

**North Yorkshire Council**

**Executive**

**12 May 2026**

**Regional Care Cooperative**

**Report of the Corporate Director, Children and Young People's Service**

**1.0 PURPOSE OF REPORT**

1.1 The purpose of this report is to outline the national direction of travel for Regional Care Cooperatives and seek delegated authority to progress a regional Expression of Interest should this be supported through Yorkshire and Humber discussions and admission onto the White Rose framework.

**2.0 SUMMARY**

2.1 This report sets out the national policy context and local considerations for the establishment of Regional Care Cooperatives (RCCs) following the Independent Review of Children's Social Care and subsequent Department for Education (DfE) guidance.

2.2 RCCs are intended to address longstanding market challenges in children's social care by enabling regional collaboration on sufficiency planning, commissioning, data and market-shaping. DfE has launched a two-year programme, supported by up to £1.7m per site, inviting Expressions of Interest from groups of local authorities.

2.3 The paper outlines the structure of the programme, operating models, eligibility criteria and the current Yorkshire and Humber position, including existing collaborative arrangements. It also sets out the emerging regional discussions and the decision making process underway, with recommendations sought to delegate authority to progress an Expression of Interest should this be supported at regional level to the Corporate Director for Children and Young People

**3.0 BACKGROUND and Policy Context**

3.1 In 2022, the Independent Review of Children's Social Care identified deep-rooted and systemic weaknesses in the children's social care market. A central recommendation was the creation of Regional Care Cooperatives (RCCs) as a structural response to long-standing market failure rather than isolated service pressures.

The Review highlighted four inter-related challenges that RCCs are intended to address:

- Rising numbers of children entering care, alongside a persistent shortage of appropriate local placements, particularly for children with complex needs
- A growing reliance on spot purchasing, driving cost inflation and reducing commissioning leverage
- Increasing use of unregistered or unregulated provision, undermining quality, safety and confidence in placements

- Fragmented data, intelligence and market oversight across local authorities, limiting effective forecasting, sufficiency planning and market-shaping

3.2 Despite significant public investment – with local authorities spending circa £9bn per annum on children’s social care outcomes for children have not consistently improved at the scale required. The Review concluded that individual local authority action alone could not rectify market dysfunction.

3.3 The underpinning policy assumption of the RCC model is that pooling commissioning power, strengthening forecasting, acting at regional scale and operating as a more coherent “single customer” would rebalance the market, improve quality and stability, and deliver better outcomes for children.

#### **4.0. Local Sufficiency Context**

4.1 Alongside the national drivers for reform, North Yorkshire Council continues to experience significant local challenges in meeting care sufficiency, reflecting both geographic and market-wide pressures. While the Council has a longstanding commitment to placing children locally wherever possible, there are ongoing difficulties in securing suitable, regulated placements, particularly for children with complex needs, adolescents requiring specialist provision, and children whose needs cannot be met within standard residential or foster care settings.

4.2 Because of constrained market capacity, the Council has, at times, relied on unregistered provision as a short-term and managed response to immediate need. While such arrangements are subject to robust oversight and risk management, their use highlights systemic weaknesses in the care market and carries inherent challenges in relation to quality, stability, regulatory compliance and cost. Reducing reliance on unregistered provision remains a clear priority for the Council.

4.3 Under section 22G of the Children Act 1989, the Council has a statutory duty to take steps to ensure that there is sufficient accommodation available for looked-after children, within its area and elsewhere, that meets their needs. The current pressures on sufficiency mean that discharging this duty increasingly more challenging and therefore now requires a different approach which involves working beyond North Yorkshire boundary, as this will support stronger market-shaping, forecasting and commissioning influence.

4.4 Addressing these challenges will form a core component of the Council’s sufficiency strategy, with a focus on increasing access to regulated, sustainable and high-quality placements, improving placement stability, and achieving better outcomes for children and young people. The Regional Care Cooperative model directly aligns with these objectives by enabling local authorities to work collectively at regional scale to influence the market, strengthen commissioning leverage, improve demand forecasting and plan provision more coherently.

