

Sufficiency Summary Report

Gloucestershire County Council

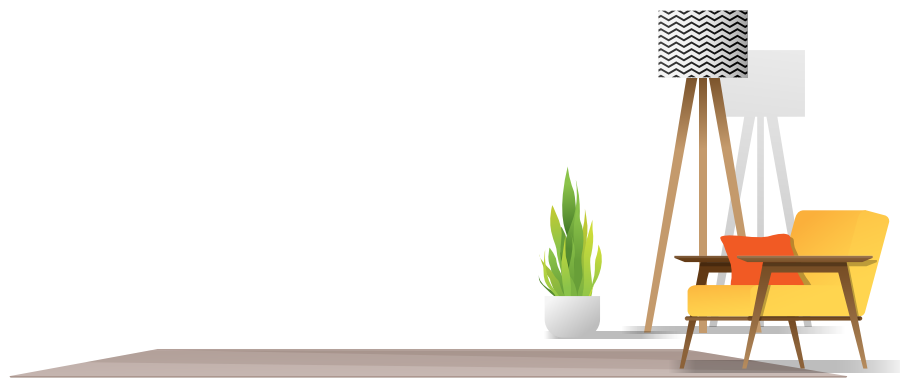
Sufficiency Strategy 2022-2025



Introduction

The Institute of Public Care at Oxford Brookes University (IPC) was commissioned by Gloucestershire County Council to support them in reviewing and refreshing the County's Sufficiency Strategy for looked after children Right Placement Right Time. A detailed report has been completed which can be used to produce a public facing document for publication to which Gloucestershire can give their own style and emphasis.

This summary report highlights key points from the full report, and places these in the context of national and regional developments. It is intended to inform strategic decisions about how best to address the challenge of providing sufficient local placements for children in the current market conditions.



National Context

Nationally there has been a long term trend of increasing numbers of children in care, with the total looked after in England at the end of each financial year increasing from 47,590 in 1994 to 80,850 in 2021.

There was a slight dip between 2005 and 2008, but numbers have risen year on since. This is not however as often assumed because more children are entering care, in fact, as can be seen in the graph below, the numbers starting to be looked after each year have fallen, rather it is because children are on average remaining in care for longer.

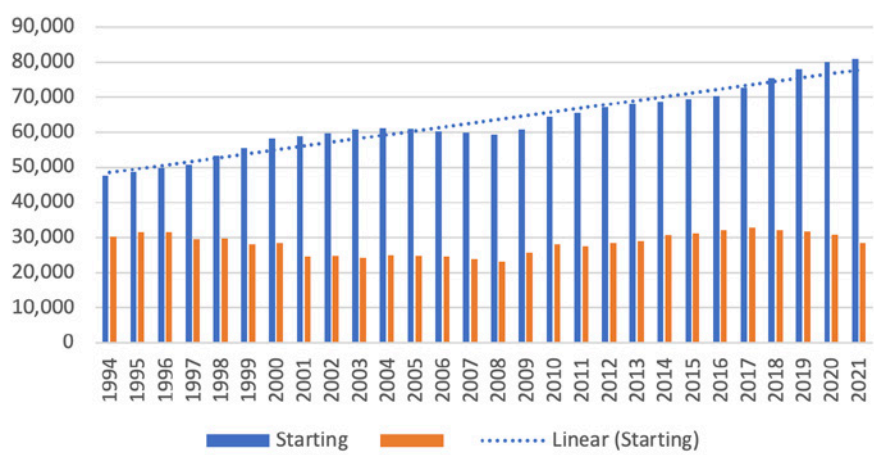
The reasons why children are remaining in care longer are not fully understood, but key factors included more children remaining in care until 18 and increased used of kinship care placements. Whatever the cause, the result is increased demand for placements for children across the country.

Alongside increasing numbers of looked after children, there have been longstanding concerns about poor outcomes for children and the quality of leaving care support, and in recent years, growing concern about the functioning of the market for placements and the financial sustainability of the children’s social care system.

These concerns had led to a series of reviews and investigations, most recently:

- » The Independent review of children’s social care in England, (final recommendations expected later in 2022); and

Figure 1: Children looked after in England - long term trend



Source: Children looked after in England including adoptions 2021

- » The Competition and Markets Authority Children’s Social Care Market Study (published March 2022)

The Independent Review of children’s social care has a broad scope but it has already indicated that the functioning of the placement market and the role of private profit are key areas of focus:

“The “placement market” is broken: we need a pragmatic re-think with all options considered. The review is working alongside the Competition and Markets Authority (CMA) to look at this issue. We need to ask, if we were creating care today that was good enough for all our children, what would it look like?”¹

The outputs of the review to date question the whole language of markets and strongly emphasise the importance of securing loving relationships for children. In this context, recommendations to promote kinship care and change the way relatives are supported to care for children are likely. Discomfort over markets for children’s care notwithstanding, the chair of the independent review has welcomed the CMA report as “the latest and what I hope will be the last wake up call”.²

