

Children's homes data pack

December 2014



Contents and structure of the pack

- This pack updates and adds to data already published about children’s homes in England. It provides information on the outcomes for children in the homes, their location and ownership, their cost, and the people who work in them.
- It is split into six parts covering:
 - the children in residential care;
 - the relationship between children and their residential care placement (new analysis);
 - outcomes for children in, or who have been in, residential care (new analysis);
 - residential care provision – the homes and their location;
 - the costs of residential care; and
 - information on children’s homes private providers.



Data sources and known limitations

- The information in this data pack is predominantly taken from the following sources:
 - [The DfE statistical collection about children looked-after](#) (SSDA903) as reported by local authorities for the year to 31 March 2013, and to 31 March 2014, and [Outcomes for children looked after by local authorities](#) for outcomes information.
 - [Ofsted data on children's homes as at 31 March 2014](#).
 - Travel time estimates supplied by the Department for Transport
- The DfE data relates to all children looked-after and so includes children in fostering placements, residential special schools, respite provision and children's homes. Where we have indicated that the information in this pack relates only to children placed in children's homes, this largely excludes information about children placed in residential special schools and unregulated settings (such as hostels or supported lodgings) and those in respite provision.
- The Ofsted register data gives the total number of children's homes in England at the 31 March 2014 as 2,057. This data has been 'cleaned' so as to exclude secure children's homes, children's homes that provide respite care or short breaks only, and Residential Special Schools registered as children's homes. This has resulted in a total number of 1,760 homes. These are the homes that are referred to where we have matched to the Ofsted data. Readers should note that there may be a few residential special schools still included in the analysis.
- The DfE and Ofsted data are not directly comparable due to the inclusion of different types of home, and so caution is recommended when comparing analysis between different slides.



Executive summary

- Children's homes fulfil a number of purposes and cater for a range of children's needs, from late entrant adolescents with challenging behaviour, who have spent long periods of time out of school and may quickly return to their family, to young people at risk of CSE (child sexual exploitation), children and teenagers with complex mental health problems, and respite provision for disabled children.
- The data shows that generally outcomes for children in children's homes are poorer than for other children looked-after. This is not necessarily unexpected given that residential provision is likely supporting those with the highest levels of need. Evidence suggests that children who spend a longer time in residential provision may have better outcomes than those who have only spent a short time in such provision.
- The private sector provides the majority of children's homes and places. There are a small number of local authorities (9) with no children's homes in their area. A third of local authorities do not have a local authority run children's home. A small number of children's homes closed and opened in the year to 31 March 2014 giving a small net increase in the number of homes (21). The homes that closed were more likely to be rated inadequate. Overall the number of homes rated as inadequate has considerably reduced.
- The average cost of placements per week is £2,964 in LA homes and £2,907 in private/voluntary homes.
- The market is made up mainly of small, predominantly private providers and our data does not suggest market dominance by any one provider as the top 11 providers (those with more than 15 homes) make up only 24% of the homes.
- To March 2014 fewer children's homes have been rated as inadequate (1%) compared to 2013 (4-5%) and homes rated as inadequate are more likely to close.
- The data in this pack poses challenges to local and national government and all providers of children's homes. More data, and further analysis, will be published in future as it becomes available. The Government is working with Ofsted, local authorities and providers to improve the market, match local supply with demand and understand better how cost and quality affect individual children's outcomes.



The children in residential care

- The number of children in children's homes remains relatively stable year on year. The average age of residents in children's homes is 14.7 and those living in homes tend to stay there for relatively short periods of time, with few placements lasting longer than a year¹.
- Children who live in children's homes have high levels of emotional and behavioural difficulties. Recent research² found that 38% of children living in homes had a statement of special educational needs; 62% had clinically significant mental health difficulties³; 74% were reported to have been violent or aggressive in the past six months. Children who live in homes were found to have achieved lower grades in Key Stage examinations than other children.
- More children in children's homes live outside the LA boundary than inside, however over half of new placements in 2013-14 were within LA boundaries and 65% were placed within 20 miles of home. We will continue to monitor these figures to drive local placements where appropriate.
- There continue to be considerably more boys placed in children's homes. Younger boys are proportionally more likely to be in children's homes than younger girls and there were a larger percentage of short term placements (i.e. those under 30 days duration) in 2013 than there were in 2011.



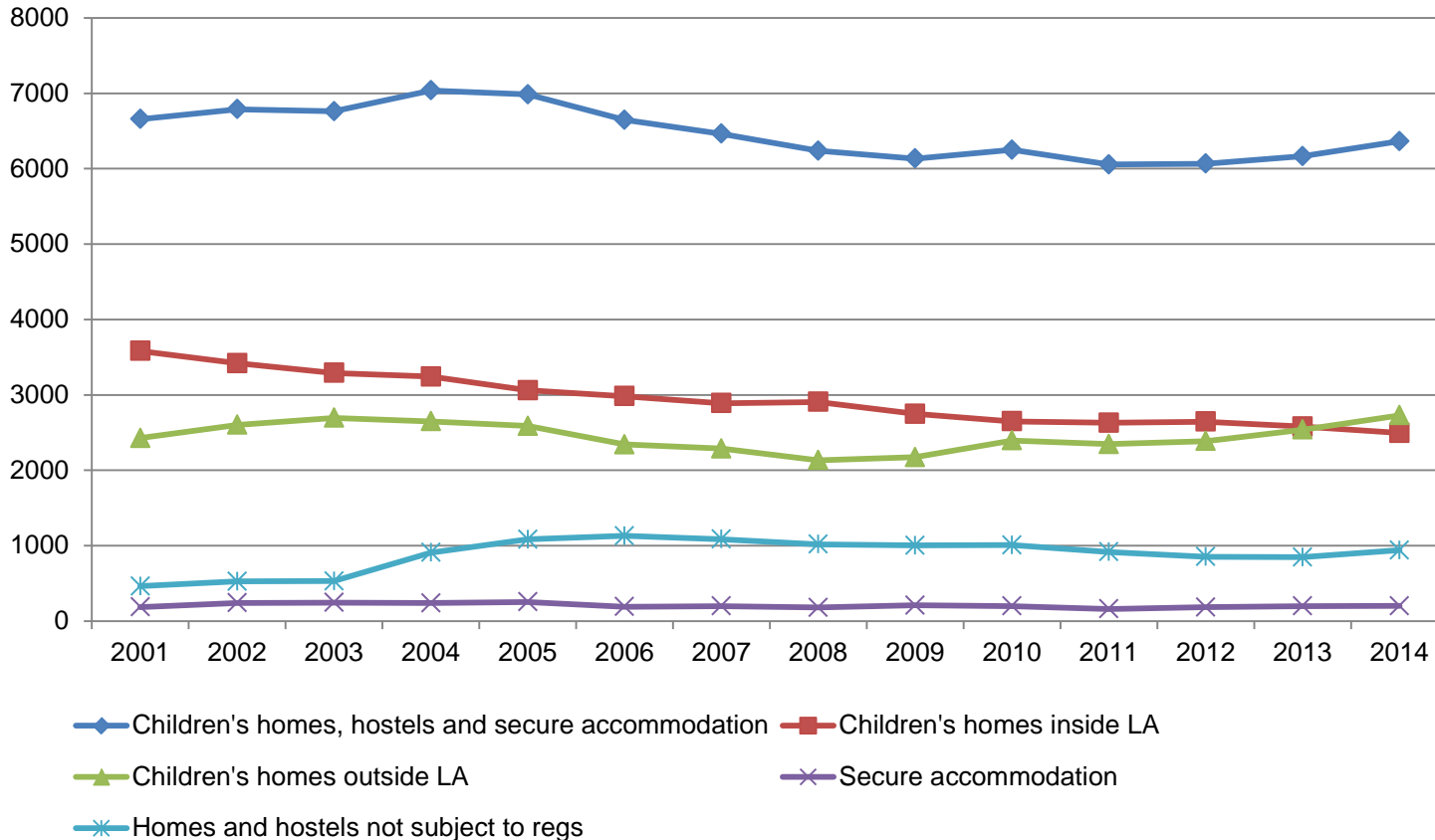
¹Slides 6-7 relate to data collected from the 2013-14 data return. However the information in slides 8-11 relate to the 12-13 data return as we do not yet have the detailed analysis of the 13-14 data required to update these tables.

²Living in Children's Residential Homes, 2012: Berridge, D., Biehal, N. and Henry, L., Research Report, DFE-RR201.

³Clinically significant mental health difficulties as defined by a 'clinically significant score on the strengths and difficulties questionnaire'.

6,360 children – around 9 per cent of children looked-after – were in children’s homes and hostels or secure accommodation on 31 March 2014; of whom 5,220 were in children’s homes

Number of children looked after in children's homes, hostels and secure accommodation



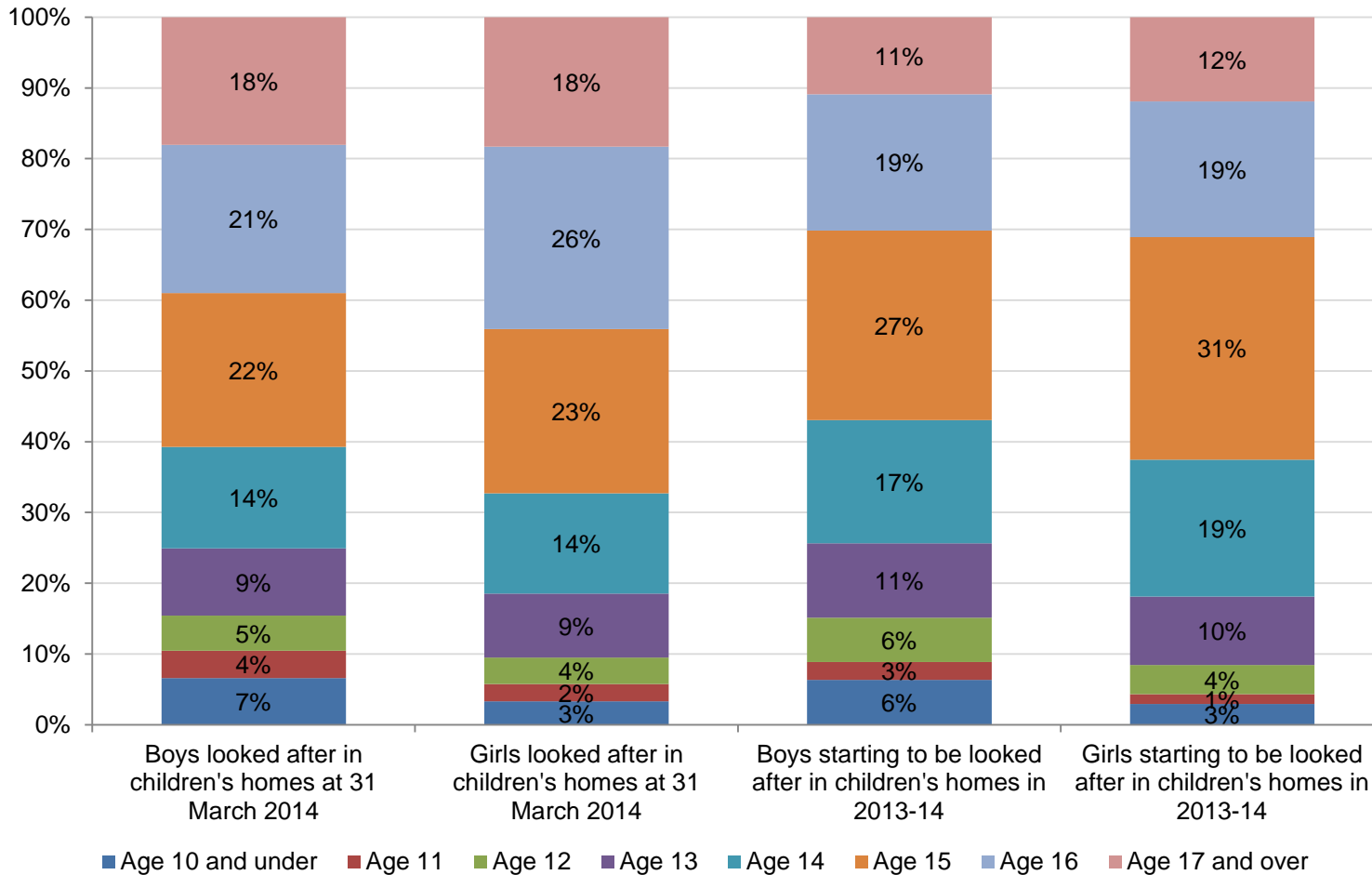
In 2013-14, 1,720 children started to be looked after in children’s homes, just over a 5% reduction from 2012-13. Of these new placements, 52% were within LA boundaries and 65% within 20 miles of home.

The graph shows more children currently placed outside than inside their home LA; we think this is because children who ended placements in 2013-14 were more likely to be those placed within LA boundaries.



Children's homes cater for children of all ages, but in practice most are aged over 12. Residents of children's homes are more likely to be boys (64%) than girls (36%)

Percentage of boys and girls in children's homes by age



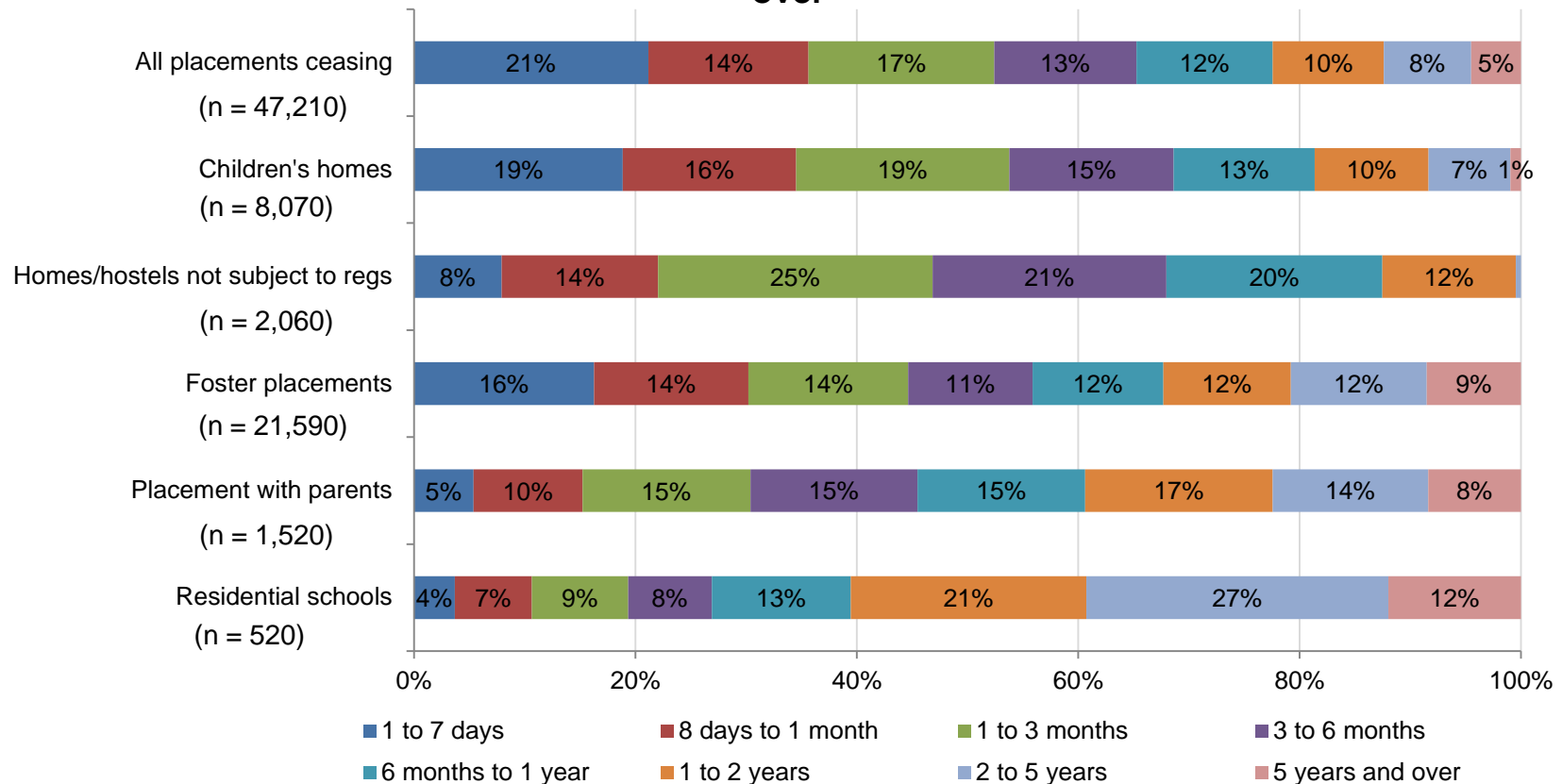
The average age of children in the homes was 14.7.

Over three quarters of children in homes were between 14 and 17 years old.

