Outcomes First Group
Atria, Spa Road
Bolton BL1 4AG

The Competition and Markets Authority
The Cabot
25 Cabot Square
London E14 4QZ

12 November 2021

Dear CMA team

Outcomes First Group Response to the CMA's Interim Report on the Children's Social Care Market Study

Outcomes First Group ("OFG") welcomes the interim report (the "Interim Report") published by the CMA on 22 October 2021. While we look forward to the CMA developing its analysis in certain areas over the coming months, OFG considers that the Interim Report represents a useful and insightful initial assessment of the key issues within the fostering and children's homes markets. It is clear that the CMA review to date has been a thorough and balanced assessment of the issues facing the sector and the concerns of various stakeholders.

OFG largely welcomes the CMA's emerging findings, in particular regarding:

- the important role which the independent sector plays in supporting looked-after children;
- the CMA's conclusions that the prices of the independent fostering agencies ("IFAs") have "remained broadly flat" (and so have declined in real terms) and that there is no compelling evidence that independent provision is more expensive on a like-for-like basis; and
- the CMA's recognition that there is no evidence that private equity owned ("PE-owned") independent providers offer provision of inferior quality or undertake less investment.

While OFG considers that the existing fostering regime is generally working effectively, OFG agrees that the CMA's proposed remedies would help ensure that fostering can provide high quality care and maximise outcomes for looked-after children (in particular, by enhancing local authority ("LA") commissioning capability and improving coordination, data and information sharing, and market shaping by LAs and commissioners). OFG is heartened by the attention it is placing on collaboration between LAs and the independent sector.

OFG has a few reservations with specific aspects of the approach taken by the CMA to its financial analysis, as set out in more detail below, in particular how the CMA has compared operating costs between LAs and IFAs (where its findings are markedly inconsistent with those of the independent Narey and Owers Report (2018) on Foster Care in England). [1]

We trust the CMA will seek to investigate these issues further in the coming months and we would welcome the opportunity to assist the CMA in this regard, including by participating in any planned workshops.

Given OFG's primary focus on fostering services, OFG has targeted this response on the fostering market. OFG has also focussed its response on the key issues in the report and so may revert further to the CMA, later in the process, on other issues.

Yours faithfully,

Group Chief Executive
Outcomes First Group

[1] Narey and Owers Report (2018).

1 High-level views on the CMA's emerging findings[2]

1.1 OFG considers that the Interim Report provides an effective overview of the children's social care markets as well as providing a realistic assessment of the key challenges for LAs and independent providers in effectively meeting the needs of vulnerable looked-after children.

Ensuring the supply of appropriate places

1.2 OFG accepts and recognises the CMA's key emerging finding that the current system is not providing sufficient appropriate places to ensure that children consistently receive placements that fully meet their needs, when and where they require them. OFG therefore welcomes the CMA's focus on this concern as a key area requiring some degree of reform.

1.3 Extra capacity is certainly needed in the system, but generating additional supply of placements requires – as the CMA recognises – better coordination, data and information sharing and market shaping by LAs and commissioners. To be successful, this must be done in partnership with independent providers in order to drive supply, rather than unilaterally. OFG has provided significant evidence of its local partnerships with LAs in previous submissions (for example regarding the development of specific strategies for carer recruitment, and for "step down" placements for looked-after children who move out of residential care and into fostering),[3] which it considers are strong examples of the collaboration which is needed with the independent sector. As the CMA recognises,[4] it is important that local autonomy is not unduly compromised as part of the CMA's drive to promote regional and national engagement.

1.4 Increasing capacity, whether by LAs or independent providers, requires planning and investment – areas of poor sufficiency must be identified and prioritised. Foster carers must be found, trained to look after the needs of each individual child, and retained – even when not earning revenues. For independent providers, this requires sufficient forward-looking information and planning to provide the confidence needed to drive investment and scale.

