



The children who no-one knows what to do with

Briefing

November 2020

Crisis in care – how children are being betrayed by the state

A briefing paper on the children that no-one knows what to do with

Introduction

Ideally, no child should grow up in an institution. Yet there are 6,570 children currently growing up in children's homes in England.¹ These children are here for a number of reasons – normally because their needs are so complex that it is not considered possible to meet them within a family home environment. Occasionally older children request to be in a children's home because they do not feel like they want a "new family", as they see foster care. Often, children are put in children's homes because of a lack of suitable alternatives. In 2017/18, £1.25bn was spent on providing these homes² – an average cost of just under £200,000 per child per year.

Generally, children's homes care for the most vulnerable children in England; with complex mental and physical health issues, or who have been subject to appalling sexual and physical abuse, or are at risk of serious harm from criminal gangs. The standard of care these children receive should concern us all. However, as this paper demonstrates, the standard of care is variable; there aren't enough places; children are being left at huge risk waiting for suitable accommodation; and the problem is getting worse. Again and again the courts have castigated the Government for a failure to plan and provide for these most desperately vulnerable children; just last week His Honour Mr Justice Macdonald issued a High Court judgment in the case of 'G', a 16 year old girl being discharged from an adult mental health ward to an unregulated home where she was to be kept locked and guarded because there was no place in a home available for her:

***"It is plain that, despite the issue being highlighted in multiple court decisions since 2017, and by the Children's Commissioner, the shortage of clinical provision for placement of children and adolescents requiring assessment and treatment for mental health issues within a restrictive clinical environment, the shortage of secure placements and the shortage of regulated placements remains. In this context, children like G with highly complex needs and behaviour continue to fall through the gaps that exist between secure accommodation, regulated accommodation and detention under the mental health legislation."* - Lancashire CC v G (Unavailability of Secure Accommodation) [2020] EWHC 2828 (Fam)**

Thousands of children with complex needs fall through these gaps in the system each year. They experience huge levels of instability which undermines all their relationships and compounds existing problems, or are placed far from home which damages family relationships and experience the "home" in which they are placed as hostile. These homes can, and do, throw them out at short notice, and such is the shortage of other homes that many children are left in limbo, in flats surrounded by agency staff, waiting for somewhere, anywhere in the country, willing to take them. No child should be treated like this; that it is our most vulnerable children, and those looked after by the state, to whom this is happening is simply unacceptable.

¹<https://www.gov.uk/government/statistics/children-looked-after-in-england-including-adoption-2018-to-2019>

²<https://www.nao.org.uk/report/pressures-on-childrens-social-care/>

In recent years the Children’s Commissioner has carried out a wide range of research into the failures present in the care system (detailed in Annex 1). She has previously urged the government to act,³ but so have the National Audit Office⁴, Public Accounts Committee⁵ and Housing, Communities and Local Government Select Committee⁶ (see Annex 2 for a summary of the findings and recommendations from these organisations). Sustained criticism from such a broad coalition of regulators, ombudsman and Parliamentary committees, is highly unusual and demonstrates the seriousness of issues within the residential care system.

Unfortunately, the situation appears to have deteriorated further, culminating in a series of High Court judgments this year involving children for whom no suitable care home place can be found *anywhere in England*, even when the Court has found that their life will be endangered by the failure to find a home⁷. This was Mr Justice Macdonald’s conclusion:

“The stark choice thus faced by the court is to refuse to authorise the deprivation of G’s liberty in an unregistered placement, which will result in her discharge into the community where she will almost certainly cause herself possibly fatal harm, or to authorise the deprivation of G’s liberty in an unregistered placement that all parties agree is sub-optimal from the perspective of her welfare because that unregulated placement is, quite simply, the only option available.

The background to this matter is one that is now depressingly familiar to the Family Division of the High Court.”

Judges regularly send these judgments to the Children’s Commissioner’s office, and to the Secretary of State for Education – whose responsibility it ultimately is to ensure adequate provision of care places for vulnerable children.

