

Report to Cabinet

Acceptance and Delivery of Department for Education Fostering Programme Funding

Officer Contact:

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Report Author:

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Reason for Decision

This paper seeks agreement for Oldham Council to progress the transition from the current fostering recruitment hub to an end-to-end fostering hub model. Building on the progress already made through the regional recruitment approach, the proposed model seeks to create a more integrated and consistent pathway for prospective foster carers, extending beyond initial enquiry and recruitment activity into assessment, approval and ongoing support.

The Fostering Hub is expected to go live by 30 September 2026.

Summary

The Department for Education has approved the Foster for Greater Manchester End-to-End Fostering Hub business case and confirmed funding to support implementation from September 2026. In addition, Greater Manchester Combined Authority has secured significant investment through the Fostering Innovation Fund and Room Makers programme.

The funding will support foster carer recruitment, retention and sufficiency across Greater Manchester, increase the availability of local family-based placements, reduce reliance on residential care, and improve outcomes for children in care.

The Greater Manchester (GM) Fostering Hub was established to provide a coordinated regional approach to foster carer recruitment across Greater Manchester. The Hub is hosted by Rochdale Borough Council on behalf of the ten Greater Manchester local authorities, operating under an established Memorandum of Understanding. The current arrangement supports the regional recruitment model, focusing on marketing, enquiry management, initial screening and early applicant engagement. This collaborative approach provides partners with a shared platform, dedicated hub capacity and coordinated resources that strengthen the front end of the fostering pathway. At the same time, responsibility for foster carer assessment, approval and ongoing support remains with individual local authorities.

The new proposed model is for the GM Fostering Hub to complete all tasks for recruitment, assessment and training of new mainstream foster carers. 'Recruitment' of Kinship carers will remain with individual local authorities. The model represents a significant opportunity to strengthen the regional fostering offer, improve the experience of applicants and carers, and increase the availability of stable, local family-based placements for children.

Recommendations

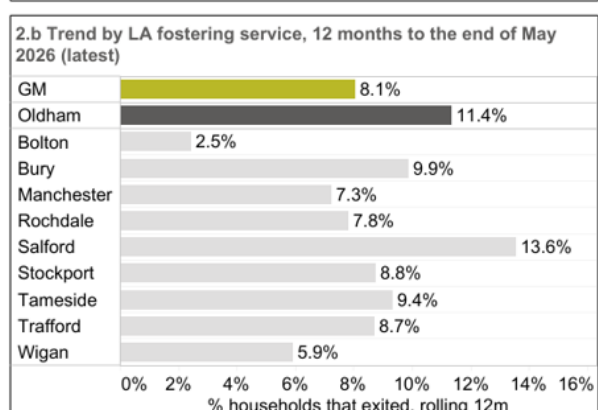
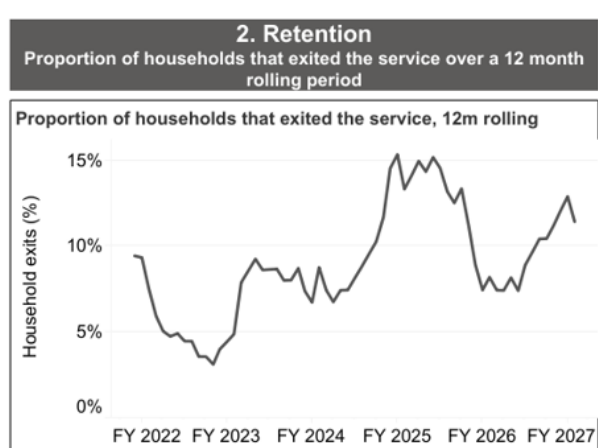
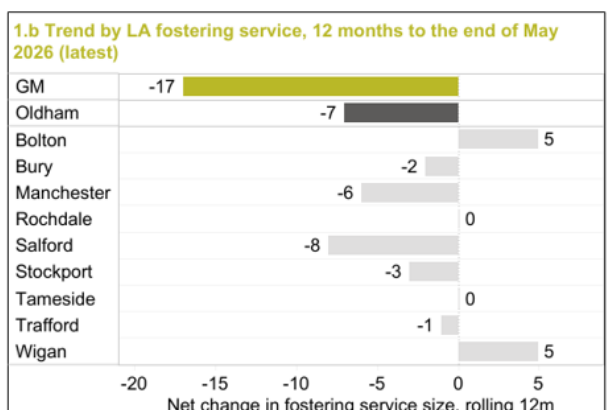
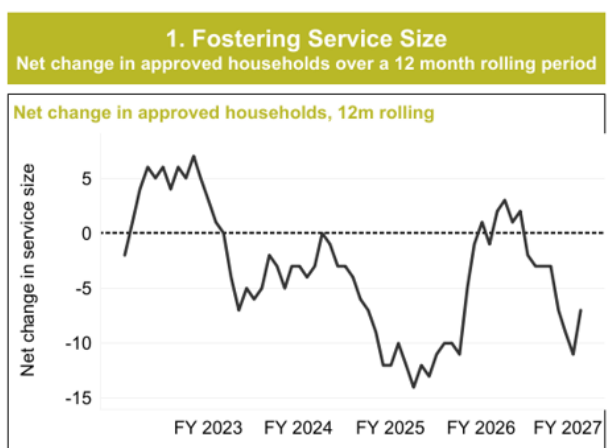
1. Approve participation in the Greater Manchester fostering programmes and associated governance arrangements.
2. Approve acceptance of the DfE funding made available through the Foster for Greater Manchester Hub arrangements.
3. Delegate authority to the Executive Director Childrens Services of Oldham Council to enter any grant, partnership and delivery agreements required to implement the programmes.
4. Note the financial and operational implications outlined within this report.

