



Committee and Date

**People Overview
Scrutiny Committee**

22 April 2026

Item

Public



Year End 25/26 Performance Report - Children's Services

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Cabinet Member (Portfolio Holder):	Ruth Houghton		

1. Synopsis

- 1.1 This report provides the People Overview Scrutiny Committee with a comprehensive end of year performance overview for Children's Social Care covering the period March 2025 to March 2026. It sets out the key demand and activity trends across the service, highlights the principal factors driving financial pressure—particularly within the Children Looked After (CLA) service—and outlines the actions underway to manage risk, improve outcomes for children and mitigate financial impact within the current and future budget context.

2. Executive Summary

- 2.1 The report is presented in the context of the 2025 Inspection of Local Authority Children's Services (ILACS) inspection outcome, ongoing national challenges relating to placement sufficiency, and the Council's declared financial emergency. It draws together performance data, operational insight and system learning to support effective Scrutiny oversight of demand management, placement usage, cost drivers, and the sustainability of improvement activity.

- 2.2 Members are asked to note that Children's Services has delivered a sustained improvement trajectory following the 2025 ILACS inspection, including a reduction in overall CLA numbers from a previous peak. This progress has been achieved whilst Shropshire has also been increasing its obligation to accommodate Unaccompanied asylum seeker children (Uasc), in need of care and support (currently 35 this can change), through the National Transfer Scheme (NTS). See Point 7.17 onwards where the detailed numbers and performance are embedded.
- 2.3 Despite this improvement the most significant cost driver remains the use of residential care, particularly externally commissioned and spot purchased provision. (pt7.24 onwards outlines the demand and usage data). Local sufficiency challenges including residential and fostering homes, combined with national market pressures and rising unit costs, have resulted in continued reliance on higher cost and out of county placements. These arrangements generate additional associated costs linked to education, transport, and professional oversight.
- 2.4 In response, the Council is delivering a coordinated improvement programme focused on strengthening care planning and decision making, increasing family-based provision, improving placement oversight, and enhancing financial control. These actions provide assurance that risks are understood, mitigations are in place, and progress will continue to be monitored closely during 2026–27.
- 2.5 Children and young people should live in their family homes and their communities when safe to do so and their needs can be met. They will be supported to access services in their communities that enable their families to thrive and children to secure good outcomes without escalating into statutory child protection or Looked After services.
- 2.6 The Council's Children's service is committed to working together with families at the earliest opportunity to enable and empower Shropshire's families and young people to achieve their best lives.
- 2.7 Our Early Help services enable families to access preventative support, reducing the numbers of referrals now coming through to the social care service and building strong partnership relationships securing positive interventions, assessments, and parenting support across Shropshire.
- 2.8 We deliver this through a culture of evidence based restorative practice and strengths-based relationships that we know can change lives. Our leadership and practice are underpinned by these behaviours and values.
- 2.9 Children and young people subject to child protection plans will experience a social work intervention and partnership approach that enables them to be safer and remain in their family homes and communities. We will make timely decisions about when their needs cannot be met in their home environment and securing their permanence plans as quickly as we can.
- 2.10 We are aspirational for the Children we look after in our care when they cannot live in their birth family. Strong corporate parenting support across the council enables us to parent and support our children as our own, encouraging them and advocating for them, to be the best version of themselves and to live their best life.

- 2.11 Children and young people should have the benefit of being able to grow up in a family, either their own or foster care. When they do have to live in a children's home for a period, we are aspirational in always working towards them moving back into a family environment when they are ready to do so.
- 2.12 Children should make excellent progress in our care. Plans are creative and in line with the wishes and feelings of the child. Long term support is provided to families where children have returned home or to connected carers through Stepping Stones.
- 2.13 Our care leavers have high quality support and ongoing relationships as we stay connected, and we ensure they are accessing education and employment opportunities at the right time for them. The care leaver ambassador is delivering a programme of work, alongside our care leavers, and securing their voices to ensure service developments are underpinned by their wishes, feelings and recommendations.

3 Recommendations

The Overview and Scrutiny Committee is asked to:

- 3.1 Note the contents of the report and the year-end performance position for Children's Social Care for April 2025 to March 2026.
- 3.2 Consider the key demand, activity, and placement trends, including the principal factors contributing to cost pressures.
- 3.3 Acknowledge the progress made in reducing CLA numbers.
- 3.4 Support the actions being taken to mitigate financial pressures and manage future demand.
- 3.5 Request continued regular performance and financial updates.

Glossary of Terms

ILACS: Inspection of Local Authority Children's Services

CLA: Children Looked After

NTS: National Transfer Scheme

LGA: Local Government Association

Sufficiency Strategy: A statutory duty that demonstrates an analysis of the needs of looked after children in the area and structure the approach for delivering the services they require, including support and homes. Commissioning Services are leading on this document and its implementation.

Special Guardianship order: A private law order made that gives the recipient legal parental responsibility for the child.

Child Arrangement Orders: A private law order that determines who the child lives with and what contact will be in place.

UASC: Unaccompanied Asylum Seeker Children

DFE: Department for Education

CYP: Children Young People

CHAT: National Children's services Analysis Tool (ChAT) Based on Ofsted's ILACS Annex A dataset / Inspection Report.

