

Wrap up of market sounding session:

Increasing permanency for children in out of home care

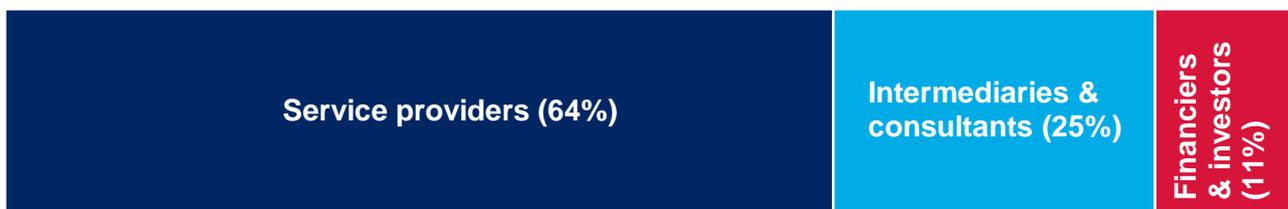
2.00 – 4.30pm

14 July 2016

Level 21, 52 Martin Place Sydney

Participants

28 people attended:



Workshop discussion

Each table was assigned a question to discuss and report back to the group. Questions and responses are outlined below.

What are the barriers to open adoption for children in out of home care?

Barriers emerge in a few different areas. Firstly, at the front end of the statutory child protection system, caseworker practice, experience and culture influence the preferred placement option included in a child's care plan. Providers feel they have little control over the development of care plans and whether those plans include open adoption as the preferred placement option. If a plan does not specify open adoption, it does not necessarily mean adoption is not appropriate for a child, but it may limit the actions of a provider.

Secondly, the two stage process of the Children's Court ordering the child's removal and the Supreme Court approving the adoption order is not well understood by caseworkers. It is likely that specialist expertise is required. There are limited providers who currently have the skills and capabilities for this work.

Thirdly, there are significant unknowns about children already in care, such as:

- family or cultural issues that have not been uncovered, for example, Indigeneity of the child (which impacts on the appropriateness of open adoption)
- child and/or foster parents may have little or no contact with birth parents even though a court order may require it
- foster parents may want to adopt a child but face barriers in proceeding with this option, such as their financial capacity to do so.



Fourthly, there is a lack of understanding of parents' and children's needs throughout this process. This is particularly important given that there is constantly emerging evidence of the impact of stress and trauma on child development. Better understanding these needs could impact significantly on decisions made about care.

Lastly, legal representation for birth parents is needed to ensure they are able to contest adoption if they want to.

Will investments lead to competition or collaboration between service providers in this area? How can we ensure our efforts benefit children?

Conceptually, we think it will increase collaboration given it seems to offer more funding and longer timeframes. Though, it could also result in providers collaborating in this space and competing in another. This seems especially true for multiservice organisations. Overall, we think the model itself is neutral – it neither encourages nor inhibits collaboration.

One of the challenges of collaboration, however, is how to achieve uniform performance in consortia and other partnerships. Governance is important to help mitigate variance in performance.

Collaboration may help to overcome issues of scale. If only 8 per cent of children in care can be adopted, and a provider manages 100 children, that is not many to build an investment around. Collaborating with other providers may help overcome this.

In terms of our efforts benefiting children, we talked about:

- avoiding perverse incentives
- putting in place robust measurement
- ensuring outcomes are clear and externally validated.

What sector capability and capacity issues should be considered? How can they be overcome?

We considered the need for caseworkers and resources to talk to birth parents about their options and prepare them for adoption. If this is done well, it could potentially expedite permanency planning.

We also discussed how people understand the adoptions process for children in care, particularly prospective families. More work is needed to help people talk about open adoption and make contact with organisations who can facilitate the process.

Lastly, there are few organisations accredited for adoption in NSW. More resources may be needed if we are going to scale up adoption. There is a question of whether this work should be done by specialist organisations rather than more generally across the sector. There needs to be a building of understanding of quality practice.

What data is required to develop proposals? How might we measure outcomes for any investment?

We talked about data in terms of supply and demand, outcomes, and process. For supply, it would be useful to know the number of potential adopters, their characteristics, and whether they correlate with good outcomes (if known). With demand, more fine grained data on children is needed, including:

- age
- where they are living
- Aboriginal status
- current provider
- quality of care received.

