Department for Education

Evaluation of Regional Care Cooperatives (RCCs)

Phase 1 report

November 2025

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Government Social Research

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Glossary of key terms

Commissioning is the strategic planning, procurement, and management of services to meet the needs of children in care. This process ensures that local authorities can provide high-quality placements that are suitable for the unique needs of each child.

Forecasting in the children's care placement market involves the analysis and prediction of future trends and needs to guide decision-making and resource allocation for local authorities. This process ensures that local authorities can anticipate demand, plan effectively, and allocate resources to meet the evolving needs of children in care.

Financial forecasting involves predicting future financial conditions to guide policy and programmatic decision making. This is crucial for maintaining fiscal discipline and ensuring the delivery of essential services for children in care.

Market shaping involves local authorities working strategically with providers to communicate expectations, build relationships, and create a stable, effective care services market. It includes activities that inform providers of local needs and incentivise them to ensure adequate and appropriate provision.

Sufficiency planning means ensuring there is adequate accommodation and services to meet the needs of children in care. This process includes a detailed analysis of current provisions and the development of strategies to address any gaps, ensuring that the needs of children in care are effectively met.

Source: Mutual Ventures (2024)
National Support Programme - forecasting, commissioning and market shaping

Executive Summary

Introduction

The Department for Education (DfE) commissioned Ecorys and partners, Professor Jane Barlow (Department of Social Policy and Intervention, University of Oxford), Professors Harriet Ward and Leon Feinstein (Rees Centre, University of Oxford), Susannah Bowyer and Dez Holmes, (Research in Practice), and Dr Claire Baker, to evaluate Regional Care Cooperatives (RCCs), a new model for planning, commissioning, and delivering placements for children in care. RCCs bring together member local authorities and children's social care (CSC) partners to collaborate in commissioning and purchasing placements, improving sufficiency, quality and value for money, leading to better outcomes for children.

This phase 1 report covers the first stage of RCC implementation (to April 2025) in the 2 pathfinder areas. The aim of this first phase of work was to understand early implementation, assess the feasibility of rolling RCCs out more widely, and to inform any future roll-out. It also lays a foundation for assessing impact and value for money over the full evaluation period.

Understanding RCCs

RCCs were proposed in the Independent Review of Children's Social Care[1] as a response to longstanding challenges in the CSC placement market, including:

- rising numbers of children in care and a shortage of appropriate local placements, especially for children with complex needs
- a growing reliance on spot purchasing,[2] and increasing placement costs
- the use of unregistered and unregulated placements, with corresponding concerns about quality
- fragmented data sharing across local authorities

RCCs aim to address these issues by bringing together local authorities within a defined area to pool resources, improve forecasting, enhance multi-agency collaboration and shape the market as one customer. The ambition is for RCCs to deliver better outcomes for children by creating a more stable, needs-led, and cost-effective placement market.

RCCs will, at a minimum, be responsible for: regional data analysis and forecasting with health and justice partners; developing and publishing a regional sufficiency strategy; shaping the market to meet local needs; recruiting and supporting foster carers;

[1] LGA (2022) Independent Review of Children's Social Care – LGA initial view, May 2022 | Local Government Association

[2] Buying a one-off, unplanned placement for a child or young person, rather than via an existing contract.

developing regional provision in response to gaps identified; and putting in place robust leadership and governance arrangements to enable swift decision-making and long-term financial investment.

Evaluation methods

The evaluation as a whole is comprised of 5 work strands:

1. **scoping:** a document review, interviews with sector stakeholders, theory of change development, and systems mapping
2. **implementation:** mixed method case studies with newly established RCCs and stakeholders in non-RCC areas
3. **impact:** outcomes scoping, identification of indicators and (later) exploration of impacts using a data-driven synthetic control method
4. **economic:** scoping of cost indicators leading into an assessment of cost effectiveness and efficiency
5. **dissemination:** sharing evaluation findings and learning with stakeholders

The first evaluation phase has been focused on scoping activities - building the theory of change, systems mapping, exploring potential indicators, and looking at early implementation in the two RCC pathfinders.

Implementation progress

The first wave of longitudinal case studies comprised interviews with 18 RCC stakeholders (11 in pathfinder 1; 7 in pathfinder 2) and observations at 10 RCC events (3 in pathfinder 1; 7 in pathfinder 2). Data collection focused on 3 key themes, identified during the scoping stage as priority areas for early implementation: leadership and governance (including co-production), data development, and market-shaping.

When reading this report, it is important to remember that RCCs remain at an early stage of implementation (with the pathfinders launched in April and June 2025 respectively). Case study data collection focussed on the core pathfinder teams as it was generally too soon to engage partners and providers in interviews when the early engagement work was ongoing.

Overall, the 2 pathfinders evidenced progress against DfE's minimum requirements and (their own) RCC business plans. Activities focused on laying the foundation for each RCC, developing local structures and maximising existing local/regional initiatives and opportunities. While both pathfinders' aims align with the DfE's aims and objectives, one had started to trial regional systems in CSC across member local authorities before applying to be a pathfinder. RCC pathfinder status gave the area added impetus to build on ongoing initiatives like a capital development project to secure properties and provide

additional placements for children with complex health needs (better holistic support for these children was a priority for both pathfinders). The other pathfinder sought to bring together many diverse local authorities with limited experience of joint working within CSC across the area.

The approach each pathfinder took, as well as their level of progress, reflected notable differences in starting points, geographical context (e.g. size) and priorities, which DfE recognised when awarding RCC pathfinder status.

Leadership and Governance

Both RCCs established core teams with strategic and commissioning expertise. One pathfinder built on an existing regional governance structure; the other was working towards creating a new Company Limited by Guarantee (CLG) to lead RCC activities. Governance structures were tailored to local contexts, with emphasis on flexibility, autonomy, and sustainability. Of the 6 minimum requirements, leadership and governance was one in which pathfinders had made good progress.

Coproduction

The pathfinders had invested significant time in building relationships with member local authorities, health partners, and providers. This included engagement activities with voluntary, community and social enterprise (VCSE) providers, with the aim of supporting them to expand local provision and bring greater balance to CSC placement market in the areas.

Pathfinders instigated coproduction activities with care experienced young people in each area, emphasising the importance of incorporating children and young people's voices in the RCC. In the longer-term, there were plans to integrate care experienced children and young people in the RCC governance structure (in one as a youth panel and the other a shadow board), to ensure continued co-production.

Data Developments

In each area there were dedicated staff members focused on driving improvements by working towards standardising and collating data. Early emphasis had been placed on improving systems to capture, access and share individual child-level data and on building a Data and Demand Platform to bring that data together, allowing the area to better forecast and commission placements.

Both pathfinders were also working with research teams to pilot the strengths-based needs assessment tools BERRI and CANS through separate trials, building local capability to assess and forecast needs.

Market Shaping

The RCCs were exploring alternative commissioning models, moving away from traditional hard block contacts. One pathfinder was exploring flexi-block contracting arrangements that would guarantee the purchase of placements (at an agreed price) whether they were filled or vacant, on the condition that the placements were ringfenced for the RCC. The other RCC was working to adapt and expand an existing framework.

Contracts and purchasing: A **hard block** contract is an absolute commitment by the purchaser to use capacity and pay for it over a period of time. A **soft block** is more sensitive to the risk of voids if arrangements are not working and looks to mitigate those risks. **Spot purchasing** is when local authorities procure placements on an individual basis. This means that the terms of each placement are determined separately.

Source: Mutual Ventures (2024)

National Support Programme - forecasting, commissioning and market shaping

The pathfinders were exploring measures to increase fostering capacity, help VCSE providers expand within local markets, and create new residential provision. This expansion took place alongside workforce development, with targeted recruitment activities and an emphasis on improving career progression opportunities for residential staff. Interview data indicated that both pathfinders were working towards improving needs-led supply by creating new placements alongside developing data.

Reflections

The evaluation qualitatively assessed progress against four implementation outcomes to provide a framework for assessing the effectiveness of RCC implementation. The framework allows the evaluation to account for the very different RCC contexts, the iterative and gradual nature of RCC development, the need for indicators to be measurable within the timeframe, and used with all relevant stakeholders, the 4 implementation outcomes selected were acceptability, adoption, integration and sustainability. Case study data was used to assess progress:

- **acceptability:** interview findings suggested growing support and commitment from local authorities and partners, important for building to trust to enable collaborative responses to meeting children's needs and developing a sense of collective responsibility. The second phase of research, starting later in 2025, will strengthen the evidence using different measures of acceptability and collecting data from a broader range of stakeholders
- **adoption:** there was broad alignment with DfE's minimum requirements and RCC delivery timescales in business plans based on the document review and

interviews, a notable achievement considering the difficulties and delays caused by the UK general election in 2024

- **integration:** case studies showed early signs of embedding RCC activities into business-as-usual, especially where governance structures pre-existed
- **sustainability:** pathfinders were using strategic planning and stakeholder engagement including setting up means of regular communication, reflective practice and ownership building aimed at long-term viability

Initial evidence supports the key assumptions underlying the theory of change, including the importance of building a shared vision, joined up working and specialist capacity. Risks around timescales, capacity and market disruption were ongoing concerns. Amidst the challenges, a main theme across the interviews was a shared sense that RCCs were an opportunity to do things differently and more effectively for children in care.

Implementation outcomes sit alongside quantitative impact indicators (see Strand 3: Impact evaluation). The initial shortlist of priority outcomes (agreed at the end of phase 1) comprises:

- an increase in needs appropriate provision (including flows between placement types, e.g. foster and residential care)
- an increase in in-area placements/in the percentage of children placed within 20 miles of home
- reduced number of provider/market-led placement moves
- a sustainable supply of foster carers
- cost savings

Evaluation learning

Findings from across phase 1 highlighted the progress pathfinders had made in starting to bring about a culture change - moving towards more proactive and collaborative commissioning to meet children's needs and fostering a willingness to share data and make a funding commitment. Joint/regional working was underpinned by the creation and refinement of the necessary documents and ways of working, such as partnership agreements, frameworks and Memorandums of Understanding (MOUs). Pathfinders had made early steps towards creating new placements and inroads into developing and supporting the workforce.

Many of the challenges interviewees raised were associated with time and capacity, alongside difficulties collating and standardising data to inform the RCCs' work.

Findings highlighted several lessons to inform any future expansion of RCCs, including:

- building a small, skilled core team to lead each RCC using secondments where appropriate
- putting additional resources into support services to expand data analysis and administrative capacity, including investing in specialist data capacity
- engaging health (and other) partners early and strategically, perhaps by including a health lead, to recognise and strengthen the important connection between the RCC and health partners
- tailoring governance structures and leadership arrangements to suit the local context
- integrating coproduction with children and young people creatively from the outset
- promoting culture change through developing a shared vision, careful messaging, and collaborative practice

Findings from across phase 1 emphasised the importance of acknowledging the time required to build relationships and achieve meaningful system change, as well as demonstrate the impact and effectiveness of RCCs. Successfully expanding RCCs can be supported by providing tailored guidance and support, creating opportunities to share learning and retaining flexibility for areas to shape the design of their RCC. In addition, strengthening alignment across policy areas and enhancing connections between national and regional stakeholders, will help to build coherence, encourage collaboration and support shared goals and outcomes.

1. Introduction

The Department for Education (DfE) commissioned Ecorys with evaluation partners Professor Jane Barlow, Professor Harriet Ward, Professor Leon Feinstein (University of Oxford), Susannah Bowyer, and Dez Holmes (Research in Practice, NCB) and Dr Claire Baker, to conduct an evaluation of Regional Care Cooperatives (RCCs). The evaluation runs alongside the introduction of RCCs from early 2024, initially in 2 pathfinder areas. The 2 pathfinders were awarded programme funding having been selected by a cross-government panel in late 2023.[3]

RCCs are a refiguration of the Children's Social Care (CSC) market, bringing together member local authorities, partners and services (e.g. health, youth justice and education) to plan, commission, and deliver placements for children in care across a defined area. The goal is to improve the quality and effectiveness of care for children and young people by pooling resources, sharing expertise, and working with care providers to improve the operation of the CSC market. RCCs aim to ensure more children are in appropriate placements, which meet their needs, and are closer to home.

Content and scope of the report

This report presents findings from the first phase of the evaluation (April 2024-April 2025), bringing together findings from interviews with key RCC stakeholders, early scoping work on outcomes and a first wave of case studies with the 2 pathfinder areas. The findings are intended to help inform the roll-out of the RCC programme, offering lessons on implementation for local authorities/areas and for DfE, as well providing learning for the next phase of the evaluation.

Chapter 1 (this chapter) introduces the evaluation, sets out the scope of the report, and provides an overview of RCCs and their aims, including the context and the issues that prompted their creation.

Chapter 2 sets out the aims and objectives of the evaluation, providing an overview of evaluation methods, presents selected outputs from the scoping stage and briefly explores limitations.

Chapter 3 explores implementation in the 2 RCC pathfinder areas, reflecting on progress towards the minimum requirements and implementation outcomes.

Chapter 4 collates and reflects on learning from the first phase of the evaluation and briefly outlines next steps.

[3] Regional Care Cooperatives (RCCs): pathfinder regions - GOV.UK

Policy context and origins of RCCs

Local authorities have a legal duty to ensure children in care have somewhere to live, either by providing placements themselves or by commissioning them from other providers.[4] Over recent decades, several trends have been identified within the CSC placement market which have placed pressure on local authorities in meeting their legal duty. Importantly, the **number of children in care (and in need of placements) has risen consistently**, placing increased demands on the system.[5] There has been a parallel **rise in the use of (more expensive) private placements**, which has led to an increase in costs, placing additional strain on local authority budgets.[6]

The reliance on private provision has also resulted in increased scrutiny and **concerns about a small proportion of providers that are drawing significant profits**.[7] At the same time, there is widespread recognition that the CSC sector is facing a significant shortfall in the number of appropriate placements that meet children's specific needs. This shortage is particularly notable for **children with multiple complex needs**[8], for example emotional and behavioural issues.

