

Children's Placements Working Group

Purpose of Report

For decision.

Summary

On 29 September 2022 the Children and Young People Board agreed to establish a cross-party working group to consider issue of placement insufficiency for children in care. This report outlines the evidence considered by the working group and the group's recommendations.

LGA Plan Theme: Putting people first

Recommendation(s)

That the Board agree the recommendations of the Placements Working Group, as set out in paragraph 9 of the report.

Contact details

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Children's Placements Working Group

Background

1. On 29 September 2022 the Children and Young People Board agreed to establish a cross-party working group to consider issue of placement insufficiency for children in care.
2. The membership of the Working Group and the Terms of Reference, which were agreed by Lead Members and the Working Group, are attached at Appendix 1.

Discussion of evidence

3. The Working Group considered a range of evidence; all papers discussed by the Group are attached to this report and summarised below.
4. **Policy Framework** (Appendix 2)
 - 4.1. The Competition and Markets Authority published the final report of its market study into children's social care in England, Scotland and Wales in March 2022. The key findings of that review included:
 - 4.1.1. There are significant problems in how the placements market is functioning, including a lack of placements of the right kind in the right places, higher prices, and higher levels of profit than would be expected in a well-functioning market.
 - 4.1.2. There are severe limitations on councils' ability to engage effectively with the market or forecast need especially for specialist provision.
 - 4.1.3. National focus was needed to address recruitment and retention in children's homes and of foster carers, and to tackle problems with the market.
 - 4.2. The Independent Review of Children's Social Care was published in May 2022. The key recommendations relating to this working group included the development of new universal care standards; introducing Regional Care Cooperatives to manage the commissioning and running of placements for children in care; and a 'new deal' for foster care including recruitment and retention activity and greater support for carers. Other recommendations including ensuring more children could stay safely at home with their parents through early help and supporting wider family networks.
 - 4.3. The government has committed to introducing national standards for independent and semi-independent provision for children in care and care leavers aged 16-17. This provision has, to date, been unregulated (that is, not subject to registration with

or inspection by Ofsted) and has been of variable quality. Registration is currently underway and the standards will come into force from October 2023.

- 4.4. The LGA commissioned SEC Newgate to look into the barriers to establishing new children's homes provision, and to identify good practice, with the [final report](#) published in January 2021. The report identified a range of barriers including the perceived role of children's residential care as an "option of last resort"; the difficulty in making a robust business case for investment due to high capital expenditure for setup and challenges predicting occupancy; difficulties identifying the right property and staff; regulatory requirements; and challenges in commissioning.
- 4.5. The Child Safeguarding Practice Review Panel has recently completed its review into safeguarding children with disabilities and complex health needs in residential settings. Phase 1 of the report identified a wide range of findings including in relation to regulatory arrangements, a lack of provision and challenges with staff and leadership.
- 4.6. This paper also outlined wider factors leading to an increasing need for children's social care placements, including the Southwark judgement, a fall in inpatient Child and Adolescent Mental Health Services (CAMHS) beds, a decline in the youth custody population and rising numbers of unaccompanied asylum-seeking children.
- 4.7. The DfE has invested £259 million in expanding capacity in children's homes, including £12 million for secure children's homes and a Children's Homes Capital Fund for match funding local authority projects.

5. **Legal Framework** (Appendix 3)

- 5.1. This paper outlines the legal framework under which placements are made, including the Children Act 1989 and changes to unregulated provision.

6. **Statistics** (Appendix 4)

- 6.1. The profile of children in care over the last ten years has changed, with a shift towards more older children (10+) and proportionately fewer white children. There is significant local variation in the proportion of children in care, from a low of 26 per 10,000 children to 218 per 10,000 children.
- 6.2. 70 per cent of children in care live in foster placements. 15 per cent of children in care live in family and friends foster placements, an increase of nearly a third (29 per cent) since 2018. Placements in unregulated settings increased by nearly a quarter between 2021 and 2022. 31 per cent of children in care had two or more placements in the year ending 31 March 2022.