Quality of provision

1.5 The CMA suggests that, overall, there is not a difference in the quality of independent and LA provision, based on inspection results. However, independent providers (including PE-owned businesses) are, in fact, quality leaders in the sector – in the case of OFG, it is "the" quality leader with 100% of its fostering services being rated "Good" or "Outstanding" when measured by the independent regulator, Ofsted, since October 2018. As discussed below, inspection results also do not currently take into account the broader outcomes for

2 In this section, OFG address Questions 1 and 2 of the CMA's invitation to comment on the Interim Report.

3 OFG's RFI 1 response, paras 135 and 136.

4 Interim Report, para 5.15.

looked-after children, which is a key area of focus for OFG. As the CMA notes, inspection outcomes drive placement decisions and independent providers that do not maintain high standards risk being driven out of the sector – we agree therefore that "*market mechanisms appear effective in incentivising providers to improve or withdraw poor provision*".[5]

1.6 While OFG recognises that it might be difficult for the CMA to assess quality beyond the inspection ratings, it nevertheless remains relevant for the CMA's analysis (particularly in terms of the relative performance and distinct roles of LAs and independent providers in the market) that the fostering inspection regimes are not directly comparable. As OFG has previously noted, IFAs are subject to a stringent and robust regime entirely focused upon their fostering performance (under the Social Care Common Inspection Framework), whereas LAs are only subject to Ofsted's Inspection of Local Authority Children's Services Framework – in which fostering is only one, relatively limited, factor considered during an inspection. Ensuring quality of provision is maintained and improved should involve regulatory reform that places LAs under precisely the same inspection standards as independent providers, driving the same high standards to which the independent sector is held (and compliance with which represents an important cost to independent providers).

Prices and profits

1.7 OFG agrees with the CMA's emerging finding, consistent with its own experience and the evidence presented to the CMA, that IFAs' prices have "*remained broadly flat*".[6] For the avoidance of any doubt, this means *falling* prices in real terms and has led to the delivery of significant financial savings for LAs. However, OFG is concerned by the CMA's approach to assessing the profitability of independent providers in fostering, as discussed in Section 3.

1.8 OFG recognises that an analysis of pricing (as well as profits realised) by independent providers in the social care market should be an important part of the CMA's market study, particularly given the level of public commentary and media attention on the issue. OFG also agrees with the CMA that, based on both its own experience and the CMA's analysis as presented in the Interim Report, there is no "*compelling evidence that independent provision is more expensive on a like-for-like basis*".[7]

1.9 Indeed, the critical issue is that a comparison of cost and prices is <u>neither useful nor valid</u> if it does not effectively compare like-for-like. OFG agrees with the points made by the CMA that a meaningful comparison must account for the significant differences in roles played by in-house and independent provision that drive material (and legitimate) cost-differentials, such as meeting more complex and higher-acuity needs, and the need to ensure sufficient swing capacity (as discussed below in further detail).

---

[5] Interim Report, para. 3.75.
[6] Interim Report, para. 3.28.
[7] Interim Report, para 5.36.

1.10 OFG considers that making reference to precise point estimates on cost differentials between LA and independent providers, without sufficiently accounting for meaningful differences in provision and costs (such as in paragraph 3.59 of the Interim Report), risks creating a misleading and unfair impression about market dynamics and the business models of independent providers in fostering. In light of the significant media and political interest in this sector, unless the CMA accurately accounts for these differences in costs, the CMA <u>must not</u> include such figures and commentary in its Final Report. Were it to do so, this would almost inevitably lead to unjustified and potentially serious reputational issues for independent providers. It would also risk stalling investment in the sector and distort commissioning decision-making – the opposite of the CMA's objective and indeed its other emerging findings.

1.11 OFG notes that the CMA intends to undertake further work on the financial analyses before the Final Report and OFG looks forward to contributing to this workstream as it progresses.

Resilience of the market

1.12 OFG agrees with the CMA's emerging finding that a hypothetical failure of a fostering agency provider is considerably "*less likely to be concerning*" for market resilience, given that foster carers would likely continue to provide care and could transfer to an alternative agency (or the LA itself) with relative ease.[8] OFG does not consider that there would be substantial administrative difficulties with such a process or that it would be likely to result in the loss of foster carers or negative impact on looked-after children in the short term.

1.13 Given the CMA's analysis, OFG agrees that additional protections (or regulatory burdens) are not needed, or proportionate, to ensure resilience of independent fostering providers.

The role of independent provision and private equity provision

1.14 As set out above (and in line with the CMA's stated desire to further investigate the drivers of average cost differences),[9] OFG considers that an assessment of the role and value of independent providers in the social care sector must accurately account for meaningful differences in the nature of independent provision compared to LA provision. In particular, these differences include acuity, the risks of under-utilisation, increased investment risks, and costs borne by the independent sector alone (e.g., tendering costs, costs of regulatory compliance and the delivery of high quality services).