Report

4 Risk Assessment and Opportunities Appraisal

4.1 Risk table

<i>Risk</i>	<i>Mitigation</i>	<i>Link to Strategic Risk</i>
Numbers of children looked after increased further	<p>Strengthen the "right service at the right time," early intervention across the partnership.</p> <p>Ensure consistency in the Front Door application to referrals.</p> <p>Continue to implement and expand Stepping Stones service methodology for prevention and step-down processes.</p> <p>Further develop a culture and practice where all staff are committed to retaining children and young people safely within their families and communities while actively engaging with them. If care is required, prioritise foster placements,</p> <p>Ensure robust decision-making processes and escalate sign-off procedures to the Service Director (SD) and Director of Children's Services (DCS) as appropriate.</p> <p>We aim to reduce CLA spending from 80% to 50% of our budget. The developing improvement/action plan related to placements, sufficiency, partnership and commissioning support will underpin this intention as outlined through the paper.</p> <p>Our priorities include:</p> <p>Implementing Families First Programme and delivering the national requirements for the implementation.</p> <p>Delivering intervention models that ensure timely access to services, prevent escalation into statutory care, and support</p>	<p>Financial Sustainability.</p> <p>Demand Management</p> <p>Governance and Compliance.</p> <p>Financial Controls</p>

	<p>children and families within their communities.</p> <p>Enhancing capacity through strategic commissioning, data-driven decisions, and planning to address complex needs, including increasing fostering and residential home options.</p> <p>Achieving timely outcomes through effective assessments, child in need and protection plans, ensuring permanence and enabling swift, appropriate exits from care.</p> <p>Reducing statutory intervention and ensuring timely family support to limit budget increases.</p>	
<p>Caseloads increase contributing to drift and delay in the system</p>	<p>Robust check and challenge through management and performance oversight, quality assurance, and governance processes in place to ensure throughput and decision making are timely and effective.</p> <p>Current development of the "Thresholds document" (to be renamed), will underpin the Family First Partnership model and programme to secure a framework for working with and alongside partners to support children and families earlier with support in the community and partners settings being accessible, that results in a further reduction of referrals into social care and statutory processes.</p> <p>These developments should support partners to become increasingly proactive in relation to prevention and supporting families and children safely in their homes and the community.</p>	<p>Demand Management</p> <p>Governance and Compliance.</p>
<p>Cost avoidance potential is not delivered by the reduction of residential placements being used.</p>	<p>Further Strengthening of panels and decision-making processes.</p> <p>Leadership in decision making through development of a one child panel.</p> <p>Holding accountability and timely decision making.</p>	<p>Demand Management</p>

	<p>Further development of the practice culture and clear leadership expectations about how and when a child becomes looked after.</p> <p>Strengthening of commissioning and Brokerage activity to secure increasingly cost-effective options and hold providers to account in children's services.</p> <p>Implementation of strengthened tracking and monitoring processes being built to secure the ongoing overview of all placements for children looked after.</p>	<p>Governance and Compliance.</p> <p>Financial Controls and sustainability</p>
<p>Fostering Capacity is not increased at rates needed to meet the requirements of our children that need to be looked after for their safety and protection and to avoid use of residential homes at the point of crises</p>	<p>Sufficiency assessment is being further developed to secure clear understanding of requirements.</p> <p>Enhanced recruitment efforts have been subject to substantial improvements in marketing strategies and the implementation of a more efficient process, which includes regular check-ins with all interested applicants. Being ready to take them forward as a service when they are ready to progress.</p> <p>West Midlands Regional Care Cooperative application to be progressed to support commissioning approaches, pricing and care offers to become increasingly consistent.</p> <p>See Fostering paper at Appendix 2</p>	<p>Financial Sustainability.</p> <p>Demand Management</p> <p>Demographic Change</p> <p>Governance and Compliance.</p> <p>Financial Controls</p>
<p>Sufficiency Strategy drift and delay of implementation</p>	<p>Strengthened commissioning advice and application including collaborative working across the council departments</p>	<p>Financial Sustainability.</p> <p>Demand Management</p> <p>Demographic Change</p> <p>Governance and Compliance.</p> <p>Financial Controls</p>

5 Financial Implications

- 5.1 Shropshire Council continues to manage unprecedented financial demands, and a financial emergency was declared by Cabinet on 10 September 2025. The overall financial position of the Council is set out in the monitoring position presented to Cabinet monthly. Significant management action has been instigated at all levels of the Council reducing spend to ensure the Council's financial survival. While all

reports to Members provide the financial implications of decisions being taken, this may change as officers review the overall financial situation and make decisions aligned to financial survivability. All non-essential spend will be stopped and all essential spend challenged. These actions may involve (this is not exhaustive):

- scaling down initiatives,
- changing the scope of activities,
- delaying implementation of agreed plans, or
- extending delivery timescales.

6 Climate Change Appraisal

- 6.1 The People's directorate is working to support people within their communities to reduce the need to travel and therefore reduce carbon emissions.
- 6.2 Climate consideration is embedded in all commissioning reviews.

7. Background

- 7.1 Children's Services has delivered a strong year end performance position, across the breadth of performance measures, during 2025–26, consolidating progress following the ILACS inspection and demonstrating a sustained reduction in Children Looked After numbers from a recent high. (see pt 7.17 onwards for detailed numbers re Children Looked After). This improvement reflects strengthened permanence planning, improved management oversight, and more consistent application of decision-making frameworks across the service.
- 7.2 Despite this progress, Children's Services continues to face significant financial pressure, driven primarily by the size, profile and complexity of the CLA cohort, combined with challenges in the market regionally and nationally. Demand remains historically high, with a notable proportion of very young children (pt 7.19, 7.20 and 7.21 outline the data and narrative for our youngest children), and children with complex needs requiring specialist placements.
- 7.3 The most significant cost driver remains the use of residential care, particularly externally commissioned and spot purchased provision. Local sufficiency challenges, combined with national market pressures and rising unit costs, have resulted in continued reliance on higher cost and out of county placements, with associated impacts on education, transport, and oversight costs. It should be noted though that across the residential provision, given the range of resources used, our average cost remains low and below regional and national averages. (pt 7.24 Placement Sufficiency challenges section of the report outlines the usage and challenge data).
- 7.4 Despite this progress, the service continues to operate within a context of significant financial pressure, driven primarily by the size, profile, and complexity of the needs of our Looked After children. Demand remains historically high, and while overall numbers have reduced, the proportion of children with complex needs, younger age profiles and specialist placement requirements continues to exert pressure on placement budgets.

- 7.5 In response, the Council is delivering a comprehensive and coordinated improvement programme focused on strengthening care planning and decision making, increasing internal and family-based provision, improving financial oversight, and preventing escalation into care wherever it is safe to do so. (pts 7.7 – pt 7.15 outline the core actions underway).
- 7.6 In addition, there is a Local Government Association, (LGA) review underway of the commissioning framework and priorities which aims to give further guidance re next steps.

