Executive summary

*A national overview of available foster homes can be useful if the responsibility for foster care is transferred to the municipalities. For the overview to work, all available foster homes must be included, also those recruited by private suppliers. In this case, the private market must be regulated such that it is only the municipalities that sign contracts with the foster homes. Interviews with leaders within child welfare and other stakeholders, as well as experiences from Denmark show that there are several conditions that need to be satisfied for a portal to work. The largest challenge is how to provide sufficient incentives for the municipalities to register all their available foster homes, as well as implementing appropriate quality assurance procedures.*

*Overall, our assessment is that it is not possible to get municipalities to register sufficient homes in the portal for it to function as intended. On the contrary, a portal could in the long term split municipalities into two categories; those that recruit foster homes and those that retrieve foster homes from the portal. This would result in more placements outside the municipality responsible for the welfare of the foster child, and greater collective costs than in the absence of a portal. A portal could also result in longer wait times for the children as municipalities might choose not to contact parents they otherwise would have placed “on hold”, in fear of losing these parents to other municipalities.*

A portal can solve some, but not all challenges in foster care

The challenges in foster care are large and complex. The challenges arise, among other reasons, due to the way duties and financing are distributed between the state and municipalities, and because there is market failure in the market for foster care. Several of the challenges are related to recruitment of foster homes, especially:

1. Too few available foster homes in total, making it difficult secure good matches between foster homes and foster children in terms of location and compatibility.
2. Too few suited foster homes from Bufetat. This is due to, among other reasons, inappropriate recruitment campaigns, a system for compensation that attracts unsuited foster parents, and lacking quality assurance by the municipalities.
3. There are large differences between municipalities. Some municipalities will be net providers of foster homes on a lasting basis, while others will be net demanders.
4. No one has a sufficient overview of available foster homes. This could result in situations where an available foster home is left empty, despite there being a suited foster child in another, neighbouring municipality.
5. The municipalities compete with private suppliers to recruit foster homes, also in areas in which private suppliers are given opportunities by the state to offer far better terms than the municipalities.

A foster home portal could especially address the challenges in 3 and 4 above, by ensuring a better geographical distribution of available homes. The remaining challenges must be addressed through other measures.

Alternative measures to meet the needs of the municipalities

If the municipalities were to take over the responsibility for recruiting foster homes, every municipality would need to have the option to place children in other municipalities. This is because few municipalities will be able to obtain a sufficiently diverse offer of foster homes within their own boarders. It is also necessary to be able to accommodate the needs of children that ought to be placed outside their home municipality.

A foster home portal is one of many possible ways to facilitate cooperation between municipalities. Could other solutions be just as useful? This is one of the questions we have sought to answer through interviews with 22 leaders within child welfare, 5 chief municipal executives, and representatives for 10 county governors. The respondents were asked to assess the need for a portal, and in that context, consider benefits of other forms of cooperation between the municipalities (hereafter called inter-municipal cooperation).

What are the benefits of inter-municipal cooperation for recruitment, compared to a portal? Inter-municipal cooperation would involve a group of municipalities agreeing to recruit homes for each other, according to a set of rules. The inter-municipal cooperation could include municipalities in several counties, or all or a few municipalities within one county. One benefit of inter-municipal cooperation is predictability regarding which part of the country the foster home would be located: it would be in one of the cooperating municipalities. This would normally ensure a reasonable distance between the foster home and the municipality responsible for the welfare of the foster child. The foster home would also be located in a municipality that the child welfare institution in the responsible municipality knows. This relation could be important: It could ensure a freer flow of information between the two child welfare institutions, and thereby ensure better matches between children and homes. It could also ensure a stronger commitment by the child welfare institutions to do a good job, since it will expect continued cooperation in the future.

One disadvantage is that there may be a need for cooperation between *many* municipalities to provide all the necessary types of foster homes. In the case of such extensive cooperation, there is a need for a centralised overview – which leads us back to the point about establishing a portal. If only two municipalities are cooperating, the administrative aspect is simple as the two would stay in touch as required, however there may be instances where there are no suitable foster homes in the two cooperating municipalities. The likelihood of this occurring is reduced if more municipalities cooperate. But this would also increase the need for a centralised overview, in the sense that someone takes the responsibility for keeping an overview of available homes at all times.