The CMA Study concluded that:

“There are significant problems in how the placements market is functioning, particularly in England and Wales. We found that:

¹ Independent Review of Children’s Social Care The Case For Change p12

² Independent review of children’s social care website update post 11 March 2022

- » *a lack of placements of the right kind, in the right places, means that children are not consistently getting access to care and accommodation that meets their needs;*
- » *the largest private providers of placements are making materially higher profits, and charging materially higher prices, than we would expect if this market were functioning effectively; and*
- » *some of the largest private providers are carrying very high levels of debt, creating a risk that disorderly failure of highly leveraged firms could disrupt the placements of children in care”.*³

The findings about profit margins and debt levels are based on an analysis of the accounts of the 15 largest private providers. For large children’s home providers operating profits averaged 22.6% and for fostering providers 19.4%. The report suggests that these levels of profit would normally be expected to bring new providers into the market but this does not appear to be happening because of barriers to entry, such as difficulties in recruiting staff and carers and regulatory requirements.

The CMA also compared the costs of private and local authority provision. For residential care, the costs of providing the service in-house were similar, mainly because local authorities have higher staff costs and over-heads, particularly pensions. There may therefore not be a strong financial case for in-sourcing residential care, although there are other benefits particularly in terms of securing more local provision. For fostering the costs of IFA provision were generally higher than in-house provision.

The CMA stopped short of recommending a cap on prices or a ban on for profit provision, as some had urged, and instead focused recommendations on three areas:

- » improving commissioning, by having some functions performed via collaborative bodies (probably regional in England), providing additional national support in areas like forecasting and supporting local authority initiatives to provide more in-house foster care;
- » reducing barriers to providers creating and maintaining provision, by reviewing regulatory and planning requirements, and supporting the recruitment and retention of care staff and foster carers; and

- » mitigating the risk of disorderly exits from the market by creating an effective regime of market oversight

The CMA’s concerns about the capacity and capability of local authorities to effectively shape the market are echoed in research undertaken for the Independent Review of Children’s Social Care by What Works for Children’s Social Care.⁴ They reviewed local authority placement sufficiency strategies and assessed the extent to which they were achieving ‘effective market stewardship’, defined with reference to criteria developed by the Institute for Government. This found that only 44% of councils had up to date sufficiency strategies, despite the fact that this is a legal requirement. Gloucestershire is therefore in a minority of councils in maintaining a comprehensive and up to date document. The strategies analysed had many consistent themes: increasing difficulty in placing children locally, increasing complexity of needs which could often not be met in local provision, and rising unit costs, but they provided limited evidence of successful market stewardship. Against the six criteria the analysis found either ‘no, limited or mixed evidence’. For example ‘providers

³ Children’s Social Care Market Study Final Report, CMA, March 2022 p5

⁴ Are local authorities achieving effective market stewardship for children’s social care services? A synthesis of sufficiency strategies for children in care in England, What works for Children’s Social Care March 2022

must be competing actively and in desirable ways' was assessed as not met:

"It is not providers who are 'actively' competing for placements, but LAs who are competing for providers. There are many applications

*from LAs per placement at a children's home. Competition is not maintaining prices at low or consistent levels for commissioners, even for those subscribing to regional or sub-regional commissioning frameworks."*⁵

It is anticipated that the government will consider the CMA's recommendations alongside the final report of the review. It seems highly likely that some significant changes to commissioning arrangements will be proposed.



⁵ Are local authorities achieving effective market stewardship for children's social care services? A synthesis of sufficiency strategies for children in care in England, What works for Children's Social Care March 2022, page 32

Regional context

The issues identified in national reports are shared by local authorities across the South West Region. This has led to a number of regional initiatives, notably the South West Sufficiency Project, for which the Department for Education has provided two years funding for a project manager hosted by South Gloucestershire.

The project is a partnership of all 14 local authorities in the region with social care responsibilities, (except the Isles of Scilly) and including of course Gloucestershire.

The Institute of Public Care has been working with the project to finalise one of the key deliverables of the project, namely a market position statement for residential, fostering, and non-maintained independent special schools.

The market position statement is currently in draft form but some of the main messages are:

- » Overall there is significant demand pressure and capacity is not growing fast enough to meet the needs.
- » As nationally, the issue is not necessarily more children becoming looked after, (although that is the case in some areas, including Gloucestershire), but rather children remaining in care for longer and having a complex range of needs, including significantly increased mental health issues and Autistic Spectrum Conditions, often alongside other needs.

- » Capacity is also often not well aligned to the needs of children requiring placement, either in terms of the types of care required or location.
- » Recruitment of foster carers is very challenging. The number of local authority approved foster carers across the region has barely increased over the last five years, and an increasing proportion of them are 'family and friends' carers who are only available for specific children. There were in fact 120 fewer 'general' local authority approved households in 2021 than there had been in 2016.
- » An increasing number of placements are being made away from the child's home area, often in other local authorities. The number of children placed more than 20 miles from their home has increased significantly and the South West has the second highest proportion placed at this distance of any English region (31%).