Key mitigation actions include:

- 7.7 Strengthening care planning and decision-making, including consistent application of the Stable Homes process, even earlier care plan progression, and stronger challenge at Child Looked After reviews to prevent unnecessary escalation to residential care. Targeting the resource of Stepping Stones for the children who can make progress to return home or step down from residential care.
- 7.8 Streamlining decision-making structures, including development of an all-children's placement and resource allocation panel, (solutions panel), to improve consistency, timeliness, and oversight of placement decisions. Inclusive of partners, finance, and commissioning colleagues.
- 7.9 Undertaking the work to enable a child to step down from care is a complex system wide plan that needs education, health, and families to work closely together to address all aspects of a child's needs, to evidence progress from the original threshold met for removal in care proceedings.
- 7.10 Increasing internal sufficiency, through expanding and prioritising use of Shropshire's own children's homes and fostering capacity to reduce reliance on external and spot-purchased provision. Following staffing challenges 1 x 2 bed home has been closed for a while, it is due to reopen by end of May.
- 7.11 Delivering the sufficiency assessment 2025 - 2027 recommendations, currently being updated again with LGA support and service developments, through increased commissioning and challenge to providers quality and capacity to support our children.
- 7.12 Further expanding family-based permanence options, including reunification, Special Guardianship Orders (SGO) and Child Arrangement Orders (CAO), continuing to reduce the long-term population of children in care.
- 7.13 Improving multi-agency support and earlier intervention, helping more children to remain safely at home, and reducing demand entering the care system. Family First Partnership transformation work is underpinned by this principle.
- 7.14 Enhanced financial oversight, including tighter scrutiny of placement searches, funding requests, and use of transport, enabling clearer control of spend and earlier identification of pressure points.

7.15 Engagement in national programmes including a Regional Care Cooperatives application, to build capacity and sufficiency of new homes including residential provision. Exploring options regionally for collaborative working options around residential care and fostering.

7.16 These actions should provide assurance that risks are understood, mitigations are in place and progress will continue to be monitored closely throughout 2026–27.

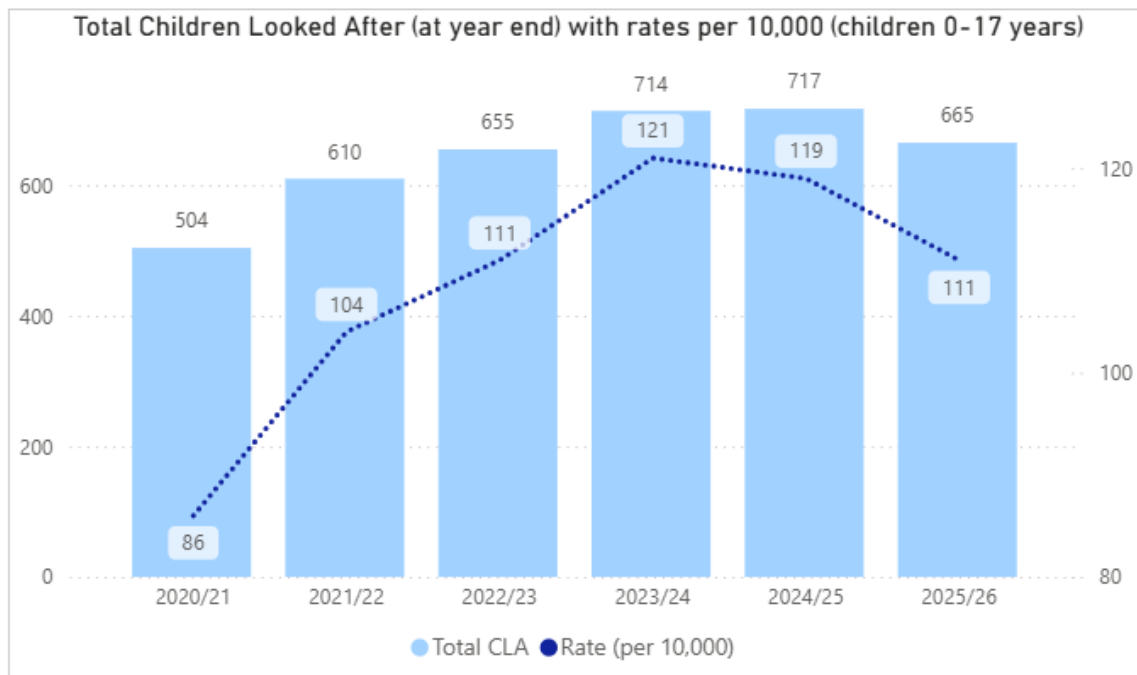
Children's Services Year End Performance (March 2025 – March 2026)

7.17 Children's Services continues to demonstrate sustained improvement across core performance indicators, reflecting the impact of strengthened leadership, improved governance, and more consistent application of practice standards.

7.18 As of 27 March 2026, the CLA population stands at 665 children, representing a reduction from a recent high of 717. This includes a number of Unaccompanied Asylum-Seeking Children (UASCS) under the national transfer scheme currently 35 children and likely to increase. As @27th March 2026 Total no of Looked after children (excluding UASCS) would be 630. (this does change daily).