For financial outcomes, it would be helpful to see a breakdown of costs for different types of care. It would also be good to understand what 'success' means in this area – it is inevitable that some placements will breakdown and what does that mean for everyone involved? We also need to better understand the timeframe in which to measure financial and social outcomes. Positive outcomes are likely to linger beyond the lifetime of the contract. Health and education outcomes of participating children may be difficult to measure once they have been permanently placed or adopted. If they are no longer in the system, how do we keep track of them? We also wondered if it would be possible to bring in financial outcomes that accrue to the federal government, since they are also likely to benefit from positive outcomes in this area.

It would be good to understand the data we have on the process, such as:

- the success rate of adoption
- the time taken to finalise an adoption
- what exactly is involved in the process and at what point decisions are made.

Are we focused on the right outcomes and cohort? What else could be considered?

Broadly, we thought that the outcomes and cohort proposed were right – the rationale seems sound. We agreed that there are benefits in targeting children aged 0-5 years.

We thought there may also be opportunities with other sub-cohorts like children whose parents consent to adoption. This would impact on the timeliness and outcomes for children in placement.

We also considered the need for a broader wellbeing measure for children, though obviously the health and education outcomes may form part of that.

We discussed the tension between the timeliness of the process and ensuring the appropriateness of the match. The quality of care for children during the process is important and could be another indicator that is tracked.

Questions and answers

The big issue seems to be the number of children in care that each organisation has. Is this too small for social impact investment or should there be consortia to scale up?

There are a few different ways to look at how many children we can work with. If we simply look at the children currently placed, then there is probably not enough. But we should also consider the children entering care. We should think about whether we need a specialist provider that only deals with new entries to care and places them as quickly and appropriately as possible. We can also consider the parts of the process that could be managed by NGOs.

On the investment side of things, clearly the greater the numbers, the greater the size of the investment. However, the social benefit bonds are not large investments and we do not discount proposals on the basis of investment size. We encourage partnerships in this space and we leave it to the market to tell us how they prefer to manage those arrangements.

We could also consider an arrangement with multiple providers working under an umbrella with a single manager. There are many overseas examples, particularly in the US and UK, where this type of arrangement has been used.

Is there just the one EOI process in September-October?

We don't run a two stage EOI-RFP process for social impact investment in NSW. We run regular RFPs (requests for proposals). While they may identify one or two priority policy areas, they are not limited to those areas. We invite the market to submit proposals in any area if they have a good idea.

What baseline data is available to help prepare proposals?

A lot of information was provided today that will help you get started. We will also consider the feedback provided during the workshop to see if we can provide more data and information in RFP documents. If that still isn't sufficient, you can request specific data during the RFP period, which we will consider on a case by case basis.

There is more opportunity to access detailed data in the joint development phase, once confidentiality agreements are in place.

How does this policy problem fit within the broader changes in the department? In the UK, the Peterborough social impact bond was discontinued because measuring outcomes became difficult after national reforms to probation were rolled out.

A range of reforms are underway in FACS stretching from before care, to in care, to leaving care. This work is one part of that puzzle. We are working on establishing permanency panels, which would consider all permanency options for children within 30 days of entering care. A panel is running in one district and we are considering how we roll it out state wide. This type of work may



complement an adoption-focused social impact investment by identifying more kids for adoption, where suitable.

In terms of measurement, we do prefer to use a live comparison group as the counterfactual in social impact investment. However, where this isn't possible – like in Peterborough – we will consider other options that still provide robust measurement. Some of these options are outlined in our [Technical guide for outcomes measurement](#).

Does the government have a risk mitigation strategy for how this type of arrangement may be perceived or is this something that proposals need to address?

We did experience some disquiet in the early days of the first two social benefit bonds, even in FACS. We handled it by very clearly communicating that this was about getting better outcomes for vulnerable children and their families, and that payments were closely linked to these outcomes. If we go ahead with a social impact investment in this area, we will need to develop a communications strategy and engage with case workers so that they understand the rationale and process.

We do not expect proponents to address this in their proposals. This work will be done in the joint development phase.