Transition to an 'End-to-End' Fostering Recruitment Hub

1. Background and National context

- 1.1 The Government's children's social care reform programme includes the establishment of regional fostering hubs to increase foster care capacity and improve recruitment and retention. This was set out in a Government paper in February 2026 - Renewing Fostering: homes for 10,000 more children.
- 1.2 The Department for Education has approved the Foster for Greater Manchester End-to-End Fostering Hub implementation plan. The Hub brings together the ten Greater Manchester local authorities to deliver a coordinated regional fostering service.

- 1.3 The proposal is aligned to the national policy direction set out by the DfE in ‘Renewing Fostering: homes for 10,000 more children, which sets out the Governments ambition to create 10,000 additional foster care places by the end of the current Parliament.
- 1.4 The reforms respond to the decline in foster carer places and the growing pressures on Local Authorities to secure the right placements for children, close to their families, schools and communities. As of March 2025, the total number of fostering households continued to decrease reducing to 7% nationally since 2021. In the Northwest, mainstream fostering recruitment declined by 2% from April 2024 to March 2025.



2 Greater Manchester Context

- 2.1 Securing sufficient fostering households remains a significant challenge across Greater Manchester. By the end of 2024/25, the number of Greater Manchester children in mainstream fostering placements was 7% lower than six years earlier, with a sharper 10% reduction in in-house mainstream placements. Over the same period, mainstream residential placements across all provider types increased by 41%. The resulting increased reliance on residential care continues to create significant financial pressure across all Greater Manchester Local Authority budgets. The latest published outturn figures for local authority revenue expenditure suggests Greater Manchester collectively spent at least £920m on children's social care across 2024/25, including over £530m purely on looked after children.
- 2.2 Nationally, the fostering system is experiencing similar pressures. Mainstream fostering households in England have continued to decline over the past four years,

while the number of children looked after remains high, with 81,770 children in care at 31 March 2025. Foster care remains the largest placement type, but reducing household availability, increasing complexity and growing reliance on alternative provision continue to place significant pressure on local authority budgets. In 2024/25, Children’s Social Care expenditure in England reached £15.7bn, increasing by £488m in real terms from the previous year.

- 2.3 The Foster for Greater Manchester Hub is already demonstrating measurable improvement at the frontend of the recruitment pathway. Since its launch, 99.8% of initial enquiries have been responded to within one working day, more than a quarter of initial enquiries have converted to an initial visit, and conversion from initial visit to application has increased by 10 percentage points, reaching its highest level in three years. The first-year review also found that 51% of initial visits converted to application, compared with 41% in the 12 months prior to May 2024, while initial enquiry to initial visit conversion improved by seven percentage points.
- 2.4 The introduction of foster carer ambassadors (individuals with experience dedicated to supporting applicants) has strengthened applicant engagement, with application rates 36% higher for households supported by an ambassador. More recent performance data also shows a strengthening pipeline, with households in assessment increasing by 30% compared with the previous year and 11 approvals recorded in May 2026. However, approvals remain below the DfE baseline, with 106 approvals against a baseline of 116, and there remains significant variation in application-to-approval conversion across local authorities, ranging from 11.1% to 51.7%. This supports the case for moving to an end-to-end model, which would allow Greater Manchester to build on improved early-stage performance while creating greater consistency, grip and accountability across assessment and approval.
- 2.5 In Oldham, although services perform comparatively well with 64% of children in care placed with foster carers, recruitment and retention remains a continual challenge and part of our key strategic priorities. Oldham has recruited 20 carers since the initiation of the GM Recruitment Hub in June 2024. This initiative will look to increase this further and increase the number of children in foster care and reduce the number of children in residential care, which, as described, is a key budgetary pressure.