While councils have a statutory duty to ensure sufficiency of high-quality local accommodation for children in care, they have mostly failed to prioritise this within their capital spending. However, it is the Department for Education which has the ultimate responsibility to ensure that councils have the resources to discharge their obligations, and that they actually do so; and to forecast and co-ordinate provision. The Department has failed in each regard. Given the growing crisis in children’s residential care and the mounting evidence of its impact on children, these failures imply a deep-rooted institutional ambivalence to the needs of these very vulnerable children.

In response to these problems, this paper:

- > Summarises the findings of three years of work by the Children’s Commissioner’s Office and provides context for two further reports the Commissioner is publishing today ([‘Private Provision in Children’s Social Care’](#) and [‘Stability Index 2020’](#)).
- > Explains the failure of local and national government to take responsibility for these children.

³<https://www.childrenscommissioner.gov.uk/wp-content/uploads/2019/07/cco-letter-from-childrens-commissioner-to-permanent-secretary-dfe.pdf>

⁴ NAO, As above

⁵ <https://publications.parliament.uk/pa/cm201719/cmselect/cmpublic/1741-publication/1741.pdf>

⁶ <https://publications.parliament.uk/pa/cm201719/cmselect/cmcomloc/1638/1638.pdf>

⁷ Two judgements that have recently published highlight the seriousness of this situation.

<https://www.bailii.org/ew/cases/EWHC/Fam/2020/1827.html> and <https://www.judiciary.uk/judgments/lancashire-cc-v-g-unavailability-of-secure-accommodation/>. The Children’s Commissioner has also been cited in other judgements which have not been published to protect the identity of the child

- > Sets out what action is needed by government – both local and national – to fix this broken system.

The experiences of children in children's homes

Good children's homes do exist in England, provided by both private companies and local authorities. The Children's Commissioner and her team have visited many of them: homes which children have told us they experience as loving and supportive and the best place for them to be; homes that engage and involve children's families; homes that provide therapeutic care, access to a good education and experience of the wider world. These homes should be close to where a child is from, so they can stay in the same school and have contact with family where possible. They should be flexible enough to continue to accommodate a child even if their needs change.

Unfortunately, too many children do not get this experience. Issues constantly raised by children who speak with the Commissioner – or call our helpline for children in care, Help at Hand⁸ – include frequent and unwanted moves, which cause a child's entire life to be uprooted; children being placed far away from home, friends and family; struggles accessing healthcare, education or fun activities; and homes which feel overly institutional, sterile or even filthy.

Moreover, there are not enough places available and local authorities are left ringing round for last-minute, over-priced, possibly inadequate placements. Children can be stuck in limbo because no children's home in the country will accept them, or they can be kicked out of homes with just weeks', or even days' notice, not knowing when they will be leaving or where they will be going to. Often these children end up in flats where they are overseen by teams of unknown agency staff while awaiting a more permanent place. The Children's Commissioner's helpline regularly intervenes in cases where children are caught up in the process of 'reverse auctions' where multiple councils are bidding for a place for one child, with the result that the place goes to the child with the lowest level of need, who is easiest for the home to accommodate.

The Commissioner's 'Pass the Parcel'⁹ report focused on the experiences of children placed in children's homes far from home. In 2018 nearly 5,400 children in care were living more than 50 miles away from their home local authority, an 18% increase compared to 2014; and nearly twice the rate of increase of the total number of children in care over the same period. "You lose everything being in care", one demoralised child placed 8 hours from home told us, having not seen her mum for months. Children feel "dumped" in areas they have never heard of and cannot identify on a map, doubly isolated as they wait months for a school place. One girl never made the effort to unpack because she knew she'd be "passed on somewhere else in a few weeks" – like a "parcel" without any agency over her future. Children are also constantly monitored and stripped of their privacy, unable to talk to family without the conversation being listened into by staff, who they often barely know.