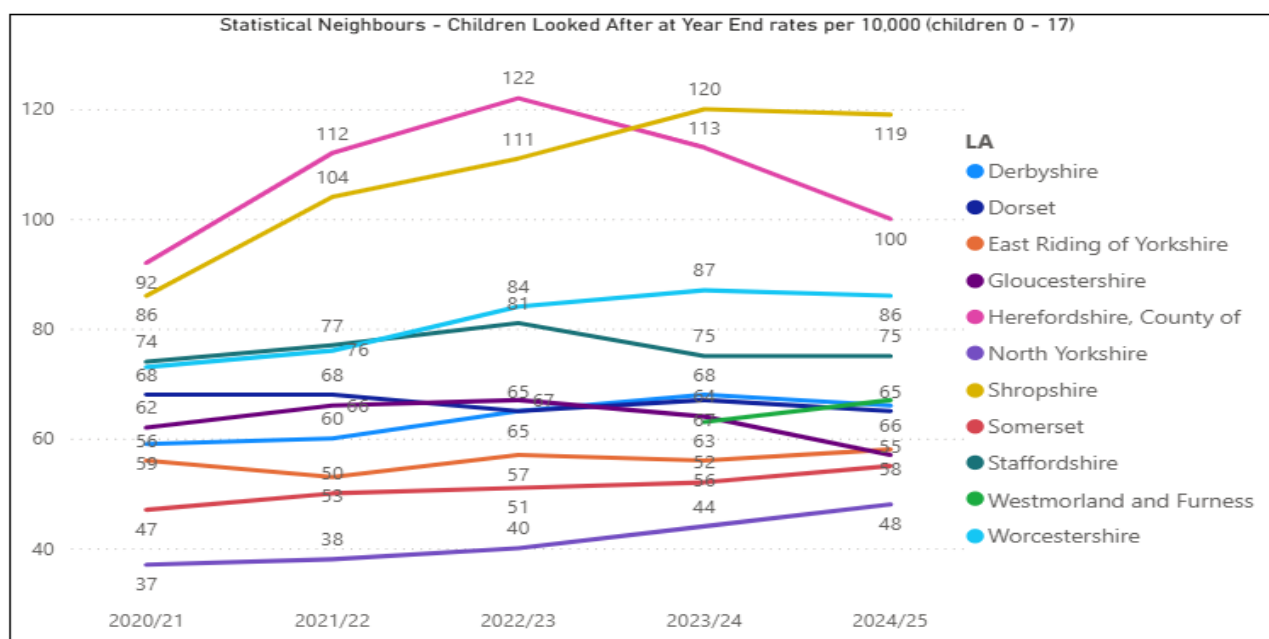
7.19 This reduction is significant in the context of the previous five-year trend, which saw a sustained rise in CLA numbers locally and nationally. The current position reflects a turning point in demand management, underpinned by improved permanence planning, reduced drift, and delay, and strengthened oversight of care pathways. The current position is back at the 2022/23 level.

*Five-year summary: Children Looked After



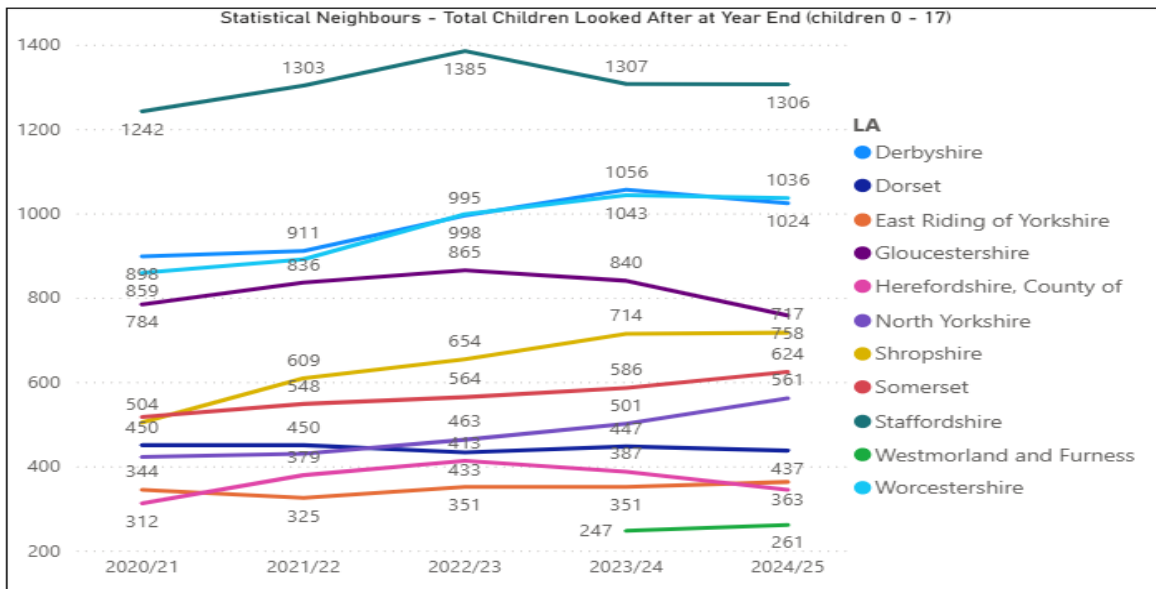
Year	CLA Number (snapshot)	Rate per 10,000 children (0–17)	Context / Inspection Milestones
2020–21	504	~86 per 10,000 (six-month rolling view)	Pre improvement baseline; national post pandemic pressure across children's services
2021–22	610	~104 per 10,000 (six-month rolling view)	Demand pressures increasing nationally; early stages of Early Help transformation
2022–23	655	~111 per 10,000 (six-month rolling view)	Continued rise in CLA numbers locally and nationally; system under sustained pressure
2023–24	714	~121 per 10,000 (six-month rolling view)	Turning point in demand management; strengthened permanence and court oversight
2024–25	717	~119 per 10,000 (six-month rolling view)	ILACS inspection (June–July 2025); improving trajectories evidenced
2025–26 (as at 27.03.26)	665 (down from a recent high of 717)	~111 per 10,000 (six-month rolling view)	Post inspection consolidation; sustained reduction alongside increased UASC responsibility

These charts shown the comparisons of statistical neighbours' rates per 10,000 (2020/2025) and the actual numbers of looked after children (2021/2025). 2025/2026-year end data is not published until November 2026.

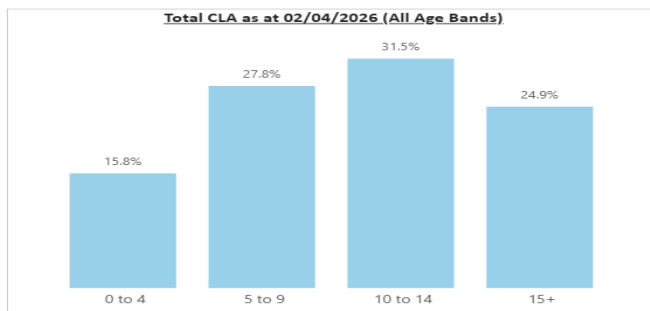


[CLA numbers and rates per 10,000 children aged under 18 years - by local authority. Data set from Children looked after in England including adoptions - Explore education statistics - GOV.UK](https://www.gov.uk/explore-education-statistics/data-sets/children-looked-after-in-england-including-adoptions)

As @ 31st March 2026 Shropshire have 666 looked after children this is a per 10,000 rate of 111.