Several challenges have intensified pressures on the CSC system and, in turn, negatively impacted the children and young people who are part of it. For example, a **lack of partnership working, a reliance on spot purchasing**, and **difficulties accessing data**, e.g. around needs and placement costs.[9] The Children's Commissioner for England has raised serious concerns about unregistered and unregulated placements, which have been linked to lower quality provision.[10] These factors can mean **children and young people are placed some distance from their communities** (schools, relatives and friends) in **settings which do not meet their needs** and **may limit their access to support services**.[11]

Whilst some children and young people in the care system are well served and achieve good outcomes, this is not a universal experience. Where the system is not able to meet children's needs there is an increased risk that they will experience poorer outcomes, their individual potential will be limited, and they will be served poorly when they leave

[4] Children Act 1989, Section 22G. General duty of local authority to secure sufficient accommodation for looked after children, https://www.legislation.gov.uk/ukpga/1989/41/section/22G
[5] Mutual Ventures (2024) Forecasting, Commissioning and Market Shaping
[6] Competition and Markets Authority (2022) Children's social care market study final report
[7] Local Government Association (2023) Biggest independent children's care providers made over £300 million profit last year – new LGA report reveals
[8] Ofsted (2024) Children with complex needs can wait years for a stable home
[9] Mutual Ventures (2024) Forecasting, Commissioning and Market Shaping
[10] Children's Commissioner (2024) Illegal Children's Homes | Children's Commissioner for England
[11] Ofsted (2022) https://www.gov.uk/government/news/many-children-placed-in-homes-far-away-from-their-families-amid-national-sufficiency-challenge

the system.[12][13] These issues are recognised as **priorities for local authorities** but need to be balanced against competing pressures and priorities, alongside growing budgetary challenges.[14]

Originating in the **Independent Review of Children's Social Care**, RCCs were presented as a way to tackle some of these challenges and as a vehicle to deliver better outcomes to children and young people in CSC. They offered a way to reorganise and 'take back control' of the (complex and poorly functioning) CSC placement market, 'resetting' the system.[15]

While there is widespread agreement from across the sector that there is an urgent need to address issues in CSC - tackling rising costs, and better meeting children's needs[16] – some stakeholders have questioned whether RCCs offer an effective solution.[17] DfE recognised these concerns and have set out a vision for RCCs in a policy paper.[18]

Following a 2-stage application process conducted in the latter part of 2023, 2 English regions were selected to become RCC pathfinders - Greater Manchester and the South East. The 2 pathfinders collectively received £3.46m in programme funding (between 2024 and 2026), and up to £5m in capital funding per RCC to develop existing provision or create new regional provision.[19]

The ambition and aims for RCCs

The overarching ambition is for RCCs to "plan, commission and deliver children's care places."[20] Within this ambition RCCs aim to:

- **Improve the stability and suitability of CSC placements.** By taking a broader, regional view of care needs and resources, RCCs aim to better plan for and provide the right types of placements - whether foster, residential, or secure provision - at the right time and in the right location.[21] The intention is that improved planning will reduce the number of children placed far from home, in

[12] NatCen (2025) New report reveals long-term outcomes for UK care-experienced children, National Centre for Social Research
[13] UK Parliament (2025) How to fix children's social care and restore care leavers' life chances - Committees - UK Parliament
[14] LGA (2024) Briefing on the LGA's Autumn Budget 2024 and Spending Review submission | Local Government Association
[15] McAlister, J. (2022) Independent review of children's social care: final report
[16] LGA (2022) Independent Review of Children's Social Care – LGA initial view, May 2022 | Local Government Association
[17] See, for example, ADCS, An alternative vision of Regional Care Cooperatives
[18] DfE (2024) Keeping Children Safe - Helping Families Thrive
[19] GOV UK (2024) Regional Care Cooperatives (RCCs): pathfinder regions
[20] GOV UK (2024) Regional Care Cooperatives (RCCs): pathfinder regions
[21] Mutual Ventures (2024) Regional Care Cooperative Programme

unregulated settings, or moved frequently between placements.[22] A focus on placement sufficiency and better matching aims to help ensure that care is more responsive to children and young people's needs.[23]

- **Create a more strategic and data-driven approach to commissioning and sufficiency planning.** Rather than each local authority planning in isolation, RCCs are responsible for analysing regional trends, forecasting demand, and aligning investment to meet current and future needs. This shift is intended to move the system away from short-term, reactive purchasing and towards long-term, needs-led planning. RCCs will use their scale to develop provision across the region, helping to fill gaps and reduce duplication.[24]
- **Disrupt and re-shape the CSC market**, limiting the use of/reliance on for-profit providers. RCCs will work to help rebalance the market by expanding public sector and not-for-profit provision and using collective buying power to commission services more effectively.[25] This will enable regions to set clearer expectations for providers, improve quality and ensure that public funding is spent where it has the most impact.
- **Support and enhance multi-agency collaboration.** RCCs are designed to strengthen coordination across services, enabling more integrated and responsive support for children in care.[26] They will work closely with Integrated Care Boards (ICBs), health partners, youth justice teams, schools and others to deliver joined-up, holistic support. By streamlining decision-making and encouraging shared responsibility across sectors, RCCs aim to ensure that no child falls through the cracks due to poor coordination between support services.[27]
- **Build and maintain fostering capacity.** Many local authorities face challenges in recruiting and retaining skilled foster carers.[28] RCCs aim to help address these issues by investing in regional workforce development strategies and working in partnership with Fostering Recruitment Hubs.[29] The Hubs provide a single regional contact point, guiding prospective foster carers from enquiry to application, with the aim of increasing recruitment and offering more stable homes for children.
- **Deliver better value for money.** By centralising commissioning and procurement functions, RCCs aim to achieve efficiencies that would not be possible for

[22] GOV UK (2023) Children's Social Care: Stable Homes, Built on Love consultation response
[23] GOV UK (2024) Regional Care Cooperatives (RCCs): pathfinder regions - GOV.UK
[24] CMA (2022) Children's social care market study final report
[25] DfE (2025) Children's Wellbeing and Schools Bill: policy summary notes
[26] DfE (2025) Children's Wellbeing and Schools Bill: policy summary notes
[27] DfE (2023) Children's Social Care: Stable Homes, Built on Love consultation response
[28] UK Parliament (2025) Children's social care
[29] Fostering Recruitment Hubs are part of the DfE's Recruitment and Retention Programme, see Mutual Ventures, A perfect ten for Fostering Recruitment Hubs!

individual local authorities. This includes negotiating better rates, standardising contracts, and avoiding costly emergency placements.[30] In the long-term, cost savings made could be reinvested into service development and quality improvement.

- **Embed transparency, accountability, and continuous improvement in care commissioning.** With robust governance structures and clearer lines of responsibility, RCCs aim to ensure decisions are evidence-based, outcomes are monitored, and services evolve.

Minimum requirements for RCC pathfinders

As part of a commitment to ensuring RCCs are coproduced with the sector and are implemented at a pace which allows for learning and adjustments as they move forward, DfE introduced a set of 6 minimum requirements for pathfinder areas. The expectation being that at the point of 'going live' RCCs will, at a minimum, be responsible for the following key areas:

- **Regional Data Analysis and Forecasting:** Collaborating with health and justice partners to analyse regional data and forecast the future demand for homes for children in care
- **Regional Sufficiency Strategy:** Developing and publishing a strategy outlining the current provision and identifying actions needed to address any gaps in care
- **Market Shaping:** Operating as a unified customer when working with providers to:
    - Meet local needs
    - Improve value for money
    - Commission the required care placements from external providers
- **Foster Carer Recruitment and Support:** Establishing a regional recruitment support hub to:
    - Recruit new foster carers
    - Enhance the support available to both new and existing foster carers
- **Development of Regional Provision:** Creating new care provision in response to identified gaps across the region
- **Leadership and Governance:** Putting in place robust leadership and governance structures to enable swift decision-making and long-term financial investment[31]

[30] CMA (2022) Children's social care market study final report
[31] GOV UK (2024) Regional Care Cooperatives (RCCs): pathfinder regions

Links with the wider system

RCCs are one part of a wider complex system. The evaluation team developed a programme-level systems map to understand where the RCC fits and how it operates within the broader network of stakeholders and services involved in CSC. The map highlights the interconnected relationships between the RCC, its member local authorities, and with key partners, including health services, youth justice, education, voluntary sector organisations, and national policy bodies.

The map demonstrates how the RCC both influences and is influenced by other parts of the system. By making these connections visible, the map promotes a shared understanding of the RCC's role within the broader context and highlights opportunities for integrated, whole system approaches to care planning and delivery.

2. Evaluation aims and methods

Evaluation aims and objectives

This evaluation was commissioned and designed to start to build an evidence base around RCCs, to support effective implementation and help ensure efficient future investment in CSC. The first phase of the evaluation, and this report, focuses on understanding the theory behind and ambition for RCCs, as well as implementation and delivery of the RCC pathfinder model, exploring the practicability of rolling it out to other parts of the country. It also brings together findings from initial outcome scoping activities, laying the foundation for the impact analysis. In the longer-term the evaluation (which runs until 2029) will assess the impact of RCCs on improving commissioning and placement of children and young people looked after by local authorities, as well as their outcomes.

Within these core aims the evaluation seeks to:

- develop and test the theory of change by setting out the basis for understanding and monitoring the implementation and development of RCCs
- refine the methodological approach for undertaking a high-quality impact evaluation
- assess the impact of RCCs on its intended outcomes and unintended consequences, including:
    - developing a better understanding of how the care system is operating across the area, and the needs of children and young people
    - improved forecasting, planning, commissioning and provision of care placements
    - improved recruitment and retention of foster carers
    - improved planning and running of homes for children with complex needs
    - improved sufficiency of local care placements, leading to fewer out of area placements and placement moves
    - better value for money, and economies of scale
    - improved outcomes for children and young people looked after by local authorities
- assess the extent to which (why and how) RCCs have contributed to the effectiveness of the local planning in making progress towards achieving the desired outcomes

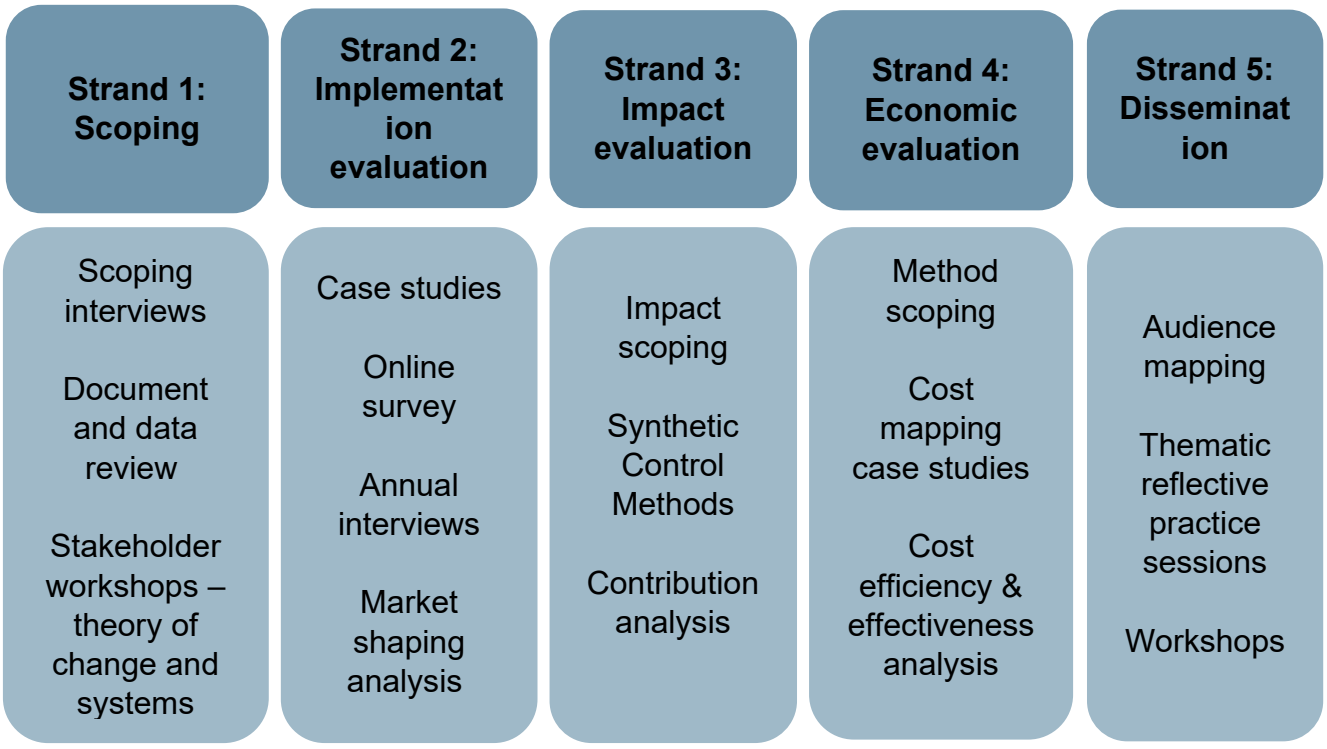
- assess the value for money of RCCs, and economies of scale

Evaluation approach

An evaluation approach was developed to address the overarching aims, and research objectives. This included 5 interconnected strands of work, with workstreams exploring implementation, impact, and value for money, building on an initial scoping strand. Findings from across the work strands will be shared as part of a targeted dissemination strategy (strand 5).

The evaluation was designed to span 5 years (from March 2024 to March 2029), with later phases of work left flexible to respond to developments in the policy context within a broad evaluation plan. Figure 1 illustrates the different workstreams and outputs.

Figure 1: High level overview of the evaluation approach



Evaluation approach in phase 1

Phase 1 of the evaluation brings together scoping activities (captured under strand 1), early exploration of outcomes as part of the impact and economic strands (3 and 4), and the first round of case study data collection with pathfinder areas (strand 2 - implementation).

Strand 1: Scoping

Strand 1 was conducted between April 2024 and January 2025, and set out to:

- understand the assumptions behind the theory of change
- identify any risks to and enablers
- explore the outcomes and impacts RCCs are seeking to achieve
- assess the most effective methods of evaluating impacts
- understand what existing data is available to monitor and assess impacts
- examine the best approach to addressing any identified gaps in data

The scoping work comprised:

- a document and data review, in which the research team reviewed core policy documents, pathfinder applications, and sector papers
- a series of scoping interviews with senior strategic and operational stakeholders in the RCC policy field (11 interviews in total, conducted between May and October 2024). This included DfE and other government departments, representatives from the pathfinders, and from core sector membership organisations
- theory of change, systems mapping and outcomes workshops with DfE stakeholders

Findings were used to produce early headline findings from the stakeholder interviews, a programme-level theory of change (see Annex A: Theory of change visual), an accompanying narrative (see Annex B: Theory of change - accompanying narrative), and a programme-level system map. Findings also informed the other work strands, for example, outcomes mapping for the impact evaluation.

The programme-level theory of change

The programme-level theory of change was developed for the evaluation in consultation with DfE. It is intended to reflect DfE's policy intention for RCCs and offer a framework for the evaluation that can be tailored to cover future RCCs. The theory of change is accompanied by a descriptive narrative, which includes further information about the policy, the context it is being delivered in, and details about inputs, outputs and outcomes (see Annex A: Theory of change visual and Annex B: Theory of change - accompanying narrative). The narrative should be reviewed alongside the (visual) theory of change.

The programme-level model also sits alongside theories of change developed locally for each of the RCC pathfinders with support from the delivery partner. The pathfinder-level theories of change reflect the different regional contexts and priorities, whilst the

programme-level model attempts to account for the similarities and differences in approaches.

Outcomes mapping

An important element of the scoping stage, and the theory of change, was to understand the expected outcomes and impacts of RCCs. This included surfacing and mapping the short and longer-term outcomes expected to result from RCCs. The first phase of this outcomes mapping work was conducted through the scoping activities, including the document and data review, stakeholder interviews, and workshops with DfE. Scoping work considered quantitative outcomes (those to be measured using numeric data) and implementation outcomes, exploring RCC delivery.