"We're treated like there's something wrong with us because we're in care. I've never been treated like that before in my whole life, even by my parents" – teenage girl living in a children's home away from her home area

⁸ <https://www.childrenscommissioner.gov.uk/help-at-hand/>

⁹ <https://www.childrenscommissioner.gov.uk/report/pass-the-parcel-children-posted-around-the-care-system/>

The Commissioner's 'Unregulated'¹⁰ report exposed the inhospitable conditions in uninspected, unofficial accommodation used for older children, which they described to us as “disgusting”, “like a prison cell” and even rat-infested, despite these being homes for children *in care*. Sarah (age 17) told our helpline that her accommodation was filthy and smelly. There was only one working shower between 14 children and young people, and it was mouldy. The kitchen had no oven, only one hob, and her bedroom was damp and had bugs in the carpet. Elsewhere children have told us they have not even been provided with the means to eat or sleep – things like duvet covers, plates or cutlery.

In England, 1 in 8 children in care have spent time¹¹ in unregulated accommodation, many feeling abandoned, poorly supported and ashamed of their surroundings. These children are also scared. They have told us about finding knives and class A drugs behind sofas, being left to stay alone in accommodation after it has been broken into and smashed up, being assaulted by other residents yet still not moved to somewhere else, and being intimidated into letting local gangs set up shop inside. It is no wonder that children say it is so easy to get lost to drugs and alcohol in these places. Despite being billed as a stepping stone to independence, lots of children feel forced out of stable placements into unregulated settings, even when they are afraid and do not want to go. After turning 16, children are being told they have to leave stable and happy homes because those homes are needed for younger children: one child was distraught at having to leave his foster home “the day they told me” because “social services thought it was the best thing”.

Through our Help at Hand service we see the children whom the system finds too difficult to accommodate, often those needing highly specialised and secure care. Some examples include:

- > Chloe was 13 and placed in a secure children's home until they said they would no longer look after her. The matter came before the court where the judge said: “Over 30 institutions have been approached (including in Scotland) via a central agency, but despite daily calls and updates, nothing is available. It is said that there are some 40 children awaiting secure placements at the current time. The local authority has not confined itself to regulated secure accommodation but has also enquired with unregulated homes, to which they would propose adding a suitable support package. Nothing has borne fruit.” Chloe ended up in a rented flat with an unknown agency staff supervising her on a 4:1 staff ratio.¹²
- > Millie, a girl in her early teens, was placed in numerous unregulated and unregistered homes including a hotel. She was then admitted to a mental health ward under section. When she was due to be discharged from hospital the local authority said there was not one registered place that could have her in the country and she had to go into another unregistered setting. This was a flat with care being provided despite no Ofsted registration, which is illegal.
- > For another girl under 16 who our Help at Hand team assisted, not a single children's home across the country agreed to look after her – she was deemed to be ‘too high risk’ because of her behaviour. She moved from secure care to unregulated accommodation and back into secure care within 2 months, going through serious disruption as a result, despite the children's homes system purporting to be varied enough to meet different levels of need.

¹⁰ <https://www.childrenscommissioner.gov.uk/report/unregulated/>

¹¹ During the year 2018/19

¹² <https://www.bailii.org/ew/cases/EWHC/Fam/2020/1827.html>

The costs of this ‘care’

While many children have unsatisfactory experiences when placed in residential care, the cost to the local authorities of these placements remains high. Research from the Children’s Commissioner’s Office in 2018 found that on average local authorities had 15 children in care in placements costing more than £5,000 a week.

In 2019 a report from the National Audit Office¹³ found:

“Although the number of children placed in residential care by local authorities increased by 9.2% between 2013-14 and 2017-18, the cost of residential care increased by 22.5% over the same period, from £1.02 billion to £1.25 billion in real terms . . .

“Demand for residential placements and staff has outstripped capacity. There has been an increase in the use of residential care, and this has exposed the lack of suitable placement capacity available to local authorities: only 32% of local authorities report that they have access to enough residential homes for children aged 14 to 15 years, and 41% for those aged 16 to 17. Reflecting this lack of capacity, in 2016 an independent review found that an absence of successful commissioning was resulting in different local authorities paying widely different prices for the same standard of residential care. In addition, despite employing an increased number of children’s social workers, local authorities have also had to increase their use of expensive agency staff.”

Further [research](#) published alongside this paper shows how private providers and private equity investors have moved to fill the gaps in the market. Private provision accounted for 73% of the growth in places available for children in care between 2011 and 2019, and the number of children looked after in private provision increased by 42%. The best available estimates suggest that certain large private providers make a profit margin of around 17% on the fees they receive from local authorities. In other words, for every £100 they charge, around £17 is operating profit.