There is a larger proportion of boys than girls in the overall children looked-after population but boys are still more likely to be resident in children's homes.

The duration of placements in children's homes is quite similar to foster placements although fewer last longer than a year – 19% compared with 32%

Duration of placements which ceased in 2012-13 for children aged 10 and over

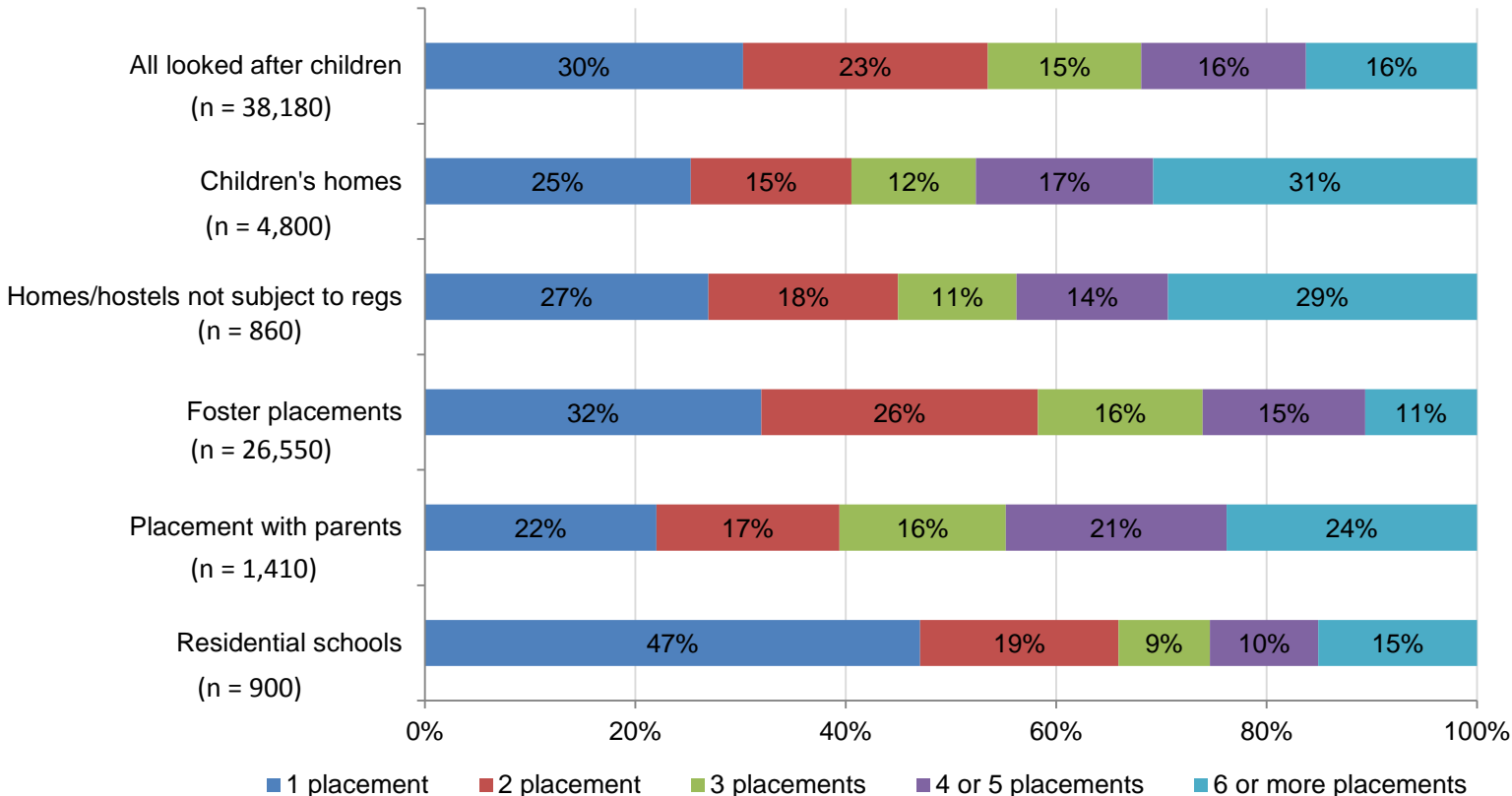


The earlier version of this slide (June 2014 publication) omitted a relatively small number of placements during the year. These have been added into the chart and have resulted in small changes to the percentages in the rows for children's homes and residential schools.



For some children, the children's home is their first placement, but more than a quarter of children in children's homes have had at least 5 previous placements

Number of placements in current period of care for children looked after aged 10 or over at 31 March 2013



32% of children in foster placements were on their first placement, compared to 25% of children in children's homes.

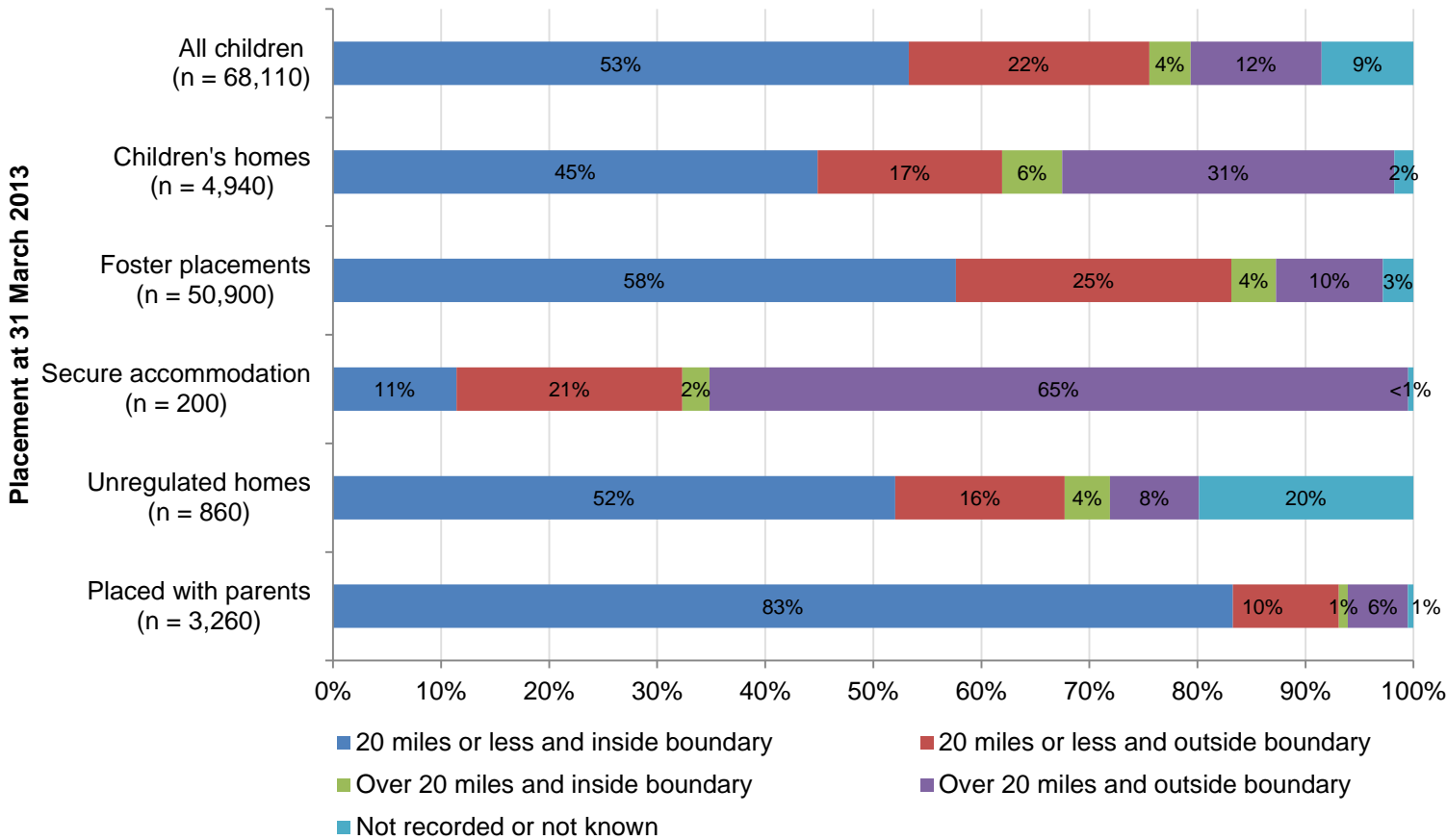
Around 12% of children looked-after (of all ages) had lived in a children's home at some point. Just over a third of these children had since left the children's home.

The earlier version of this slide (June 2014 publication) omitted a relatively small number of placements earlier during the children's period of care. These have been added into the chart and have resulted in small increases to the percentages with six or more placements in all rows.



Children in children's homes are more likely to be living away from their local communities than those in foster care

Distance between home and placement for children looked after at 31 March 2013



More than a third of children in children's homes are more than 20 miles from home compared with 14% of children in foster care.

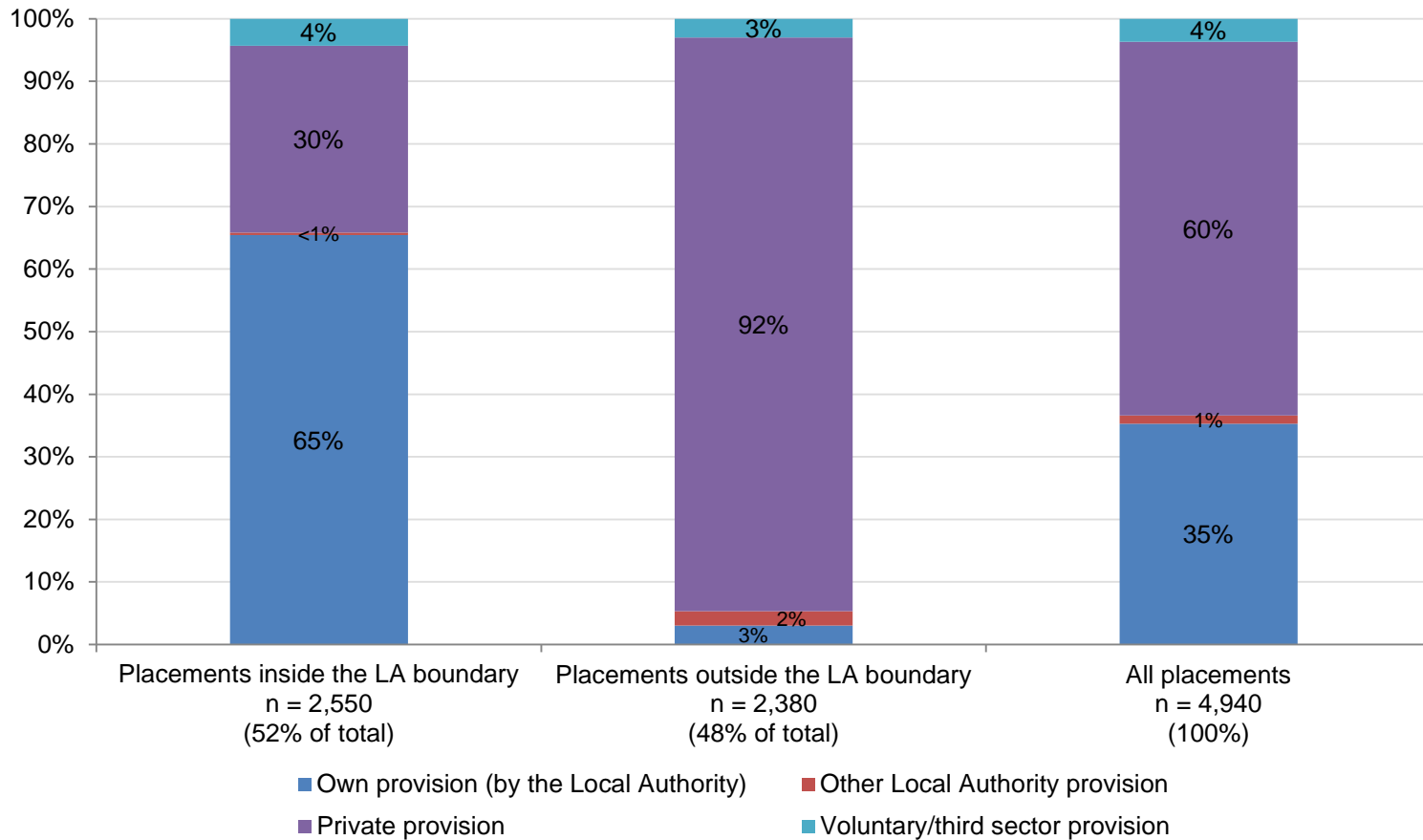
45% of children in children's homes live within the local authority and less than 20 miles from home, but 31% live outside the local authority and more than 20 miles from home.

This compares with 58% and 10% respectively for children in foster care.



63% of the children in children's homes are in private or voluntary provision, but this varies by whether the home is inside or outside the local authority area

Placement providers for children's homes as at 31 March 2013



Overall 52% of children in children's homes were living in a home within the local authority boundary and 48% were living in a home outside the boundary.

95% of children living in children's homes outside the local authority boundary were in private or voluntary provision.

Almost two thirds of children in children's homes within the boundary were in the LA's own provision.



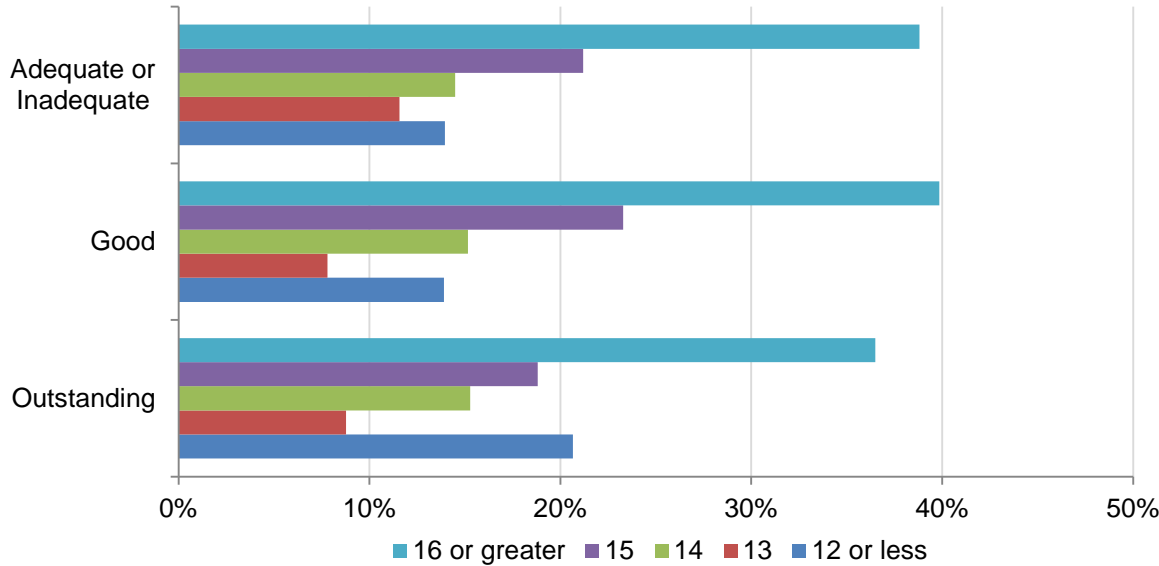
The relationship between children and their residential care placement

- For the first time we have matched DfE data on children looked-after as at 31 March 2013 (postcode information from local authority data returns) to the Ofsted register of data on children's homes (Ofsted data on location of each children's home in England).
- As the data sets are different and we do not have 100% coverage, the findings that follow should be viewed as exploratory and provisional. From 2015-16 the children looked-after data collections will include the Ofsted URN of each child's placement, which will improve matching.
- In the following slides where data on the quality of placement has been matched, it should not be taken that children have necessarily been placed in a provision that was rated inadequate at the time of the placement. The information refers to the most recent full inspection result of homes on overall effectiveness.
- There are many areas where there are no apparent relationships between home characteristics and the children e.g. quality of home and age or ethnicity or distance from home, although children in distant placements are slightly more likely to be in smaller homes.
- London local authorities are placing their children (in children's homes) the furthest from their home (an average distance of 52 miles compared to 28 miles nationally). Local authorities in the North West place their child the closest to their home (average 16 miles). This indicates the differences in availability within local markets.
- Children looked after in regulated children's homes are more likely to go missing from their placement than any other type of placement. They are also more likely to go missing more than once compared to children looked after in foster homes.