Implementation outcomes

To inform a robust assessment of how RCCs are being implemented and delivered and the effectiveness of RCC implementation within complex CSC systems, the scoping phase also involved identifying and reviewing the suitability of a range of indicators.

Implementation outcomes "reflect the progress towards success of efforts to implement."[32] And provide a systematic framework of assessing the effectiveness of implementation, helping evaluators to better understand what works or does not work in different contexts, what is needed for effective implementation, how important different aspects of implementation are for achieving ultimate outcomes of a service or programme.

Initially, the evaluation team proposed feasible measures with short validated scales including the: **Acceptability** of Intervention Measure (e.g., 'RCCs meets my approval, is appealing to me, I like RCCs, I welcome RCCs'[33]); Intervention **Appropriateness** Measure (e.g., 'RCCs seems fitting, suitable, applicable, like a good match'); and the **Feasibility** of Intervention Measure (e.g., 'RCC seems implementable, possible, doable, easy to use'). These measures were discussed as part of scoping workshops with DfE following a data and document review and interviews with the RCC teams in the Pathfinder areas.

Discussions considered the:

- very different local contexts the 2 RCC pathfinders are operating in
- iterative and gradual nature of RCC development, for example regarding RCC's focus and changing scope at various stages pre and post 'go live'

[32] Proctor, E., Bunger, C., Lengnick-Hall, R., Gerke, D., Martin, J., Phillips, R., and Swanson, J. (2023) "Ten years of implementation outcomes research: a scoping review." *In:* Implementation Science. 18(31). Available from: https://implementationscience.biomedcentral.com/articles/10.1186/s13012-023-01286-z

[33] Completely disagree, Disagree, Neither agree nor disagree, Agree, Completely agree

- roll out of related programmes and pilots that is likely to influence the implementation of RCCs over time
- appropriateness of indicators and validated scales to measure views with all relevant stakeholders, including children and young people (as the voices of children in care), that will be important in helping to evaluate the success of RCCs
- need for implementation outcome indicators to be fit for purpose, measurable and useful within the evaluation timeframe
- challenges around using implementation measures that are more commonly used to assess the effectiveness of a single intervention rather than systems change
- the appropriateness of indicators for identifying and generating learning to inform the ongoing delivery of existing (and any new) RCCs

Taking these issues into consideration, the evaluation team and DfE agreed to focus on a core set of 4 implementation measures most relevant to the transformation to RCCs:

- **acceptability** e.g. stakeholders' willingness to commission as one RCC
- **adoption** e.g. implementation of RCC activities incl. minimum requirements
- **integration** e.g. stakeholders' engagement with RCC activities and ways of working in business as usual, and the embeddedness of the RCC in local systems over time
- **sustainability** e.g. evidence of continuous sector-led learning and sharing of promising practice

Assessing progress towards the implementation measures will form a core element of the second phase of the evaluation, and the next wave of case study fieldwork with RCC pathfinders. Data collection with pathfinder leads, delivery teams, providers and other key RCC stakeholders (including care experienced children and young people), will include questions designed to explore and address each measure, for example, stakeholders' willingness to commission as one RCC and evidence of sector-led learning.

Quantitative outcomes are covered below under Strand 3: Impact evaluation.

Strand 2: Implementation case studies with RCC pathfinders (phase 1)

The evaluation team carried out exploratory case studies with the 2 RCC pathfinders to gather information about the regional context, and evidence around implementation and delivery, as well as understanding (expected) outcomes. The 2 areas selected to be RCC

pathfinders had different demographic profiles, were working from disparate starting points and were facing a different set of barriers and facilitators.[34]

In the first phase of the evaluation, case study data collection focused on 3 key themes, identified during the scoping stage as priority areas for early implementation:

- leadership and governance (including co-production)
- data development
- market-shaping

Implementation case studies bring together background information drawn from a review of RCC documents (such as pathfinder application forms, implementation timelines, and business cases/plans), observations of RCC events (including sector/provider engagement sessions, coproduction meetings, and commissioner events), and data from interviews with strategic and operational stakeholders in each area.

Interviewees were purposively sampled to include members of the RCC leadership teams, data, coproduction and market shaping leads (mapping onto the 3 case study themes), key partners and commissioned consultants. The evaluation team aimed to include interviewees from across connected services (i.e. health, justice and education), however it was too early in the pathfinders' development process to meaningfully engage individuals from all services (see Building partnerships and creating a shared vision for the RCC). However, the case studies did include a health partner in each RCC, these individuals were working with pathfinder leads, as a priority partner during this initial phase of the evaluation. The team conducted the first phase of interviews between January and March 2025.

All interviews were conducted remotely in Microsoft Teams and recorded with the participant's permission. Event and workshop observations were conducted in-person and online, with notes recorded in a tailored observation pro-forma. Table 1 shows the number of interviews and observations conducted in the first phase of case study fieldwork, informing this report.

[34] Part of the rationale for selecting these 2 regions was the opportunity to explore implementation in different contexts.

Table 1: Case study fieldwork conducted in phase 1

RCC pathfinder	Interviews *(interviewees)*[35]	Observations
Pathfinder 1	10 *(11)*	3
Pathfinder 2	6 *(7)*	7
Total	16 *(18)*	10

The evaluation team used the recordings and auto-generated transcripts to write detailed interview notes. Interview and observation data were managed and analysed thematically to deductively and inductively develop themes and sub-themes.

Strand 3: Impact evaluation

Strand 3 aims to estimate the impact of RCCs on a series of key quantitative indicators. Our approach (across the lifespan of the evaluation) brings together a theory-based contribution analysis and data-driven synthetic control method to create a rounded assessment of impact.[36] In this first phase, work has been concentrated on outcomes mapping (based on the programme-level theory of change), laying the foundations for the remainder of the evaluation.

A key part of this work focuses on quantitatively estimating the impact of RCCs on relevant outcomes, identified through the theory of change. The most robust estimates of impact will come from outcome measures where a counterfactual can be developed, where data needs to be available both:

- before and during/after the introduction of RCCs
- covering RCC areas (the 'treatment group') and non-RCC areas (the 'comparator group')

These quantitative outcomes form a valuable part of wider evaluation evidence, alongside qualitative insights, used to assess the effectiveness of RCCs. Observing measurable impacts on longer-term outcomes, particularly for children and families (e.g. wellbeing) may not be possible within the evaluation timelines, and attribution to RCCs becomes more difficult as time increases. However, changes in linked short-term and

[35] Including individual and paired interviews, therefore the total number of interviewees exceeds the total number of interviews.
[36] Synthetic Control Method (SCM) is a statistical technique used to estimate the causal effect of a treatment or intervention on a single unit (e.g. a region) by creating a 'synthetic' control unit.

medium-term outcomes can be used (alongside qualitative insights) as evidence supporting longer-term outcomes.

Outcomes mapping conducted as part of the first phase of the evaluation highlighted the following short and medium-term outcomes, and possible data sources (see Table 2 and Table 3).

Table 2: Expected short-term outcomes of RCCs (1-2 years post-launch)

Outcome	Measure/estimate of impact	Data source
Increase in needs appropriate provision	Comparison of trends in placement numbers by placement type (between RCC LAs and statistically matched non-RCC LAs) Monitoring of usage of assessments	National data (SSDA903/LAIT/ Ofsted) Monitoring information held by RCCs
Increase in in-area placements/increase in percentage of children placed within 20 miles of home	Comparison of trends in the percentage of children placed within 20 miles of home	National data (SSDA903/LAIT)
Staff report greater awareness and understanding of the issues around current CSC placements	Monitoring the number/proportion of relevant workers engaged in development activities Monitoring the staff satisfaction rates [with training] Worker satisfaction	Monitoring information held by RCCs Primary data collection
Reduced spot purchasing; Less use of high-cost provision; Less use of unregistered provision	Monitoring of RCC/local authority placement purchasing	Ofsted Monitoring/ accounting information held by RCCs

Table 3: Expected medium-term outcomes of RCCs (3-5 years post-launch)

Outcome	Measure/estimate of impact	Potential data source
Better provision for CYP with multiple complex needs	Monitoring of placement stability and type for those with multiple complex needs Potential comparisons with non-RCC LAs subject to data availability	Monitoring information held by RCCs (If possible) a bespoke cut of SSDA903
Reduced no. of provider/ market led placement moves	Comparison of placement stability (between RCC LAs and statistically matched non-RCC LAs)	National data (SSDA903/LAIT)
Sustainable supply of foster carers	Comparison of number of approved foster carers (adjusting for number of children in care)	National data (SSDA903/LAIT)
Cost savings via more needs-led provision and fewer high-cost placements	Monitoring of placement costs by placement type and number Potential comparisons with non-RCC LAs on total/average child in care placement costs	Monitoring information held by RCCs (If possible) Section 251 returns
Improved workforce retention	Comparison of social worker turnover rates	National data (SSDA903/LAIT)
Reduced use of agency workers	Comparison of percentage of agency social workers	National data (SSDA903/LAIT)

Having collated the list of outcomes, the evaluation team worked with DfE to provisionally shortlist ‘priority’ outcomes:

- an increase in needs appropriate provision (including flows between e.g. foster and residential care)
- an increase in in-area placements/in the percentage of children placed within 20 miles of home
- reduced number of provider/market-led placement moves
- a sustainable supply of foster carers
- cost savings

The rationale for a focusing on these outcomes includes the counterfactual data requirements and theoretical considerations around which outcomes are most attributable to RCCs in the short to medium-term. This short list will be reviewed and taken forward to the next phase of the evaluation as the team look in more detail at data access and suitability. A formal analysis plan will be provided specifying the final set of outcomes and how each will be analysed.

When conducting the impact analysis, the evaluation team will work closely with the 2 RCC pathfinders, who are conducting their own assessment of outcomes. In practice, this means developing a clear understanding of the outcomes each pathfinder will be measuring, how they intend to do that (i.e. data sources and analysis approach), and the intended timeframe. These discussions will form part of the case study data collection. Where possible the team will make use of pathfinder level data in the evaluation to understand changes within RCCs (e.g. convergence/divergence on outcome measures between LAs) for outcomes where data is not available for non-RCC areas.

Strand 4: Economic evaluation

The economic evaluation has been designed to assess the value for money of RCCs. The approach was guided by the HM Treasury Green Book[37] and the National Audit Office's '4Es' framework, of economy, efficiency, effectiveness and equity.[38] The strand will address the following research questions over the course of the evaluation:

- What are the cost implications of RCCs for local authorities?
- Have RCCs led to cost efficiencies (including economies of scale)?
- Are RCCs cost effective?
- What factors are affecting changes in costs?

In this first phase of work the economic strand has focused on a document review, unit cost databases, previous research and evaluations, and the early interviews to explore available cost data and plans.

Limitations of the evaluation

When reading this report, it is important to remember that RCCs remain at an early stage of implementation. Case study interviews focussed on the core pathfinder teams as it was generally too soon to engage partners and providers in interviews when the early engagement work was ongoing. The same consideration meant that a planned workforce survey was not included in the first phase of the evaluation. The phased nature of the

[37] HM Treasury Green Book, gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-govervent
[38] National Audit Office nao.org.uk/successful-commissioning/general-principles/value-for-money/assessing-value-for-money

RCC policy, and the decision to award 2 very different areas pathfinder status, mean that findings are contextual, however there are common principles that will have wider relevance and provide useful learning for any new RCCs.

The RCC programme is at the pathfinder stage, with one region reaching the ‘go live’ point in April 2025 with the second launching in late 2025. This means that assessing impacts from RCCs is necessarily out of scope for phase 1.

3. Implementation findings

The 2 RCC pathfinder areas have both shown evidence of progress with implementation against DfE's minimum requirements and RCC business plans. Activities have focused on laying the foundation of each RCC, developing local structures and maximising existing local/regional initiatives and opportunities. Implementation is discussed in detail in this chapter, with a focus on the themes explored in the case studies - leadership and governance, data developments and market shaping. The chapter also includes reflections on successes, challenges and implementation outcomes. It focuses on the first stage of data collection with pathfinders in February and March 2025, findings being largely drawn from interviews with pathfinder teams, augmented with data from event observations and pathfinder documentation.

Summary of progress in RCC pathfinder areas

The approach the pathfinders took, and level of progress, reflected notable differences in their starting points, geographical context (e.g. size) and priorities, which DfE recognised when awarding RCC pathfinder status. During this first development phase, one pathfinder focused primarily on building relationships with stakeholders to coproduce the RCC and establish a governance structure, working towards an initial 'go live' date in June 2025 (followed by the launch of the new CLG in December 2025 – full 'go live' (see Governance and management arrangements)). The other pathfinder further developed a pre-existing governance structure, extended initiatives with RCC capital funding to create new residential and foster placements and worked towards an earlier 'go live' date in April 2025. Despite challenging and short timescales for transformation, confounded by delays due to the general election in 2024 (see Challenges/barriers and how they were overcome), both pathfinders were on track to launch by their respective 'go live' dates at the time of the case study interviews.

Aims and vision for RCC pathfinders

While both pathfinders' aims align with the DfE's aims and objectives, one had started to trial regional systems in CSC across member local authorities before applying to be a pathfinder. Interviewees suggested that RCC pathfinder status gave the area added impetus to build on ongoing initiatives like a capital development project to secure properties and provide additional placements for children with complex health needs. The other pathfinder sought to bring together many diverse local authorities with limited experience of joint working within CSC[39] across the pathfinder area spanning a large

[39] One local authority in the region has not joined the RCC pathfinder, however, they are part of regional data initiatives.

number of ICBs and police constabularies. This different context is important for understanding the overall vision, progress, and achievements of the 2 pathfinders.

The key market issues, and therefore priority areas, highlighted by one RCC team were the high-cost of provision, a lack of good quality placements for children with complex needs, shortages in foster care provision, and a large number of out-of-area placements.

Alongside improving placement quality, boosting outcomes for children and young people, and controlling and reducing placement costs, RCC documentation and interview data indicated that the pathfinder sought to bring greater balance to the CSC placement market by engaging local Voluntary, Community and Social Enterprise (VCSE), strengthening links and finding ways to help them to increase their market share. They were doing this by providing VCSEs with advice, and incubation support, as well as helping them forge connections with social investors. They were also connecting their fostering recruitment and retention work to strengthen the supply of local authority foster carers. Interviewees highlighted how crucial the wider prevention and Early Help offer was going to be for the success of the RCC.

In the other pathfinder, key issues included the shortage of foster carers, and the use of high-cost (sometimes poor quality) residential care. Data from interviews and event observations suggested that this was particularly true for children and young people with multiple, complex needs.

Leadership and governance

Building a pathfinder team

Both RCCs had established a **small, core team to lead the pathfinder activities**. Team members with long-standing experience in local authority commissioning, directing, and consultancy were brought in to lead on the strategic development of the RCCs, and to compile business plans, with support from an external delivery partner. Interviewees emphasised the importance of bringing together complementary skills and experience with a collaborative approach to integrated work.