¹³ <https://www.nao.org.uk/report/pressures-on-childrens-social-care/>

How many children are being let down by the system?

Children in unstable care: 8,000

There are many children in England who are in stable care placements. There is some excellent practice in England's children's social care, including some very good children's homes. The problem is that not all children experience this. When we are discussing the lives of children, no failure rate is acceptable. It is clear from the evidence we have gathered, and what we are sent by the courts, that this is much more than a few isolated cases. However, quantifying the number of children being badly let down by the care system is difficult, because of the complexity of each child's story. The closest proxy that we have to measure children being let down by the system is stability – the number of times a child moves between homes, whether that be foster homes or children's homes.

A care 'placement' (the home in which a child lives), should be as close to permanent as possible. Children in care are the same as everyone: they want stability at home and in their relationships, and frequent moves undermine this. Instability and 'placement' moves remain the top issue raised with the Children's Commissioner's Office, both through our helpline and our engagement with children in care. But some moves are inevitable, and some moves are desired by children. Therefore when looking for the children most let down by the system, we have focused on the children with very high instability, frequent 'placement' moves over multiple years. Moving a child between homes once may be needed, but twice should not be, and more than this suggests serious failings to meet the child's needs. It is never in a child's best interest to have three or more 'homes' within one year.

Yet, in England on 31 March 2019 there were¹⁴:

- > 8,098 children who had two or more placement moves last year, meaning they had at least 3 separate homes to live in over 12 months
- > 6,500 children who had three or more placement moves over the last two years, meaning they had at least four separate homes to live in over two years
- > 4,430 children who had four or more placement moves over three years, meaning five separate homes across three years

There is significant local variation in the likelihood of children experiencing very high levels of placement stability; with nothing apparently linking the areas except poor planning and presumably lack of care.

¹⁴ All figures from Children's Commissioner, Stability Index 2020, as above

Table 1: The best and worst performers in terms of avoiding high instability for children in care

Local Authorities with the lowest rates of high placement instability		Local Authorities with the highest rates of high placement instability	
LA	Average rate of children in care with 2+ placement moves 2016-2019 (%)	LA	Average rate of children in care with 2+ placement moves 2016-2019 (%)
Rutland	3.71	Hampshire	16.37
Rochdale	5.60	Waltham Forest	15.72
Nottinghamshire	5.79	East Riding of Yorkshire	15.68
Hartlepool	6.40	Portsmouth	15.45
Walsall	6.46	Cornwall	15.28
South Gloucestershire	6.47	North Somerset	14.88
Middlesbrough	6.89	Bracknell Forest	14.80
South Tyneside	7.32	Slough	14.45
Gateshead	7.43	Windsor and Maidenhead	14.25
Bolton	7.56	Brent	14.16

Source: Stability Index 2020, <https://www.childrenscommissioner.gov.uk/report/stability-index-2020/>

Children in Unregulated Accommodation: 13,000

Of all the children who were in care in 2018/19, around 1 in 8 – 12,800 children – spent some time in unregulated accommodation, meaning homes which do not provide proper care, do not have to meet any basic standards and are not inspected¹⁵. These homes are overwhelmingly (79%) provided by the private sector. Unlike children’s homes, where Ofsted performs due diligence on home owners and managers, there is no oversight of who owns or runs these homes. There have been many accounts of homes run by criminals. The Children’s Commissioner has repeatedly called for a ban on the placing of children in unregulated homes. This does not mean all homes providing accommodation for children over 16 need to meet the same standards of care as homes for children under 16, but that appropriate regulation needs to be introduced.

Nor does it mean that all unregulated homes should simply disappear. Some of these homes could, and would, be able to register if appropriate regulation was put in place. But the ones that are not fit for purpose, as detailed above, or operated by criminals, would rightly have to close. But alternative homes would then need to be provided for these children – which may be why ministers are nervous to act.