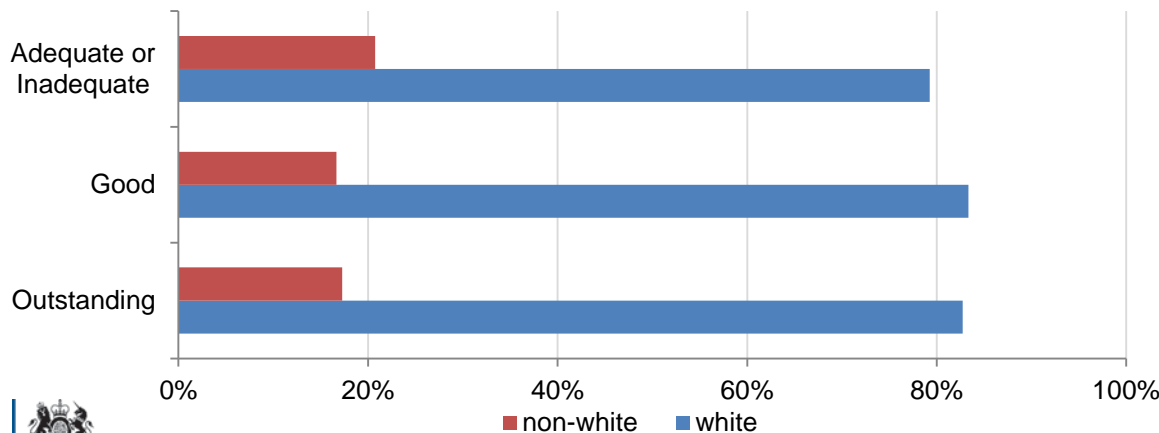


The matched analysis revealed little or no relationship between home characteristics and information on the children.

For example there is no relationship between age or ethnicity and Ofsted ratings



Older children are not more likely to be in worse or better related provision

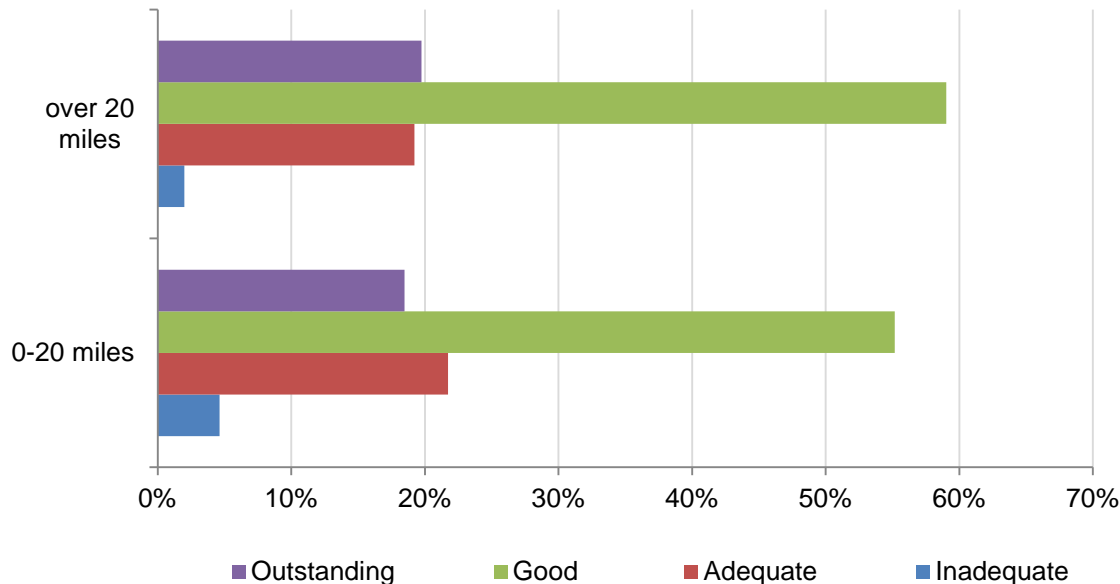


Non-white children are not more likely to be in either worse or better homes

(white refers to white British, white Irish, and any other white background)



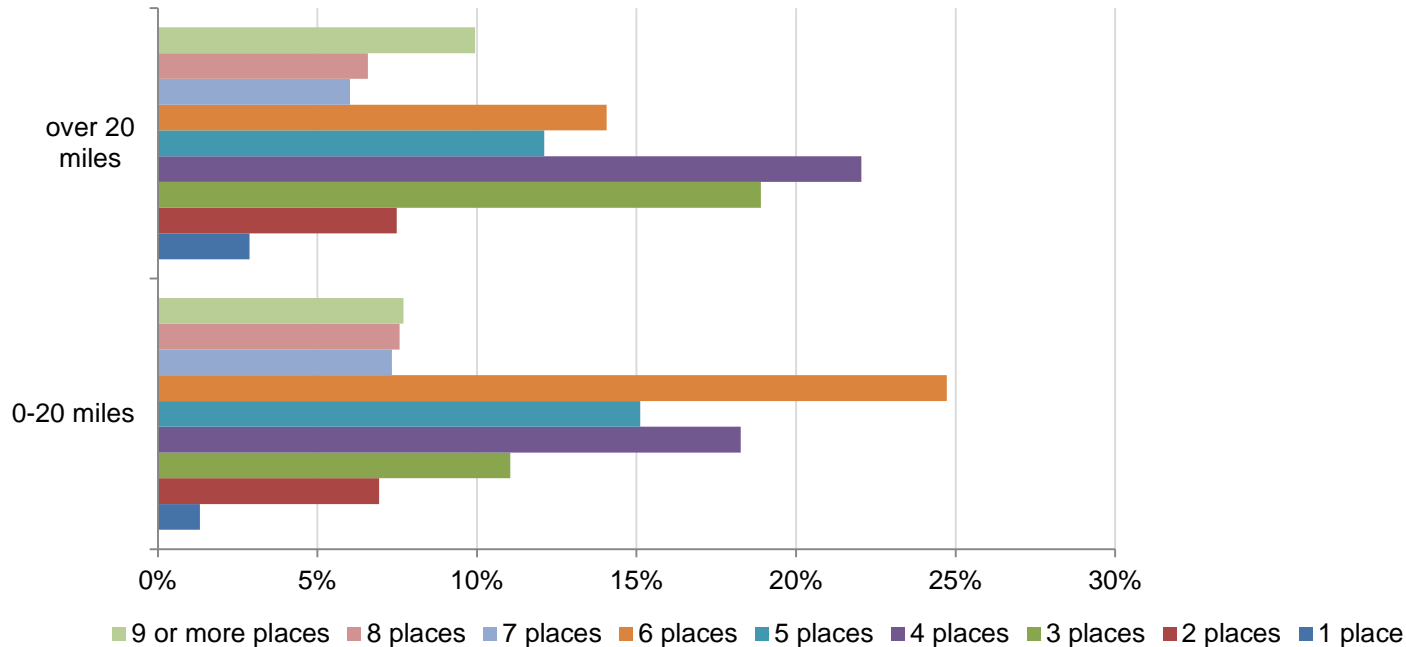
There is also no relationship between distance of placement and home quality. Local authorities placing children far from home are not placing them in poorer quality provision



Children placed further from their home postcode are not more likely to be in provision rated as inadequate and the same pattern holds when viewing placement distance from 0-10 miles, 10-50 miles, and over 50 miles



There is some evidence to suggest that children in distant placements are more likely to be accommodated in smaller homes



51% of children placed over 20 miles from their home postcode are in homes with one to four places.

38% of children placed within 20 miles from their home postcode are in homes with one to four places.

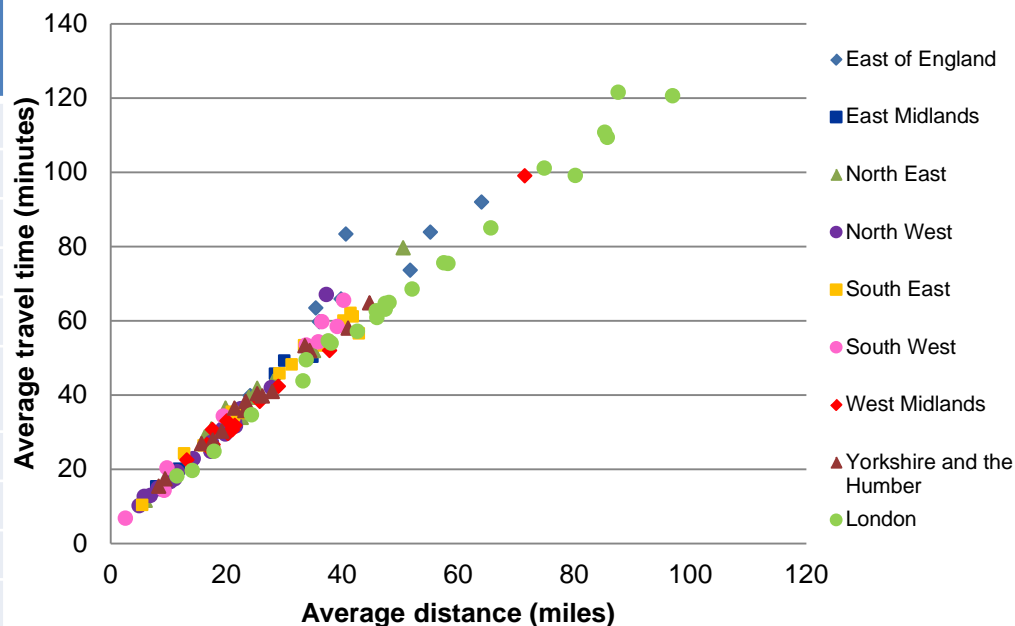


One issue with distant placements is the length of time it takes to travel from the child's home to their placement. Local authorities in London and the East of England have children placed in children's homes at a greater distance with greater travel times

Region	Children looked-after with travel time information	Average distance (miles)	Average travel time (minutes)
London	520	52	69
East of England	335	41	65
South West	225	29	47
South East	490	29	44
North East	295	23	37
Yorkshire and the Humber	535	23	36
West Midlands	500	23	35
East Midlands	235	22	34
North West	640	16	26
England	3,770	28	43

The number of children has been rounded to the nearest five and the average distance and the average travel time have been rounded to the nearest mile and nearest minute respectively. Not all data has been matched for all children due to variations between different data collections.

Average distance from home vs average travel time for children looked after in children's homes by Local Authority



Excludes local authorities with less than 6 children. Each point represents a local authority. The colour and shape of the point indicate the Region that local authority belongs to.

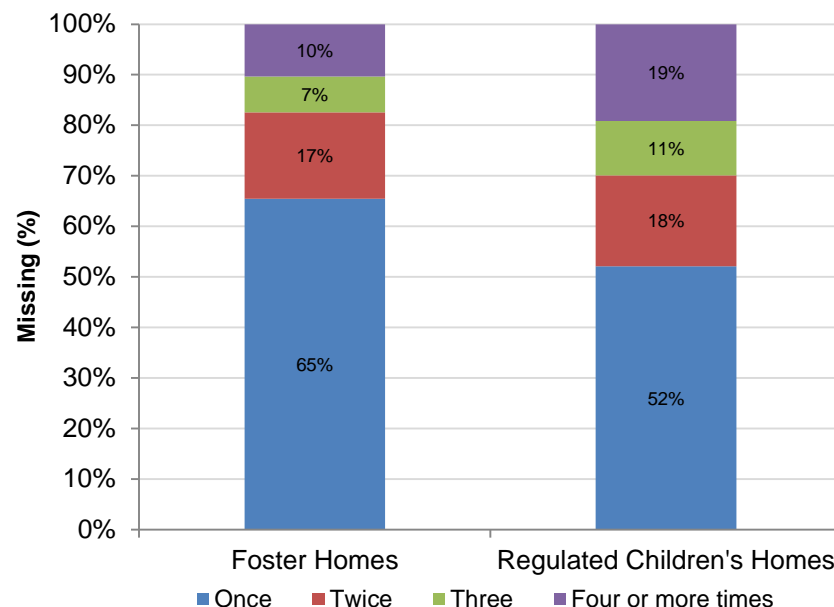


Children looked-after who go missing from care

Percentage of children missing from each type of placement in the year

Type of Placement	All CLA in the placement in 2012/13	All CLA who went missing from placement ¹	Percentage of CLA who went missing from placement
Foster	74,500	900	1
Parents	6,940	40	1
Community	5,660	240	4
Secure Units	750	10	2
Regulated Children's Homes	8,600	760	9
Homes and hostels not subject to Children's Homes Regulations	2,260	130	6
Residential	3,470	110	3
Schools	1,360	20	1
Others	2,670	90	6

Likelihood of repeat missing episodes for children who have gone missing



Most children looked-after who went missing in 2012-13, went missing from either foster homes or regulated children's homes. There are fewer children in regulated children's homes, therefore the percentage of children missing from a children's home was much higher than for foster homes (9% and 1% respectively).

Children looked after in regulated children's homes were also more likely to go missing more than once compared to children looked after in foster homes (48% and 35% respectively).

A very small number of children looked-after went missing from secure children's homes. Nearly a quarter of children looked after in a secure home as at 31 March 2013 had at least one missing period from another setting in the previous year. This suggests that some children who go missing are subsequently placed in secure accommodation.



¹ A child can go missing² from more than one type of placement throughout the year.

² Child has a placement of missing when they are absent for more than 24 hours from an agreed placement. There are three types of missing placements: a child can be in a refuge for children at risk as defined in section 51 of the Children Act 1989; have its whereabouts known to Social Services (not in a refuge) or have its whereabouts unknown to Social Services.

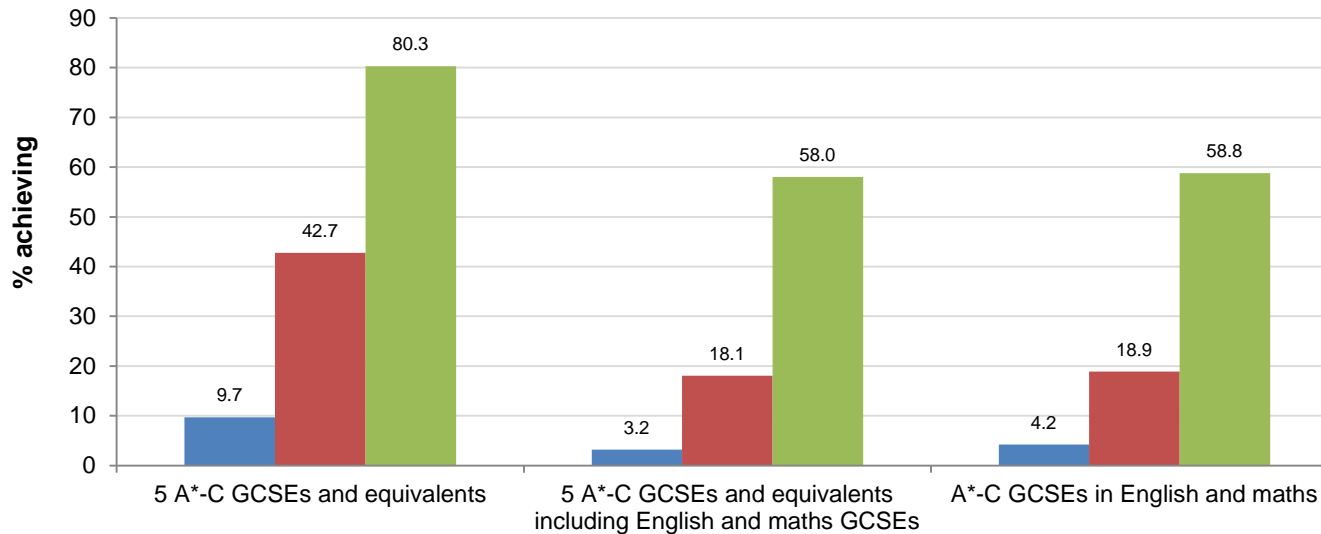
The outcomes for children in residential care

- For the first time we are showing the outcomes for children looked-after in residential homes.
- Outcomes for children in residential homes are generally poorer than for other looked-after children.
- There is some evidence that children who spend longer in a residential home will have better outcomes than those who have had only a short time in residential care. This suggests that stability of placement may be a factor in achieving good outcomes for children looked-after.
- The largest effect of this stability appears to be on criminal activity and substance misuse with both showing a reduction by duration.
- Caution needs to be taken when looking at the figures in this section – the children in each time category (looked after at end of period, looked after for 6 months, looked after for 12 months) are not the same children so we cannot say for certain that a particular child in such a category has improved over time when in a children's home, only that this could be the case. More research is needed to test this.