Each pathfinder used a series of **secondments** as an efficient and effective way to resource the core RCC leadership team, alongside the recruitment of new staff. Seconding staff allowed the teams to mobilise quickly and draw on established skillsets. However, RCC leads noted that as secondees returned to their original roles and host organisations, there would (necessarily) be a period of adjustment and transition while new staff were recruited. To prevent disruption, one RCC planned for (seconded) pathfinder leads to remain in post during the recruitment and induction period, so that they could complete a thorough handover process with new recruits. This highlighted the

importance of building in scope to extend fixed-term staffing arrangements if needed.

The RCCs had also **directed additional resources into wider support services**, providing extra capacity for data analysis and administration. This included specialist capacity to lead data developments in the RCC. Pathfinder leads believed this additional capacity helped to progress implementation and delivery, and that without the additional capacity at the RCC-level local authority teams would have struggled to engage, limiting their ability to contribute to RCC activities. Specifically, that by providing support and guidance to local authority teams (e.g. around data) staff found it easier to respond to requests from the RCC.

Both pathfinders included a health lead in the RCC leadership structure to help build relationships and **strengthen connections with health partners** (e.g. public health, CAMHS, safeguarding leads, ICBs and NHS trusts) to support the commissioning of placements for children with complex health needs. The inclusion of a health lead recognises the important connection between the RCC and health partners, within the context of an increase in the number of children with acute mental health problems and a perception that NHS provision has been unable to keep up with the rising demand for services in recent years (linked, in turn, to funding constraints).[40]

One pathfinder seconded a health professional to the RCC team from the start, the other introduced the role midway through the development process, having found engaging health partners slower than expected. Leads at the second RCC emphasised the importance of established connections and shared language, noting that engagement with health partners had accelerated since the team had included a health lead, thereby highlighting the importance of early and continued partner engagement.

> That makes a real difference, health to health… I mean the language, the 'quick wins' about understanding each other's systems. So that's really helped. - *RCC stakeholder*

Setting the scope of the RCC

Interviewees discussed the **complexity of setting out and agreeing the areas and activities covered by the RCC**, which took substantial time. The scope was not fixed from the outset but evolved through an iterative process of engagement with LAs, ICBs, and providers that helped shape priorities. Interviewees noted that the opportunities for RCCs were extensive, but that it was important to be selective about what could be

[40] Children & Young People's Mental Health Collation (2023) *Children and young people's mental health: An independent review of into policy success and challenges over the last decade*, p. 3, Review-of-CYP-Mental-Health-Policy-Final-Report.-2023.pdf

addressed, and to focus on areas with the potential to have strong positive impacts on improving outcomes for children.

> There're all sorts of exciting things we could do, but [ultimately]... we've got to choose [which] to do ... and think about…the ones that can have [the] most impact most quickly. - *RCC Stakeholder*

In the pathfinder area with **interventions/activities already underway** and crossing into the remit of RCCs, there was further complexity in agreeing whether, and what extent, they could be brought into scope. For example, the pathfinder had an initiative running to create new residential placements for children with complex needs, which pre-dated the RCC. Interviewees talked about how the team had struggled to reach agreement that it should be incorporated and funded as part of the RCC, despite a clear overlap with what each was aiming to do. Discussions between the RCC and DfE (which took place after funding had been awarded) resulted in an agreement about using RCC funding to create additional places through the same initiative.

In scope for the pathfinders were activities that met the strategic ambitions for RCCs. These were closely aligned with DfE's minimum requirements and agreed as part of the business case development process. Areas of inclusion covered in programme documentation and discussed in interviews, included:

- establishing an RCC governance and leadership structure
- conducting regional data analysis and forecasting
- creating local supply to address sufficiency gaps
- improving fostering recruitment and retention
- strengthening commissioning approaches to enhance market shaping
- growing and upskilling the workforce

A key theme in the interviews was the importance of taking a systematic approach to CSC and joining the dots, rather than looking at each aspect of the system or each intervention (e.g. early help, foster care, residential care) in isolation. For example, one of the topics raised in case study interviews was the inclusion of fostering within the scope of RCCs. Leads in one pathfinder explicitly noted the **links with Fostering Hubs** and the development of the Fostering Recruitment and Retention Programme already underway in their region. The RCC would, interviewees suggested, align with wider policy initiatives in fostering, and that a small proportion of the DfE funding for RCCs had been used for a grant programme administered by the Fostering Hub, with the purpose of expanding capacity (via a scheme to create new rooms within existing foster homes).

Areas outside of scope of the pathfinders during their first year but being discussed as part of a possible longer-term plan for the RCC, included **support for care leavers** and

kinship care. Pathfinder leads recognised the impact of kinship care in terms of reducing demand for commissioned services, and the value for money that kinship carers potentially bring to the system. However, they also appreciated that kinship care placements had a unique role in the CSC market, being attached to specific children, and therefore, not part of the wider placement pool.[41]

Interviewees from both pathfinders noted that other areas of support outside of the scope of the RCC would influence the outcomes RCCs aimed to achieve. RCC stakeholders highlighted longer-term ambitions to align with or expand the scope to include wider prevention and early intervention work. The aim would be to help prevent family breakdown and limit the number of children and young people moving into care, reducing the need for placements, and/or prevent placements from failing. For example, interviewees suggested this could include early help and family support and SEND support.

Building partnerships and creating a shared vision for the RCC

A common theme discussed in interviews was the **considerable and necessary time and commitment** needed to create a vision for the RCC that was shared by all partners and stakeholders, underlining the **importance of setting realistic timescales** for the creation of RCCs. Multi-agency governance structures such as Safeguarding Partnerships (which brought together local authorities with partners in health, education and policing as a collective) were given as a good example of an able partnership that could move at pace to achieve their goals. Pathfinder leads wanted to create a similar sense of shared ownership and responsibility in the RCC. Those interviewed described being generous with their time, hosting and attending meetings with as many relevant staff as possible and at all levels, to strengthen relationships and grow support for the RCC:

> We've been ... really flexible going in and out of different groups to make sure that message and understanding are there… across the piece. - *RCC stakeholder*

> But the biggest thing that I do is managing relationships. So, I do a lot of engagement with the local authorities and the DCSs in particular, to keep... them on board. I do a lot of work with other key partners, ...thinking about how we might partner with social investors, how we might partner with providers, how we might do things differently with charities. - *RCC Stakeholder*

[41] Interviewees noted that kinship care had been omitted from the scope of the RCC following guidance from DfE.

Interviewees described holding a **series of stakeholder events to bring together providers and partners to raise awareness about the RCC**, “do the hearts and minds stuff” (RCC stakeholder) and encourage open dialogue around placements. Interviewees noted that the events had been well-attended and the discussions productive, helping to forge stronger relationships across the region, which was also acknowledged in the evaluation team’s observation notes from events they attended.

Figure 2: Graphic created at an RCC pathfinder commissioners' event

RCC leads from both pathfinders indicated that **connections with health partners were gradually becoming established**. Both had created health and wellbeing secondment posts to help bring additional focus on health into the team, which was helping to build new relationships and strengthen existing connections (see Building a pathfinder team). Case study data emphasised the importance of shared resources and joint ownership of risk across stakeholder groups when placing and supporting children with complex needs.

In one pathfinder, **joint commissioning between NHS trusts and local authorities was underway before the RCC was established**, with an agreement to co-fund a new residential home and shared residential care services for young people with complex mental health needs. The decision to create a new residential service was not new and was underpinned by evidence showing that children with more complex needs are much less likely to be placed locally.[42] RCC pathfinder funding meant one area was able to build on existing investments providing resources to extend the number of placements created by the initiative.

The RCC team explained how they had continued to strengthen existing relationships with health partners and further committed to creating more high-quality, local placements for children and young people with complex health needs, although metrics are not yet available. Additionally, more health partners (e.g. ICB locality commissioners, safeguarding leads, and CAMHS) had been included in strategic conversations to effectively integrate health needs into the RCC Pathfinder's framework.

> You need commissioners from a much broader cross-section of services, not just children's social care, because you bring things [benefits], but you also bring a challenge about how things are done as well... From a health point of view, that has moved on quite significantly, quite quickly. - *RCC Pathfinder Team*

Less progress was reported in building relationships with youth justice, policing and education. However, both areas recognised the importance of wider partnerships and were actively exploring how best to bring youth justice into strategic conversations (e.g. around the Remand reforms), as well as schools and education partners. One RCC had also opened conversations about partnership working with local police constabularies.

Several interviewees emphasised that strengthening relationships with health partners was prioritised partly because of the urgent need to reduce the number of children and young people unnecessarily spending time in A&E or other health settings due to the lack of suitable residential placements (see Plans for supporting children with complex

[42] How local authorities and children's homes can achieve stability and permanence for children with complex needs - GOV.UK

needs). Interview data suggests that health partners were also prioritised as a result of pre-existing joint initiatives and the wider need to address gaps in support for children and young people with complex health needs.

Governance and management arrangements

'Joined up working' is one of the main umbrella activities identified in the RCC theory of change, within which a key aspect is the **creation of new RCC governance structures**. RCC stakeholders highlighted **the importance of coproducing a bespoke approach to governance and management in each RCC**, one that accounts for existing CSC systems and the relative strength of pre-existing relationships, to meet identified needs in the region.

Interview data underlined differences in how the 2 pathfinders approached leadership and governance. This stemmed from having an existing regional governance structure in one pathfinder, which allowed the RCC to make use of established connections and processes, facilitating set-up and an early focus on deliverables. In this area, there was a history of joint initiatives in CSC, including joint commissioning frameworks and a sub-regional children's placement sufficiency strategy, effectively giving the pathfinder a head start in working towards the RCC minimum requirements (see Minimum Requirements). This RCC had **developed a Business Case and Memorandum of Understanding (MOU) for all local authorities** agreeing to the RCC remit, structure, aims and activities. Once the Business Case had been presented and agreement sought, discussions led to an agreed first funding commitment for one year, with further financial commitments dependent on the evidence of positive outcomes.

In the other pathfinder, the RCC initially operated with an LA-hosted model whilst pathfinder leads explored alternative governance options. Leads decided that establishing a **Company Limited by Guarantee (CLG)** would offer the most effective model for the region. Whilst not yet in operation,[43] interviewees felt that a CLG would give the RCC autonomy to be dynamic and responsive (to enable quick decision-making and to take on roles that are currently unmet by other providers to meet placement needs and operate effectively), and in the future, to attract grant or social investment funding. For example, the RCC (as the CLG) would look to fill gaps in provision for children with complex needs. Additionally, interviewees expected that the CLG would be able to step in and provide stability/continue progressing overall market developments, in the event of new legislation or other changes leading to uncertainties in the market. Interviewees felt that the CLG - as a separate, neutral and mission-driven body (not connected to a particular local authority) – would be better able to work across the sector and with partners, driving change and providing stability. The aim of the CLG is to provide an underpinning mechanism to ensure developments across the region can continue and

[43] The CLG is expected to launch in December 2025

are not delayed by localised disruptions in one or two local authority areas as individual authorities decide on their response to new legislation or requirements.

A minor theme in the interview data was that having a governance structure not directly connected to one of the local authorities (i.e. a CLG) might help facilitate data sharing, and collaborative working. The rationale being that by governing through the CLG (rather than a lead authority), the RCC would be able to bypass any tensions local authorities faced when competing for CSC placements. In other words, that the CLG would be seen as a collaborative, impartial intermediary, and help shift the dynamic from one of competition to cooperation. This new collaborative culture would encourage local authorities and other partners to work transparently with the CLG. Interviewees felt that the CLG also offered an opportunity to focus on creating pathways for children, avoiding disagreements about who had responsibility for them, and what services were needed to meet complex needs.

Interviewees in both areas believed that their governance arrangements were working well in setting up the pathfinders for their respective ‘go live’ dates.

Findings highlighted the importance of **establishing regular communication with key personnel in local authorities** (Directors of Children’s Services, Associate Directors, Commissioners, and RCC leads), partners and providers in order to update stakeholders about implementation, secure support for the RCC, and make decisions. One pathfinder built on pre-existing governance arrangements, used established meetings, such as commissioner or DCS meetings, and included RCC as an agenda item to regularly communicate with strategic stakeholders from all local authorities. A dedicated RCC Board was established to make decisions on behalf of the pathfinder team and provide progress updates to senior stakeholders, including at DfE.

A core theme in the case study interviews was that careful **messaging about the RCC was key to creating a cultural shift and increasing partner support**. In one pathfinder, the message was that RCCs offered the opportunity to build on and enhance local authorities’ offers, and that being open to sharing risks could positively influence the CSC market and lead to greater collaboration between local authorities, partners and providers. RCC leads emphasised the need to build strong and positive relationships with all types of placement providers. Whilst both RCCs aimed to bring more VCSE providers into the market, one explicitly talked about shifting the negative perception of private providers and creating a more inclusive discourse, of working together to build local capacity.

Additionally, the interviewees highlighted a need to further **build local authorities’ ownership of RCCs to ensure future buy-in and sustainability**. However, stakeholders in both pathfinders discussed difficulties and delays created by relying on agreement from all local authorities to make decisions. For example, one interviewee

talked about the issues they experienced when asking member local authorities to sign an agreement on RCC activities. In this instance all LAs requested small changes to the detail of the agreement, which collectively led to significant delays. The interviewee suggested that an alternative approach might have been to seek a signature from local authorities in the first instance, prioritising only core concerns, and leaving any more minor points to be picked up at a later date.

Coproduction

Coproduction is another core element of the 'joined up working' activity in the RCC theory of change alongside governance, partnerships and market shaping as one customer. At the evaluation scoping stage, when the RCC programme theory of change was refined with DfE, joined up working was identified as being critical to achieve RCC outputs (e.g. new leadership and governance arrangements, shared datasets etc.) and outcomes, including an increase in needs appropriate provision.

Interviewees from both pathfinders emphasised the **importance of children and young people's perspectives in shaping the RCC** and creating a culture of coproduction and collaboration. Both pathfinders were committed to keeping children and young people at the centre of their work. The emphasis they placed on understanding and being responsive to children's voices stood out as an additional 'minimum requirement' to those outlined by DfE for these pathfinders. The aim was for care experienced young people to form part of the RCC governance structure in one pathfinder, and to form a 'shadow board' in the other. Both pathfinder teams opted to use existing connections within local authorities to help engage children and young people. Interview data indicates that coproduction with children and young people was seen both as a mechanism for achieving the intended RCC aims and objectives, and a central aspect of developing the RCC culture, needed to drive progress forwards.

In one pathfinder, children and young people were consulted about the RCC during the set-up stage, by taking plans to each local authority's participation network at a regular regional meeting. **Existing engagement networks offered a practical route to securing children's voices in a timely and efficient way**, at the same time ensuring appropriate support was in place for children and young people to engage meaningfully. The same RCC used DfE funding to provide modest grants to a small number of VCSEs already established and trusted by local communities in the region, to explore children and young people's priorities for change. This was done through a range of creative workshops and activities, where children and young people discussed what was important to them and therefore what should be important to the RCC, producing a series of multi-media outputs for the pathfinder team (e.g. graffiti boards).