¹⁵ See Children’s Commissioner’s report ‘Unregulated’, as above

Children in secure care: 100

Children awaiting secure care: approximately 200

Arguably, no child should ever need to be placed in secure care for their own benefit. If there were decent, therapeutic, community-based alternatives, no-one would lock a child up ‘for their own good’. But unfortunately this provision does not exist for some children, and so at any one time around 100 children are in secure children’s homes (a further 100 or so children are also in these homes serving criminal sentences, but they are not the subject of this paper). These are local authority-run homes, granted special designation by the Secretary of State for Education which enables them to lock children up. They tend to care for England’s most vulnerable children of all: those who are a severe danger to themselves or others, or whose lives are at risk from criminal gangs. A child can only be placed in one of these homes if supported by a Court Order under section 25 of the Children Act¹⁶.

However, there is currently an acute lack of capacity for these homes. As the judgments cited above show, there can be 30-40 children awaiting each place in a secure children’s home. Children who cannot find a place in a secure children’s home are usually detained elsewhere, often in flats or other accommodation with large teams of agency staff.

If children are being held in conditions equivalent to secure care, then there should be a ‘Deprivation of Liberty’ order from the High Court. But this legal guidance is not always followed. The Children’s Commissioner’s report ‘*Who are they? Where are they?*’¹⁷ found that not only are children being deprived of liberty – in effect ‘locked up’ – in settings which are not official secure homes, but there is not even any central record kept of how many children are in this situation or where they are living. There were over 120 applications to deprive children of liberty outside official secure homes in 2017-18 and a far higher number the following year, as a forthcoming report from this office will show¹⁸. It all points to a deepening crisis in care for England’s most vulnerable children.

¹⁶ <https://www.legislation.gov.uk/ukpga/1989/41/section/25>

¹⁷ <https://www.childrenscommissioner.gov.uk/report/who-are-they-where-are-they/>

¹⁸ The second iteration of *Who are they? Where are they?* will be published in late 2020

Action required – from local and national Government

It appears that the groups of children described in this paper have been ignored by national Government and badly let down by the state's failure to provide the homes that they need. While the blame for this situation can be placed upon many actors, locally and nationally, there is a strong consensus about the solution. The Children's Commissioner has spoken to children across England, convened roundtables of professionals and led a multi-disciplinary research trip to visit different models of residential care in Sweden and Norway. Among all, there was broad agreement that we need greater provision at five levels:

1. Small, flexible and local children's homes which can keep children close to where they currently live and can adapt to a child's needs so that children don't need to move home frequently.
2. Specialist secure and semi-secure homes with a very high level of clinical and therapeutic input for the children with the highest level of need, for short term stays.
3. Good-quality supported accommodation for 16-17 year olds who prefer it, which is clean, safe, stable and provides a decent place to live.
4. Foster care to provide loving, stable and sometimes long-term homes for children in care, especially older ones.
5. Specialist foster care, to help meet the needs of children with complex emotional or behavioural problems.

While greater provision is required at all of these levels, in order to deal with the most vulnerable children in the care system, improving provision at the first three levels is the most pressing. Increasing the supply of high-quality children's homes that provide the right support in the right local areas at the right cost, would reduce the numbers of highly vulnerable children being failed by the care system by:

- > Reducing the reliance on unregulated accommodation
- > Reducing the waiting lists for secure accommodation
- > Reduce the number of placement moves caused by cost considerations, placement breakdown, and inappropriate initial placement.

This can only be achieved by matching the supply of places against local and national need. That means more capacity but also – crucially – proper planning by local and national government.

As referenced above, there are both very good children's homes in England, and proven models of linking children's homes with other types of provision to support children and re-integrate children into the community. For example:

- > 'Adel Beck' is a secure children's home run by Leeds City Council with clinical support from Leeds Healthcare Partnership NHS Trust. The home accommodates some of England's most vulnerable children. The home has been consistently graded Outstanding by Ofsted who found *"This is an establishment that totally focuses on getting the best for young people, and, as a result, all young people make exceptional progress relative to their starting points and time spent in the home."*¹⁹

¹⁹ <https://news.leeds.gov.uk/news/leeds-secure-children-s-home-is-outstanding-for-second-year-running>

- > ‘No Wrong Door’ in North Yorkshire²⁰ combines residential care with specialist fostering. It runs from two hubs each of which contain:
 - > A life coach who is a clinical psychologist;
 - > A speech therapist;
 - > Two community foster families who work out of the hub and are part of the professional team; and
 - > Community supported lodging places for 16 and 17-year-olds, again staffed by people who are specially trained and are part of the professional team.

