: UK systematic review and meta-analysis | The British Journal of Psychiatry | Cambridge Core, Cambridge University Press, September 2025

Coram responds to homelessness statistics, highlighting concern for the rise in homeless young care leavers, Coram, November 2025

Themes from available data and literature: Care leavers' experiences of health inequalities, AYPH, September 2023

The lifelong health and well-being of care leavers, Nuffield Foundation, 2021

Care experienced children and young people's mental health, Iriss, October 2020

Subject to Call-In:

Yes: ☒ No: ☐

The item is due to be referred to Council for final approval ☐

Delays in implementation could have serious financial implications for the Council ☐

Delays in implementation could compromise the Council's position: ☐

Considered or reviewed by Scrutiny Commission or associated Committees, Task Groups within preceding six months ☐

Item is Urgent Key Decision ☐

Report is to note only ☐

Wards affected: All

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Appendix A

West Berkshire Council
Equity Impact Assessment

TEMPLATE

March 2023

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Equity Impact Assessment

Section 1: Summary details

Directorate and Service Area	
What is being assessed (e.g. name of policy, procedure, project, service or proposed service change).	
Is this a new or existing function or policy?	
Summary of assessment Briefly summarise the policy or proposed service change. Summarise possible impacts. Does the proposal bias, discriminate or unfairly disadvantage individuals or groups within the community? (following completion of the assessment).	
Completed By	
Authorised By	
Date of Assessment	

Section 2: Detail of proposal

Context / Background Briefly summarise the background to the policy or proposed service change, including reasons for any changes from previous versions.	
Proposals Explain the detail of the proposals, including why this has been decided as the best course of action.	
Evidence / Intelligence List and explain any data, consultation outcomes, research findings, feedback from service users and stakeholders etc, that supports your proposals and can help to inform the judgements you make about potential impact on different individuals, communities or groups and our	

ability to deliver our climate commitments.	
Alternatives considered / rejected Summarise any other approaches that have been considered in developing the policy or proposed service change, and the reasons why these were not adopted. This could include reasons why doing nothing is not an option.	

Section 3: Impact Assessment - Protected Characteristics

Protected Characteristic	No Impact	Positive	Negative	Description of Impact	Any actions or mitigation to reduce negative impacts	Action owner* (*Job Title, Organisation)	Timescale and monitoring arrangements
Age	☒	☐	☐				
Disability	☐	☒	☐				
Gender Reassignment	☒	☐	☐				
Marriage & Civil Partnership	☒	☐	☐				
Pregnancy & Maternity	☒	☐	☐				
Race	☒	☐	☐				
Sex	☒	☐	☐				
Sexual Orientation	☒	☐	☐				
Religion or Belief	☒	☐	☐				

Section 3: Impact Assessment - Additional Community Impacts

Additional community impacts	No Impact	Positive	Negative	Description of impact	Any actions or mitigation to reduce negative impacts	Action owner (*Job Title, Organisation)	Timescale and monitoring arrangements
Rural communities	☒	☐	☐				
Areas of deprivation	☐	☒	☐				
Displaced communities	☒	☐	☐				
Care experienced people	☐	☒	☐	Improved provision of foster care			
The Armed Forces Community	☒	☐	☐				

Section 4: Review

Where bias, negative impact or disadvantage is identified, the proposal and/or implementation can be adapted or changed; meaning there is a need for regular review. This review may also be needed to reflect additional data and evidence for a fuller assessment (proportionate to the decision in question). Please state the agreed review timescale for the identified impacts of the policy implementation or service change.

Review Date	
Person Responsible for Review	
Authorised By	

EDI employee related EQiA's should now be sent to Human Resources hrenquiries@westberks.gov.uk.

Appendix B

Data Protection Impact Assessment – Stage One

The General Data Protection Regulations require a Data Protection Impact Assessment (DPIA) for certain projects that have a significant impact on the rights of data subjects.

Should you require additional guidance in completing this assessment, please refer to the Information Management Officer via dp@westberks.gov.uk

Directorate:	
Service:	
Team:	
Lead Officer:	
Title of Project/System:	
Date of Assessment:	

Do you need to do a Data Protection Impact Assessment (DPIA)?

	Yes	No
Will you be processing SENSITIVE or "special category" personal data? Note – sensitive personal data is described as "*data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person's sex life or sexual orientation"*	☒	☐
Will you be processing data on a large scale? Note – Large scale might apply to the number of individuals affected OR the volume of data you are processing OR both	☐	☒
Will your project or system have a "social media" dimension? Note – will it have an interactive element which allows users to communicate directly with one another?	☐	☒
Will any decisions be automated? Note – does your system or process involve circumstances where an individual's input is "scored" or assessed without intervention/review/checking by a human being? Will there be any "profiling" of data subjects?	☐	☒

	Yes	No
Will your project/system involve CCTV or monitoring of an area accessible to the public?	☐	☒
Will you be using the data you collect to match or cross-reference against another existing set of data?	☐	☒
Will you be using any novel, or technologically advanced systems or processes? Note – this could include biometrics, "internet of things" connectivity or anything that is currently not widely utilised	☐	☒

If you answer "Yes" to any of the above, you will probably need to complete Data Protection Impact Assessment - Stage Two. If you are unsure, please consult with the Information Management Officer before proceeding.