1.15 However, OFG welcomes the CMA's recognition that it has "*not seen evidence of systematic differences in outcomes between local authority and independent provision*".[10] Similarly, OFG welcomes the CMA's conclusion that "*PE-owned providers do invest in new capacity and we have not seen*

---

8 Interim Report, para 3.45.
9 Interim Report, para 3.62.
10 Interim Report, para 3.55.

evidence that this investment is less as a result of PE-ownership"[11] – a view which strongly aligns with the fact that OFG has re-invested more than [✂]% of its profits over the past six years with the aim of developing the business, adding capacity and improving quality.

2 The CMA's proposed remedies[12]

2.1 OFG considers that the CMA's approach to remedies is largely sensible and proportionate and, if implemented effectively, could be particularly useful in addressing the sufficiency of suitable placements.

2.2 OFG also welcomes the CMA's position on the role of independent providers in the market – in particular, that proposals to end or limit for-profit provision, or to introduce price or profit caps, which would be ineffective and are likely to worsen rather than resolve the underlying issues around insufficient supply, given the critically important role of independent sector provision.

LA engagement with the placements market

2.3 OFG has consistently made clear to the CMA that a lack of LA engagement with independent providers (even allowing for the variability of demand) causes additional uncertainty and significantly hinders the ability of independent providers to meet LA demand. LAs and independent providers both stand to benefit from a system with greater use of framework contracts, block purchasing and more effective coordination of children's needs. Greater scale and sharing of best practice would also help procurement become less reliant on more expensive 'spot' placements. We welcome the CMA's conclusions therefore that better matching and procurement is key for effective reform of the fostering sector.

2.4 The CMA's proposals for achieving LA scale through regional or national-level bodies could potentially be an effective means of improving LA engagement with the market. Critically, it would also facilitate better forecasting of future needs and demand. However, OFG accepts that it will likely be challenging to achieve and will require careful design (particularly so that it is consistent with each individual LA's statutory responsibilities). If successfully done, in partnership with independent providers, this reform would help decrease uncertainty for potential suppliers of new capacity and improve investment incentives.

2.5 As indicated above, while OFG supports the CMA's proposals for greater LA scale and engagement with the sector, they should not be implemented in isolation. Fundamentally, increasing supply requires better collaboration between independent and public bodies, and OFG considers that closer partnership between LAs, potential regional/national level

---

[11] Interim Report, para 3.69.

[12] In this section, OFG address Questions 3 - 7 of the CMA's invitation to comment on the Interim Report.

bodies, and independent providers would be the most effective way to ensure sufficient supply to meet demand in the social care sector.

Regulation

2.6 The CMA recognises that, while current regulatory *standards* are not necessarily a problem, there are a number of regulatory requirements which are out of date and which, on balance, hinder the effective supply of social care placements and, consequently, produce poorer outcomes for looked-after children. Although the CMA is right that many of these issues relate to children's homes, there are also areas where regulatory reform in the fostering segment could improve outcomes.

2.7 In fostering, for example, Ofsted could also factor outcomes for the child into the assessments to give commissioners greater insight into, for example, the 'value added' (improvement) for individual children (e.g., in terms of 'staying in' reduction or training and educational attainment). Ensuring quality of provision is maintained and improved should also involve regulatory reform that places LAs under precisely the same inspection standards as independent providers.

Financial oversight

2.8 Given the CMA's emerging finding that the potential failure of a fostering agency provider is not likely to be concerning (as foster carers would likely continue to provide care and could transfer to an alternative agency with relative ease), we agree with the CMA's analysis that a financial oversight regime would, therefore, be unnecessary in the fostering segment.

2.9 Competition between independent providers is already key in driving quality, innovation and the existing level of supply (even if not sufficient) – fostering has a thriving regional and national competitor set of around 300 IFAs (even with well over 60% of fostering placements being delivered 'in-house' by LAs). Moreover, even the larger market participants have small market shares – OFG's share of the overall fostering market, for example, is below [✂]%. While extra capacity is needed in the system (in some areas more than others) – which the CMA's proposed remedies should hopefully help to address – there is no significant issue with market entry, with new IFAs and carers entering every year. Indeed, data available over a long period of time shows conclusively that IFAs recruit and retain foster families far more effectively than LAs.