#### **5.0. Pathfinder Programme and Direction of Travel**

5.1 In 2025, the Department for Education (DfE) launched two RCC pathfinder sites in Greater Manchester and the South East to test the feasibility and impact of the model in practice.

5.2 Evaluation of the pathfinders demonstrated that taking a coordinated, regional approach to macro-level care functions such as sufficiency planning, commissioning strategy, provider

engagement and data analytics, supports improved outcomes and more sustainable market management for children and young people.

5.3 Following this evidence, DfE has been explicit that RCCs are the intended future operating model, with a phased national rollout planned.

5.4 In March 2026, DfE published formal guidance for a two-year national RCC programme, inviting Expressions of Interest (EOIs) from groups of local authorities to further develop and refine the model ahead of wider implementation.

5.5 The programme has a total funding envelope of £10.4m, with up to six RCC test sites receiving up to £1.7m revenue funding each, profiled across two years. EOIs must be submitted by 12:00 noon on 22 May 2026.

## **6.0 Programme Phases and Expectations**

6.1 The DfE programme is structured across three phases, with clear expectations at each stage and an explicit trajectory beyond year two.

### **Foundation Stage (Year 1)**

Focuses on establishing the RCC as a functioning regional entity, including:

- Governance and leadership arrangements
- Programme management and staffing
- Shared commissioning principles and sufficiency strategy
- Data, forecasting and intelligence capability
- Initial market engagement at regional scale

### **Development Stage (Years 1–2)**

Builds operational maturity through:

- Coordinated commissioning activity
- Strengthened provider relationships
- Regional foster care and placement planning approaches
- Embedding market-shaping functions

### **Delivery Stage (end of Year 2 and beyond)**

By the end of the programme, RCCs are expected to:

- Operate as the primary regional mechanism for key care market functions
- Demonstrate measurable impact on placement stability, sufficiency and quality
- Be positioned to transition into ongoing, business-as-usual regional arrangements, aligned with future statutory expectations

## 7.0 RCC Operating Models

7.1 DfE permits two operating models, both of which are acceptable if minimum requirements are met:

- **Lead Local Authority Model**

One authority acts as accountable body, receiving funding and holding the majority of financial and delivery risk on behalf of partners.

- **Corporate Body Model**

A separate legal entity is established, wholly owned and controlled by public bodies (typically participating local authorities and, where appropriate, Integrated Care Boards or other statutory partners). This model spreads ownership and risk but requires greater setup complexity.

## 8.0 Eligibility and Geographic Alignment

8.1 To submit an EOI, the following criteria must be met:

- All participating local authorities must fall within a single, coherent RCC region
- Each local authority may participate in only one application
- Authorities must not already be part of an operational RCC

8.2 In line with Government policy on public service boundary alignment, RCC proposals are expected to align with existing or planned Strategic Authority footprints to support integration across children's social care, health, police, youth justice and education.

8.3 Proposals may span more than one Strategic Authority where this delivers clear operating benefits, but Strategic Authorities cannot be split across multiple RCCs.

## 9.0 Local and Regional Context – Yorkshire and Humber

9.1 Initial discussions have taken place across Directors of Children's Social Care within Yorkshire and Humber. The 14 local authorities in the region already collaborate through an established framework arrangement (The White Rose) for commissioning children's homes, independent fostering and SEND provision.

9.2 This long-standing partnership includes:

- Shared market intelligence
- Joint commissioning activity
- Existing data dashboards and placement systems

9.3 An initial mapping exercise has demonstrated that many of the DfE minimum requirements for the RCC foundation stage are already partially in place, meaning the partnership is relatively well positioned to progress at pace should an EOI be pursued.

9.4 Participation in an RCC may, however, require alignment with or re-entry into existing framework arrangements, with associated expectations around:

- Cost and contribution
- Stronger collective commissioning discipline
- Enhanced leverage and market stability benefits for all partners

## **10.0 Next Steps and Decision-Making**

10.1 Work is currently underway across all 14 local authorities, with a collaborative session scheduled for 8 May 2026.

10.2 The intended output of this working group is a clear recommendation to Directors of Children's Services on whether to:

- Submit a full Expression of Interest
- Submit a focused or partial proposal (for example, exploring specific RCC functions only and seeking funding to support this)
- Decide not to submit, with a clear explanation to DfE setting out how existing regional arrangements already meet elements of the programme's objectives

10.3 This approach ensures that any decision taken is collective, evidence-based and proportionate and reflects both the opportunities and implications of formal participation in the RCC programme.