Interviewees suggested the **creative outputs** from this youth-led work **helped to gain political buy-in** for the RCC (the tangible outputs and direct input of the young people

involved, underlining the importance of reforming the system) and shaped thinking about young people's future role in the RCC governance structure. In this instance, interviewees' reflections indicate that the coproduction work with children and young people was proving an important mechanism for change, both in terms of building understanding of the needs of local children, and with regards to securing support for a shared vision for RCCs, a key assumption in the theory of change.

> Not only, what's their experience of care, all the usual consultation that happens already, but actually in terms of strategic embedding of their voice within the strategic governance. - *RCC Stakeholder*

Young people consulted as part of the RCC coproduction work expressed an interest in being involved in the future, either via a young people's panel (integrated in the governance structure) or further rounds of workshops. Despite the business plan and budget not accounting for further consultation activities, one team member reported that a small amount of money might be carried into the Year 1 delivery period to set up a youth panel, so that young people's voices could continue to shape the RCC. In phase 2, the evaluation will explore how outputs from the coproduction work are being used.

The other pathfinder chose to engage with LAs' individual Participation Officers to reach children and young people and offer them the opportunity to be involved in designing the RCC. At the point of interview, a workshop was planned to discuss the terms of reference for children and young people's involvement. Interviewees and event participants expressed enthusiasm for engaging care-experienced young people in RCC development but noted the challenges involved in coordinating efforts across different local authorities hence the intention to pursue some form of "collective" that would provide a shared structure for sustainable engagement. It was acknowledged that more time was needed to create stronger links between the RCC and young people.

> We're not there yet in our project plan... Are we asking young people to just be informed and consulted or are we actually giving them power to make decisions, so that needs to come out in our agreement. - *RCC stakeholder*

As well as activities with young people, leads from one pathfinder discussed **coproducing the RCC with local VCSE providers** as a means of bringing more balance to the CSC placements market, and creating a shared vision for RCCs across the CSC system. VCSE's were consulted via an existing forum, with feedback provided to the RCC. Interviewees reported that feedback had helped the RCC team to understand the barriers VCSE's faced in increasing their market share (such as delays in Ofsted registration timelines).

Engagement with providers had been progressed through a series of engagement events but had taken longer to establish than expected (see Challenges/barriers and how they were overcome). The RCC team had secured initial interest from VCSE providers wanting to take part in working groups to support the market shaping work and were taking that forward as they approached their 'go live' date.

Data developments

Another RCC activity area included in the theory of change is 'building understanding of the needs of local children and regional/local provision' to overcome data limitations.

> Previously the data would have just been how many placements do we have and then we'd forecast what we have in the future based on what we have now. But actually… if you shape the market and sort out some of the challenges, then what we're commissioning [now] isn't necessarily what we need [in the future]. - *RCC stakeholder*

At the time of fieldwork **both pathfinders had made progress with data developments**, each with dedicated staff members focused on driving improvements by working towards standardising and collating data across their respective pathfinder areas. Having new specialist analytical capacity in place is an important RCC programme output that is expected to help achieve the intended outcomes. For example, by improving data analysis and creating a more accurate, tailored dataset, areas are better able to assess, forecast and meet children and young people's needs.

When the interviews were carried out in early spring 2025, efforts were focused on creating new data-sharing agreements to access individual child-level data (e.g. demographic information, unique pupil number, and placement information - start dates, type and postcode), piloting CYP needs assessment tools, and building a new Data and Demand Platform to improve commissioning and forecasting.

Interviewees from both pathfinders noted that although the RCCs were able to access data on commissioned placements (for example, by drawing on census reports), data sharing restrictions meant they **lacked comprehensive individual-level data on children and young people's characteristics and needs**. This limited their ability to assess whether commissioned placements were successful in meeting them. One of the RCC's data leads described their team's considerable efforts to overcome challenges in accessing individual-level information, which eventually led to **data sharing agreements being successfully established across LAs and with the RCC**, facilitating more open data sharing via the newly developed data platform. However, they highlighted that greater standardisation was still needed. Addressing this barrier was a priority for the future:

> That is the first time that we, as a region […], have an agreement to get individual-level… child information, which we're actually linking to another data set. - *RCC stakeholder*

Both pathfinders were also working with research teams to pilot the **strengths-based needs assessment tools BERRI**[44] **and CANS**[45] through separate trials. Interviewers learnt that it took around 6 months to progress through procurement processes and secure the licenses to run the pilot. There was a view that compared with previous trials, the RCC pathfinder provided an opportunity to test the tools at-scale, and with a range of children and young people in both pathfinder areas.

However, one interviewee (outside of the RCC leadership teams) expressed concerns about whether BERRI and/or CANS would be able to provide the level of detail on children's needs and be sufficiently standardised (i.e. be presented in a fully consistent way), to accurately and adequately shape commissioning activities. Neither RCC had committed to adopting either tool, with interviewees highlighting the need for further evidence of their effectiveness in identifying children and young people's needs before they commit to resourcing further. Following up on the needs assessment pilot will form part of the second phase of case study work with pathfinders.

An external organisation had been commissioned by each RCCs to support their **data forecasting** work. In one pathfinder, the commissioned organisation had developed a Data and Demand Platform, designed to improve data-led commissioning and forecasting, which was due to be launched at the same time as the RCC (at 'go live'). The Data and Demand Platform links different datasets, including individual-level data from case management systems[46] and needs assessment tools, with commissioned placement data, to build a complete placement history for each child.[47] The more complete picture provided by the Data and Demand Platform should allow the RCC to more accurately forecast placement needs.

[44] BERRI is an online assessment tool for identifying, tracking and improving the outcomes of children with complex needs. It covers mental health, behaviour, emotional wellbeing, relationships, risk and attachment. Note there is a subscription cost of £295 per record per year. See About BERRI

[45] Child and Adolescent Needs and Strengths (CANS) is a multi-purpose tool to support decision making around the level of care and service planning in children's services. Versions of CANS are used in 50 US states in child welfare, mental health, juvenile justice, and early intervention applications. See The Child and Adolescent Needs and Strengths (CANS) – Praed Foundation

[46] The LAs' case management systems consist of information used for 903 data returns, including individual child identifiers.

[47] For example, this will include the date CYP entered the care home, postcodes of placements, costs, type of provider, commissioning details, and why the places were commissioned as well as the needs assessment data.

> We decided to implement [commissioned organisation's] Demand-modelling Platform, which is quite sophisticated in how it forecasts. There's a whole methodology behind it. So, we're implementing that and we're trying to also develop that platform a bit more to use the data that we have in [the pathfinder]. - *RCC Stakeholder*

The pathfinder was running a series of workshops with member local authorities and providers to help build engagement and improve awareness for what data was needed and how to upload it to the new platform. Although still at an early stage, interviewees suggested the workshops provided a helpful forum for ongoing support to local authorities and encouraging them to use the analysis and dashboards from the platform to inform their commissioning. Next steps for the RCC included trialling different analysis approaches in the demand modelling platform and continuing to tailor the tool to better meet regional data requirements and local authority needs. The goal was for analysis to inform agile commissioning, including identifying changes/pressures in demand, gaps in the market, and any emerging trends at the area and LA-level.

Market shaping[48]

Alongside governance and data development activities, 'joint market shaping with providers' is a key part of the 'joined up working' activities set out in the RCC theory of change.

Background to commissioning arrangements

Evidence suggests 4 different arrangements have traditionally been used to commission CSC placements: hard block contracting; soft block contracting; regional frameworks and spot-purchasing.

Hard block contracting is an arrangement between a local authority and a provider, in which the local authority usually has full financial liability for the placement whether it is occupied or not. While this type of arrangement would often be based on a strong partnership, with referrals made by just one local authority, there are limitations on matching placements to children's needs. Providers and local authorities both face pressure to place children in sub-optimal placements, which sometimes creates tensions, leaving children in placements which do not suit them.

Soft block contracting is an arrangement that offers a way to manage and mitigate the financial risks associated with traditional (hard block) contacting.[49] Under this commissioning arrangement local authorities guarantee a certain level of occupancy to providers in exchange for lower placement costs. The approach aims to address the

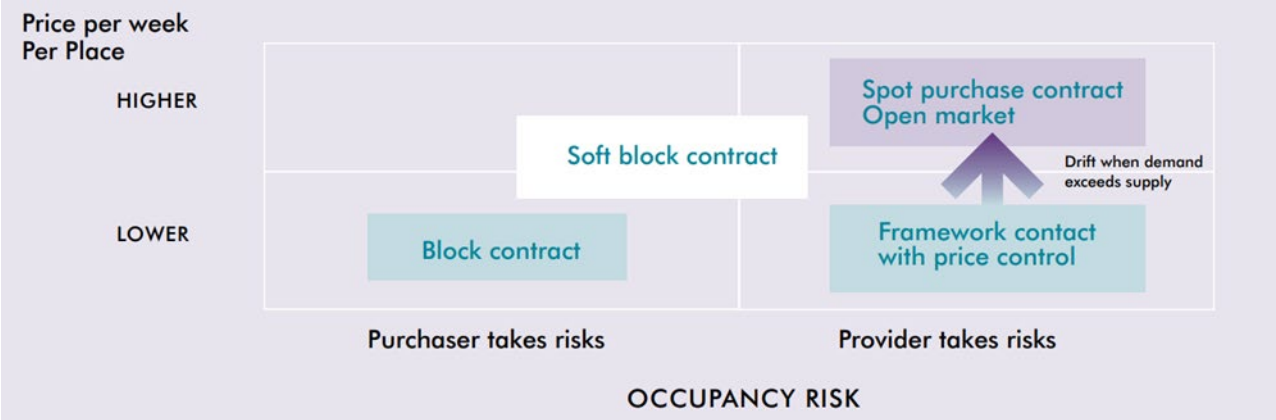
[48] Note that language varies across pathfinders, with one RCC preferring the term 'collective commissioning' to market shaping (aligning with a desire to work with the market, rather than direct it).
[49] Rome, A (2019) Soft block contracts in the commissioning of children's care services A discussion paper

inefficiencies of purchasing placements ad hoc (i.e. spot purchasing) while mitigating the risks associated with hard block contracts for local authorities. It offers a more collaborative approach in which local authorities and providers share risks and benefits.

In addition to (traditional) hard and soft block contracting, **spot purchasing** can be used to secure placements from providers outside existing contracts. This type of purchase has typically been used to meet an unexpected need, tending to be more expensive than securing a placement in advance at an agreed rate.[50] However, evidence suggests that there has been a recent increase in the use of spot purchasing, reflecting wider issues in the CSC market (including ineffective block commissioning arrangements).[51]

Figure 3 shows the relative position of different commissioning arrangements in terms of weekly price and risk, as well as how spot purchasing increases when the demand for placements increases and exceeds local supply.[52]

Figure 3: Different types of contracting arrangements by price and occupancy risk



Source: Rome, A (2019) Soft block contracts in the commissioning of children's care services A discussion paper, p. 7

Frameworks operate alongside commissioning arrangements, with many local authorities being part of a regional or sub-regional procurement framework.[53] While frameworks (essentially a collective agreement between local authorities and providers with standardised terms and conditions, as well as fixed pricing for a set term) have the potential to improve sufficiency, evidence suggests that that they have become increasingly ineffective, with providers opting-out of arrangements, particularly when

[50] Mutual Ventures (2024) Forecasting, Commissioning and Market Shaping: Research report, p. 17
[51] Mutual Ventures (2024) Forecasting, Commissioning and Market Shaping: Research report, p. 17
[52] Rome, A. (2019) Soft block contracts in the commissioning of children's care services A discussion paper.
[53] Mutual Ventures (2024) Forecasting, Commissioning and Market Shaping: Research report, p. 17

demand exceeds the supply of placements, leaving authorities reliant on spot purchasing.[54]

RCC-led commissioning arrangements

Interview data showed a clear commitment among both pathfinders to working with providers to shape the market in their region. Interviewees described a **collaborative culture of partnership with the sector**, which the evaluation team also observed when attending provider events, noting the open, encouraging, discursive and reflective atmosphere and engagement.

Before becoming a pathfinder one RCC had piloted a soft block contracting arrangement involving multiple providers and local authorities and found it to be effective (particularly for smaller local authorities). At the time of the case study fieldwork the pathfinder leads were working with an external consultant to develop a **flexi-block contract**, which would guarantee the purchase of placements whether filled or vacant (at an agreed price), on condition that the placements were ringfenced for the RCC. The flexi-block contract would include all member local authorities be open to all providers in the area.

Interviewees from the other RCC described the ongoing use of regional frameworks (in place before the pathfinder), as being useful for the RCC as local authorities were familiar with, and confident in these existing framework arrangements. Interviewees felt that these could be adapted for the RCC to ensure they remained fit-for-purpose and were exploring what these adaptations might look like.

Case study interviews identified priority areas for the RCC's ongoing market-engagement activities. These included:

- a **supply-demand imbalance in residential care** - specifically, an undersupply of residential placements in some local authorities and oversupply in others. RCC leads emphasised that having an oversupply of placements did not necessarily mean they were able to meet children's needs
- **pressures to place children and young people from other local authorities/regions** or from a large population of unaccompanied asylum-seeking children also contributed to the supply-demand imbalance.

Interviewees suggested these factors created challenges in placing children 'close to home' in areas of undersupply, and added pressure to services in those with oversupply, as well as increasing costs for the level of services required to meet some needs.

[54] Mutual Ventures (2024) Forecasting, Commissioning and Market Shaping: Research report, p. 17

Amidst the challenges, there was also a **shared sense of opportunity** created by the developing RCCs and a focus on “the art of the possible” (RCC stakeholder) which enabled pathfinders to start to make headway against market shaping aims.

Market shaping analysis

An important element of the evaluation is to understand the effect RCCs are having on CSC markets, i.e. understanding and assessing market shaping activities. One way to understand and explore changes to the market is to use a typology, splitting approaches into 4 types.

Market widening: RCCs enable more market entrants, remove barriers to entry (e.g. providing upfront capital costs) and increase the value of existing provision to children and young people.

Market disrupting: RCCs change/reconfigure existing provider networks, change accountability across partners for commissioning and funding placements (RCCs, ICBs, youth justice boards), bring provision in-house and encourage innovation from providers (e.g. use outcomes-based contracting). For example, by becoming a new entrant in a market an RCC might challenge the status quo, changing the way that market operates leading to a shift in the distribution across the market.

Market-maintaining: RCCs share/replicate good practice among existing providers, use long-term contracting approaches, reduce barriers to market entry, increase in-house internal capacity and expertise to monitor provision.

Market reducing: RCCs bring provision in-house, step in when there is a risk of provider failure, use procurement approaches to limit competitions (e.g. restricted procedure) and reduce size of existing frameworks.

These terms are used in the discussion of findings in this report and will be used throughout the evaluation.