Children in children's homes are less likely to achieve well at key stage four than all children or other children looked-after

2013 Key stage 4 performance: Comparison between children looked after in children's homes compared to other looked after children and non-looked after children



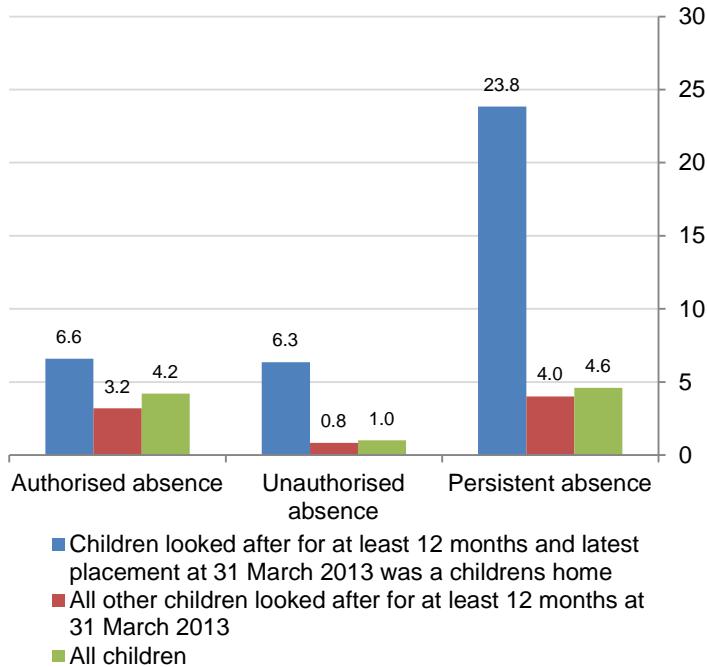
- Children looked after for at least 12 months and latest placement at 31 March 2013 was a children's home
- All other children looked after for at least 12 months at 31 March 2013
- Non-looked after children

These outcomes do not take into account any other factors regarding the children, e.g. whether those placed in children's homes were already lower attaining than others, whether they had greater difficulties in engaging in education etc.

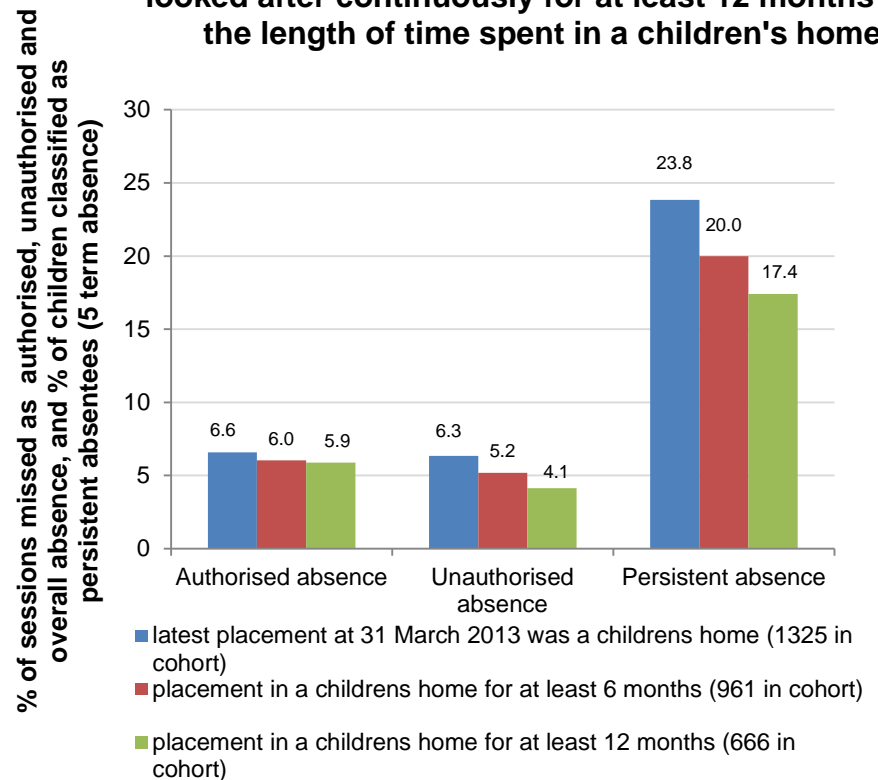


Children in children's homes are more likely to be absent from school than all children and other looked-after children, although there is some evidence that children with more stable placements have lower absence rates

2013 School absence rates: Comparison between children looked after in children's homes compared to other looked after children and all children

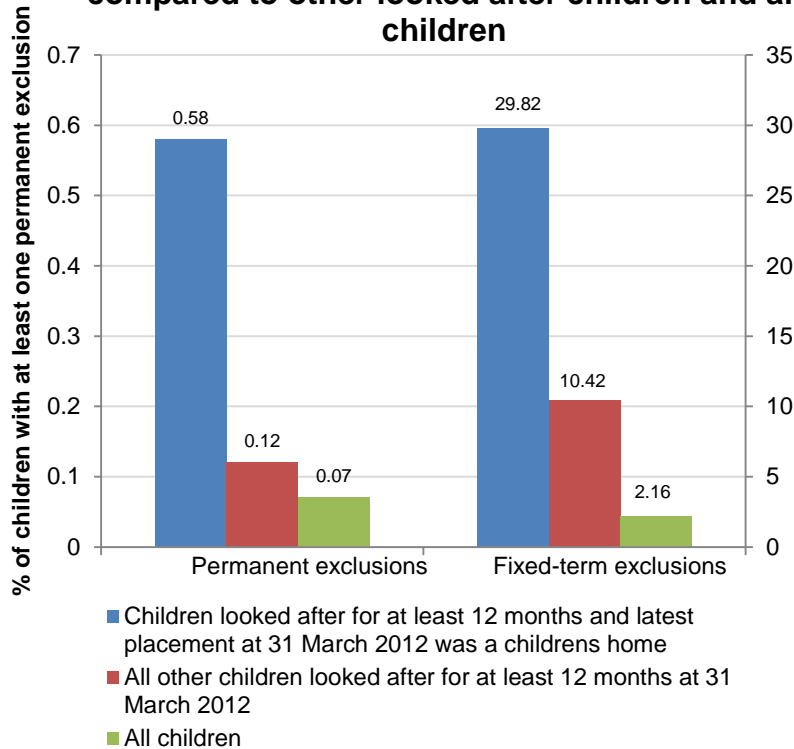


2013 School absence rates for children who have been looked after continuously for at least 12 months and the length of time spent in a children's home

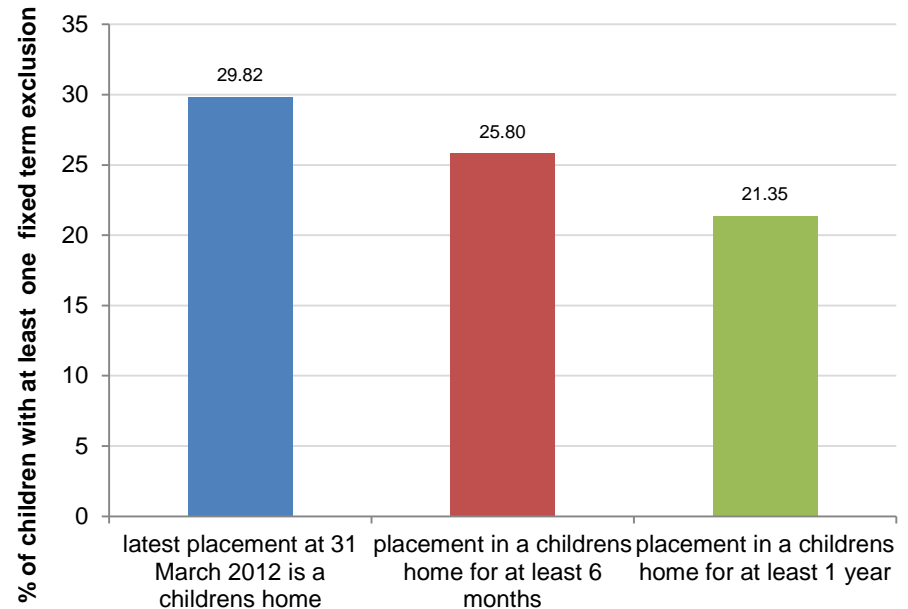


Children in children's homes are more likely to be excluded from school than all children and other looked-after children, but as with school absence rates, children with more stable placements are less likely to be excluded

2012 Exclusions rates: Comparison between children looked after in children's homes compared to other looked after children and all children

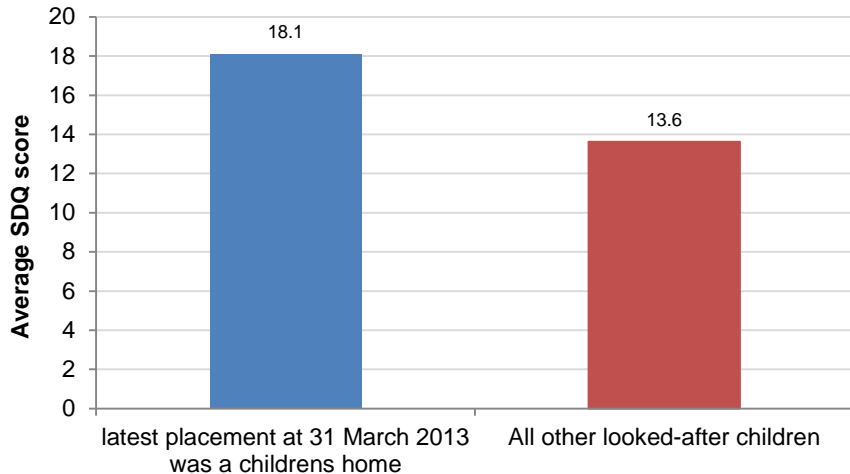


2012 Fixed term exclusion rates for children looked after continuously for at least 12 months as at 31 March 2012 by length of time spent in a children's home



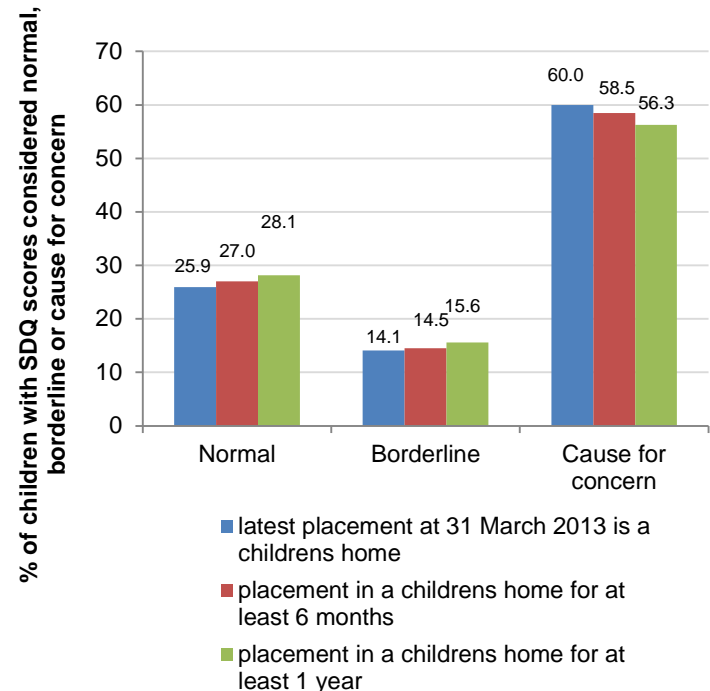
Children in children's homes are more likely to have emotional and behavioural difficulties as identified by the Strengths and Difficulties Questionnaire (SDQ), and once again, children who have more stable placements appear to have slightly better scores

2013 Average SDQ score for children looked after continuously for at least 12 months as at 31 March 2013



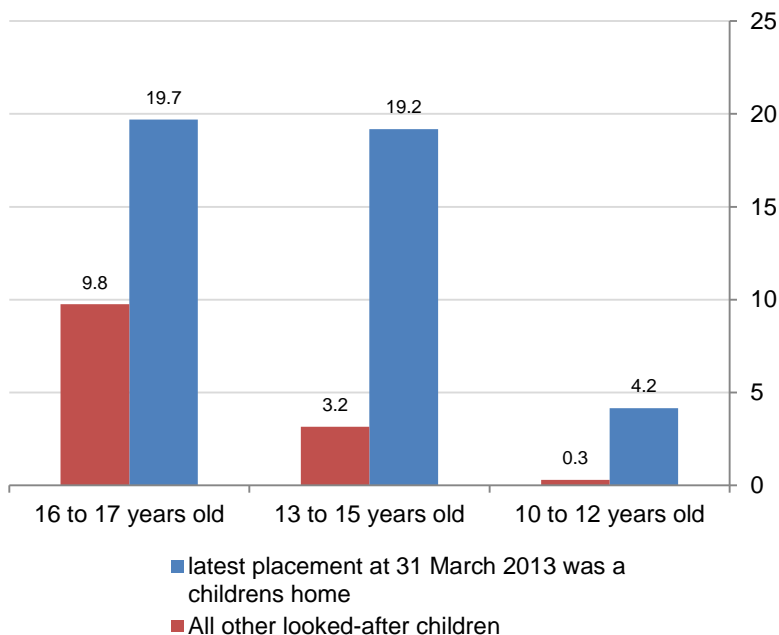
A higher score on the SDQ indicates more emotional difficulties. A score of 0-13 is considered normal, a score of 14-16 is considered borderline cause for concern and a score of 17 and over is considered a cause for concern.

2013 SDQ scores for children who have been looked after continuously for at least 12 months and the length of time spent in a children's home



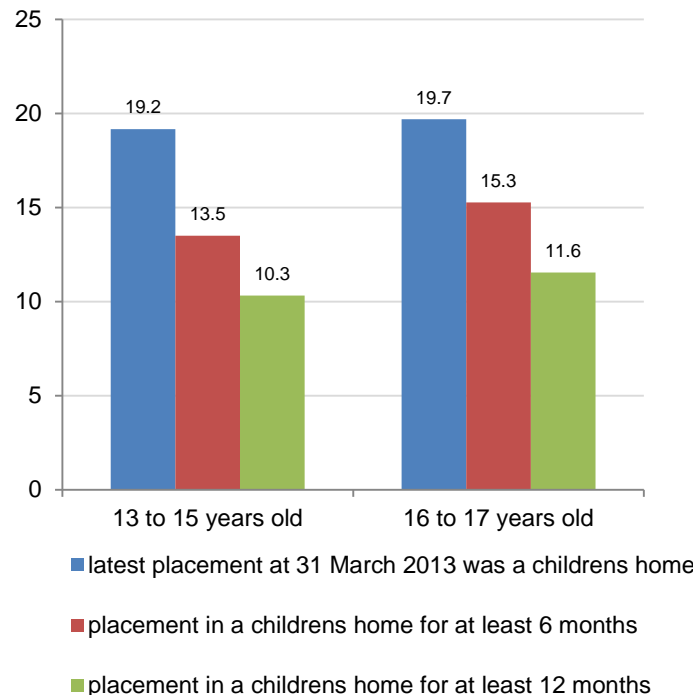
Children in children's homes are more likely to have engaged in criminal activity than other looked-after children. The same pattern appears in the data where children who have a more stable placement show less engagement in criminal activity

2013 Percentage of children looked after for at least 12 months at 31 March 2013 who have been convicted or subject to a final warning or reprimand during the year: Comparison between children looked after in children's homes compared to other children



2013 Percentage of children who have been looked after continuously for at least 12 months at 31 March 2013 who have been convicted or subject to a final warning or reprimand by length of time spent in a children's home

% of children convicted or subject to a final warning or reprimand

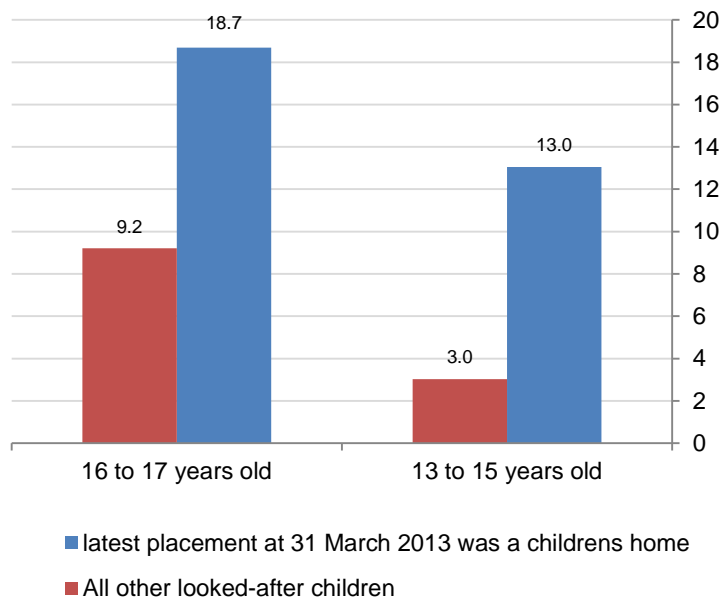


Rates for 10-12 year olds not given as suppressed due to small numbers

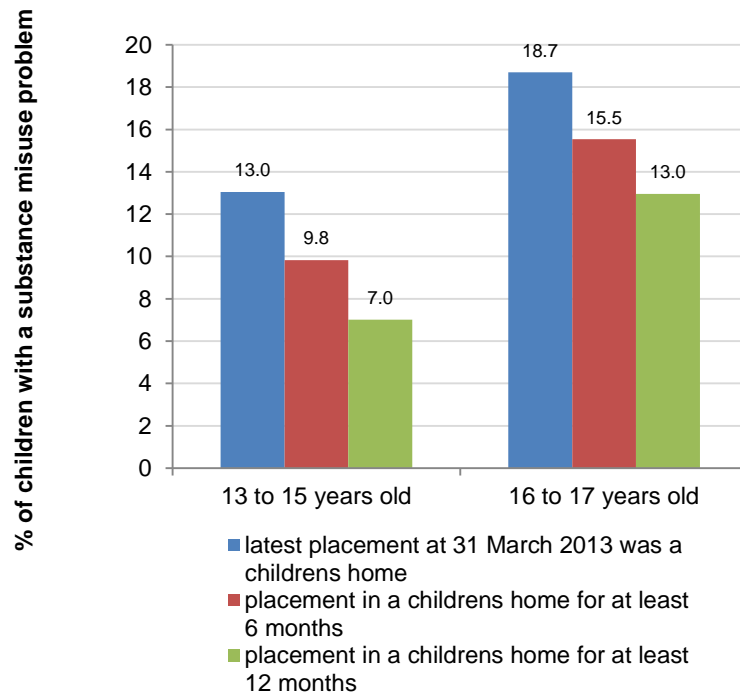


Children in children's homes are more likely to have a substance misuse problem than other looked-after children. As with all the previous outcome indicators, children who have a more stable placement are less likely to have substance misuse problem