3 Current position

- 3.1 Approvals in Greater Manchester remain below the DfE baseline. The move from a recruitment hub to an end fostering hub supports the case for this transition as would allow Greater Manchester to build on improved early stage performance in the recruitment hub while creating greater consistency, grip and accountability across assessment and approval.
- 3.2 The additional funding and shift towards a more regionalised approach are underpinned by ambitious targets, set by the Government. This has moved away from the number of new carers approved to the number of new placements, including existing fostering capacity.

	July - March 2026/27	2027/28	2028/29
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Newly approved places	197	403	485
Total foster capacity	2811	3063	3413

4 Contributions

- 4.1 It is proposed that Local Authority contributions are calculated through a weighted average formula. This approach has been developed to provide a fairer distribution of costs by averaging a set of indicators, including children looked after numbers and working-age population, so that no single factor disproportionately determines an authority's contribution.
- 4.2 The weighted formula will be applied to the total operating cost of the hub encompassing existing hub staff, new staff posts and associated costs e.g. facilities, equipment, panel costs. Based on known operational costs this equates to the following contribution for each Local Authority covering September 2026 – March 2027, and 2027/28. Whilst the existing costs associated with the fostering hub will be covered by an equal ten-way split and DfE Funding.
- 4.3 The Department for Education has confirmed one off funding in 2026/27 of £790,067 for the Greater Manchester End-to-End Fostering Hub. The funding comprises:

Communications: £80,797
 Hub Sustainability: £289,237
 End-to-End Transition Funding: £370,033
 Project Management £50,000

Oldham 2026/27 costs (September 2026 to March 2027)

LA	Weighted average	2026/27 cash requirement	2026/27 staff in kind	Total contributions Sept 26 to March 27 (6 months)
Oldham	9.64%	£45,000	£121,620.71	£166,620.71

2027/2028 costs

2027/28 staff in kind	2027/28 cash requirement	2027/28 Total contribution
£250,538.65	£186,871.02	£437,409.68

- 4.4 The delivery of the programme will require officer engagement and support in kind, including participation in regional governance, performance reporting, recruitment activity, implementation of innovation projects and operational delivery arrangements. Existing staffing resources will be utilised wherever possible, and any future requirement for additional financial contributions will be subject to separate approval processes.

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- 4.5 In terms of staffing in kind for 26/27 we have identified two Supervising Social Workers who have reported an interest in being seconded to the hub. For 2027/2028 we are working with the fostering team to identify a further two Supervising Social Workers.
- 4.6 Local Authority contributions and Hub performance are to be reviewed at the two-year point from implementation.

5 Workforce Implications

- 5.1 Several workforce discussions and joint workshops have taken place with LA Fostering Leads and HR Leads. These have focused on establishing a fair and proportionate approach to resourcing the expanded Hub, while providing stability for existing staff and maintaining continuity of service during implementation. The agreed approach is to recruit to the Hub through two-year secondment arrangements, with staff retaining their existing terms and conditions during the secondment period. This will be communicated to staff as a transitional arrangement, with the expectation that a longer-term TUPE arrangement may be required in due course, similar to the approach taken in establishing the Regional Adoption Agency.

6 Legal

- 6.1 The current GM Fostering Hub is hosted by Rochdale Borough Council on behalf of the ten Greater Manchester local authorities under an existing Memorandum of Understanding. This arrangement supports the current regional recruitment model, focused on marketing, enquiry management, initial screening and early applicant engagement. However, it does not provide a sufficient legal basis for the proposed end-to-end operating model, which would extend the Hub's role into assessment, approval coordination and wider pathway management on behalf of the partnership.
- 6.2 A new formal partnership and hosting agreement is required to define the role, responsibilities and obligations of Rochdale as host authority and each participating local authority, including governance, decision-making, accountability, financial contributions, staffing arrangements, information governance, IT access, insurance, indemnity, risk management, dispute resolution and termination arrangements.
- 6.3 The development of the new legal agreement is being overseen by Rochdale Council's legal services as part of the overall implementation plan and will be reviewed by Oldham Council's Legal Service before finalisation. This will ensure the expanded Hub has the necessary legal framework in place ahead of go-live.