It is already established several inter-municipal cooperation projects for the recruitment of foster homes, through the inter-municipal child welfare institutions. Here, the municipalities also cooperate about other child welfare responsibilities, and so the recruitment is included as one of several services. To our knowledge, no cooperation projects regarding recruitment only have been established, as has been done for a few other services, such as foster parent guidance and child welfare officers. One obvious reason for this, is that the municipalities do not have the full responsibility for recruitment. The municipalities can choose to order a foster home from Bufetat instead of cooperating with adjacent municipalities. If the municipalities get increased responsibility for the recruitment, such cooperation would be more relevant.

In summary, it is unlikely that inter-municipal cooperation projects will entirely meet the needs for foster homes – at least in the short term. Such cooperation projects can be successful if the municipalities involved collectively have sufficient available foster homes to choose between. That is, the municipalities are of a certain size, good at recruiting, and have a large pool of homes to recruit from. In areas where municipalities are small, and there is a need to establish a larger area for the cooperation project to cover the total need for foster homes, transaction costs will be so large that it is unlikely to be a good alternative to a portal. In the long term, such cooperation will be able to cover an increasing number of municipalities, as more municipalities will be good at recruiting and more and more advanced cooperation projects on child welfare services will be established.

Quality assurance, design and operation

We have seen that the main purpose of a foster home portal is to provide an overview of available foster homes, so that an available foster home in one municipality can be used for a child in another municipality. A portal can thus provide *faster* placements, and reduce the waiting time for the children. The placements can also be *improved* as the municipalities have more homes to choose from.

However, a portal may also result in *worse* placements. When the foster home is located outside the child's home municipality, it may be difficult to ensure good matching between foster homes and children: this requires close cooperation between the two child welfare institutions, and exchange of relevant information. Is it possible to get the truly relevant information about foster parents and children? How much risk is tolerable? If the homes in the portal are not of sufficient quality, the municipalities will not choose to use these homes. The same happens if it becomes too demanding to register the information or if the portal is not kept up to date.

The design of the portal is crucial for how well it will work. There are many questions to consider:

* How to ensure that every home in the portal meets the necessary quality requirements?
* What information about the foster home should be registered and by whom?
* Who should be responsible for operating and updating the portal?

We argue that it should be the responsibility of the municipality in which the foster home is located to check the quality of the foster home before it is submitted to the portal. There should be quality assurance throughout the whole process of recruiting a foster home, including training. The last step of the process is *approval of the foster home* by the municipality in which it is located. When the home is retrieved from the portal, the municipality responsible for the welfare of the foster child takes over. This municipality would be responsible for the approval of the home with respect to the child in question, follow-up and guidance, etc.

Consideration of privacy and efficient case management indicates that it should be the same entity registering the information, who performed the quality assurance. In this case that would be the municipality in which the foster home is located.

Bufetat should be responsible for establishing and operating the portal. We assume a portal would be nation-wide, and that it should only be operated by one entity. For reasons of privacy and efficiency, the entity should be public. Possible gains related to other responsibilities of the entity should also be considered. In our opinion, Bufetat has the best prerequisites for performing the task efficiently. Bufetat can also benefit from the information from the portal itself.

The municipalities are unlikely to register available homes on their own initiative

In order for a foster home portal to function properly, it is crucial that the municipalities actually register available homes. Furthermore, they must register *all* available homes, and not postpone the registration of some homes with the intention of using these themselves in the future.

In practice, each municipality will choose whether to register an available foster home or not, based on the benefits and the costs experienced by the municipality. The municipality's utility in registering homes arises from solidarity with the children and other municipalities, and expectations of reciprocity in the sense that they themselves can retrieve a foster home when they need it. The utility could be small, close to zero.