- > There are several outstanding privately provided homes. In the past year the Children’s Commissioner’s staff have visited high-quality private homes including a home specialising in support for children coming out of inpatient mental health settings and a home looking after children with ASD.

While we know what good homes look like, there is little progress at improving provision. At present, most children’s home placements are commissioned by local authorities on an ad-hoc basis from private companies. These companies play a significant role, but it is not their responsibility to ensure the needs of children are met. The state can provide homes themselves, or they can commission them from private companies, but if the homes are not good enough, or if there are not enough homes, responsibility lies with Government – local and national.

The role of local Government

Under Sect. 22G of the Children Act 1989 local authorities have a statutory responsibility to take steps, as reasonably practicable, that ensure children in care are provided with accommodation that “(a) is within the authority’s area; and (b) meets the needs of those children.”²¹ The Act goes on to outline the proactive steps local authorities are expected to take to ensure they can meet this obligation. The cases and numbers cited in this paper show that this legal obligation is not being met; as local authorities themselves have admitted²². But, as Table 1 shows, some local authorities do far better than others in ensuring that they are able to provide consistent and stable homes to children in their care.

While the number of children in care has grown in recent years, the number of children’s homes operated by local authorities has actually decreased by 10% since 2016, while the number of homes operated by the private sector has increased by 26%.²³ While the closure of old children’s homes may not always be a loss, especially if they were underperforming or not well-matched to local need, the failure of councils to replace them with modern, flexible and high-quality alternatives is surely unacceptable.

The Children’s Commissioner is calling for:

- > Council leaders and chief executives to prioritise children’s social care within their capital budget allocations. Local authorities have clear statutory obligations in this regard, and these

²⁰ See <https://www.northyorks.gov.uk/no-wrong-door> for details and an evaluation of the scheme: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/625366/Evaluation_of_the_No_Wrong_Door_Innovation_Programme.pdf

²¹ <https://www.legislation.gov.uk/ukpga/1989/41/section/22G>

²² Only 34% of local authorities currently believe they can access sufficient good quality accommodation to meet the needs of children in care. See NAO report, as above.

²³ <https://www.gov.uk/government/publications/childrens-social-care-data-in-england-2020/main-findings-childrens-social-care-in-england-2020#childrens-homes>; and https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/813415/Childrens_social_care_data_in_England_2018_to_2019.pdf

must take precedent over more visible, and therefore popular, uses of these capital funds. The needs of vulnerable children cannot be ignored so that councils can boast of shiny new projects.

- > Councils to collaborate better to improve provision. Councils should make better use of their power as purchasers – through for example greater use of regional commissioning and frameworks – to better shape both the market and their own provision. This does happen, but it needs to be far more widespread, and better guided by the needs of children.

The role of central Government

The Department for Education also has a crucial role to play here. It is responsible for ensuring local authorities discharge their statutory duties. It is responsible for ensuring they have the funds to do so. Beyond this, it also has a responsibility to ensure provision is available for children needing secure care (where the Children Act 1989 gives the Secretary of State for Education particular obligations). The needs of some children in care are so complex that it is hard for one local authority – or even one agency – to deliver provision that will rarely be required. The Department for Education should be forecasting need and co-ordinating the provision to match, and ensuring that other agencies (such as health) provide the support that is needed. It should also be providing the funding if required. But, as successive reports from numerous bodies have shown, it is not fulfilling any of these duties.

The Children's Commissioner is calling for:

- > The Department for Education urgently to set out a strategy for how it will improve residential care for looked after children in England. This strategy needs to show how it will ensure the adequacy of placements for children, to address the chronic shortage of placements demonstrated in this report and in recent research from the National Audit Office. The urgent aim of this strategy should be to improve provision for the groups of children highlighted in this paper: the 8,000 children experiencing high levels of instability; the 13,000 children ending up in unregulated homes at some point during the year; and the 200-300 needing but not finding a place in a secure children's home.