The pathfinders reported progress in:

- Exploring **alternative commissioning arrangements** (market maintaining/ disrupting). Both pathfinders had opened a dialogue with providers and commissioners to explore how the RCC could move away from traditional commissioning practices, in one example via a new integrated commissioning group (see Plans for supporting children with complex needs). An external consultant was brought into one area to explore new ways to leverage the combined expenditure of the RCC local authorities and assess the feasibility of new procurement practices, including the development of a new **flexi-block approach** (see above) underpinned by a **Sufficiency Bank**. (This approach is

very like a soft block contract, in that it allows for flexibility and adjustments during the contract period.) In practice this means that more placements in the region can be ringfenced for local children, with numbers based on local authorities' projected needs and pooling of placement resource.

- **Supporting VCSEs to enter or grow into the placements market** (market widening). Interviewees wanted to build on existing relationships with VCSEs to help them access social investment to expand and/or innovate their provision. One pathfinder was also in regular consultation with VCSEs to help identify and overcome barriers to increasing their market share (see Aims and vision for RCC pathfinders and Co-production).
- **Workforce development** (market maintaining) was identified as another priority area for pathfinders. A common view was that **a shortage of staff was placing constraints on the supply of placements**, as well as local authorities' ability to meet higher level/complex needs. Interviewees noted a particular need to build capacity and capability in the residential care workforce and develop a clear career progression/development pathway to attract more people to work (and stay) in the sector. This included creating employment opportunities for newly qualified staff and promoting the career pathway to become a Registered Manager.[55] One RCCs had responded to workforce shortages with recruitment activities promoting residential care as a positive career choice, building on an existing workforce skills development programme designed for those starting a career in residential care. The other pathfinder had developed a **workforce academy** to provide training and resources to build a strong local workforce, addressing ongoing issues with recruitment, retention and progression. The recruitment initiatives were designed to improve **the quality and supply of placements** to better meet higher level needs and reduce churn in the system caused by placement breakdowns.
- **Increasing fostering capacity**. One pathfinder had implemented measures to increase placements by providing capital grants through the RCC and local fostering leads, to increase fostering placements/rooms (market widening). The aim was to improve the capacity to place more children and young people in foster care through increasing supply, thereby redirecting demand from residential placements.
- **Creating new publicly owned residential placements** (market widening). The same pathfinder is working to create new placements, part-funded by NHS trusts, to meet the needs of children and young people with complex mental health needs. The specification and funding have been agreed with ICB partners, and

[55] A shortage of registered managers was highlighted as a barrier to unlocking placement capacity by RCC stakeholders and attendees at a VCSE engagement event.

providers have been engaged on the new offer. Mobilisation is planned for early 2026.

While important to acknowledge the very different starting points, interview data suggested that both pathfinders were working towards improving needs-led supply by creating new placements alongside developing data. Interviewees saw the benefits of their early market shaping work as effective in **market engagement, taking initial steps towards jointly re-shaping the market, and being able to commission care from external providers as one customer**.

Both pathfinders were committed to **controlling and reducing costs** as part of the overall vision for RCCs. Leads in one area highlighted the need for accurate cost figures to compare in-house residential placement costs with external residential placement costs and to **calculate longer term cost savings**. To support this, interviewees said the RCC was moving towards an open book model of accounting, using tools such as CareCubed.[56]

Plans for supporting children with complex needs

Both pathfinders highlighted **supporting children with complex needs as a priority area** linked to the long-term theory of change outcome of better provision for children and young people with multiple and complex needs (e.g. children who have needs of different types, and who require care and support from an array of professionals - typically children with severe mental health difficulties, or whose needs can manifest in behaviours that place the child or others at risk). Interviewees talked about how work in this area would be informed by ongoing developments to RCC governance, data, and market shaping activities. For example, coproduction work with children and young people combined with more comprehensive data about their needs, and better use of this information in collaborative commissioning with providers were all activities they expected would help improve experiences and outcomes for children with complex needs. Future work will explore definitions, and the scope of complex needs related activities.

One RCC was described as **a "vehicle" that could help CSC, health, justice, and providers to work more collaboratively** and proactively for children with complex lives and challenging behaviours. A new health and social care commissioning group had been set up in this pathfinder area to start thinking about integrated commissioning. Alongside this, the pathfinder introduced ICB engagement work via workshops, task and finish groups to bring health into the RCC agenda and co-develop care pathways. Interviewees hoped this approach would help limit tensions about who has responsibility for children with complex needs and what support services should look like.

[56] CareCubed - The National Care Costing Tool

> A bit [like] pass the parcel… if that child [arrives] at an A&E and is admitted to an acute ward, [they] suddenly become health's problem because they're living in an acute health setting. [Health is] then trying to get the local authority to take that child into care, and the local authority is saying, well, the parents are willing to have them home - so why would we take them? … There's lots of different variations on those sorts of arguments. We're trying to get past that. We're doing a series of workshops with the ICBs, talking about what we're doing and what we thought we could bring to the party. We're trying to create a pathway for these children - rather than arguing about whose responsibility they are, [we're] trying to think about what the service would look like that would support them. - *RCC stakeholder*

Interviewees spoke of the need to develop **a holistic approach to care and support around placements for children with complex needs**, which they were tackling by doing relational work around risk-sharing with partners to:

- **build trust to enable collaborative responses to meeting needs.** RCC leads reported a perception among providers that housing children with the most complex needs might cause disruption to other children, negatively affecting the home's Ofsted rating[57]
- **develop a sense of collective responsibility** and shared opportunities to try to overcome disagreements about where responsibility for children with the most complex needs lies
- **create a programme that can support the workforce** to develop the knowledge and skills to look after children with complex needs, including understanding the impact of trauma and its effects alongside high-intensity support and regular supervision for staff

One interviewee highlighted the importance of creating a **community-based approach to care**, where residential homes and foster carers in the same area can offer peer support and receive support from a multidisciplinary team when needed. There was a perception that the RCC could help develop a wrap-around care model that focuses on providing appropriate homes with the necessary care and support. Expansion in this area might include increasing fostering provision around (i.e. geographically close to)

[57] Similar findings were reported in a 2024 Ofsted study, which found that concerns about Ofsted ratings were cited by local authorities as a frequent reason for homes rejecting referrals of children with complex needs. The issue has since been recognised and addressed by Ofsted through changes to the social care common inspection framework (SCCIF). The changes were intended to make sure that inspections promote and celebrate practice that leads to increased stability for children. See https://www.gov.uk/government/news/changes-to-social-care-inspections-aimed-at-improving-stability-for-vulnerable-children

specialist schools, so that children could be placed with foster carers, rather than in school-based residential placements.

> We should be looking at foster carers around the specialist schools. We should be trying to recruit them in those areas if at all possible. - *RCC stakeholder*

Phase 2 of the evaluation (specifically the implementation case studies) will explore how these different elements are working through the 2 different governance models, and with what success.

Meeting the minimum requirements

Reflections on progress/early achievements

Overall, at the point of interviews in spring 2025, just over a year since the areas had been notified about their pathfinder status, progress was broadly in line with the RCC lead's expectations (aligning with DfE's minimum requirements). However, timescales were especially challenging for one pathfinder where partnership working across local authority children's social care boundaries was newer, and timelines had to be renegotiated (as discussed in Challenges/barriers and how they were overcome).

Based on the interviews, event observations and document review, both pathfinders had demonstrated **progress towards meeting the 6 minimum requirements** expected at 'go live'.[58] Interviewees in one pathfinder area were confident that they were already meeting/on track to meet, all DfE's minimum requirements for the RCC, whilst interviewees in the other area felt they had made clear progress towards meeting them. Differences in the speed and level of progress towards the minimum requirements reflected the different starting points and planned 'go live' dates in the 2 areas.

Looking across both pathfinders at programme level, **the most progress made was in relation to the leadership and governance structures, regional data analysis, regional sufficiency strategies, and further steps towards market shaping as one customer**. One pathfinder also looked likely to soon be able to demonstrate new regional provision although no output data was available at the time of the case study fieldwork.

The minimum requirement that was least evidenced across both pathfinders was the requirement for RCCs to recruit and support foster carers. However, a minor interview theme was that both pathfinders had made moves to strengthen the fostering sector via ongoing work to recruit and support more foster carers (the Fostering Hub Recruitment and Retention Programme) and expand foster placements.

[58] See 'RCC pathfinder responsibilities' in Regional Care Cooperatives (RCCs): pathfinder regions

> What we do now have from the fostering hub is some green shoots […] it's quite positive and we're seeing the level of activity begin to start to improve. - *RCC stakeholder*

Successes/what went well

In summary, with reference to the RCC minimum requirements and the Theory of Change (ToC), efforts to come together **to start to bring about a culture change** and shift the balance away from the norm (i.e. what local authorities did last year) appeared to be working well. There seemed to be a move from reactive and competitive placement commissioning, towards more proactive collaborative commissioning. Interviews included examples of engagement with and support for the RCC and a common willingness/agreement among member local authorities to share data and make a funding commitment. Common aspects discussed (and evidenced) were building a **shared vision, responsibility and ownership** to secure the best placements for children and young people and truly meet their needs.

Joint/regional working was underpinned by the creation and refinement of the necessary documents and ways of working, such as, partnership agreements, frameworks, MOUs, more effective data collection and sharing of data. Regional working had been more quickly and easily established in the RCC with an existing regional governance structure.

RCC teams had been able to start to build an understanding of needs through **coproduction activities** and putting more emphasis on learning from the application of **better needs assessment tools**. Both pathfinders were laying the foundations for regional data analysis and building capacity to forecast needs. This included developing and implementing sufficiency strategies, although one pathfinder already had a functioning Sufficiency Strategy, it was recognised that ongoing data development work was needed to address gaps and update member local authority's strategies. This included expanding information included in datasets, so that it detailed not just individual placements purchased and their cost, but also the extent to which placements were meeting needs.

Pathfinders had made early steps towards **meeting children and young people's needs through the creation of new placements** - comprising new residential homes and expansion in foster placements. A key priority for both pathfinders was increasing the likelihood of children and young people being placed 'closer to home', and interviewees in both areas emphasised that progress had been made. One pathfinder was **creating/ expanding high-quality, local placements**, including for children and young people with complex needs (including a key project pre-dating the RCC). The other was exploring opportunities to open **bigger residential homes**, recognising the potential benefits of larger homes (offering appropriate social, emotional and behavioural support)

for children struggling to managing “the intensity of living in a small family unit” to build relationships with peers.[59]

Inroads had been made into developing and supporting the workforce. Both pathfinders had begun **laying the foundations for workforce development**. At pathfinder-led provider and partner events (observed by the evaluation team) and during interviews there were many discussions about the essential role of staff training and supervision in improving placement quality.[60]

> Years ago, we'd fight over children. Now we fight over staff. - *RCC stakeholder*

> [We’re creating a] workforce academy for the [area], so therefore they could work in any children's home or support any child where they needed to go. And that's a real different model. And that brings social value. - *RCC stakeholder*

Challenges/barriers and how they were overcome

Many of the challenges interviewees raised were associated with **time pressures**.

- **Short timescales for transformation.** Whilst interviewees in both areas highlighted notable implementation progress, they felt that they had been hindered by short timescales that had not been clear in the application form/guidance notes. For example, the capital funding available for each of the RCC pathfinders, and what it could and could not be used to cover, was unclear. One pathfinder explained that this meant initial plans had to be re-considered, which was challenging in short timescales.
- The short timeframe was **complicated by delays** in announcing the national delivery partner and by **additional uncertainty** created by the UK election in summer 2024.[61] These factors delayed planned activities. One pathfinder explained that engagement with providers could not proceed under pre-election period or before the announcement of the 2 RCCs was made, and local authorities did not want to commit to the RCC until a national policy direction was confirmed. This was overcome by the production of the DfE policy paper Keeping Children Safe paper,[62] which outlined the governments’ intention to enable local authorities to set up Regional Care Co-operatives (RCCs).

[59] Larger homes (7-10 bedrooms) can offer children who have experienced trauma and rejection new supported opportunities to build and maintain healthy attachments, see Goddard, C. (2021), CYP Now - Why bigger is often better in children’s residential care.
[60] The timeframe for improving quality (through training) spans short and medium-term outcomes.
[61] And further uncertainties created by the announcement that NHS England was to be abolished.
[62] Keeping children safe, helping families thrive. Published in November 2024.

- Furthermore, interviewees emphasised the importance of recognising that **change at scale took time**, particularly when working across a large number of local authorities. Despite the level of progress made pathfinder leads stressed the importance of **managing expectations about the speed and scale of work** in preparing for and implementing change within such a complex system.
- Economic impacts were also recognised as an important element of demonstrating impact but took time to evidence. Interviewees emphasised that increased control over placement fees/sustainability in expenditure would take longer to realise. Both pathfinders stressed the **longer-term objective to evidence Value for Money** and were developing mechanisms to report on monetised outcomes to inform cost-benefit analyses.

Another common and related challenge discussed in case study interviews was **capacity pressures**.

- **Reliance on partner capacity (and appetite) to engage**. Both pathfinders found relying on capacity and appetite from local authority teams and partner services (e.g. health, justice) to engage with RCC requests (e.g. around data) and events proved difficult. Whilst each had clearly made progress in engaging partners and stimulating interest in culture change, this was inhibited by partner capacity.
- There were frequent **delays in signing partnership agreements**, exacerbated by working with a large number of local authority partners, staff capacity in local authority teams and a lack of familiarity with what was being asked for (i.e. new processes under the RCC). In one region, despite collaboration being the norm, getting all the local authorities (and the different stakeholders/teams) to agree to new ways of underwriting/procuring services (e.g. joint commissioning) took longer than expected because it was a new approach. Interviewees identified a need to improve the speed at which decision-making could be coordinated whilst also recognising that delivery plans could helpfully account for approval times allowing for consultation by many stakeholders. In the other region, it was evident that some of the many local authorities were more willing to sign-up to the new model, whilst others adopted a ‘wait and see’ approach. Extensive communication and engagement work helped to overcome this challenge and was slowly yielding results in the form of uptake from local authorities and interest from providers. Providing local authorities with additional resources (e.g. legal, procurement, IT, administrative support) also helped facilitate engagement.
- Interviewees noted how **administratively burdensome grant management** had been. One interviewee reported that, despite good communication between the RCC core team and DfE with regard to finances, accounting for budgetary changes had used substantial core leadership time. Interviewees suggested a

more flexible funding arrangement with advance drawdown (rather than everything being in arrears) would better enable innovation and flexibility.

Relatedly, interviewees highlighted challenges associated with **collating and standardising data**.

- The pathfinders were at very different stages of data development. One RCC stakeholder noted that despite strong foundations in data sharing and regional analysis, substantial time and resource would be needed to harmonise the needs assessment data before analysis. For example, **testing and further developing forecasting models** and different analysis approaches in the new Data and Demand Forecasting Platform to ensure it met RCC/local needs.[63] The pathfinder was also **developing a 'referral dataset'** of information about the placements LAs were applying for to help overcome these challenges.
- The pathfinders were aware that cost savings would arise from **better commissioning** based on need and were investing in (re)developing systems and tools to support this process. For example, one pathfinder was **redeveloping an existing regional sufficiency platform**.