## **11.0 CONSULTATION UNDERTAKEN AND RESPONSES**

11.1 No consultation has been undertaken at this time as it is not required at this stage, however if there is a collective decision to submit an EOI and it is successful there is a requirement to co design the delivery strategy which must be produced within the first 6-9months. Therefore consultation with relevant stakeholders will be factored in at this time.

## **12.0 CONTRIBUTION TO COUNCIL PRIORITIES**

12.1 Participation in the Regional Care Cooperative (RCC) directly supports the Council Plan priorities for children and families. It contributes to the Council's commitment to keeping children safe and providing stability for those in care by strengthening access to safe, compliant and sustainable placement provision through regional collaboration. The RCC also supports the Council's priority to reduce reliance on an increasingly volatile and costly external care market, improving financial sustainability and resilience. In addition, the RCC provides a formal mechanism to support delivery of the Council's response to national children's social care reform, aligning with expectations for greater regional collaboration while retaining local accountability.

## **13.0 ALTERNATIVE OPTIONS CONSIDERED**

13.1 Due to the requirement for local authorities to work together as a region on the development of an RCC, the options considered was for delegated authority not to be given at this time and therefore to not be a part of the potential regional EOI, for us to observe the next phase of models to be tested and join at a later date assuming we could become a part of the Yorkshire and Humber collaborative following any EOI.

13.2 However, given the Bill has now been passed through parliament the direction of travel is clear individual local authority approaches to placement commissioning are no longer sufficient on their own. Councils are therefore expected to work regionally, through formalised structures such as RCCs, to improve placement sufficiency, stabilise the market and deliver children's social care reform at scale. Early and proactive participation positions councils strongly for future phases of implementation and reduces the risk of later mandated arrangements.

#### **14.0 IMPACT ON OTHER SERVICES/ORGANISATIONS**

14.1 Joining the RCC would require changes to commissioning, governance and financial arrangements across the Council and with partner agencies. While statutory responsibilities remain local, delivery would take place within a more formalised regional system, with implications for finance, legal governance, partner engagement and organisational change management. These impacts are balanced by improved market stability, greater resilience and a clearer route to delivering national children's social care reform.

#### **15.0 FINANCIAL IMPLICATIONS**

15.1 Participation in the RCC has potential financial implications – it is likely to require a contribution to the costs of the Regional Care Collaborative. These are currently undetermined. However, there are anticipated medium- to long-term benefits through a compliant route to market, improved market stability and reduced placement costs. Whilst a Regional Care Collaborative offers greater 'buying power', the local authority will retain responsibility and accountability for the costs of caring for our children. Irrespective of the RCC, the local authority has been considering framework options to provide a compliant and efficient route to market. It also forms part of a wider approach to ensure sufficiency of placements to meet the needs of children and young people that require our care. However, it should be noted that the RCC and/or the White Rose framework may not provide all externally commissioned placements and some spot-purchasing may still be required.

15.2 The Department for Education have indicated that there is a funding allocation of up to £1.7million that will be made available to each of the 6 test sites. This is one off revenue funding that will be spread across two years, intended to enable a Regional Care Cooperative to be established likely costs include staffing, governance, commissioning, data infrastructure and market-shaping activity, rather than funding individual placements.

15.3 If the EOI is submitted it is highly likely that the White Rose framework will form the basis of the submission, and therefore consideration will need to be given as to how the allocation would be used in practice as much of the requirements for the funding are already in place.

15.4 However, it should be noted that the council will be required to join the White Rose framework in order to form part of the collaborative to submit the EOI. There is a current financial requirement to support the joining of the framework which comprises a lump sum of £2.5k and a formula applied to 50% of the number of children in care and 50% of the number of children accessing both residential and fostering placements. This is an annual fee which is recalculated each year in January following review of the previous years' activity.