Percentage of children looked after for at least 12 months at 31 March 2013 who have been identified as having a substance misuse problem during the year: Comparison between children looked after in children's homes compared to all other children looked-a



2013 Percentage of children who have been looked after continuously for at least 12 months who have been identified as having a substance misuse problem, by length of time spent in a children's home



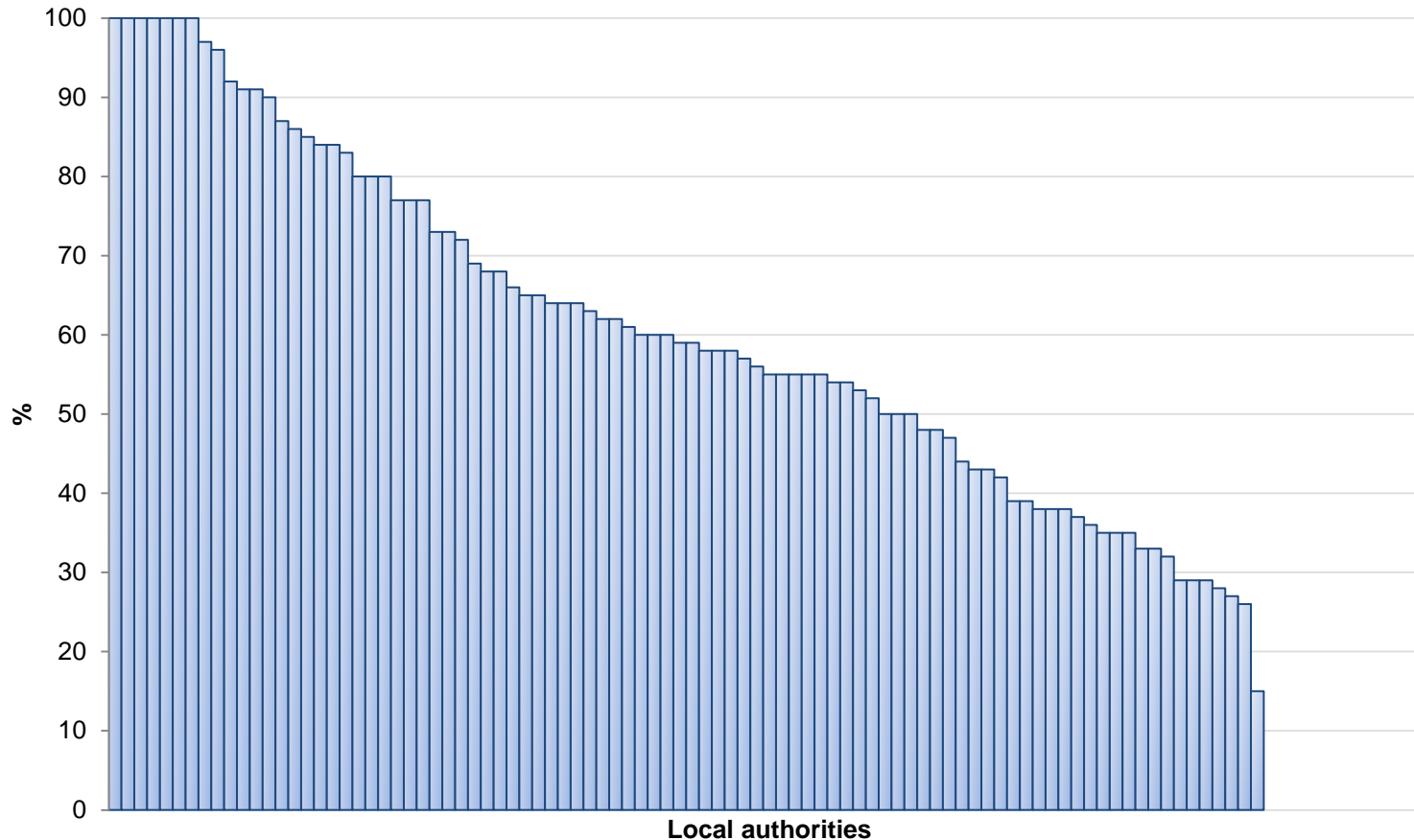
Residential care provision – the homes and their location

- The data continues to show that most local authorities make use of provision outside the local authority boundary and/or place the children more than 20 miles from their home.
- Research¹ suggests that placements away from home are often made in order to secure specialist provision for children with complex disabilities or severe mental health issues, or to establish some geographical distance to break patterns of risky behaviour (for example, child sexual exploitation (CSE), offending behaviour, gangs and guns).
- The same research suggests that some local authorities are questioning this approach in respect of children at risk of CSE in particular and are developing more localised approaches.
- In addition, local authorities may use distant placements to address local capacity issues.
- Local authorities encounter a range of extra challenges when they place children far from home. These include:
 - Being unable to rely on their local knowledge and intelligence about the quality of homes or the suitability of their location.
 - Significant travel times limiting social work oversight.
 - The distance between the child and their family may limit relationships and undermine the scope for work with the whole family.
- There is a mismatch regionally between where homes are located and local authorities' use of children's homes. This effect is most extreme in London, which has 17% of the children's homes population, but only 6% of children's homes. The North West has 15% of the children's homes population but has 25% of the children's homes.



53% of the children living in children's homes within a local authority area were the responsibility of that authority. Nearly all local authorities had children in children's homes in their area who had come from other local authorities

Percentage of children in children's homes that were the responsibility of that LA at 31 March 2013



Seven local authorities¹ with children's homes in their area had no children placed in their areas by other local authorities.

In thirteen local authorities², the only children living in children's homes in their area were the responsibility of other local authorities.

Note – this is 2013 data based on local authority data returns to the DfE. It will not be completely consistent with charts based on the 2013 Ofsted data.

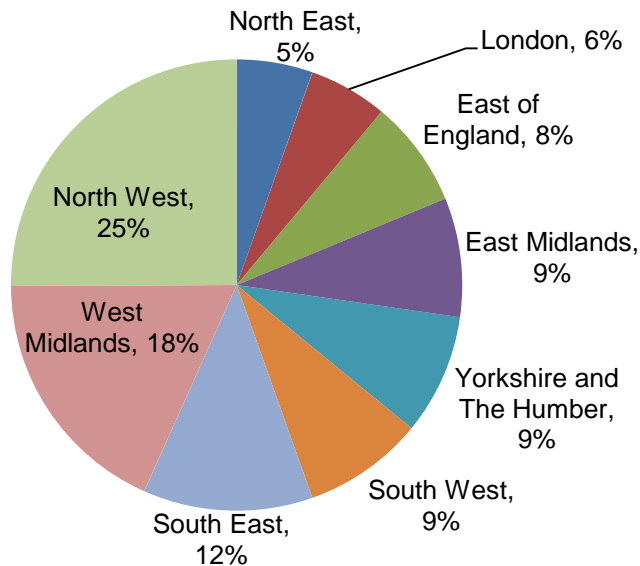


¹Cornwall, Isle of Wight, Middlesbrough, North Tyneside, Portsmouth, Rotherham, Sheffield

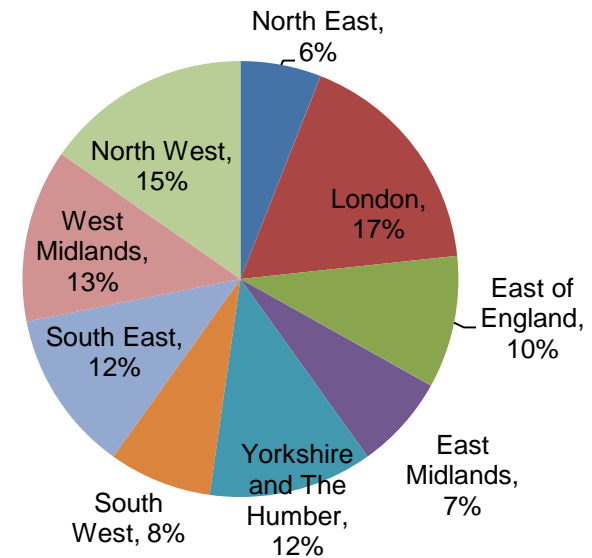
²Barking and Dagenham, Brent, Hackney, Kingston Upon Thames, Merton, Peterborough, Rutland, South Gloucestershire, Southwark, Sutton, Swindon, Thurrock, Windsor and Maidenhead

In 2013-14 children's homes were disproportionately located in certain areas of the UK, and this does not match the distribution of children placed in children's homes

Percentage distribution of children's homes across regions



Percentage distribution of children placed in children's homes



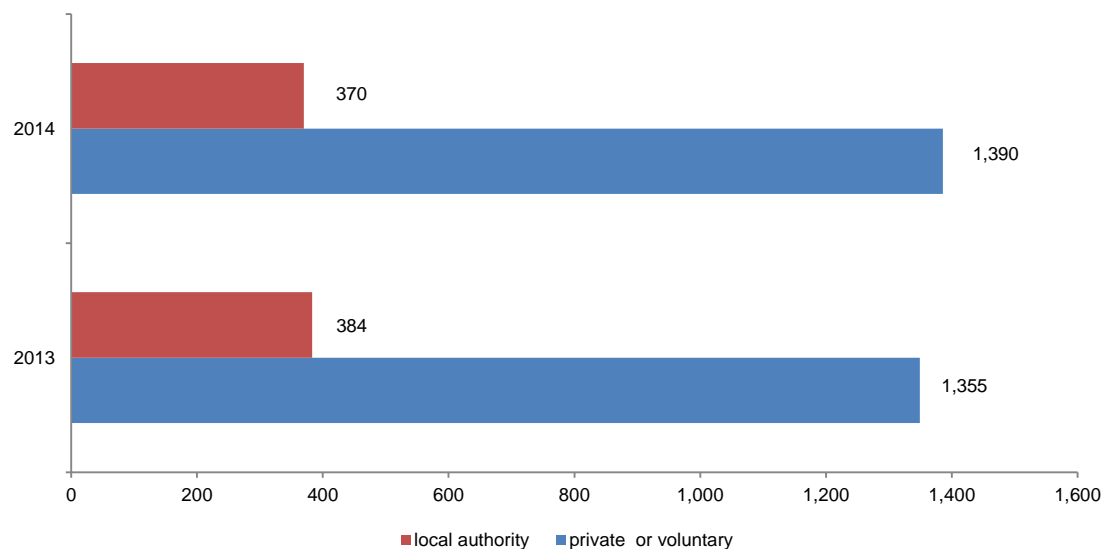
The North West of England has the highest number of homes (441) followed by West Midlands (321).

The North East and London were the regions with the lowest number of children's homes, with 96 and 99 respectively.

London has just 6% of children's homes but 17% of those in children's homes come from London. The North West has the greater percentage of homes (25%) but has 15% of children in children's homes.



Overall levels of provision are similar to last year. There were a total of 1,739 children's homes at 31 March 2013.¹ The small increase in provision levels to 1,760 (in March 2014) has been accompanied by a small increase in the private or voluntary sector share of provision



At 31 March 2014, 1,390 out of a total of 1,760 homes were run by the private or voluntary sector (79.0%)

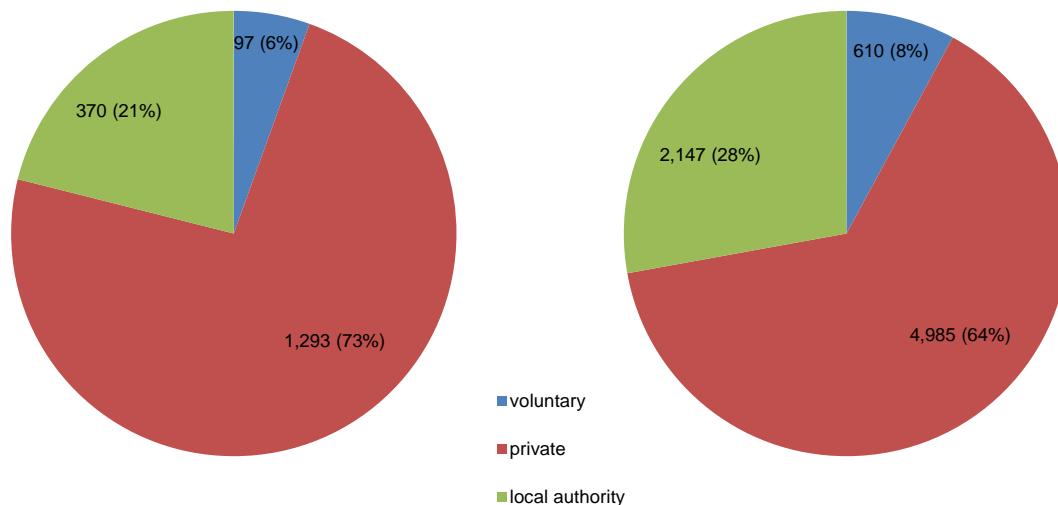
At 31 March 2013, 1,355 out of a total of 1,739 homes were run by the private or voluntary sector (77.9%).

¹ Last year's data pack reported that there were 1,718 children's homes at 31 March 2013. This number has been revised as a result of Ofsted research into respite care provision. Last year, a number of homes that provided 'respite care only' were identified. This year, homes that provide 'respite care only' and homes that offer 'joint respite and longer term care' have been identified. A number of homes that were previously identified as being 'respite care only' have been reclassified as joint respite. We have included those homes identified as providing 'joint respite and longer term care' in this analysis.



1,760 children's homes in England were on the Ofsted register on 31 March 2014. Of these, 370 (21%) were local authority run, 1,293 (73%) were privately run, and 97 (6%) were run by voluntary sector organisations

Number of homes and number places by sector (31 March 2014)



Number of homes

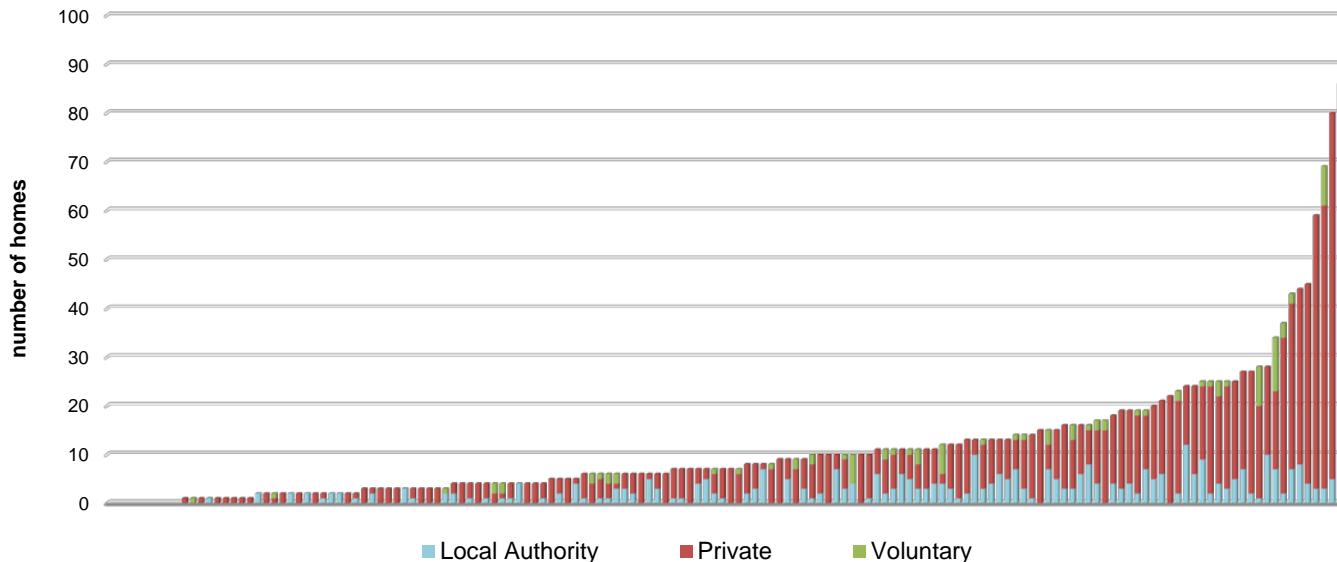
Number of places

This year we have been able to separate private and voluntary sector provision. Last year, the two categories were combined.