2.10 As a result, OFG believes that imposing such a regime on all fostering businesses would be disproportionate (and, consequently, inappropriate), consistent with the CMA's guidance and approach on these issues.[13]

---

[13] The CMA's guidance on remedies in market inquiries is clear that "in considering the reasonableness of different remedy options the [CMA] will have regard to their proportionality" and that "a proportionate remedy is one that: (a) is effective in achieving its legitimate aim; (b) is no more onerous than needed to achieve its aim; (c) is the least onerous if there is a choice between several effective measures; and (d) does not produce

2.11 With respect to a financial oversight regime for businesses in the children's homes segment, OFG considers that any such regime should be underpinned by a proportionate materiality threshold.

3 The CMA's financial analyses[14]

3.1 Appendix A of the CMA's Interim Report sets out the CMA's emerging findings of financial information gathered from the 15 largest independent providers and a selection of LAs. The CMA has presented its emerging findings in aggregates and averages, but has not disclosed to the parties the underlying data analysis. Unfortunately, this means it is not possible to identify or comment on individual parties or to understand how the analysis controls for changes across the sample.

3.2 Although OFG submitted financial information to the CMA, its ability to comment on how even its own information has been processed is significantly constrained by how Appendix A presents the aggregated approach and data. Given these limitations, OFG can only make general observations on the data and the approach taken by the CMA. As has been noted to the CMA during a meeting between OFG and the CMA on 10 November 2021, if OFG is an 'outlier' on any of the CMA's financial metrics, OFG would welcome further engagement with the CMA on this to help the CMA understand the calculations.

3.3 Overall, OFG welcomes the CMA's emerging findings in relation to the performance of independent providers (including PE-owned providers) relative to LAs. However, it is important to note that:

3.3.1 Although the CMA recognises that the average complexity/acuity/age of looked-after children supported by independent providers tends to be higher than that of LAs, the financial analyses do not control for this difference, which means that like is not being meaningfully (or usefully) compared with like.

3.3.2 Similarly, the CMA recognises that independent providers tend to have less visibility or control over their utilisation. This can affect the cost bases of independents in various ways. However, the financial analyses also do not control for this difference. As above, failing to control for this will lead to an incorrect comparison of financial performance of LAs versus independents.

3.3.3 The market coverage of the financial analyses is relatively low and potentially skewed to larger independent firms.[15] The results may, therefore, be biased due to

disadvantages which are disproportionate to the aim". CC3 (Revised), *Guidelines for market investigations: Their role, procedures, assessment and remedies*, paras. 342 and 344.

14 In this section, OFG address Question 8 of the CMA's invitation to comment on the Interim Report.

15 The analysis of fostering, for example, appears to cover only slightly over 50% of the placements by IFAs.

superior efficiency and survivorship bias. As a result, the CMA's profitability analysis may overstate profitability across the market.

3.3.4 OFG understands that, when analysing various debt ratios, the CMA has undertaken allocations which are not described in detail in the Interim Report or Appendix A. In OFG's case, much of its recent debt financing has related to acquisitions in the educational area, and so may present a distorted picture for fostering. Other corporate groups that provide a range of services (including services out of the scope of the CMA's market study) may face similar issues.

3.4 In addition, there are four specific issues within Appendix A where OFG considers that the CMA's approach has weaknesses that should be addressed:

3.4.1 comparing the operating costs for IFAs and LAs;

3.4.2 the treatment of shareholder loans;

3.4.3 the appropriate comparable firms for IFAs when benchmarking profitability; and

3.4.4 the characterisation of IFAs as an asset-light business.

The CMA's comparison of operating costs for IFAs and LAs

3.5 OFG is concerned that the CMA's emerging finding that *"[l]ocal authority operating costs have been approximately 36.8% lower, on average, between FY 2016 and 2020 than the equivalent for the Large private providers"* [16] is incorrect and, if not further assessed, risks misleading commissioners.

3.6 First, as the CMA itself acknowledges and as discussed above, the comparison does not control for acuity, age and quality of care, which means that like is not being meaningfully (or usefully) compared with like.[17]

3.7 Second, as considered above, OFG is also concerned by the comparability of the operating costs provided by LAs. Although the CMA asked LAs and independent providers to submit operating costs with identical definitions, it is not clear that all providers have submitted figures including the same cost items and that the analysis is, therefore, a like-for-like comparison.

3.8 The *Narey and Owers* Report compared the relative costs of IFA and LA placements, noting:[18]

3.8.1 The challenges in assessing LA costs: "*But the reliability of these costs [from LAs] depends on the extent to which they are directly comparable, not least because of a tendency for some local authorities not fully to take account of their overhead costs. In our own study of costs, we discovered*

---

[16] Appendix A, para 83 (c).

[17] Appendix A, para 83 (c).