This strategy should improve the sufficiency, the quality and the cost of residential provision. In doing this, the Department should respond to the recommendations regarding residential care made recently by the National Audit Office; the Housing, Communities and Local Government Select Committee; the Public Accounts Committee and the Children's Commissioner.

- > A central, national body (whether DfE, Ofsted or a new regulator) to be given a responsibility for assessing current and future levels of need for care provision, both locally and nationally. It should also be charged with monitoring what provision is in place locally and nationally, in order to provide oversight and assurance that high-quality provision is in place which meets the needs of children. If additional funding is needed to ensure this, then this body should determine how much and ensure that government provides it.

Local and national leaders have behaved for far too long as if shutting their eyes will make this problem disappear. It hasn't, and it won't. Only concrete action, starting with the above, can ensure that some of the country's most vulnerable children get the care they deserve.

Annex 1 – Research from the Children’s Commissioner on children’s residential care

Publishing November 2020

Private Provision in Children’s Social Care

This report explores the role of private providers in the children’s social care ‘market’. It shows the degree to which private providers can dominate the social care market and that certain large providers see a profit margin of around 17% on fees from local authorities, and examines their involvement means for children. It raises questions about the way some large private providers are financed, potentially creating risks and instability for the functioning of the market – and ultimately for the children in their care. The number of children in care has grown consistently over the last decade and this growth has mostly been accommodated by the growth of the private sector. Private provision accounts for 73% of the growth in the number of children in care between 2011 and 2019, and the number of children looked after in private provision increased by 42%. At the same time, local authority provision has not kept pace and has actually shrunk in some areas.

Stability index 2020

This analysis contains the 2020 update to the Stability Index: the Children’s Commissioner’s ongoing project measuring levels stability for children in care. It focuses on the cohort of children who were in care on 31 March 2019. This update finds that just over 1 in 10 children in care (8,000 children) experienced multiple placement moves in 2018/19. This rate has remained largely unchanged since 2016. Older children are more likely to experience multiple placement moves in a year than other children in care, and rates are highest amongst 12-15 year olds who also entered care aged 12-15, where nearly 1 in 5 of these children experienced multiple placement moves in 2018/19. Looking at school stability, just over 11% of children in care enrolled at school during 2018/19 experienced a mid-year school move (equivalent to 5,877 children). This rate has decreased slightly from 2016 levels where it stood at 12%. An accompanying [dataset](#) provides key stability figures for each LA.

Published previously

Stability Index 2017-2019

The Stability Index is an annual measure of the stability of the lives of children in care. It was first launched by the Children’s Commissioner in 2017 to shine a light on the issue of stability, provide data that allows stability to be monitored over time, and ultimately drive improvements in stability for children in care. It covers placement stability, school place movement and social worker changes. The work was commenced because stability was the top issue raised with the Children’s Commissioner through her engagement with children in care.

This report provides the national overview of the latest data analysis (relating to 2017/18) and findings. An accompanying technical report provides the full detail and methodology.

Who are they? Where are they? – Children locked up

This report examined the situation of children locked-up in England. It combined data from a range of different sources to show that 1,465 children in England were securely detained in March 2018, of whom 873 were in youth justice settings, 505 were detained under the Mental Health Act, and 87 were in secure children’s homes for their own welfare. In total, we estimate that it costs over £300 million a year

to look after these children. We also found that there are at least 200 children deprived of liberty in other settings, largely within the care system, who are ‘invisible’ to us from publicly available data as no information is published about where they are living or why they need to be there. An update to this report will be published in late November 2020.

“Pass the parcel” – Children out-of-area

This report focused on the 30,000 looked after children living ‘out of area’ in England (that is an area other than the one grew up). This is 41% of all children in care and has risen by 13% since 2014. Over 11,000 of these children are more than 20 miles from what they would call home, with over 2,000 further than a hundred miles away.