Reflections on progress to date

Data gathered during the first phase of case study research with the pathfinders indicated that the transition to RCCs was time and resource intensive and required substantial relationship management even where there was a longer-standing history of shared governance and partnership working. The transition to RCCs also offered a unique opportunity for stakeholders to think and operate differently to try and meet the shared challenges they faced in providing CSC placements that meet the needs of children and young people in their area. This final section summarises reflections on the pathfinders' early progress against the implementation outcomes and theory of change in spring 2025, before either RCC's 'go live' date.

Early assessment of contribution

Based on analysis of data from across the first phase of the evaluation - scoping interviews with RCC stakeholders, interviews with RCC teams, pathfinder event observations and documentary evidence (e.g., business cases) - most of the planned **inputs** to the RCC programme have been actioned. This includes DfE funding, support from the delivery partner (out of scope for this evaluation), existing provision, and to a certain extent, involvement of existing partnerships, stakeholders, and wider policy stakeholders. Except for work with health partners which had started because of the need to meet children's urgent and complex health needs, engagement work with justice

[63] For example, one of the intended improvements is to develop code to forecast based on costs over time and distance from home.

stakeholders among others (e.g., education), warrants greater focus. Both pathfinders recognised the need to broaden partnership work.

Similarly, many of the overarching **activities** in the programme theory of change had progressed but most were still ongoing as would be expected, in particular with regard to the pathfinder that was setting up the RCC without a pre-existing governance structure (i.e. from scratch). Interview data indicates that most progress has been made with regards to implementing joined up working and building understanding of the needs of local children and regional/local provision, which was widely considered to be fundamental.

> I think what the RCC is going to either live or die by is correctly understanding the different pockets of need and supply for services across that huge patch and how those areas differ. The [area] doesn't have an identity as a single place. - *RCC Stakeholder*

To a lesser but still promising extent, staff development activities (e.g., building expertise, initiating the workforce academy) and capital projects appeared to be progressing well. The least discussed activities were the recruitment of high-quality carers and staff (at this stage more of an addition to existing non-RCC-led activities (e.g. Fostering Hub)), and marketing. It was expected external communication activities would increase as the pathfinders moved closer to ‘go live’ and beyond.

Early progress against the **4 implementation outcome areas** is summarised below:

- **acceptability** – at the point of data collection (around a year since pathfinder status had been awarded), there was a common perception among interviewees that support for the RCC concept had gained momentum. All local authorities in one pathfinder were ideologically and financially committed to RCC delivery, and in the other, most local authorities were on board, with a shared focus on moving towards the creation of a new entity in the form of a CLG. While the qualitative evidence was predominantly collected from core RCC project teams, the data (including provider event observations) suggests a growing willingness to work as one customer to improve outcomes for children. The second phase of research, starting later in 2025, will strengthen the evidence using different measures of acceptability and collecting data from a broader range of stakeholders
- **adoption** – recognising the pathfinders’ very different geographical, political and financial contexts, data collected for this report provides a qualitative baseline that suggests both were broadly on track to deliver the DfE’s minimum requirements by their respective ‘go live’ dates. This is a notable achievement considering the difficulties and delays created by the UK general election in 2024, in addition to the time and capacity pressures highlighted in other parts of the report. Future quantitative and qualitative data collection with the pathfinders will explore the

extent to which RCC activities are being adopted, in what ways and perceptions about success

- **integration** – the pathfinder with a pre-existing governance structure showed emerging evidence of RCC activities becoming integrated into business as usual. However, it was too early to explore integration in any detail or from a range of perspectives. In the other area, it was too soon to examine integration as the RCC was still in development. This outcome will be an important focus in phase 2 of the evaluation, which will explore the practicability and effectiveness of RCC integration in wider CSC systems over time
- **sustainability** – interview data indicates that both pathfinders were seeking to embed sustainability into RCC development and delivery through for example:
    - the different governance structures they have chosen (one already embedded, the other being set up to create more support and opportunities for the RCC to aid sustainability)
    - their continued engagement with political and strategic leadership in all local authorities
    - the reflective development of an RCC culture and working conditions that will be important if the RCCs want to deliver continuous sector-led learning and sharing of promising practice

According to interviewees, there were positive indications of the RCC's potential:

> …[It] does feel like we've genuinely delivered a start of better outcomes for kids. Ultimately, you know we've built a bit more capacity within [region]… We're on the road to delivering better outcomes for young people and… delivering a better quality of care. - *RCC stakeholder*

At the scoping stage the evaluation team worked with the pathfinders and DfE to develop the programme level theory of change; these set out a series of assumptions about aspects that we expected would need to be in place to achieve the intended outcomes for RCCs. The evidence collected so far is indicative of the continuing development of a shared vision for RCCs and the importance of coproducing this vision and ways of working suggesting this assumption may hold true. The next phase of case study research will aim to establish the extent to which stakeholders agree and support a shared vision for RCCs, as well as of the extent to which a clear, shared understanding of roles, responsibilities and remits exists.

The theory of change assumes swift and efficient implementation of joined up working arrangements to enable capacity building and property development. While the interviews confirmed these were enabling factors, they also highlighted the challenges the extra burden of transformation brings, limited capacity and the negative impact of

tight timescales, which are all key risks in the theory of change. There were examples of RCCs bringing in expert partner resources (e.g. data tool developers). This is another key assumption underlying RCC success. However, it was too early to comment on the other main assumptions around the effectiveness of new and improved data analyses, and the impact of closer partnership working.

All the risks identified in the theory of change remain relevant. The pathfinders have navigated the tight timescales and extra burden transformation brings through resourcing, extending staffing arrangements and negotiation, and have secured both capacity and money to deliver RCC activities following ‘go live’. However, ongoing sufficiency challenges the need to evidence success in order to maintain and grow support from local authorities, and work with partners is integral to this. Better access to and availability of the right placements for children is dependent upon creating a network of local provision with throughput between homes, where provision is available at the right time and place. Work designed to disrupt/stimulate the market may initially result in short-term unintended outcomes, such as for example, reduced access to placements in response to an increase in market regulation.

Time will tell if the assumptions in the theory of change hold true over time and whether any unintended outcomes or new risks occur. Outcomes for children, young people, families, the workforce and the system are unlikely to be evidenced until at least one year post launch, and longer-term policy impacts may not be seen for several years. This is a challenge for the pathfinders, DfE and the evaluation as strong evidence will be needed to inform decisions about the future of RCCs. In both areas it was too early to examine monetisable outcomes. The next section of the report outlines the main learning points from phase 1, future steps for the RCC pathfinders and the evaluation.

4. Evaluation learning

Learning considerations from phase 1

- **Staffing:** Findings from phase 1 suggest that it may be helpful to develop a small core team with experience in partnership working commissioning, and specialist skills in data, coproduction and administration. Where staff are on fixed term secondments, evidence from the early scoping interviews suggests that building in flexibility, allowing for handover periods and anticipating a longer transformation timeline could support smoother implementation.
- **RCC partners:** Having a health lead can be valuable in brokering partnerships, especially given the urgency of supporting children with unmet complex needs. Future RCCs might consider mapping key stakeholders early in the planning phase to help core team focus on relationship-building.
- **Culture change:** Culture change emerged as a key theme during early business plan development. Engaging political and strategic leadership across all participating local authorities, as well as children, young people, and CSC providers from across sectors may support the development of a shared vision and foster trust. RCCs may benefit from exploring ways to promote joint ownership and equality of opportunity from the outset.
- **Tailored governance structures:** Governance structures and arrangements are most effective when tailored to the local context. Where shared governance structures already exist, building on these may help RCCs get established more quickly. Areas without existing structures have a range of RCC governance options but may need to be mindful of the timeframes involved in the set-up process. Regardless of the governance structure, securing political and financial commitment is likely to require significant lead-in time, and even where prior arrangements are in place, additional mechanisms (e.g. MOUs) may be needed to support joint working.
- **Coproducing RCCs with young people:** Understanding and responding to the needs of children and young people lies at the heart of RCCs. There is considerable potential for children and young people with experience of the care system to play a meaningful role in shaping system change. Future RCCs are encouraged to explore how coproduction can be incorporated from the beginning of the planning and development process.
- **Specialist and ringfenced data capacity:** The pathfinders found value in embedding specialist data capacity within core teams. Future RCCs might consider incorporating data specialists and identifying opportunities to share this expertise more widely. Collaborative and phased approaches to data collection

and analysis could help shape RCC culture and inform broader work, potentially drawing on external expertise.

- **Transformative potential of data:** When used strategically, data holds potential to dramatically improve the way systems work. Improving standardisation of data across local authorities could lay the foundation for more informed commissioning. Future priorities may include developing referral datasets, defining forecasting models and enhancing data platforms. These involve a shift toward a more insight-led approach that could inspire other developing RCCs over time. Sharing learning from different data approaches could inspire other RCCs.
- **Challenging and changing mindsets:** Openness and transparency are key to navigating the challenges and opportunities RCCs present. Creating spaces for stakeholders to share aspirations and concerns may help build collaboration and momentum for change.
- **Flexibility in scope:** The scope of the RCC can change as it develops (as discussed in Setting the scope of the RCC), each RCC evolving over time. it may be beneficial for core teams and the RCC's partners to ensure the vision remains inclusive and responsive to the wider sector to facilitate further support and promote culture change, helping to foster support and promote culture change.

In moving forward with the development and implementation of RCCs, it will be important to acknowledge the **time required** to build relationships and achieve meaningful system change. Areas will also need time to **understand and address any challenges in CSC data**, before preparing a baseline to assess the impact and effectiveness of RCCs.

Clear and detailed guidance - particularly around funding and what it can be used for – will help support new areas in developing their own RCCs. This process might also benefit from additional resources, such as document templates (e.g. business plan, systems map, MOUs), and practical support during the set-up and development process. Creating opportunities for new RCC teams to share experiences and learning is also likely to improve the speed and effectiveness of establishing RCCs. Given the diversity of regional contexts and priorities, it will also be important to **retain existing flexibility to the design and (to some extent) the scope of RCCs**; evidence from phase 1 having emphasised the importance of creating a system that reflects and works for each specific region/area.

Strengthening alignment across policy areas, especially with fostering services and early intervention, will help to build coherence and encourage collaboration. Enhancing **connections between national and regional stakeholders**, including youth justice and VCSE providers, may further support shared goals and outcomes. Ensuring provider and stakeholder engagement will benefit from ongoing communication and relationship-building.

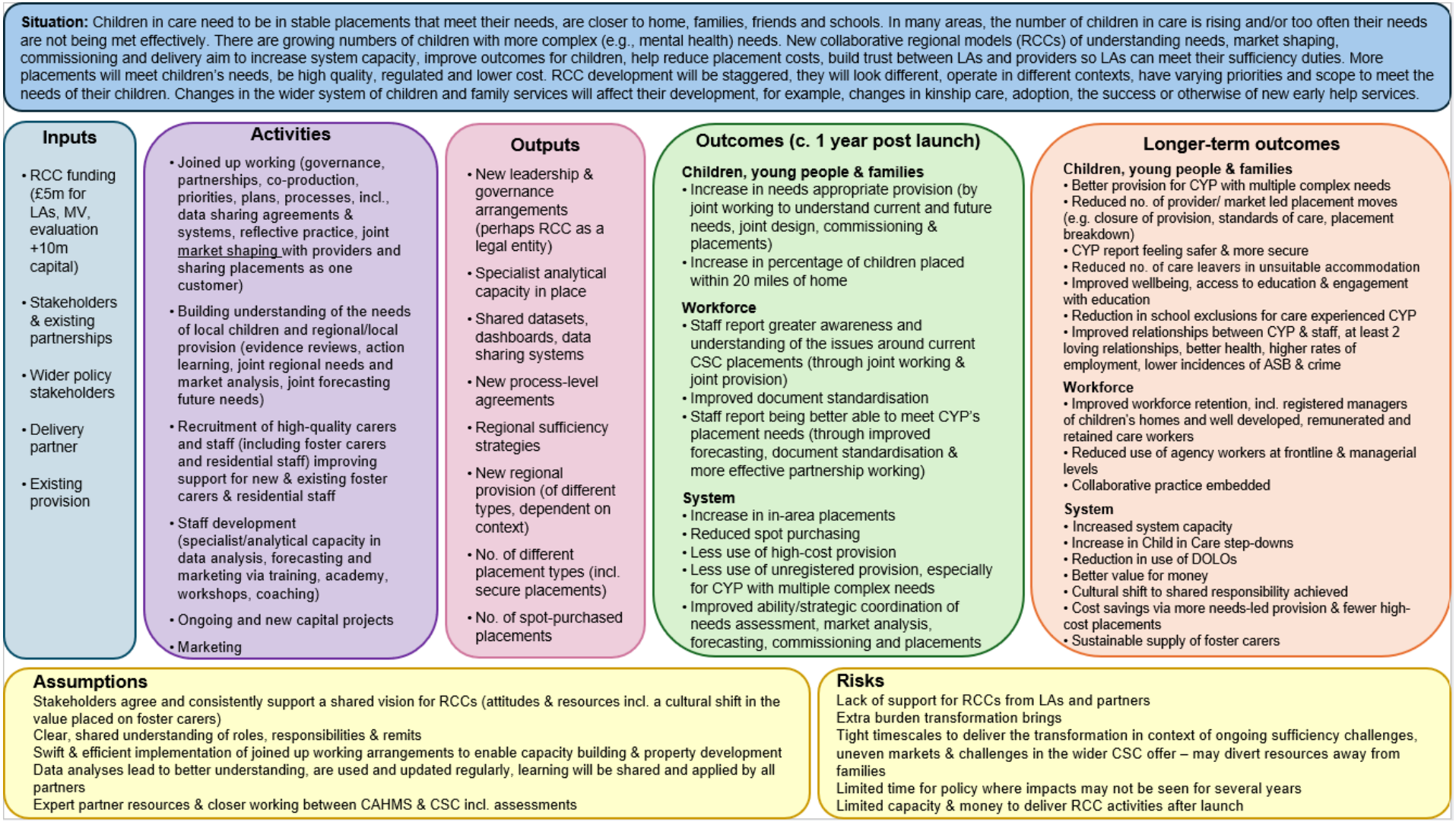
Next steps for the evaluation

This phase 1 findings report provides the foundation for the next stage of the evaluation. In this next phase, the evaluation will focus on gathering evidence from the RCC pathfinders as they navigate their first year in operation.

The evaluation team will also work closely with pathfinders to understand how they are monitoring activities and measuring outcomes (including financial savings). The team will explore how local and national data can be used as part of the evaluation, addressing questions around the information and cost effectiveness of RCCs.

As the evaluation enters this next phase it is important to be mindful of managing expectations around outcomes and remaining open to refining the evaluation approach to ensure analyses are appropriate and done at the right times to be useful.

Annex A: Theory of change visual



Annex B: Theory of change - accompanying narrative

The programme-level Theory of Change (ToC) has been discussed at two workshops with DfE policy and analysts – the first on 12 December 2024 and the second 6 February 2025.