- 6.3. A quarter of children's homes places are in the North West, and only 7 per cent in London. Friends and family foster care placements make up an increasing proportion of local authority fostering households, in line with the expectation that councils place children with friends and family wherever possible.
 - 6.4. Private companies run 84 per cent of childrens homes. Independent fostering agencies account for 45 per cent of all filled fostering placements. Eight of the largest ten independent providers of placements in England have private equity ownership.
 - 6.5. Council expenditure on private residential provision increased by 90 per cent between 2015-16 and 2020-21.
 - 6.6. Local authority, private and voluntary children's homes have similar Ofsted inspection profiles, however a longitudinal analysis by Oxford University found that for-profit providers are more likely to be rated of lower quality and to violate a greater number of requirements than other ownership types.
7. **Children's social care implementation plan** (Appendix 5)
 - 7.1. This paper outlines the recommendations and commitment within the Children's Social Care Implementation Strategy that specifically relate to the provision of placements, along with an LGA view on these. This includes more detail on Regional Care Cooperatives as outlined by the strategy.
8. **Additional evidence** (Appendix 6)
 - 8.1. This paper provides additional evidence on queries raised by members of the working group in relation to:
 - 8.1.1. Barriers and enablers to providing placements in-house: including detail on how the Government's implementation strategy hopes to address some of the challenges, and what 'good' looks like in the retention of foster carers.
 - 8.1.2. Cost of services and profiteering: including government plans around bringing transparency to placement costs, and evidence around the drivers or different cost of services in different areas.
 - 8.1.3. Drivers of the largest increases in entry to care: noting that the largest increase in the number of children in care is amongst older children (10-17), with drivers including children staying in care for longer and higher numbers of unaccompanied asylum-seeking children. The increase in numbers of children in care is concentrated disproportionately in some areas, with nearly three quarters of the increase between 2013-21 driven by a fifth of councils (which was not due to their population size).

- 8.1.4. Localised challenges: the impact of deprivation on children in care numbers, and disproportionality in support for unaccompanied asylum-seeking children.
- 8.1.5. Unaccompanied asylum-seeking children: consideration around the needs of unaccompanied children and whether a different approach would enable children to receive the help they need more quickly than they do in the current system.
- 8.1.6. Third sector providers: an extract from a paper by Kathy Evans, chief executive of Children England, on the withdrawal of charities from the provision of children's residential care including the increasing focus on foster care, questions around whether provision for children in care was a "charitable purpose" if this was also a state responsibility, and inflexibility in regulation.

8.2. It should be noted that the information within this paper is not LGA policy unless stated, but information to inform discussion.

Recommendations

- 9. The Working Group proposes the following new policy positions are agreed:
 - 9.1. A barrier to setting up children's homes is the requirement for individual registration. Multi-site registration can only be done when setting up each home at the same time, rather than adding on homes to an existing registration. This should be amended so that good children's homes can expand more easily to a secondary site.
 - 9.2. The Working Group was unified in its agreement with the Competition and Markets Authority's concerns around levels of profiteering in children's social care placements. More transparency should be sought in relation to the cost of placements to make it easier for councils to identify good value for money. To support lobbying on this point and to understand any regional variation, the LGA should seek information from councils on high-cost placements.
 - 9.3. National work on foster carer recruitment should include myth-busting and clarity around different options such as respite fostering and supported accommodation.
 - 9.4. The Children and Young People Board will monitor and look to learn lessons from the implementation of the Welsh Government's commitment to remove private profit making from the provision of care to looked-after children.
- 10. While the remit of the Working Group focussed on placements for children in care, the Group recognised the significant challenges around special school placements and the

sometimes very high costs of supporting children with SEND. There was significant crossover between these issues and it was recognised that this was an additional pressure which needed to be addressed through the children's social care implementation plan and the SEND improvement plan.

11. The Working Group also proposes that a resource pack be developed for councils, building on the success of similar guides for councillors, detailing information on the barriers to, and enablers of, strong in-house fostering and residential provision, as well as good practice. This should include improving understanding of current children's homes to reduce prejudice towards them which could be based on outdated views of children's homes, how to develop in-house residential provision and information on recruitment and retention of foster carers.
12. Finally, the Working Group recommended that good practice be sought and shared in relation to supporting children aged 15+ on the edge of or coming into care, including unaccompanied asylum-seeking children.

Implications for Wales

13. Children's social care is devolved in Wales, however much of the learning is likely to be applicable recognising that Welsh authorities are facing similar placement sufficiency challenges.
14. The Welsh Government has [committed to eliminating profit](#) from the care of looked after children. The Working Group has recommended that the Board monitors the implementation and implications of this.

Financial Implications

15. There are no financial implications for the LGA arising from these recommendations.

Equalities implications

16. The Independent Review of Children's Social Care published a document considering [racial and ethnic disparities in children's social care](#) alongside its main review in May 2022. This outlined a range of disparities, including that Asian, Black and other ethnic group children are more likely to enter care as teenagers compared to White and Mixed ethnicity children; poorer experiences of care for Black and ethnic minority children; and ethnic minority children not getting the support they need to build a positive sense of identity. Improving sufficiency of placements includes ensuring sufficiency of *appropriate* placements, which meet the needs of children
17. As emphasised by the Child Safeguarding Practice Review Panel, there is a significant shortfall in suitable placements for children with disabilities and complex health needs.

Next steps

18. The Board is recommended to consider the recommendations put forward by the working group and to suggest any further recommendations building on the evidence provided.