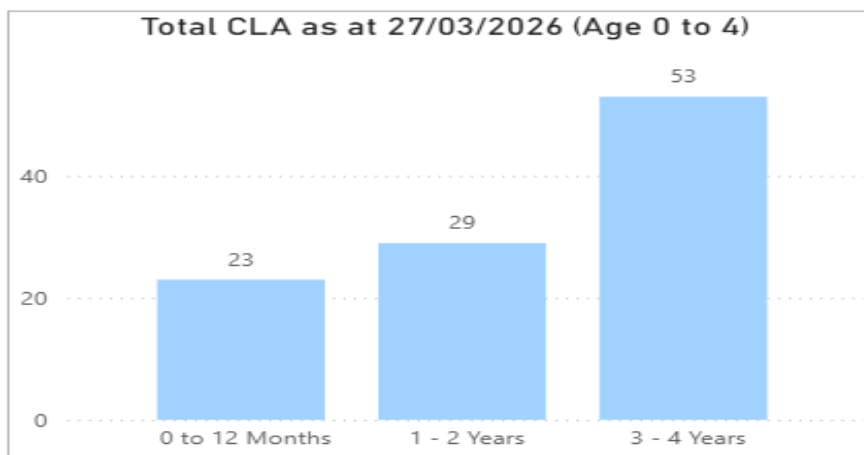


The chart below shows as @ 2nd April 2026 Total children looked after (all age bands).



7.20 The service continues to support a complex cohort of children, including those with significant trauma related needs, disabilities, and mental health needs.

7.21 The age profile of the CLA population remains a critical factor, As @ 27th March there were 105 children aged 4 and under, that is 16% of our total looked after children. DFE national statistics as at year end 2025, reported an average percentage of 12% for the 1 to 4yr age group looked after children (2025/2026 not published until November 2026)



7.22 23 of Shropshire's looked after children were under 1 as @ 27th March 2026: 3.5% of our total looked after children. These children have experienced abuse in their family home, and we have made court applications to begin Care proceedings based on this evidence. This usually results in them being placed for adoption or in other permanence arrangements outside of their direct birth family, to ensure their safety and ability to thrive into adulthood. Care proceedings for them are usually very timely and they spend the shortest time in local authority care. We know their development and well-being crucially requires formed attachments and committed long term carers/adoptive parents to enable their successful growth and development into the future.

7.23 This chart demonstrates the numbers of children 2 years and under that have been subject to care proceedings for the last 4 years.

No of 0–2-year-olds care proceedings initiated- average weeks in court proceedings 2021 - 2025.

*The second chart shows their outcomes when proceedings were concluded.

YEAR	Av weeks for 0-1 yo	Av weeks for 0-2 yo	No of 0-2 yo concluded
25/26	42 weeks	42 weeks	42
24/25	44 weeks	45 weeks	65
23/24	65 weeks	64 weeks	63
22/23	52 weeks	51 weeks	53
21/22	48 weeks	50 weeks	64

Court outcomes for 0–2-year-olds – 2021-2025

Year	Care					Designated to OLA	SGO	CAO	Adoption Order	Total children	PWP
	Care Order	Care & PO	Sup Order	No Order	Withdrawn						
25/26	12	13	12	2	1	1	1	0	0	42	1
24/25	20	23	16	1	1	0	2	1	1	65	2
23/24	29	22	8	1	0	0	1	2	0	63	7
22/23	16	27	8	0	2	0	0	0	0	53	8
21/22	29	19	9	4	1	1	1	0	0	64	8

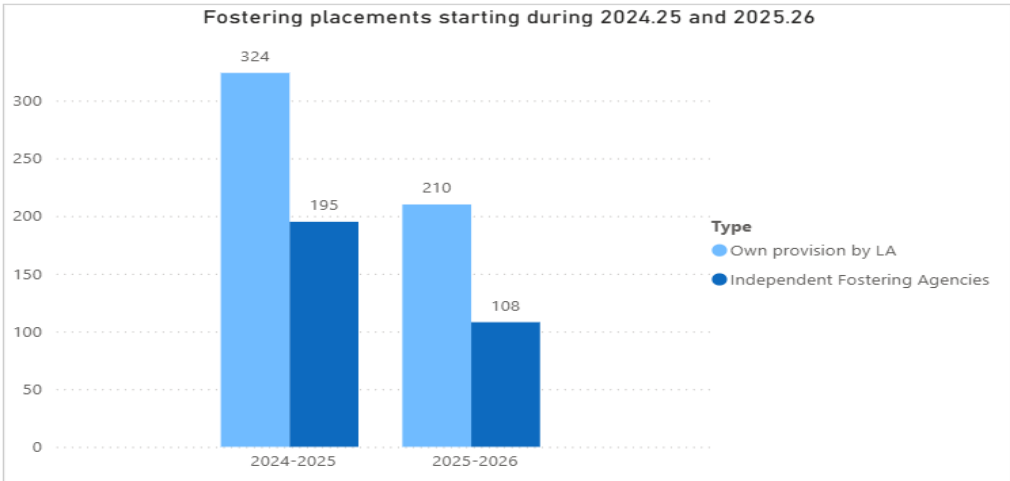
7.24 Targeted work continues to prioritise reunification, Special Guardianship Orders (SGO), and other family-based permanence options for younger children wherever it is safe and appropriate to do so. This includes strengthened assessment, review, and decision-making processes to ensure permanence planning remains timely, robust and child focused.

Key Cost Drivers

7.25 The principal cost pressures related to Residential Care Homes, within Children's Services arise from a combination of demand, complexity, and external market conditions.