7 Next Steps

- 7.1 The next steps are to confirm local authority commitment to the proposed end-to-end Hub model, funding formula and contribution arrangements; finalise the legal partnership and hosting agreement with Rochdale Council as host authority; progress workforce engagement and the phased recruitment approach; and complete the operational implementation plan to support go-live from 30th September 2026. This includes visibility from each LA on the approach to political approval and the subsequent implementation timescales.

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- 7.2 Progress will be overseen through the programme governance arrangements, with a focus on ensuring the Hub is able to meet DfE expectations, maintain continuity for staff and applicants, and strengthen performance across the full fostering recruitment, assessment and approval pathway. A formal review of the funding formula, operating model and performance impact will take place at the two-year point to assess delivery against agreed objectives, including increased fostering capacity, improved applicant conversion and reduced reliance on higher-cost residential placements.
- 7.3 A minimum two-year commitment is recommended to provide sufficient time to fully implement and test the end-to-end Hub approach, evidence its impact on applicant conversion, assessment timeliness and fostering sufficiency, and allow the partnership to make an informed decision on the longer-term operating model. This period also provides stability for staff, host authority arrangements and commissioned support, recognising that secondments, staffing commitments and associated contracts cannot be ended earlier without creating operational risk, potential cost liabilities and disruption to the delivery of the Hub.

8 Innovation Funding

- 8.1 In addition, Greater Manchester Combined Authority has also secured the following additional investments which is conditional on participation in the end-to-end hub:

Fostering Innovation Fund: £4.73m over 2026-2028
Room Makers Programme: £677,000
Mockingbird expansion funding: £800,000

The Fostering Innovation Fund has approved four projects:

- GM Hive Expansion (£1.927m) supporting foster carer retention.
- Remand Fostering (£978k) creating specialist fostering alternatives to custody.
- Transition Pathway (£1.07m) supporting children to move from residential care into fostering.
- HOME (£776k) removing housing barriers that prevent potential foster carers from offering placements.

9 Options/Alternatives

- 9.1 The Children's Social Care Reform Programme establishes fostering hubs as a key element of the Government's national reform agenda of social care. The Department for Education has approved Greater Manchester's End-to-End Fostering Hub model and has provided substantial funding to support implementation and delivery. Local authorities are therefore under a strong policy expectation to collaborate regionally to increase fostering capacity, improve recruitment and retention, and reduce reliance on residential care.

9.2 There is a strategic risk in not participating. National children's social care reforms are increasingly predicated on regional collaboration through foster recruitment hubs and Regional Care Co-operatives. The Government has made clear its expectation that fostering recruitment and sufficiency planning will operate on a more regional basis in future. Non-participation could leave Oldham isolated from future developments, investments and system reforms, whilst limiting its ability to influence the design of arrangements that are likely to become the prevailing model across England.

9.3 Preferred option

Accept the proposal, securing access to DfE core funding and innovation funding, supports recruitment, retention of foster carers and increases placement sufficiency. This enables Oldham to benefit from regional expertise, commissioning and innovation and contributes to reducing reliance on high-cost residential and external placements.

10 Consultation

10.1 On the 4th August service leads and senior officers met with Trade Unions to share the proposals and workforce implications. Trade Unions confirmed they are able to support with any consultations if needed

11 Financial Implications

11.1 The report outlines the funding awarded to GMCA from the DfE in 2026/27 for the following:

- a) Fostering end-to-end hub transitional funding £790k
- b) Mockingbird Expansion £800k
- c) Room Makers £677k
- d) Fostering Innovation fund £4.73m

The funding is subject to the end-to-end hub being operational from September 2026.

11.2 Fostering end-to-end hub

Oldham's contribution (9.64%) to the hub in 2026/27 is £167k and this comprises £45k cash contribution and staff in kind £122k. The contribution is calculated through a combination of a weighted average formula and an equal 10-way split.

The service has identified 2 supervising social workers to be seconded to the hub from September 2026 which is a contribution of £60k. In addition, there is existing budgetary provision of £45k for contributions to the previous Fostering Hub and the recruitment budget of £15k, the remaining £47k will be met by charging an Advanced Practitioner in the Fostering Team to the Mockingbird funding (see 11.3).