The first workshop included review and discussion of a draft ToC. The evaluation team explained how the original ToC (supplied with the ITT) had been refined following a data and document review, initial scoping interviews with key stakeholders and early discussions with the Pathfinders. The team then worked through each of the key components of the ToC with the DfE team.

The second workshop focused specifically on outcomes but included a short session to review and discuss the updated programme-level ToC visual.

This updated narrative accompanies the updated ToC visual, which was based on:

- DfE's original RCC programme ToC
- Qualitative feedback from the evaluation consortium partners, DfE, and Mutual Ventures, the RCC programme delivery and national support partner
- Scoping interviews with the two RCC Pathfinders and national stakeholders
- Review of the implementation ToC the two Pathfinders produced with Mutual Ventures as part of the co-design work
- DfE reflections shared at the December '24 workshop
- A final review at the February '25 outcomes workshop.

The main changes made following the two workshops were:

- A slight reframing of the situation to a) clarify the central emphasis on improving outcomes for children linked to enhanced placement stability, b) highlight the importance of context in understanding, developing, delivering, and evaluating the success of each RCC, and c) using more asset-based language aligned with the RCC Pathfinders articulation of their developing RCCs.
- Small additions and refinements to the intended inputs, activities, outputs, and outcomes of RCCs.

It will be important to gather feedback from other government departments involved in the design and implementation of RCCs. We suggest we seek written feedback on the revised documents.

1. Background to RCCs

Placement capacity is a top priority for local authorities who face a real challenge with finding appropriate children's care places. There are not enough places of the right type and in the right location for all children and for all needs. Children with more complex needs (e.g., acute mental health needs) can end up far from home and costs are high and rising. Some private providers of children's care make excessive profits. The Independent Care Review[64] proposed that RCCs would establish specialist data capabilities; develop regional sufficiency strategies; gain greater confidence in its forecasts to be able to better shape the local market; invest in new public provision; and recruit, train and support new and existing foster carers across the region.

The Department for Education has set the following minimum requirements for the pathfinders (once operational):

- **carrying out regional data analysis and forecasting** future needs of homes for children in care, in partnership with health and justice.
- **developing and publishing a regional sufficiency strategy** setting out current provision and action to fill gaps
- **market shaping**, working as one customer with providers to address local needs, improve value for money and commission the care places required from external providers
- **recruiting foster parents through a regional recruitment support hub** and improving the support offer to both new and existing foster parents
- **developing new regional provision** where gaps have been identified. The Department will provide up to £5m capital funding to support this, and RCC members will be expected to pool sums of their own funding alongside this. The Department will want to see evidence of appetite for shared placements through the RCC as part of the application process
- **creating the leadership and governance arrangements** necessary to allow the RCC to make swift decisions and invest sums of money over the long-term

2. Background to the ToC (and narrative)

After reviewing the original DfE RCC programme ToC (2023), conducting early scoping work, and reflecting on the outputs with DfE, we have refined the ToC to give an overview of the current RCC policy landscape. This programme level ToC is intended to reflect the DfE's policy intention for RCCs and offer a framework for the evaluation that can be tailored to cover future RCCs when the programme is rolled out. It provides read

[64] MacAlister, J (2022) The independent review of children's social care - Final report

across between the two different Pathfinders' approaches to setting up RCCs.[65] It is important to note that the Pathfinders are beginning from very different contexts and starting points and therefore there are differing expectations and aspirations for what they will do and achieve during the set-up stage.

Like the pathfinder-level implementation ToC, this RCC programme-level ToC is a live document which we will review throughout the scoping stage, then annually to reflect any changes in programme delivery. At the end of the evaluation, we will set out how the ToC has changed over time, and how this has affected what is in and out of scope.

The RCCs will 'go live' after the development period that ends on 31 March 2025 for one pathfinder and at the end of June 2025 for the other. During the development stage the Pathfinders will focus on securing stakeholder inputs and progressing the first phase of activities. We can expect to see RCCs achieving most of the specified outputs, and potentially, several emerging outcomes in the first year or 2 of operation. However, based on the early scoping interviews and our experience of evaluating systems change, longer-term outcomes for children, families and the wider CSC system will, overall, be realised several years after the launch of RCCs.[66]

3. Situation (What is the context or reason for this change?)

Children in care need to be in stable placements that meet their needs, are closer to home, families, friends and schools. In many areas, the number of children in care is rising and/or too often their needs are not being met effectively. The number of children in care increased by 30.1% between 2010 and 2023 and children are presenting with more complex needs.[67] Increasing placement capacity is a key priority for DfE because there is a shortage of places for the 82,000 children in England who are looked after, especially for those with complex needs (e.g., acute mental health needs).

New collaborative regional models (in the form of RCCs) bring together local authorities to improve understanding of children's needs, disrupt and shape the market, commission and deliver CSC placements. The new regional models aim to increase system capacity, help reduce placement costs and build trust between participating LAs and providers (reducing competition and increasing transparency) so LAs can meet their sufficiency duties and improve outcomes for children. By working as one customer within the RCC, LAs will be in better position to secure high quality, regulated placements which meet their children's needs, and at a lower cost.

[65] Following the detailed discussions with pathfinders the intention is to include examples of where there are differences in their approaches.
[66] Timeframe to be discussed and agreed with DfE and Pathfinders at workshops/meetings in early 2025.
[67] Children looked after in England including adoptions, Reporting year 2023 - Explore education statistics - GOV.UK

RCC development will be staggered, so each model will look different, operate within (and be responsive to) different contexts, have varying priorities and scope to meet the needs of their children. Changes in the wider system of children and family services will affect their development, for example, changes in kinship care, adoption, the success or otherwise of new early help services.

4. Aim of the programme (What will 'success' look like?)

Nationally, new collaborative regional models (RCCs) aim to understand needs, shape markets, commission and deliver appropriate care placements for children (aged 0-17). They aim to increase system capacity, improve outcomes for children, help reduce placement costs, and build trust between LAs and providers so LAs can meet their sufficiency duties. More placements will meet children's needs closer to home, provide the stability they need to thrive, be high quality, regulated and lower cost, reducing an over-reliance on higher-cost placements. RCCs will create more suitable placements by increasing the number of foster carers (particularly those who bring specialist skills), widening the public and voluntary sector care placement offer, and improving provision for children with more complex needs.

Implementation and success will be staggered, RCCs will look different, operate in different contexts, have varying priorities and scope to meet the needs of children locally. The implementation and effectiveness of RCCs must be considered systemically. Changes in the wider system of children and family services will affect their development, for example, changes in kinship care, adoption, and the success or otherwise of new early help services.

5. Inputs

The main inputs (resources) in each Pathfinder area are:

- DfE funding (£5.7m covering Pathfinder grants, delivery partner and evaluation costs)
- stakeholder contributions from LAs, private and not-for-profit children's social care providers, health, family justice, youth justice and organisations such as Ofsted[68]
- alongside the RCC programme, the DfE is funding 350 extra places in open children's homes for children in locations with placement shortages
- a further £36m is being invested to support the recruitment and retention of foster carers and up to £400m capital funding for children's homes
- existing provision.

[68] After further discussions with Pathfinders/observing events, we will be able to update stakeholder engagement if needed.

Mutual Ventures are supporting the pathfinders to manage their RCC projects, carry out co-design, and to put in place HR, legal, commercial, data and other necessary arrangements. New process level agreements are being established to support co-working, information and data sharing, joint forecasting and commissioning.

6. Activities

Since spring 2023, the two Pathfinders have been undertaking a range of different activities in developing their RCCs. Each pathfinder was expected to meet the minimum requirements set out by the DfE but could otherwise set the scope and shape of their RCC. We have grouped the activities the pathfinders are currently working on under consistent subheadings which broadly reflect their focus areas. These are:

- **joined up working**: developing shared priorities, creating/strengthening leadership and governance arrangements, co-production, setting up collective pledges, plans and ways of working (e.g., developing data sharing agreements, setting up systematic data collection systems) and collaborative and reflective practice
    - [once developed] **joint market shaping with providers and sharing placements** - working as one customer with providers to forecast and commission services to meet local needs, working with/setting up a regional recruitment support hub, partnership working with new and existing partners
- **building understanding of the needs of local children and regional/local provision**: evidence reviews, action learning, market analysis, carrying out regional data analysis and forecasting future needs
- **recruitment of high-quality carers and staff** (including foster carers and residential staff) such as recruitment campaigns to attract new foster carers to LAs. A focus on recruitment activities will be coupled with improving support for new and existing foster carers, and residential staff
- **staff and foster carer development**: training/Academy/workshops/events/coaching including subsidised staff training and assisting access to apprenticeships, and improving support for new and existing foster carers
- **marketing** including specialist communications, e.g. to recruit foster carers
- **ongoing and new capital projects** to:
    - build supply/access to supply of placements, with some earmarked as regional/shared placements
    - provide access to a greater range of services

- improve efficiencies in the delivery across CSC services
- create ethical markets around fostering (e.g. a Community Wealth Building project for building a property fund for LA Foster Carers)

7. Outputs

Pathfinders are working towards some shared outputs, resulting directly from the activities listed above. Initially, these are new leadership and governance arrangements to enable swift decision making and investment as demonstrated by organograms (etc). The new arrangements could, in time, include setting up the RCC as a new legal entity that can act as one customer.[69]

The Pathfinders are developing their specialist/analytical capacity in data analysis, forecasting and marketing, and associated outputs will include datasets, dashboards, and data sharing systems and staff in place who have the skills and capacity to produce these. Alongside, partners are putting in place process agreements, analysing needs and beginning or continuing to forecast demand for CSC placements at a regional level. They will be using their specialist knowledge to develop/update and publish RCC sufficiency strategies and create new regional provision working as one customer.

Through this work, the numbers of different placement types and stakeholders involved (e.g. number of foster carers) will be monitored. It is expected that areas will see changes to the numbers of children in different placement types (including secure placements) – later leading to a reduction in Deprivation of Liberty Orders (DoLOs) – and a reduction in the number of costly spot-purchased residential care placements. New regional provision – of different context specific types – will be delivered.

The timeframe for these changes is to be discussed, as part of the workshop and beyond. In addition, it will be important to understand (and clearly articulate) the mechanisms that connect activities and outputs, and lead to outcomes. For example, collective commissioning and pooling of placement options will be one mechanism/driver of access to more suitable, and closer to home placements.

8. Outcomes and impacts

In the first year after launching, moving some CSC services/provision from partner local authorities to new RCCs is expected to lead to greater awareness and understanding of the issues around current CSC placements. At the same time, improved forecasting, and document standardisation within the RCC CSC system to support more effective partnership working will enable RCCs to better meet children's placement needs. Partners hope to see an increase in in-area placements so that more children can be placed in high-quality placements, within 20 miles of home, families, friends and schools. By working together to develop an understanding of the current and future needs of

[69] This, as with other amends, will need greater emphasis in ToC (visual) updates.

children in and leaving care, collaboratively design, commission provision, and place children, it is expected that RCCs will deliver more needs-appropriate provision. In time there will be less use of high-cost and unregistered provision, especially for children and young people with complex and/or significant mental health needs.

Once RCCs have been operating for 1-2 years the expectation is that they should see more capacity within the CSC system, better retention of the children's workforce, better provision for children and young people with complex needs, a reduction in the use of Deprivation of Liberty Orders (DoLOs) and an increase in children in care step-downs. It is expected that these improvements will reduce the number of (provider/market-led) placement moves children experience due to placement breakdowns, children's homes closures or inadequate care standards, and reduce the number of care leavers in unsuitable accommodation. With more children and young people living in stable care placements feeling safer and more secure with their caregivers, it is expected to see improvements in children's wellbeing, access to and engagement with education, and a reduction in school exclusions for care experienced children.

Longer-term, RCCs are expected to demonstrate better value for money for children's social care placements due to an improved foster care offer, and a reduction in the number of high-cost residential care placements. This will be achieved through local authorities working together as RCCs to continuously improve relationships and processes for collaboration, potentially providing a regional model that could be applied to other areas outside of children's social care settings.

Overall, the intention is that RCCs will deliver a cultural shift in children's social care towards shared responsibility between different parties supporting CYP, collaborative practice and collective commissioning. RCCs will lead to more effective planning, commissioning and provision of children's social care placements, including helping to create a sufficient and sustainable supply of foster care placements. There will be better workforce retention, including of registered managers of children's homes and well developed, renumerated and retained care workers, reducing use of agency staff (at all levels). RCCs will lead to cost savings for the local authorities and most importantly, children in care will have improved longer-term outcomes, for example all children with leave care with at least two loving relationships, they will have better health, engage more in education, have higher rates of employment, and we will see lower incidences of anti-social behaviour and crime.[70]

9. Assumptions

The ToC is based on a set of causal assumptions. The theory assumes that RCC stakeholders can agree, buy in to and support a shared RCC remit and vision, and that they can develop and share a clear understanding of roles and responsibilities across all

[70] Outcomes discussed with DfE and pathfinders

remits of the RCCs work. This includes an assumption that stakeholder expectations can be well managed, and stakeholders will be able to align resource allocation. This will represent a cultural shift in thinking and actions around children's social care placements including in the value placed on foster carers, and on CSC and residential care as a career choice. Then the supporting processes need to be in place and well documented so that the changes can be mobilised quickly and smoothly to facilitate joint working, capacity building (via recruitment and staff development), and property development. With more productive joint working it is expected that the RCC activities and outputs (e.g. shared up-to-date needs analyses and forecasts) will give all stakeholders a better understanding of regional and local placement needs, and it is assumed that these analyses will be used and updated regularly. For the RCCs to work, learning from implementation must be shared and applied by all partners and sufficient resources in other parts of children's social care must be present, for example, expert support to support families and staff around mental health, family and youth justice.

10. Possible unintended consequences

The evaluation team and stakeholders have identified several possible unintended consequences from the transition to RCCs. In taking on the transformation process, stakeholders will need to put extra resources in which could offset any financial savings to be made longer-term. The [perceived] loss of autonomy for local authorities in the face of the overarching RCC organisation may continue to act as a barrier to cultural and practice changes, especially where there are local authorities that are perceived to be worse off than when they were previously only placing their own children. This could lead to ongoing competition for places if local authorities have a mindset of needing to place their own children first. Even if more children are being placed within the RCC area, they may still be living at a significant distance from family, friends and school putting their wellbeing at risk. Moreover, it is possible that the transformation efforts will divert too much attention towards structural and process changes and away from supporting children causing a short-term decline in the quality and effectiveness of children's social care provision. This could be exacerbated by a contraction in the market if RCCs are not able to facilitate quick progress or effectively engage the range of children's social care providers.

11. Risks

The introduction of the RCC pathfinders brings many opportunities for children's social care and multiple risks as well. Commonly identified risks are a lack of buy-in from local authorities within RCCs, extra burden and limited resources in terms of time, capacity and money to implement the transition and deliver RCC activities after they launch. The timescales up to and post launch are tight, particularly in the context of ongoing sufficiency challenges, uneven markets, and challenges in the wider CSC service offer (e.g. long CAMHS waiting lists, barriers in family and youth justice).

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