Placement Sufficiency Challenges

- 7.26 Local sufficiency remains constrained, particularly in relation to, specialist foster care and cost-effective residential provision in the private sector. This has increased reliance on externally commissioned and spot purchased independent foster carers and residential placements, which carry the highest unit costs. In some cases, placement searches are prolonged due to limited availability, further increasing pressure on budgets and operational teams.
- 7.27 The chart below demonstrates the numbers of foster placements accessed 2024/2026. It shows the reduction in use of PR4 Private provision e.g. Independent Fostering agencies (IFAs) and levels of use of our in-house Shropshire foster carers. We will always endeavour to identify an in house foster placement first, if family and friends are unable to offer safe care at the time it is needed for any child.



A Fostering briefing is attached as **Appendix 2** and outlines the impact and outcomes re marketing and increasing of in house foster carer capacity.

Edge of Care

- 7.28 We will always consider how we can support the family best and ensure children are safe and having their needs met, before any consideration of them coming into care.
- 7.29 Packages of support including advice and direct work re parenting and building parents confidence continue to enable children and young people not to come into care and remain at home safely and sustainably.
- 7.30 Working together across the teams with additional support and guidance from The Stepping Stones Service, has secured the following numbers of prevention and step downs for children and young people.

Year	CYP avoided becoming CLA	CYP stepped down from residential to either foster, supported accommodation, or home	CYP stepped down from foster to home
2023/24	75	17	22
2024/25	84	18	32
2025/26	74	16	26

Residential Care Usage

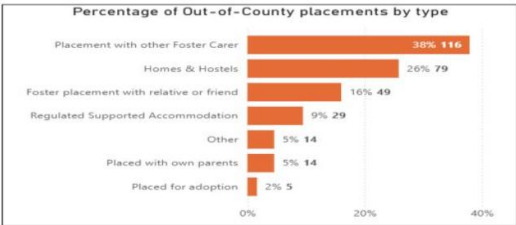
- 7.31 Residential care remains the main cost driver. Although these placements are suitable and beneficial for some children with severe trauma or complex needs, prolonged use - especially when stepdown options are delayed or unavailable—creates financial and emotional challenges.
- 7.32 Children under 12 should be considered for specialist residential homes only in exceptional circumstances, following thorough commissioning processes and comprehensive needs assessments. Research indicates that a family home environment is most conducive to children's development, particularly during their formative years as infants, toddlers, and those under 12 years of age.
- 7.33 The service is continuing to take ongoing action to address this issue and anticipate that the recommendations presented in this paper will make a meaningful contribution toward this objective.
- 7.34 It is essential that children are placed in appropriate family environments; and residential care should be identified only for children where comprehensive assessment of response to abuse and trauma, and/or specialised needs, indicates such intervention is necessary to ensure the child's safety and well-being.
- 7.35 Our internal homes are always considered if residential is required and/or fostering may not meet the child's presenting needs at that time, or there have been breakdowns or disruptions in a crises situation.
- 7.36 10 children are currently placed in our children's homes, including a sibling group. One vacancy is being held in one home to enable enhanced staffing for a child with complex needs, this is reviewed weekly, daily and will be part of the newly developed panels considerations. One 2 bed home is due to reopen in May 2026 following recruitment of staff for the team.

Out of County Placements:


- 7.37 Approximately 30% of CLA are placed out of county, these are not all residential homes, it is all type of provision and includes those living in Telford and Wrekin, which is effectively within the Shropshire boundary.
- 7.38 The chart below is the overview of all children and young people placed in homes out of the county and the type of home arrangement they are living in out of the county as @ 27th March 2026.

CLA currently placed at a distance (out of county)

As at 27th March 2026, of 665 children looked after, 306 are placed outside of Shropshire.
This includes Telford and Wrekin geographically it is within our borders despite being a separate Local Authority.
Of these, 184, 60% are placed in family settings, as below:

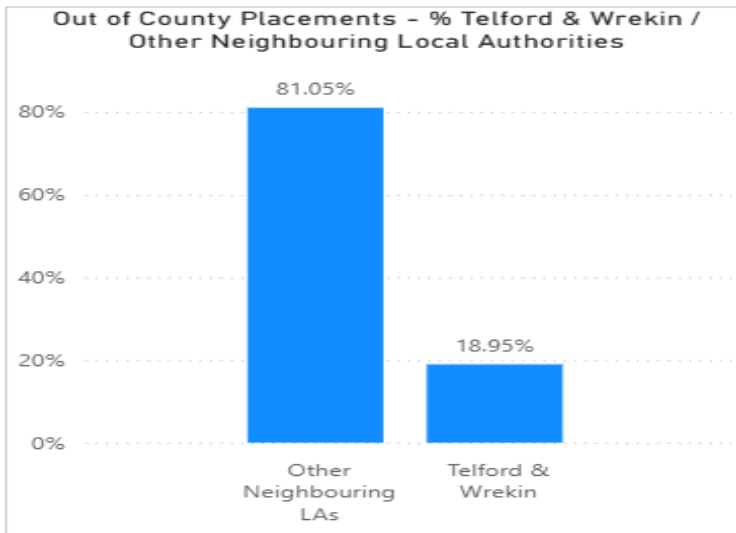


Placement Type	Percentage	Count
Placement with other Foster Carer	38%	116
Homes & Hostels	26%	79
Foster placement with relative or friend	16%	49
Regulated Supported Accommodation	9%	29
Other	5%	14
Placed with own parents	5%	14
Placed for adoption	2%	5