- » The proportion of children placed in 'secure units, children's homes and semi-independent accommodation' (grouped together in national data) increased by 38% between 2019 and 2021.
- » The number of unaccompanied asylum seeking children was falling until March 2021 but many authorities are reporting a recent increase due to the national transfer system becoming mandatory, and, as in Gloucestershire, the Home Office commissioning more hotel accommodation in the region.

The next stage for the South West Sufficiency Project is to finalise recommendations to address some of the challenges identified. These are likely to be a mix of things to carry forward regionally, sub-regionally and at individual authority level. Themes are likely to include 'relational commissioning', with stronger partnerships with providers and new contracting approaches to secure more local provision for local children, as well as specialist regional provision and some regional arrangements, for example to improve data and share learning.

Gloucestershire

The Institute for Public Care has done extensive work with Gloucestershire to support updating of the Sufficiency Strategy. The project brought together a wide range of evidence including, crucially, the voices of care experienced children and young people.

The key elements comprised:

- » An extensive data analysis, including benchmarking against statistical neighbours and national and regional averages.
- » Desktop review of a wide range of documents, including strategies, plans, performance reports, evaluations and project proposals.
- » An online provider survey of independent providers of fostering, residential care and supported living, distributed to all those on regional frameworks or based in Gloucestershire or neighbouring authorities.
- » Bespoke engagement activity with young people and foster carers, building on a wider programme work to strengthen the user voice.
- » Best practice deep dives, covering both emerging practice in Gloucestershire, such as Trevone House, and best practice in other local authorities, focusing on key themes identified through the data analysis.

The work confirmed that the challenges faced by Gloucestershire are very similar to those identified nationally and regionally, but in some respects

are more acute. This is particularly clear in terms of demand pressure, with Gloucestershire having a particularly sharp increase in referrals and numbers of children looked after compared to statistical neighbours. Between 2013 and 2021 there was a 68% increase in referrals to Gloucestershire Children's Services and the referral rate per 10,000 went from below average to well above national, regional or statistical neighbour rates. Meanwhile numbers of looked after children have grown steadily since 2014, from 478 to 834 as at September 2021. Contrary to the national or regional picture this increase is not just because children are remaining in care longer but also because more children have been entering care.

The reasons for the high demand on services are complex but it is hypothesised that an important factor in Gloucestershire was the history of 'inadequate' services, resulting in a lack of trust and defensive practice across partners. A similar pattern is observed in some other authorities with history of poor inspection outcomes. The recent improved Ofsted grade provides an opportunity to address this through strengthening trust and managing risk across the system.

Other key issues identified included:

- » An increase in the proportion of children entering care aged under 5, suggesting a need to strengthen the edge of care offer for younger children.
- » Very high levels of instability for children, not just in terms of their placement but also social workers.
- » Over-representation of children with dual-heritage amongst the looked after population.
- » Poor outcomes and wellbeing for young people leaving care, pointing to the importance of stability, good quality support and consistent relationships with trusted adults.

The review of best practice identified that Gloucestershire was already implementing many of the best evidenced approaches to these challenges, although these initiatives will take time to have effect and will require focused attention to ensure delivery and to embed and scale up successful pilots.

As elsewhere, capacity has not been growing fast enough to meet rising demand. For example, there were 69 registered children's home places in Gloucestershire in 2021 just two more than in 2018 .

Implications

Providing sufficient high quality local foster or residential homes for Gloucestershire's children is a complex and challenging task and requires a multi-faceted strategy. The IPC recommends that this focuses on three strategic aims to be pursued in parallel:

- » Increasing the number of available homes for children (both fostering and residential) in Gloucestershire;
- » Improving the quality of support experienced by children whilst they are looked after; and
- » Safely reducing the number of children who need to be looked after away from their families through a whole system re-design

In the current market conditions it is very unlikely that the market will provide sufficient good quality local provision without an active approach, whether commissioning differently from the independent sector or developing new provision directly or through a new vehicle. Regional and national initiatives may come forward in the medium to long term but given the immediate pressures and long lead in times for new provision it would be unwise to rely on these.

All sectors face significant challenges in recruiting and retaining skilled staff and foster carers, so a well-resourced workforce strategy is essential whatever route is pursued to grow local capacity

For foster carers the evidence suggests that the quality of support offered, including out of hours, is crucial and likely to be more effective than recruitment campaigns.

The national policy context presents both risks and opportunities. It is likely that significant changes will be proposed but the detail of these and the timing of implementation is very uncertain. There may be funding and opportunities to pilot innovative approaches to address shared challenges. On the other hand changes may be disruptive to the market or prioritise regional solutions. Seeking DfE funding or endorsement for innovative approaches could mitigate policy risks.

There is an opportunity to leverage the recent Ofsted inspection to build trust and confidence across the whole system and mitigate demand pressures.

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