The municipality's costs arise from the work they must do in advance of registration, and the increased risk of a home disappearing to another municipality. Quality assurance includes home visits, education, etc., in addition to the work to find the foster home, and to register it in the portal. These costs will vary according to how efficiently the work is done and the accessibility to suitable homes. The cost in terms of increased risk of “losing” a home to another municipality depends on how easy it is to find a new one, i.e. how well the portal works and the access to suitable homes. The cost of registering homes will always be greater than zero, and often significant.

Many municipalities will therefore choose not to register available homes. We think this will apply to most municipalities, based on what the municipalities themselves say in interviews and what we know about the various benefits and costs. In the long term, the number of registered homes will fall: When the municipalities see that other municipalities do not register homes, they are less likely to be able to retrieve homes from the platform themselves, and then also probably feel less solidarity with the other municipalities.

Need for financial compensation or statutory duty - but difficult

In order for a portal to work, municipalities must be given an incentive to register their homes. One such incentive could be economic compensation that makes it profitable for the municipalities to register homes. However, this compensation must be set so high that the municipalities' benefits in registering homes are *greater* than the cost: The municipalities have several other causes that require their resources and recruiting homes to other municipalities cannot be prioritised if it does not pay off.

Few municipalities that are responsible for the welfare of the foster child will be willing to pay a compensation larger than the costs of registering homes in other municipalities. An alternative is that the state takes the bill by compensating the municipality in which the foster home is located. This creates new problems, because it could provide incentives for the municipalities to overuse the portal instead of recruiting homes themselves.

Regardless of who compensates, a compensation scheme would split the municipalities into two categories: those that recruit foster homes and those that retrieve foster homes from the portal. However, most of the foster homes should be located in or near the municipality responsible for the foster child. A scheme that encourages the use of homes across municipalities rather than recruiting their own will thus result in lower-quality child welfare. Compensation must also be based on average calculations, and cannot capture those homes that are particularly expensive to recruit. These are therefore unlikely to be registered in the portal.

An alternative proposed by the municipalities is to introduce a promise of reciprocity: When registering a home, they should be able to retrieve a home later. This is difficult in practice. Reciprocity between individual municipalities would provide a very complex system of exchange transactions. It could take a long time from municipality A provides municipality B with a home, until municipality B finds a suited home for municipality A. Another option is that municipality A must show that they "really are trying" to recruit before they can get a home, but this cannot be operationalized in practice.

A third option is a statutory duty, whereby the municipalities are required to register homes and cannot use homes other than those registered. We reject this option due considerations of principle and practicality. We cannot see that the benefits of such an obligation outweigh the disadvantages of interfering with the municipalities' right to decide how to organize their recruitment work. Moreover, a duty would not be effective, because there will be so many loopholes that municipalities will always be able to avoid registering homes. Both experiences from Denmark and the informants' assessments support our conclusion.

Overall, our assessment is that it is not possible to get municipalities to register sufficient homes in the portal for it to function as intended. On the contrary, a portal could in the long term split municipalities into two categories; those that recruit foster homes and those that retrieve foster homes from the portal. This would result in more placements outside the municipality responsible for the welfare of the foster child, and greater collective costs than in the absence of a portal. A portal can also result in longer wait times for the children as municipalities might choose not to contact parents they otherwise would have placed “on hold”, in fear of losing these parents to other municipalities. Last, but not least, a portal could result in more placements far away from the municipality responsible for the child, making it more challenging for the child welfare institution to follow-up on the child, and for the child to stay in touch with relatives and its network.

We therefore recommend to pursue other solutions than a portal if the recruitment responsibility is transferred to the municipalities. First, the foster care system should be changed so that the municipalities can compete with private suppliers on equal terms. This will require a major reform that includes regulation of the market for private suppliers, the conditions for foster parents and public funding. Such reform can also provide more foster homes and fewer violations. Second, cooperation between municipalities to recruit homes for each other should be better facilitated. Here there are no simple measures, but for example, county governors and KS can arrange gatherings and convey good examples, to encourage municipalities to cooperate.