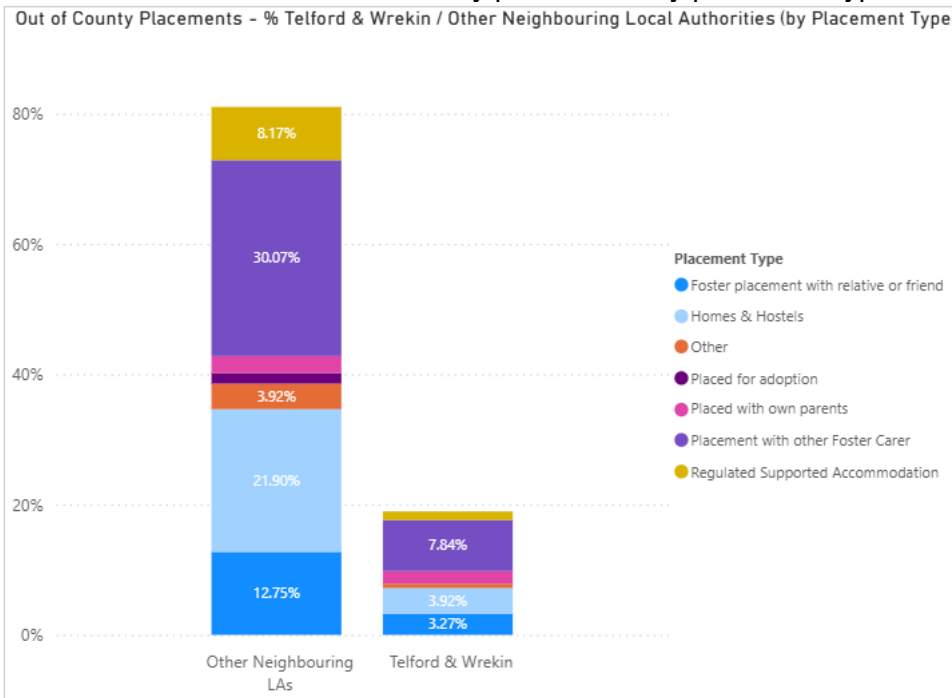


Children placed Out of County by Postcode

The chart below shows the % of Out of County placements split between Telford and Wrekin and Other Local Authorities:



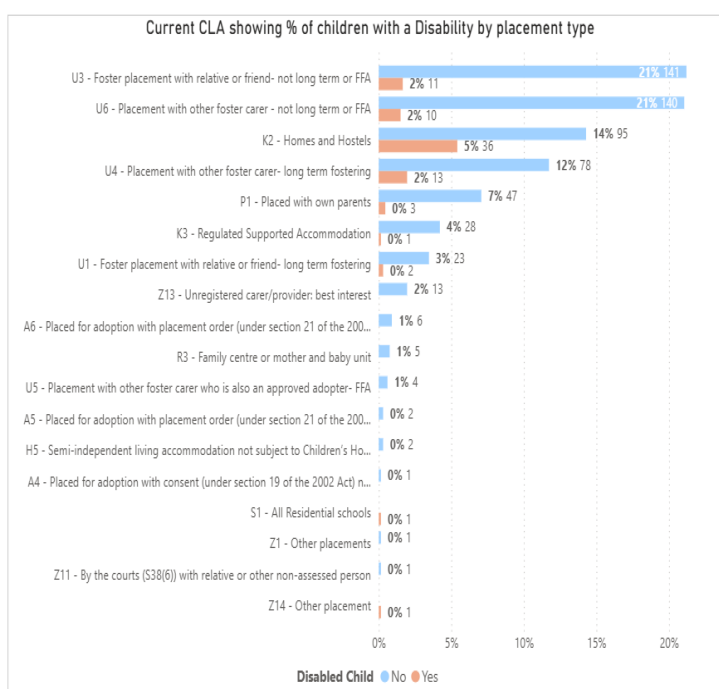
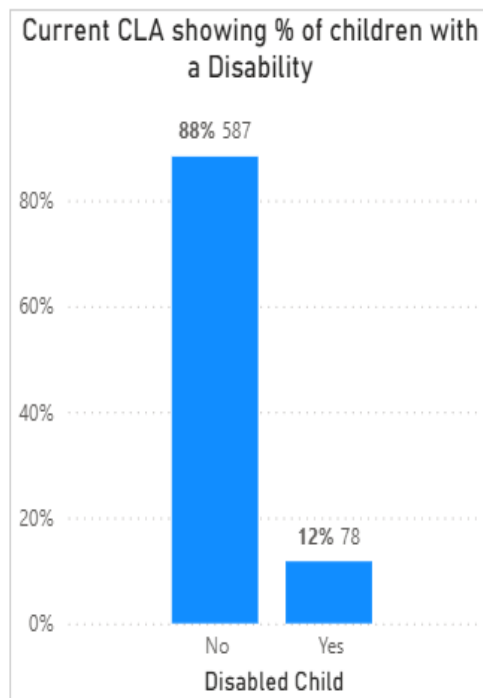
The chart below shows Out of County placements by placement type.



Demand and Complexity

7.39 Children entering care increasingly present with complex needs, including disability, trauma, and neurodevelopmental challenges. The ongoing receipt of UASC also contributes to overall numbers and complexity.

*The charts below shows the % of children looked after that have complex needs due to their individual disabilities and care needs and the placement types they are in.