#### **16.0 LEGAL IMPLICATIONS**

16.1 In accordance with the Financial Procedure Rules, a partnership governance risk assessment is to be completed prior to entering into a partnership.

- 16.2 In order to join the White Rose Framework, the Council would be required to enter into a partnership with the other members of the framework.
- 16.3 Legal Services will review any terms and conditions of associated with the RCC and the White Rose Framework (including any partnership agreements) and advise if any of the terms present an unacceptable risk.
- 16.4 Any awards of contracts made by the Council under the White Rose Framework will be in accordance with the Council's Procurement and Contract Procedure Rules and, to the extent applicable, the Public Contracts Regulations 2015 and the Procurement Act 2023.
- 16.5 In the event a decision is made to submit an Expression of Interest and the DfE approves the creation of a RCC, a further decision would be required to join the RCC and further legal advice would be provided at this stage. In the event that the chosen model is the Corporate Body Model, the decision to establish a corporate body would be referred back to the Executive.

## **17.0 EQUALITIES IMPLICATIONS**

- 17.1 EIA screening document completed see appendix A, no implications identified

## **18.0 CLIMATE CHANGE IMPLICATIONS**

- 18.1 No implications see appendix B for completed screening document

## **19.0 CONCLUSIONS**

19.1 The establishment of Regional Care Cooperatives represents a significant shift in how children's social care markets are expected to operate, responding directly to national reform and longstanding market challenges. The Department for Education has made clear that regional collaboration through formalised arrangements such as RCCs is the future direction of travel.

19.2 North Yorkshire Council continues to face increasing challenges in meeting care sufficiency locally, including difficulties in securing appropriate regulated placements and the consequential use of unregistered provision. These pressures directly impact the Council's ability to discharge its statutory duty under section 22G of the Children Act 1989 to secure sufficient accommodation for looked-after children. Addressing sufficiency and reducing reliance on unregulated provision will therefore remain a central priority within the Council's developing sufficiency strategy

19.3 North Yorkshire Council has an opportunity to join with regional partners working across Yorkshire and Humber through the White Rose framework, meaning many of the foundational requirements for an RCC would partially be in place.

19.4 Current regional discussions will determine whether an Expression of Interest should be submitted, and on what basis. Delegating authority to progress this work enables the Council to remain engaged, influential and well-positioned to shape future arrangements, while ensuring any decision to participate is proportionate, evidence-led and aligned with both national expectations and local priorities.

## 20.0 REASONS FOR RECOMMENDATIONS

20.1 The recommendations are made to ensure North Yorkshire Council remains engaged in, and able to influence, emerging regional arrangements that are expected to become central to the future delivery of children's social care. Delegated authority allows the Council to respond at pace to regional decisions, support the discharge of statutory sufficiency duties, and determine proportionate participation based on collective evidence and local need.

### 21.0 RECOMMENDATION(S)

That, subject to any comments Members may have, the Executive:

- i) except as set out below, delegates all functions in relation to the progression of work to establish a Regional Care Cooperative to the Corporate Director Children and Young People's Service, in consultation with the Executive Member for Children and Families, following review of recommendations with other Directors of Children and Social Care across the region;
- ii) agrees that the decision to submit an Expression Of Interest to test a Regional Care Cooperative be taken by the Corporate Director of Resources (or their sub-delegated officer), if they deem it appropriate, in consultation with the Executive Member for Finance, Executive Member for Children and Families, and the Corporate Director for Children and Young People's Service, following review of recommendations with other Directors of Children and Social Care across the region;
- iii) agrees that the decision to join the White Rose Framework (to support a decision to submit an Expression of Interest to test a Regional Care Cooperative should be that the outcome of regional discussions) be taken by the Corporate Director for Children and Young People, in consultation with the Corporate Director Resources and the Monitoring Officer.

### APPENDICES:

Appendix A – Equalities Impact Assessment  
Appendix B – Climate Change Impact Assessment

### BACKGROUND DOCUMENTS:

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1 May 2026

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Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.