The number of children's homes in each local authority, by sector as at 31 March 2014, is very similar to last year. This year we are also able to distinguish those children's homes in the voluntary sector

Number of homes within each local authority area (31 March 2014)



At 31 March 2014, nine local authorities had no children's homes in their area.¹

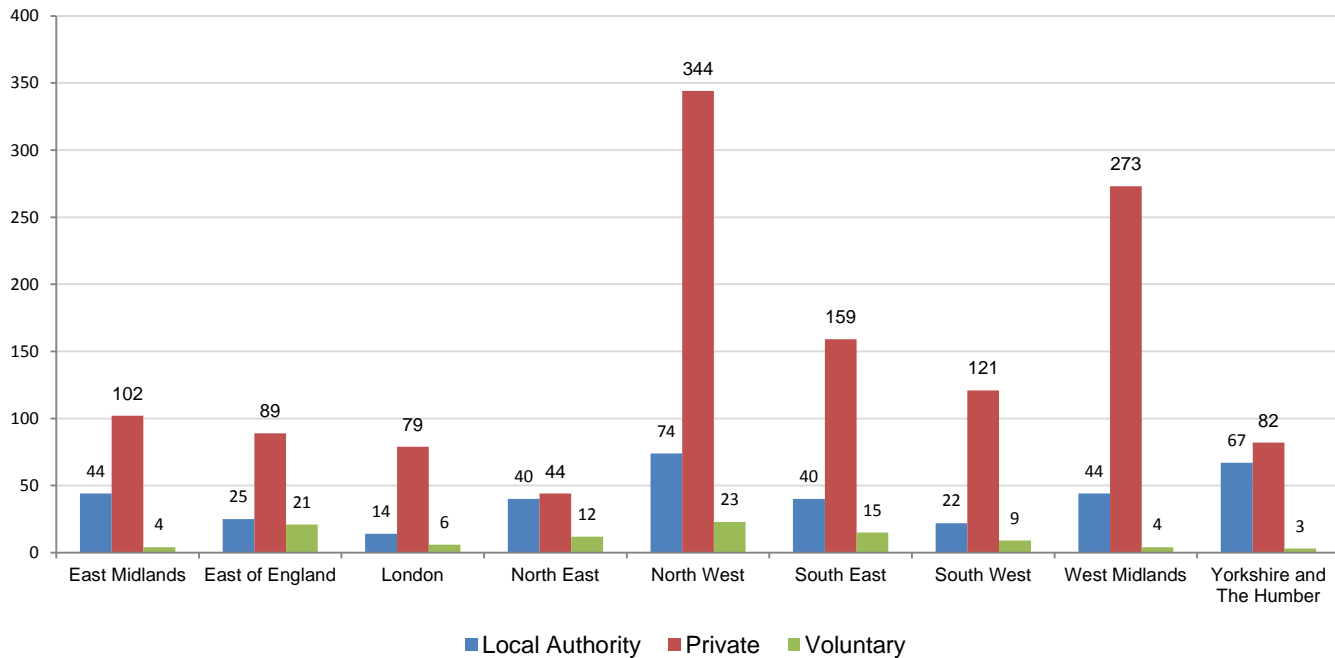
There are 51 local authorities with no LA-run homes in their area.

¹ Bath and North East Somerset, City of London, Hackney, Hammersmith and Fulham, Isles Of Scilly, Poole, Richmond upon Thames, Rutland, Westminster



The number of children's homes that are run by the local authority varies considerably by region

Number of children's homes by region and sector (31 March 2014)

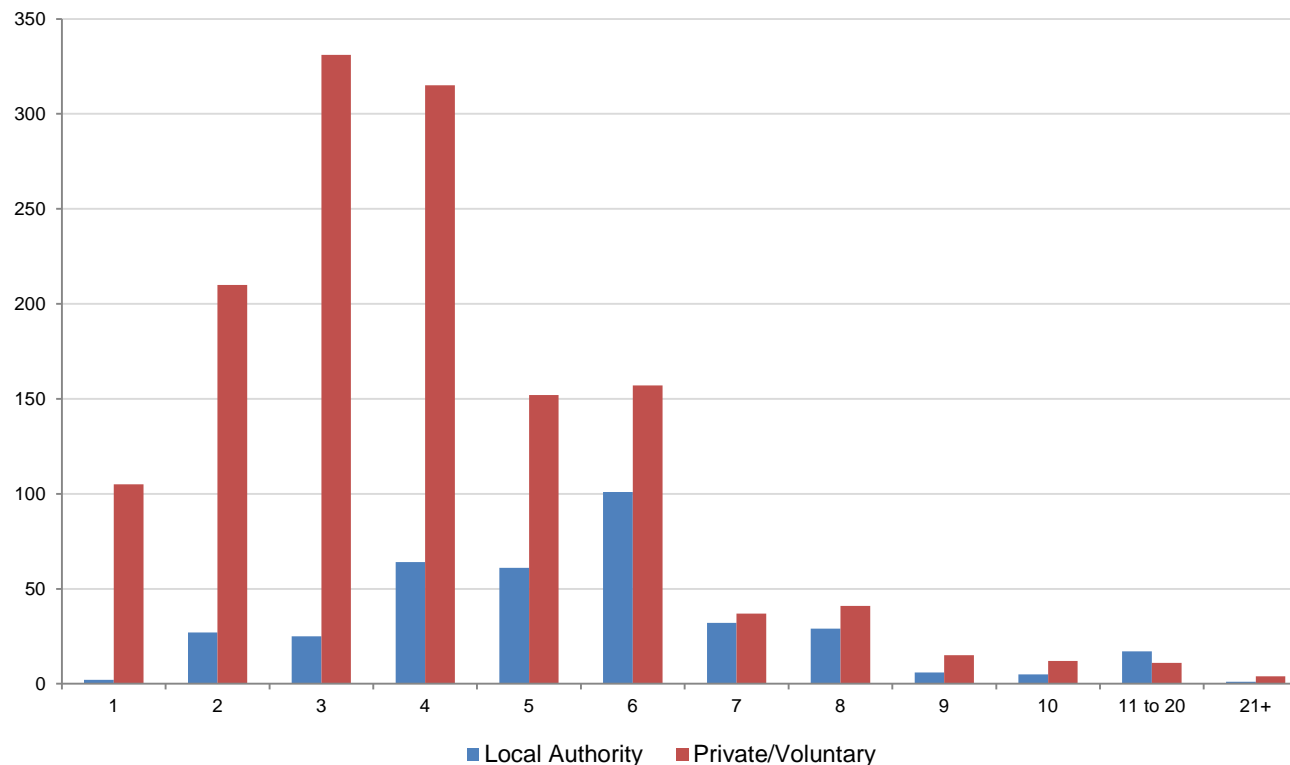


While the North West has the highest number of local authority-run homes, Yorkshire and the Humber and the North East have a greater proportion of local authority-run homes (44% and 42% respectively).



Local authority homes tend to be slightly bigger than private/voluntary homes (average 5.8 and 4 respectively)

Distribution of children's homes by number of registered places and sector (31 March 2014)



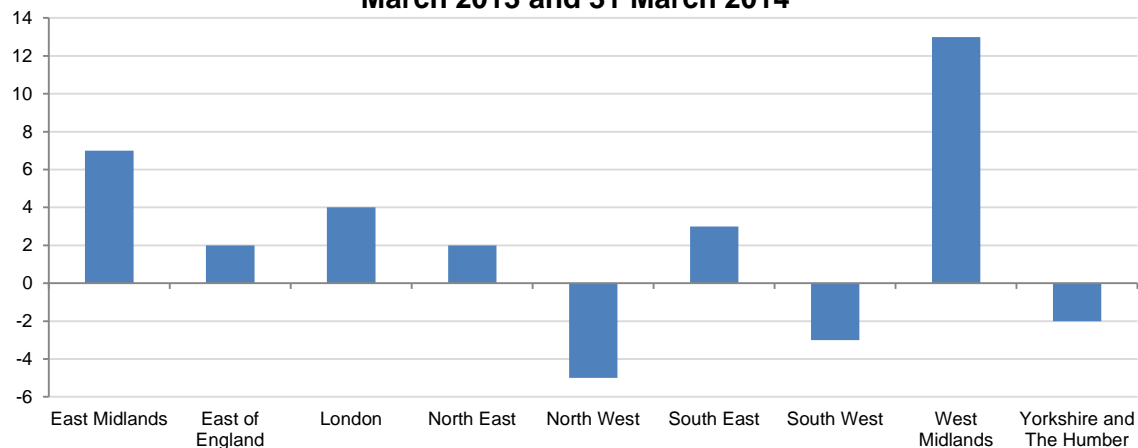
107 homes (6.1%) were registered for just one place; 237 (13.5%) for two places.

Only five (0.3%) were registered for more than 20 places.



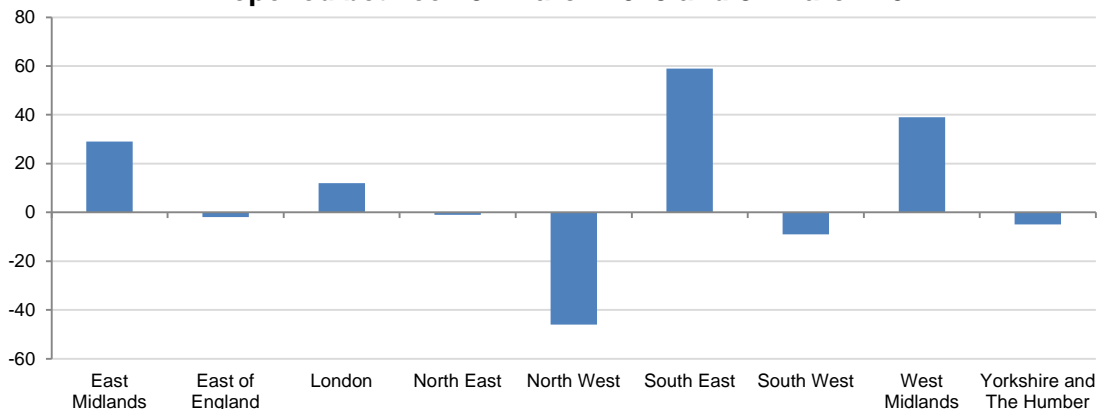
The overall net change in provision levels in each region is small

Net change in the number of homes in each region between 31 March 2013 and 31 March 2014



The West Midlands saw the largest increase in the number of homes. 14 closed and 27 opened, giving a net change of 13 homes. There were 302 homes in total in the West Midlands at 31 March 2013. Therefore, this equates to a 4 per cent increase.

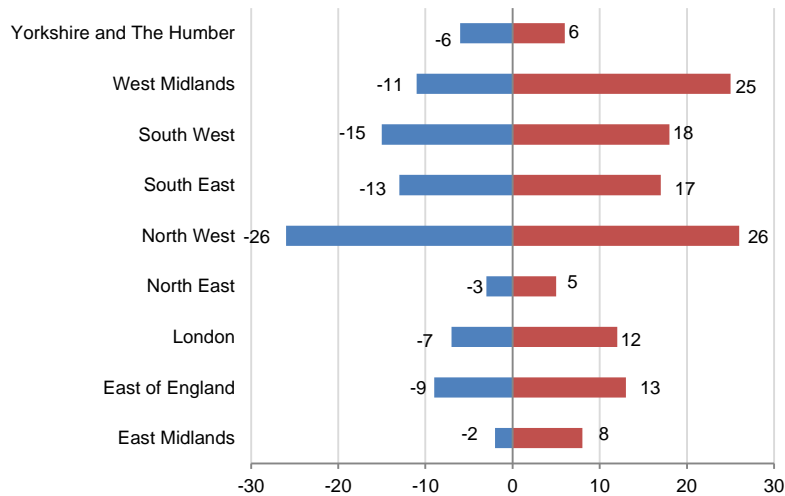
Net change in number of places across homes that closed and opened between 31 March 2013 and 31 March 2014



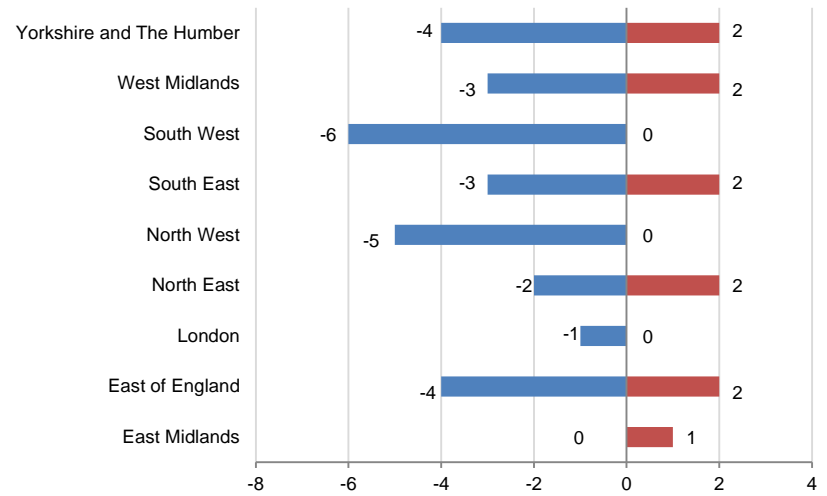
Changes in provision levels can also be expressed in terms of number of home places. There was a net increase of 76 places via openings and closures. However, a number of existing homes reduced in size across the year. The net change in places between 31 March 2013 and 31 March 2014 was 38.



120 children's homes closed during 2013-14 and 141 new homes opened¹



Private and voluntary



Local authority

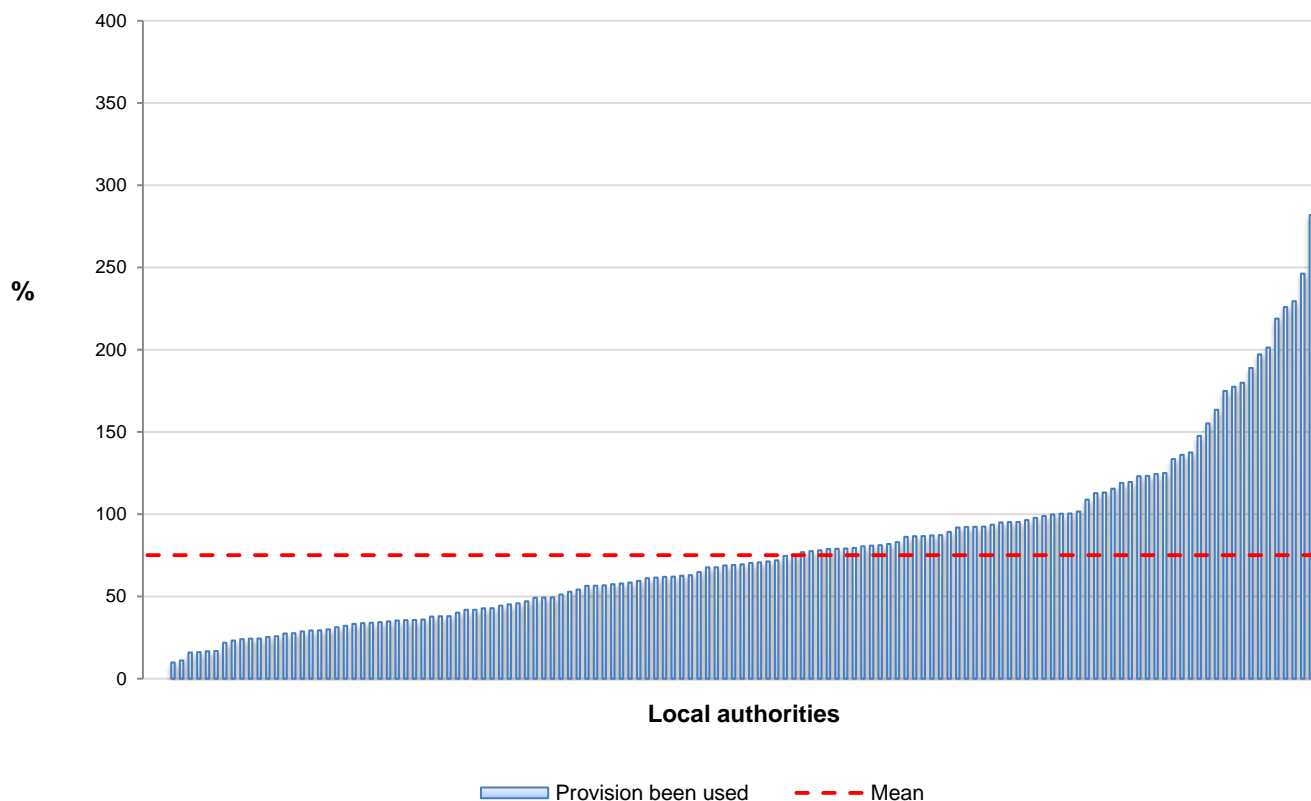
■ Home Openings ■ Home Closures

¹ Closures and openings in actual home premises is one way to understand market turnover. Closures refer to home settings that existed at 31 March 2013 and which were no longer in existence at 31 March 2014. Openings refer to home settings that were in existence at 31 March 2014, but were not in existence at 31 March 2013.