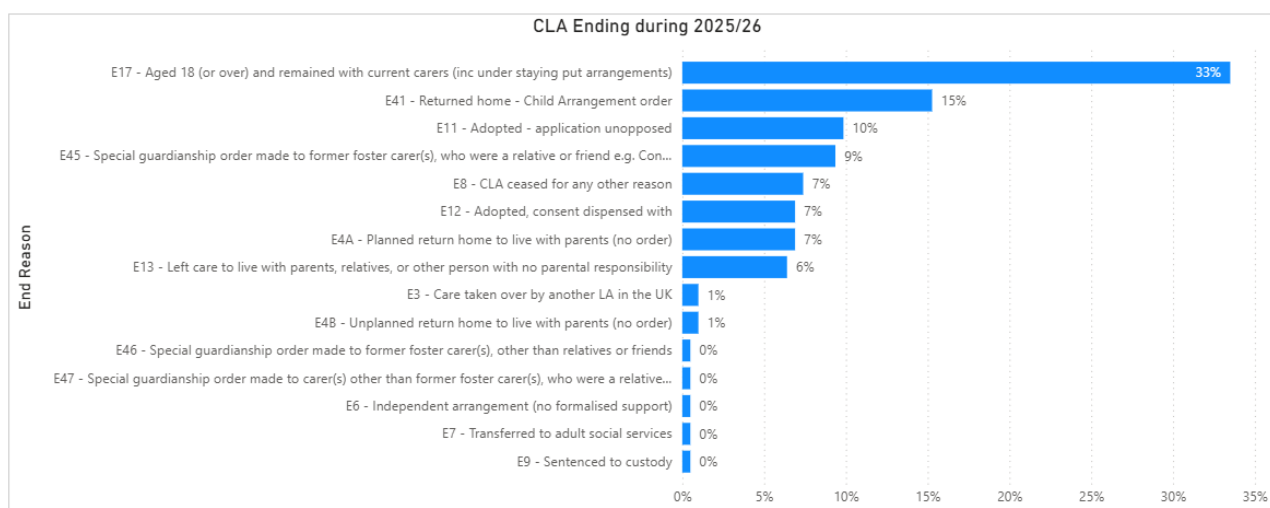


Placement Instability and Late Planning

7.40 Evidence indicates that a range of issues contribute to the prolonged use of higher cost provision. Homes giving immediate or short notice periods when incidents happen with complex children. The commissioning team are working to support operational teams with addressing these incidents through contractual compliance. On occasion late planning or delayed escalation of placement searches and placement instability can contribute to prolonged use of higher cost provision. Work is being undertaken to learn more from placement breakdowns, to improve future planning and decision making.

Children leaving care and their destinations 2025/2026.

7.41 The following shows the outcomes for children that leave our care by %. Of note is the high proportion that remain in family settings, including their own families and foster carers.



Strengthening Forward Planning and Commissioning

7.42 The council is actively developing a culture of robust forward planning within its commissioning frameworks. This has included updating of the children's sufficiency assessment. This approach involves enhanced collaboration between various teams across the organisation, aiming to streamline processes and improve outcomes for children at risk. By establishing a single point of contact for oversight and decision making, the council seeks to minimise drift and delays that can occur. These improvements are particularly critical when staff are working to secure new homes for vulnerable children, ensuring that the process is efficient and responsive to their needs. The focus on proactive planning and coordinated action is expected to support better placement stability and timeliness, delivering improved care for children at risk of harm. Working within the West Midlands framework for residential provision enables regional agreements for contracts, costs, and quality standards to be agreed.

Key Risks for Members

7.43 Members are asked to note the following key risks:

- Continued volatility in placement demand and exposure to high-cost residential provision.
- Risk of prolonged use of residential care where suitable stepdown or family-based options are delayed or unavailable.
- External market pressures, including limited specialist capacity and rising unit costs, which remain outside the Council's direct control.
- There are many private homes operating in Shropshire, many of these take children from any Local Authority in the country, often meaning beds are not available in county and we must place children out of county.

7.44 These risks will be mitigated against through strengthened governance, strengthened and developing commissioning approaches, improved decision making, maximised use of internal provision and earlier intervention. However, Members should note that financial pressure is likely to persist while national market conditions remain challenging. The Government is leading on National

changes and developments to address the issue of the private children's home market, and these measures will support the work across a national footprint.

National Context – Residential and Foster Care Sufficiency

- 7.45 The pressures experienced locally reflect a **wider national challenge**. Across England, local authorities face sustained difficulties in recruiting and retaining foster carers alongside a constrained and increasingly expensive residential care market. Despite the national reduction in available foster carers Shropshire has bucked that trend the last 2 years with recruitment. With the investment in marketing and recruitment
- 7.46 National reforms are underway, including increased support for kinship care, national foster carer recruitment initiatives, and the development of **Regional Care Cooperatives**. These reforms aim to improve sufficiency, stability, and public sector influence over the care market. While they are expected to support longer term sustainability, progress is anticipated to be incremental.

Plans and Mitigations to Address Cost Pressures

A. Strengthening Care Planning and Decision Making

The service has strengthened care planning through earlier and more consistent application of the **Stable Homes** approach, looking at how support can be provided in a structured and co-ordinated way, through Stepping Stones at the start of a child living with the foster family, Independent Reviewing Officers are applying enhanced challenge within CLA reviews and clearer expectations around timely, evidence based decision making. **Financial benefit:** reduced escalation to high-cost placements.

B. Systemic Review of Panels and Processes

Decision making structures are being streamlined, including development of an all-children's resource and allocation panel involving finance and commissioning colleagues, improving consistency and oversight. **Financial benefit:** improved control of placement spend and reduced avoidable costs.

C. Increasing Use of Local Family Based Care

The service continues to prioritise reunification, SGO and other family-based permanence options, supported by improved assessment and review processes. **Financial benefit:** stepdown from high-cost residential provision.

D. Enhancing Internal Residential and Fostering Capacity

Internal children's homes are prioritised wherever appropriate, with work underway to expand fostering capacity and reduce reliance on spot purchased placements. **Financial benefit:** reduced premium costs and improved predictability of spend.

E. Strengthening Partnership Working

Multiagency support continue to play a key role in preventing escalation into care. Helping people to understand the preventative role they play and ensuring this is embedded in a consistent way remains a key priority for Families First Partnership
Financial benefit: prevention of entry into care.

8. Additional Information

8.1 None

9 Conclusions

- 9.1 Children's Services has delivered a strong end of year performance position for 2025–26, consolidating post inspection improvement and achieving a sustained reduction in CLA numbers. (See Appendix 1 CHAT 30.03.26)
- 9.2 However, the service continues to operate within a challenging financial and market context. The high use of residential placements, particularly externally commissioned provision, remains the most significant cost driver.
- 9.3 The Council is responding through a coordinated improvement programme focused on stabilising demand, strengthening sufficiency, improving financial control, and delivering better outcomes for children. Working with multi agency partners, finance, and commissioning colleagues to build a "one child one place" solutions panel. Alongside the strengthening of commissioning oversight and offer for children's services placements and brokerage activities.
- 9.4 These actions should provide assurance that risks are understood, mitigations are in place and progress will continue to be closely monitored during 2026–27.

Local Member: *Applicable to all Members*

Appendices

Appendix 1 - Children's services Analysis Tool (ChAT) Based on Ofsted's ILACS Annex A dataset / Inspection Report. dated 31.03.26.

Appendix 2 – Fostering Briefing Dated 31.03.26