[18] Narey and Owers Report (2018), these quotations are on pages 61 and 62, emphasis added.

that local authorities' estimates of overhead costs varied from an absurdly small 1% to a more realistic 16%". LAs encountered difficulties with measuring all the costs (both fixed and variable) related to recruiting, training, supporting, administering and maintaining their own carer base.

3.8.2 The report identified other cost drivers: "*Crucially, and reflecting the greater challenge of children cared for in the IFA sector, the IFAs in our sample spent significantly more than local authorities on carer allowances and fees: on average about £125 more per placement week. IFAs spent £110 more per placement week on placement management, which includes training and supervising social workers who have fewer foster carers to manage. IFAs also spent about £22 more per placement week on recruitment activities.*"

3.8.3 While the report found that LAs costs were lower than those of IFAs, the report concluded that: *"[t]aking account of these differences, the cost differential between local authorities and IFA costs narrow considerably to a point where, in some instances, there is very little between them […] we believe that IFAs are more expensive, albeit by a relatively small amount.*"

3.9 The claimed 36.8% cost differential appears to be markedly out of line with this earlier (relatively recent) work. OFG has included in Annex 1 a list of the categories of costs within its own operating costs and requests that the CMA confirms that each LA in the sample has also included these costs and allocated them appropriately.

3.10 Third, the CMA notes that independent providers cannot control their volumes and must provide a degree of swing capacity in the market. This means that independent providers carry the increased economic cost of underutilisation of capacity. OFG would encourage the CMA to undertake more analysis of capacity utilisation between LAs and independent providers.

3.11 Fourth, OFG has provided data showing that independent providers have played a disproportionately important role in identifying, recruiting, vetting, and training new foster carers. OFG's ITC response contained compelling supporting data around this point. IFAs provide an important service to the industry by attracting more capacity, but this comes with additional costs that may not be matched by LAs. OFG would encourage the CMA to undertake more analysis of the marketing, recruitment, selection and training costs faced by LAs.

3.12 Fifth, as noted in paragraph 1.6 above, independent providers face a more onerous regulatory burden for fostering than LAs and furthermore suffer disproportionate consequences for failing to meet Ofsted standards (particularly as the time for re-inspection is often far too long and the service is 'stuck' with the inspection judgement regardless of subsequent improvements and may not, therefore, be able to accept new placements). This leads to additional layers of cost and administration.

3.13 For these reasons, OFG is concerned that the CMA's analysis of LA operating costs in fostering appear to be incorrect and (at best) potentially misleading to commissioners and broader stakeholders. Without further access to the underlying data, OFG and other independent providers are unable to analyse or control for the cost differences in more detail. OFG is very keen to engage further with the CMA to consider this issue as, currently, the publication of this differential in the Final Report, without having had any meaningful diligence from market participants, would be extremely damaging for the sector.

The appropriate treatment of shareholder loans

3.14 In its assessment of the levels of debt in the industry, the CMA has treated shareholder loans as debt and found that "*shareholder loans constituted a significant 19% of the overall debt*".[19] However, whether shareholder loans should be treated as equity or debt will depend on the circumstances of the business in question and the structure of its lending.

3.15 [✄]

3.16 OFG notes that the updated Balanced Economy Project ("**BEP**") submission recognises that *"'shareholder loans' usually behave more like equity than like debt",*[20] while Moody's considers that *"[t]erms [of shareholder loans] are often drafted such that, from the perspective of the issuer's other creditors, the shareholder loan behaves equivalently to equity"* and set out the five criteria it uses to classify shareholder loans between debt and equity.[21]

3.17 OFG considers that the CMA should undertake a company-specific assessment of shareholder loans rather than treating all as debt within the debt ratios analyses (or any remedies design). [✄]. At the very least, the CMA should acknowledge in its Final Report, or any proposals for a financial monitoring regime, that a case-by-case approach should be applied to individual company's loan structures, rather than all shareholder loans being immediately treated as debt, which would be incorrect.

Comparable company benchmarks for IFAs

3.18 In the profit margin analysis for fostering agencies, the CMA notes three companies that it considers it may use to benchmark the financial performance of independent providers: Capita Plc, Mitie Group Plc, and Serco Group plc. OFG does not recognise these companies as offering similar services to those of fostering providers.

---

[19] Appendix A, para 108.