In last year's pack we undertook detailed analysis that showed that the local level demand for children's homes places does not typically align with local level supply. Some local authorities have more local supply than they need, while others have less than they need

Percentage of accessible children's places used by each local authority (31 March 2013)



Each bar represents the % of 'available'¹ places used by an LA. This is given by the total number of children placed in homes by the local authority ('demand') divided by the number of available places.

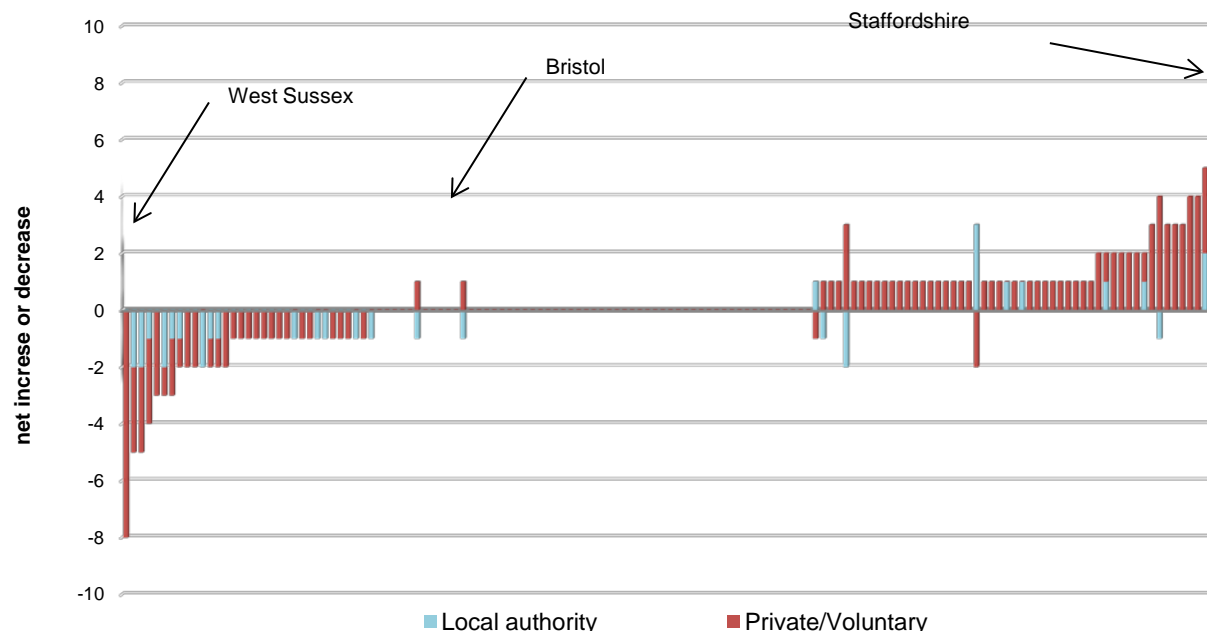
The tallest bar, Birmingham, has 195 children placed in children's homes. They have only 53 available places in their area. They therefore use 369% of their local supply (195 children / 52.9 available places).



¹ Places 'available' were measured with reference to the number of places in or within 20 miles of an local authorities boundary. A correction was also made if a given place was available to more than one LA. For example, if a place was available to four local authorities, ¼ of a place was designated as available to each of them..

There were changes in provision levels in the majority of local authorities during the 2013-14 year

Net change in number of homes in each LA, by sector



Bristol had a net decrease of one in local authority provision and a net increase of one in private/voluntary provision. Overall, therefore, there is a zero net change in provision levels.

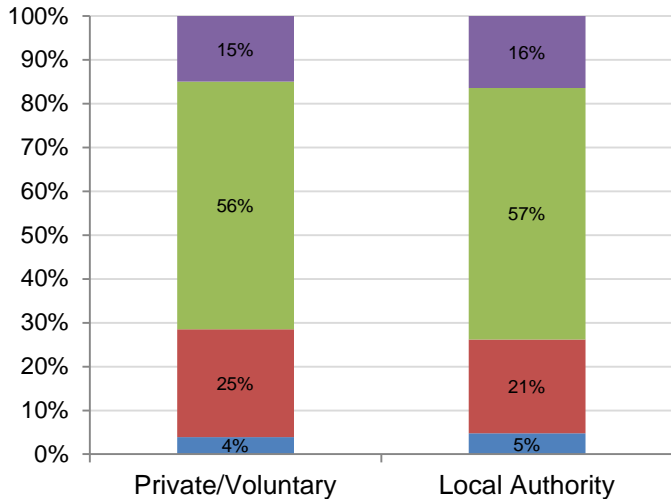
The following local authorities had the largest decrease in provision levels. West Sussex (-8), Cornwall (-5), Manchester (-5), Lancashire (-4), Croydon (-3), Leeds (-3), and Somerset (-3).

The following local authorities had the largest increase in provision levels. Staffordshire (+8), Kent (+5), Hampshire (+4), Cheshire East (+4), Wiltshire (+3), Knowsley (+3), Essex (+3), Devon (+3), Brent (+3)

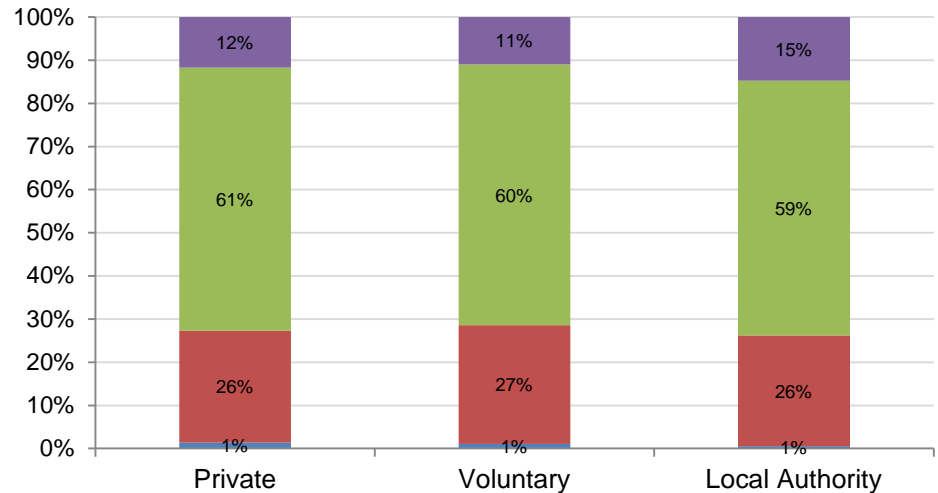


The overall distribution of inspection judgements at 31 March 2013 and at 31 March 2014 is similar. Fewer homes were rated as inadequate at 31 March 2014, although fewer homes were rated as outstanding at 31 March 2014

Distribution of children's homes inspection outcomes by sector (31 March 2013)



Distribution of children's homes inspection outcomes by sector (31 March 2014)



■ Inadequate ■ Adequate ■ Good ■ Outstanding



Homes that are rated as inadequate are more likely to close

Inspection rating at 31 March 2013	All homes at 31 March 2013	Homes that closed between 31 March 2013 and 31 March 2014	Percentage that closed
Inadequate	64	16	25%
Adequate	373	42	11%
Good	887	48	5%
Outstanding	240	8	3%
	1564	114	7%

Ofsted ratings are indicative of the likelihood of a home closure.

There were 64 homes rated as inadequate in overall effectiveness at 31 March 2013. 16 of these homes had closed by 31 March 2014 (25%).

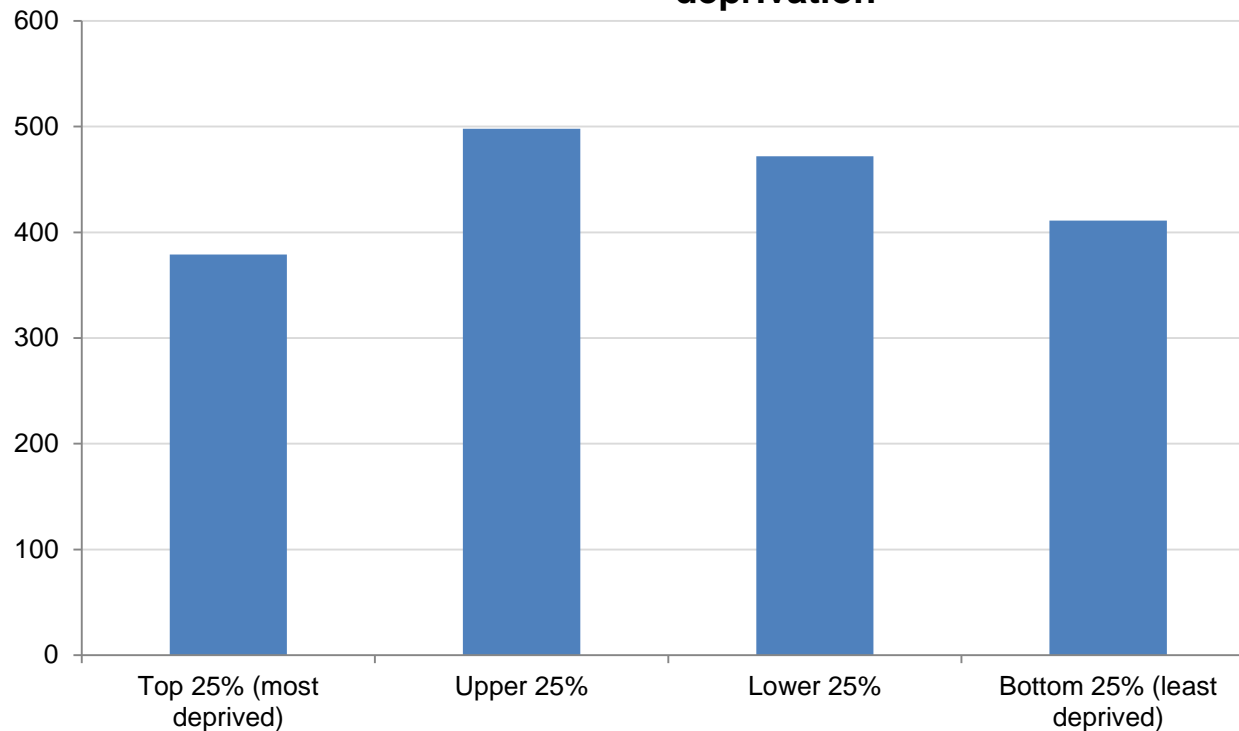
11% of homes rated 'adequate' also closed.

The data relates to the last full inspection which had been published by 31 March 2013. Homes that were not yet judged as at 31 March 2013 are not included.



There is no direct correlation between location of children's homes and level of local deprivation

Number of children's homes across levels of local deprivation



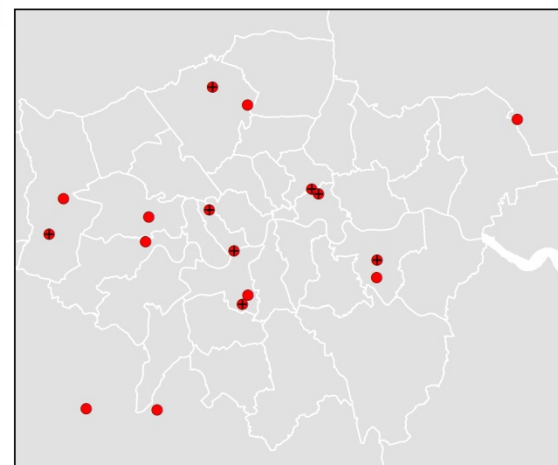
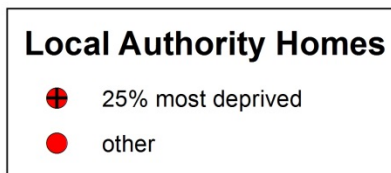
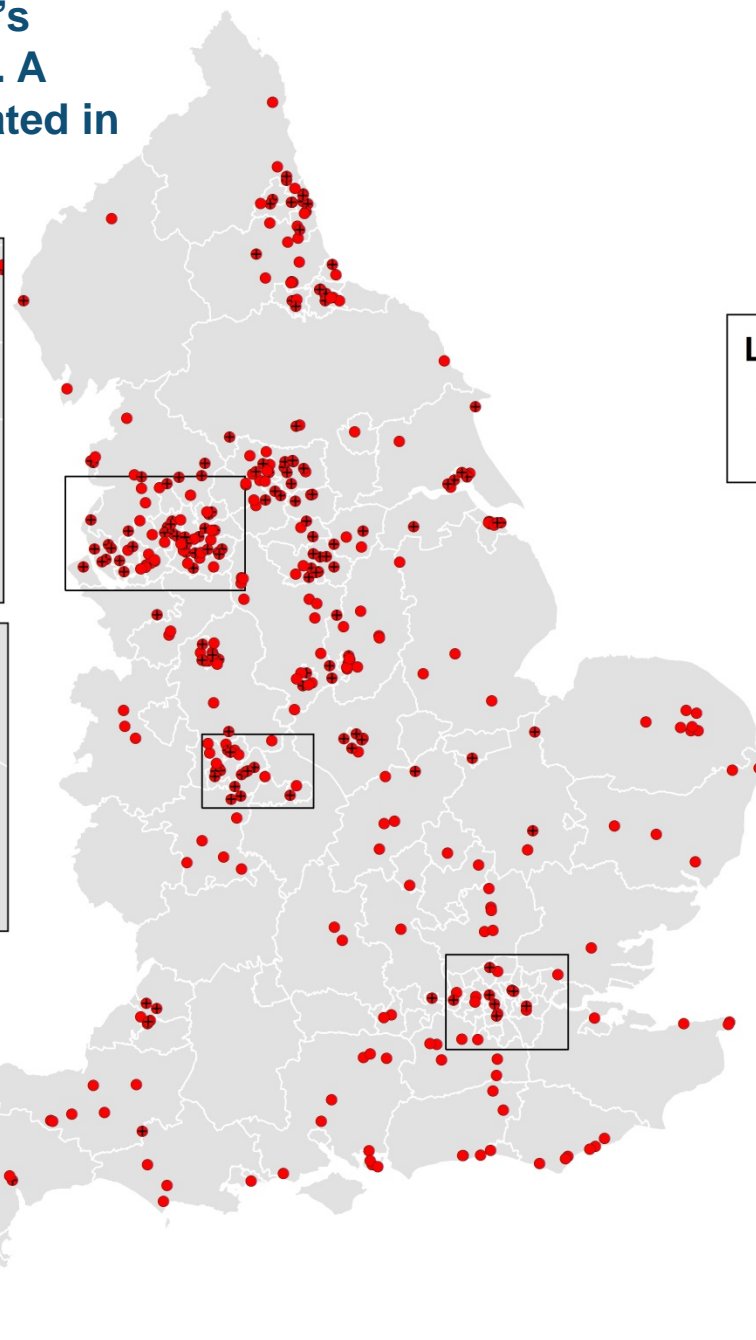
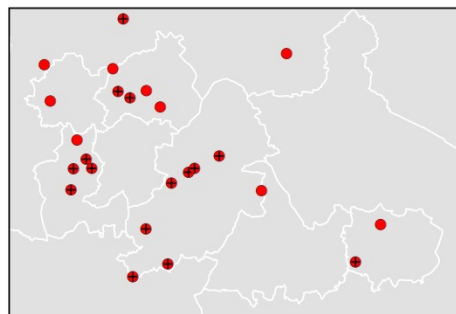
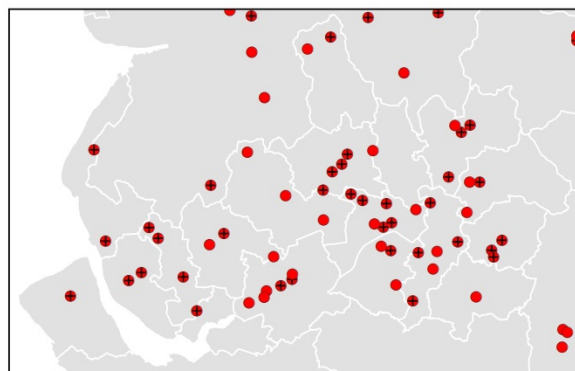
379 (22%) of homes were in the 25% most deprived areas¹.

498 (28%) of homes were in the upper 25% deprivation group (the next 25% most deprived areas).