The 2027/28 estimated cost increases to £437k; £187k cash contribution and staff in-kind £250k. The service is working through the additional resources to second to the hub in 2027/28 however it anticipates there will be 4 supervising social workers who transfer which equates to a contribution of £244k. In addition, there is budgetary provision of £60k which leaves a cash shortfall of £133k. It should be noted that GMCA are anticipating additional DfE Hub Sustainability funding in 2027/28 however this has not been confirmed. The shortfall will have to be met from within the placements budget with the assumption the hub will create additional foster placements therefore reducing demand on external placements.

There is a recognition that the targets for new foster placements are ambitious. GMCA are recommending that the funding formula, LA contributions and Hub performance are reviewed at the two-year point from implementation.

As with the current Fostering Hub, any associated costs with redundancy of Rochdale Hub posts will be shared equally across all 10 LA's.

- 11.3 The Mockingbird expansion will be additional funding of £80k per Local Authority which is to deliver one additional constellation and support existing provision already in place.
- 11.4 The Room Makers programme is for administering small capital grants to foster carers to make adaptations to their homes to offer an additional fostering place. The capital funding is up to £15k per project, paid in arrears for completed works.
- 11.5 The Fostering Innovation Hub £4.73m to deliver four projects to increase recruitment and retention of carers along with supporting young people to transition from expensive residential care into a family setting.

(Nicola Harrop – Finance Manager)

12 Procurement Implications

- 12.1 There are no procurement implications on receiving funding into the Council (e.g. via Grants). With regards to allocating / commissioning the funds referenced in this report, the Council must comply with Contract Procedure Rules (CPRs) and Procurement legislation (PA2023). The Commercial Procurement team will support with regards to compliance in relation to allocation / commissioning of the funds.

Tom Pyne - Assistant Director Procurement, Contract Management and Social Value 20/08/2026

13 Equality Impact, including implications for Children and Young People

- 13.1 Yes – please refer to Appendix

14 Human Resources Implications

- 14.1 The implementation of the Greater Manchester End-to-End Fostering Hub will require a contribution of staffing resources from Oldham Council as part of the agreed in-kind contribution arrangements.
- 14.2 For 2026/27, the service has identified two Supervising Social Workers who have expressed an interest in being seconded to the Hub. Subject to agreement, these officers will transfer on a temporary secondment basis and will remain employees of Oldham Council throughout the duration of the arrangement. Their existing contractual terms and conditions, including continuity of service, pay, pension and other employment benefits, will be maintained.
- 14.3 For 2027/28, a further two Supervising Social Worker posts are anticipated to be identified to support the Hub model, although discussions with the fostering service are ongoing to determine the most appropriate staffing arrangements and minimise operational impact on local service delivery.
- 14.4 The secondments will provide valuable professional development opportunities for employees whilst supporting the delivery of regional fostering priorities.
- 14.5 Initial discussions have taken place with recognised Trade Unions regarding the proposals and associated workforce implications. As employees will remain employed by Oldham Council and retain their existing terms and conditions, no substantive changes to contracts of employment are currently envisaged. The Council will continue to engage with affected employees and Trade Unions throughout implementation to ensure any workforce impacts are appropriately managed.
- 14.6 Overall, this proposal has limited workforce implications and there are HR processes in place to support the transition.

N.Needham - Workforce Business Partner – 14.08.2026

15 Key Decision

- 15.1 Yes

16 Key Decision Reference

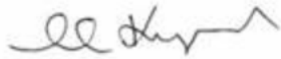
- 16.1 CYP-08-26

Approved by the Chief Executive following consultation with the political group leaders who were in attendance as follows:-

Cllr Mark Wilkinson
Cllr Max Woodvine
Cllr Mark Kenyon
Cllr Maggie Hurley
Cllr Kamran Ghafoor
Cllr Aisha Kouser
Cllr Arooj Shah
Cllr Elaine Taylor

Decision made under the authorisation contained in Section 9C (5) Delegations of Specific Officers of Part 3 (Responsibility for Functions) and Section 3.6 of Part 4 (Executive Procedure Rules) of the Council Constitution for the Chief Executive to take emergency decisions in respect of the Council's executive functions.

Signed:



Shelley Kipling, Chief Executive
Dated: 22/09/2026

Date of Group Leaders meeting: 21/09/2026

Summary of feedback from the political group leaders:

Group Leader's asked questions around the difficulty of recruiting foster carers.

Appendix

Equality Impact Assessment

Acceptance and delivery of Fostering Programme Funding

completed/last updated by Nick Whitbread on 20/08/2026