[20] The BEP noted that "'*shareholder loans' usually behave more like equity than like debt: partly because shareholders are unlikely to take action upon tripping debt covenants on loans owed to themselves, which could throw their companies into turmoil. Shareholders may absorb losses via write-downs on their loans, as they might with an equity cushion. (Shareholder debt is "junior" in the creditor hierarchy: above equity but below debt to external parties like banks)".* Updated BEP submission on children's social care to the CMA at page 6; accessible at: Response: Balance Economy Project

[21] Moody's Report on Hybrid Equity Credit (2018), pages 11 - 12.

3.19 Comparators are appropriate when they have similar business models, geographic scope and types of risk. OFG does not believe that the proposed companies are appropriate comparators for several reasons:

3.19.1 None of the proposed comparators operate care for vulnerable children. They operate in sectors (e.g., defence, justice, transport, IT solutions) and include businesses with different dynamics and level of financial risks (for instance these businesses all involve facilities management, which is clearly low risk). Even more importantly, IFAs also face significant regulatory and reputational risks.

3.19.2 Indeed, the companies have operations in other markets and territories: for example, Capita has operations across Europe, Africa and Asia.

3.19.3 Whereas the demand and capacity utilisation of fostering placements is inherently uncertain, these three companies typically operate on long-term contracts of 5-10 years,[22] thereby facing a different profile of risks (revenue predictability), revenues, financing costs and accounting treatments to those faced by IFAs. Indeed, the average IFA is relatively small and undiversified compared to the CMA's benchmarks.

3.20 OFG has significant concerns about drawing conclusions that are likely to be substantively misleading about the profitability of the fostering market from these benchmarks. If the CMA chooses to present benchmarks from other UK markets at all, it would likely be better to use a selection of firms involved in healthcare and children's care (e.g., nurseries).

The characterisation of IFAs as asset-light

3.21 The CMA says that *"[f]ostering agency services is an asset-light business, which requires very little long-term debt to finance the underlying assets."*[23] OFG agrees that property and vehicles are not substantial in providing fostering services. However, as extensively discussed by OFG in its responses to the CMA's ITC and RFIs, OFG's fostering agencies rely on a range of intangible assets to be able to operate.

3.22 These include, for example, the processes needed to recruit, induct, train and support foster cares, which carry high investment costs (typically [✂] per carer), an innovative IT infrastructure (including, for example the "youth voice portal" which enables OFG to regularly survey how children and young people feel within OFG's care and the NFA World

---

[22] For example, from Serco's annual report: *"[...] the average duration of a new contract in Serco is about five years"* (Serco Annual Report 2020, page 20). In its Annual report, Capita reported the following examples of contracts: *"Major contract wins and renewals:*
• £6m, five-year contract with a local city council
• £19m, seven-year, regional NHS contract" (Capita Annual Report 2020, page 27)
Similarly, Mitie reports that some of its divisions benefit from longer contracts: *"The majority of the Interserve [business owned by Mitie] order book relates to the Communities division, where longer contracts (average 15 years) are prevalent."* (Mitie Annual Report 2021, page 21).

[23] Appendix A, para. 110.

app to communicate with and support carers) and the start-up losses incurred to build a strong brand locally. The importance of a 'skilled and trained' workforce, IT investment, and start-up losses have been recognised by the CMA in previous market investigations.

3.23 OFG, therefore, considers that the CMA should recognise that there are intangible assets required to maintain effective, high quality, provision. To discount this necessary investment in assets risks sending a misleading message to commissioners.

Annex 1 OFG's operating costs for fostering services

Central/group level costs	Foster carer costs	Other foster costs	Staff costs	IT & Office costs	Motor & Travel expenses	Advertising & Marketing
Divisional costs	Foster carer payments	Foster carer assessment costs	Supervising social workers/support workers costs	Property costs	Mileage expenses	Offline advertising
Central marketing		Foster carer - Training	Core support staff costs	Professional fees	Other Motor & Travel expenses	Other Advertising & Marketing
Corporate costs		Foster carer - Support Group costs	Other staff costs	IT & telephony costs		
Monitoring and shareholder costs		Foster carer - Panel costs		Print post and stationery		
Project costs		Foster carer - Other expenses		Insurance		
				Other sundry expenses		

Notes:

1. 'Central/group level costs' are costs recorded by OFG at a central/group level. [✂].
2. 'Corporate costs' include costs related to shared services, HR, finance, executive level, etc. that must be incurred to support the fostering services.
3. 'Core support staff costs' relate to management, administration, referrals, carer recruitment, etc. for fostering services.