This research asked what it is like to be uprooted and placed hundreds of miles away; what does it mean for friendships and relationships with family, and how does it affect a child’s sense of belonging. These absolutely fundamental questions are not asked often enough so their answers are absent from much of the national discussion about children’s care. To listen to children’s experiences, we visited fifteen children’s homes across England, wherever children were being placed – the small towns, the rural areas, the coastal towns – to ask them about their lives. While some children were thriving in their new homes, many were discontented and felt a sense of injustice about how they had been treated.

Spend on vulnerable children

This report provides new estimates of how much is spent on children in specific categories of need and vulnerability across a sample of local authority children’s services departments. The Children’s Commissioner’s Office visited over a dozen LAs between November 2018 and February 2019 to gather evidence from Directors of Children’s Services, elected council members, heads of finance and programme managers on local pressures on children’s services budgets, specifically budgets for high needs and early intervention. The Children’s Commissioner Office then worked closely with nine local authorities to develop a methodology to allocate financial data and produce a set of estimates. Within this work, we were able to break down the cost of different type of care placements, and found that, on average, each local authority had a population of about 15 children in care placements costing more than £250,000 a year.

Annex 2 – Key findings on children’s residential care from other organisations

National Audit Office – ‘Pressures on Children’s Social Care, 2019

Key findings:

“10 The cost of children in care is rising. Local authorities are budgeting to spend £4.2 billion on looked-after children in 2018-19, which is £350 million (9.1%) more than they budgeted to spend in 2017-18. Although the number of children placed in residential care by local authorities increased by 9.2% between 2013-14 and 2017-18, the cost of residential care increased by 22.5% over the same period, from £1.02 billion to £1.25 billion in real terms (paragraphs 1.24, 1.27 and 2.19).

11 Demand for residential placements and staff has outstripped capacity. There has been an increase in the use of residential care, and this has exposed the lack of suitable placement capacity available to local authorities: only 32% of local authorities report that they have access to enough residential homes for children aged 14 to 15 years, and 41% for those aged 16 to 17. Reflecting this lack of capacity, in 2016 an independent review found that an absence of successful commissioning was resulting in different local authorities paying widely different prices for the same standard of residential care. In addition, despite employing an increased number of children’s social workers, local authorities have also had to increase their use of expensive agency staff (paragraphs 1.25 to 1.29).”

Recommendation: “[the Department for Education] should assess how best it can work with local authorities to match residential children’s home capacity with need”

Public Accounts Committee – Transforming Children’s Services

Key findings:

“The increasing use, and high cost, of residential care places local authorities under extreme financial pressure. There is a lack of residential capacity for children’s social care and its use is often unplanned, leading to ‘bidding wars’ between local authorities for places for children. Although the number of children placed in residential care by local authorities increased by 9.2% between 2013–14 and 2017–18, the cost of residential care increased by 22.5% over the same period, from £1.02 billion to £1.25 billion in real terms. The Department is working with local authorities to commission cost-effective residential care but demand is clearly outstripping supply”.

Recommendation: “The Department should set out by December 2019 how it will work with local authorities to manage the supply of high quality and cost-effective residential care and match this to demand.”

HCLG Select Committee – Funding of local authority children’s services

Key findings:

“Local authorities are highly reliant on the independent sector, particularly for children’s residential care. Costs are increasing but it’s unclear why. Given this reliance, it is imperative that the market works well and that commissioning and procurement are improved to ensure no child is placed in unsuitable care settings

Recommendations:

- > The Government should consider the barriers to creating more residential care placements to increase supply.
- > There may also be a role for greater regulation of the children’s care market to ensure that costs do not rise disproportionately and that there is appropriate competition. The Competition and Markets Authority should investigate this market.
- > A review of the commissioning and procurement system, which also assesses the merits of the various improvements, should be conducted by the Government and local authorities should introduce greater oversight of how different care placements affect outcomes for children and their value for money.”



Children's Commissioner for England
Sanctuary Buildings
20 Great Smith Street
London
SW1P 3BT

Tel: 020 7783 8330
Email: info.request@childrenscommissioner.gov.uk
Visit: www.childrenscommissioner.gov.uk
Twitter: @ChildrensComm