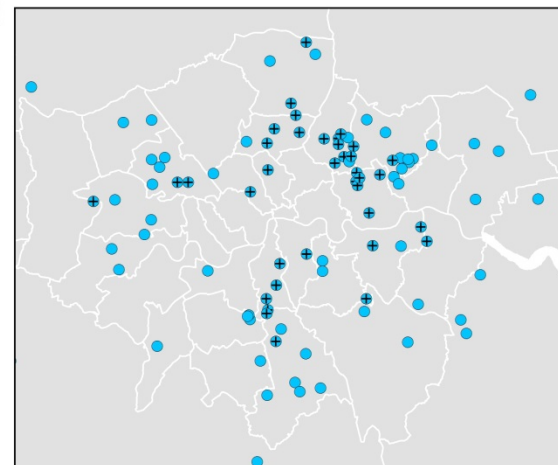
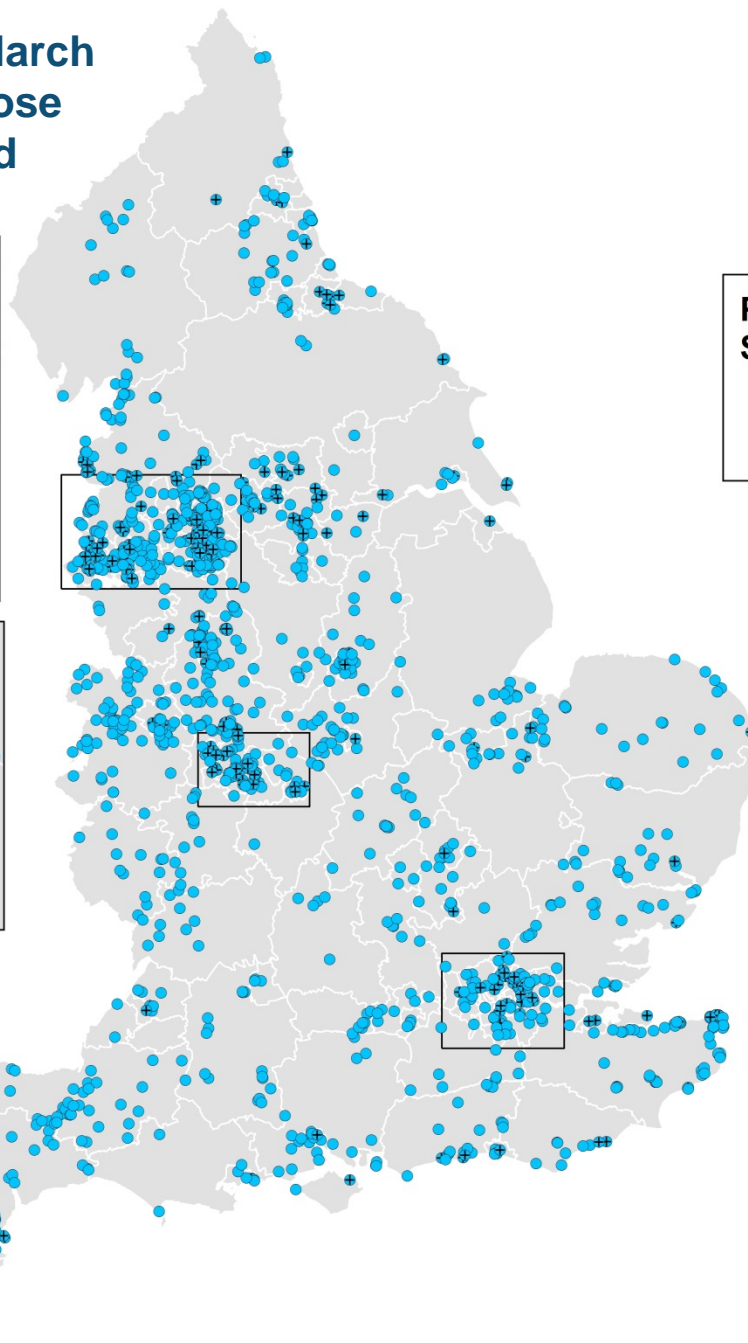
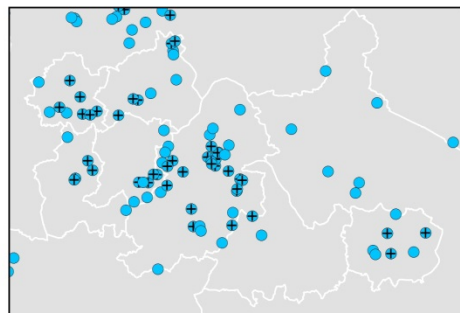
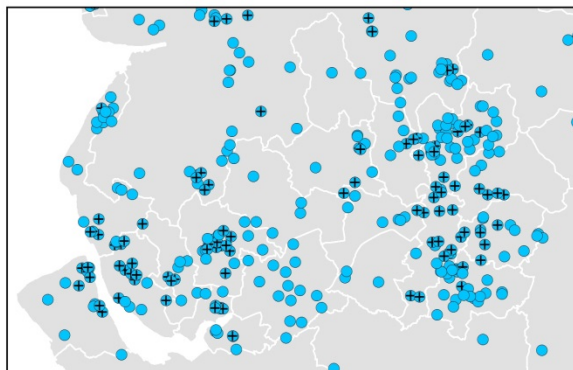
883 (50%) of homes were in a non-deprived area (472 in the lower 25% deprivation group and 411 in the bottom 25%).



This map shows the location of local authority-run children's homes as at 31 March 2014. A marker indicates those located in the most deprived areas



This map shows the location of private or voluntary-run children's homes as at 31 March 2014. A marker indicates those located in the most deprived areas



The cost of residential care

- Using the data collected and approach adopted this year we estimate that the average cost of residential care provision per child per week is around £2,900¹. The average weekly cost for local authority provision and the average weekly spend on independent sector provision is comparable.
- The section 251 financial data collection administered by the Department and completed by all local authorities collects information on local authority annual spend on residential care.
- Spend on residential care relates to residential homes and boarding schools.²
- In 2012-13, authorities across England report spending a total of £997.2m on residential care. They report spend of £329.2m on their own provision, spend of £616.0m on private sector provision, spend of £8.2m on other local authority or health provision, and spend of £43.8m on voluntary sector provision.³
- We can divide each authority's total reported spend by their reports of usage of residential provision in order to gain insight into the average cost and the variation in the cost of this provision.⁴

¹ This figure is lower than what was reported last year. The lower figure will, in part, reflect changes to the methodology used, including the method used to calculate a typical spend figure, changes in the handling of spend or placement duration totals judged to be outliers, and changes in the chosen placement codes from the SSDA903 return felt best to align with S251 outturn return.

² Specifically, local authorities are asked to include expenditure on residential care in Voluntary Children's and Registered Children's Homes as defined in Children Act 1989. This includes:

- associated independent visitor costs and relevant contact payments under sections 20/34 of the Children Act 1989;
- homes where education is provided, but does not attract education department funds;
- boarding schools.

[S251 outturn 2012 to 2013 Guidance](#)

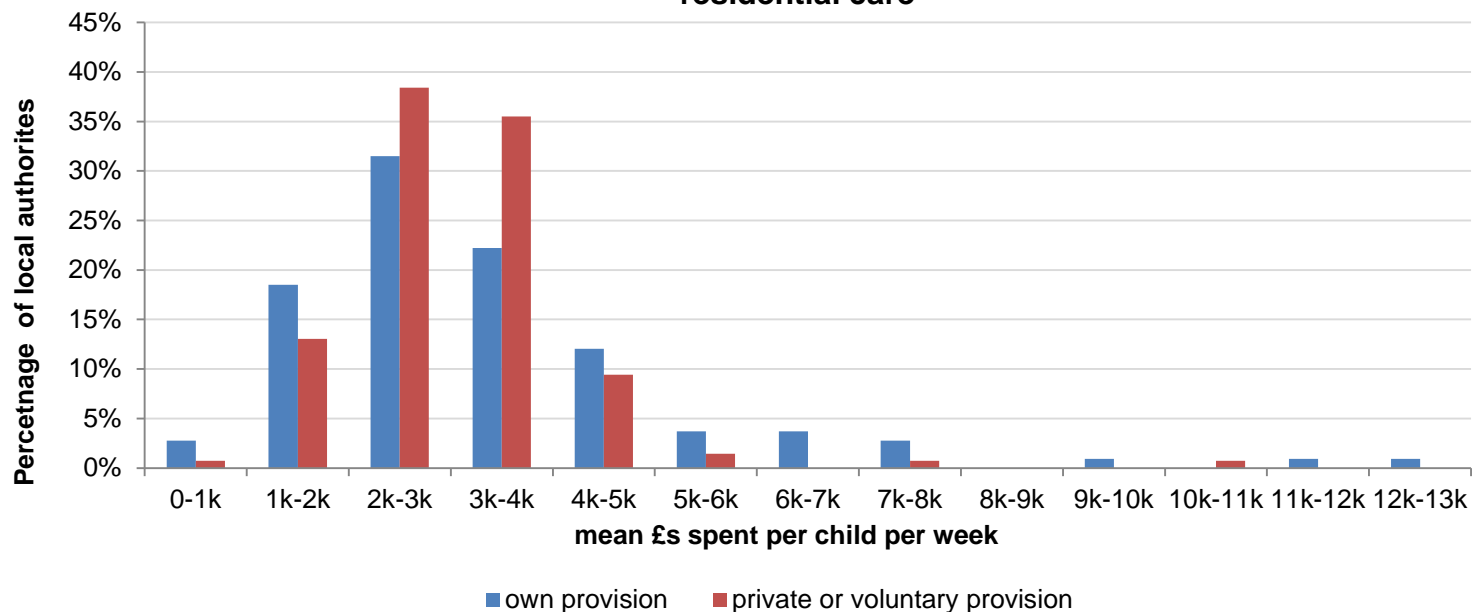
³ [Section 251 financial data collection. S251 outturn 2012 to 2013 \(table A1\).](#)

⁴ [Department for Education \(DfE\) Statistics SSDA903 Return. 1 April 2012 to 31 March 2013](#)



This figure shows the distribution of average weekly spend on own provision per child per week for each local authority and the distribution of average weekly spend on private or voluntary sector provision per child per week for each local authority

Distribution across local authorities in the average weekly spend per child in residential care



Notes:

¹ The following placement codes from the SSDA903 Return were used to derive these estimates: K1: Placed in Secure Accommodation; K2: Placed in Homes; R1: Residential Care Homes; S1: School. Specific definitions of these codes are documented in the [SSDA903 Return guidance](#)

² The own provision unit cost is derived by dividing each Local Authorities reported spend on own provision of residential care by their reports of own provision usage of the placement codes listed in note 1. There were 108 Local Authorities included in this sample. Derived unit costs of less than £400 per week were excluded. Derived unit costs of greater than £13,000 per week were excluded.

³ The private or voluntary provision unit cost is derived by dividing each Local Authorities reported spend on private and voluntary provision of residential care by their reports of private provision and voluntary/third sector usage of the placement codes listed in note 1. There were 138 Local Authorities included in this sample. Derived unit costs of less than £400 per week were excluded. Derived unit costs of greater than £13,000 per week were excluded



Costs

- The 108 local authorities who use their own residential care provision reported a total spending of £300M for a total of 709K days' care. This gives a unit cost of £423 per day (£2,964 per week) ¹.
- The 138 local authorities who use private or voluntary provision reported a total spending of £657M for a total of 1.582M days' care. This gives a unit cost of £415 per day (£2,907 per week).
- There are other estimates of expenditure on residential children's homes such as the information gathered from 110 local authorities by Stanley and Rome (2013) ²
- Children's homes accommodate some of the most vulnerable children in society and the cost estimates reported here reflect the labour and capital resources dedicated to supporting their welfare.

¹ This is likely to be an upper bound estimate because some local authorities will accommodate children from other LAs. The effect on the unit cost estimate is likely to be small and deriving the unit cost estimate for the full sample of local authorities in England gives a similar estimate.

² Stanley, J., Rome, A. (2013). Residential child care: costs and other information requirements. In, PSSRU, [Unit Costs of Health and Social Care 2013](#)
Note: Stanley and Rome sent a Freedom of Information (FOI) request to all local authorities on 24 May 2013. They asked two questions. First, for each placement made to a private or voluntary provider's children's home in the year beginning 1 April 2012, the actual price per week paid for the placement to the provider by your authority. Second, if your authority operates its own children's homes please provide the actual weekly cost of a place in your own home for the same year (2012/13). They used the information collected to derive the average price and cost above. This derived that the average price paid for independent sector children's homes is £2,840. They derived an average cost of £2,490 for local authority children's homes. The difference in estimates will reflect differences in the data sources. Stanley and Rome were able to target the costs of children's homes specifically, whilst the section 251 return has a broader definition of residential care. There will also be differences stemming from choices around the exclusion of outliers.



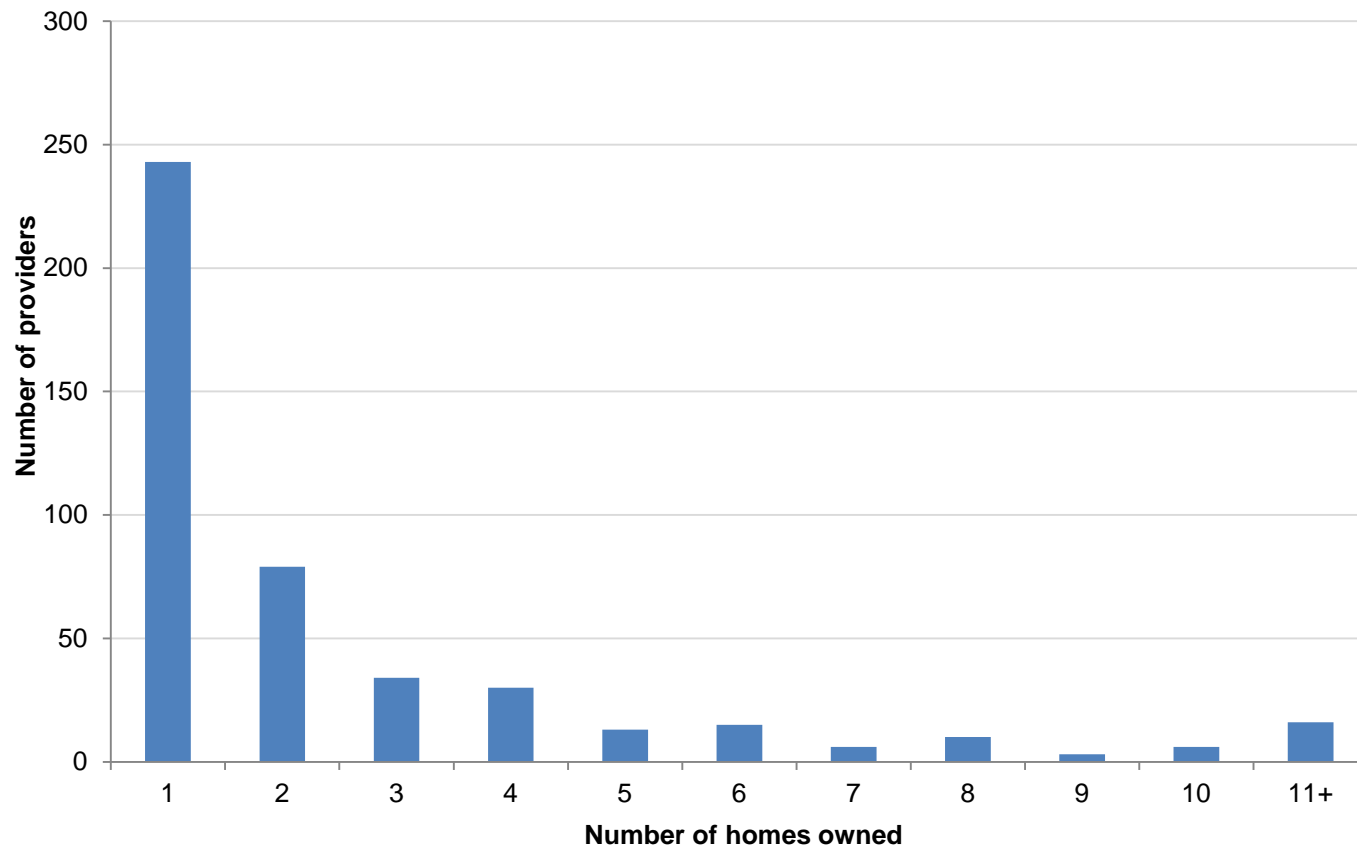
Information on children's homes private providers

- In the previous data pack we provided information on some of the larger providers within the private children's home sector. Ofsted have for the first time published information on the independent providers of children's homes on their [website](#). The information includes details on the provision type, latest inspection judgement and ownership of children's social care providers and residential accommodation for children in boarding schools and further education colleges in England.
- The national market is not dominated by any single large provider, with the largest 20 private companies between them providing just over a quarter of all placements.
- The market is made up mainly of providers that have one or two homes (71%). There are 11 providers that have more than 15 homes and these make up 24% of all homes. This demonstrates that there is no overall large provider monopoly; however it does not exclude the possibility that there are smaller monopolies either geographically or by type of specialist provision.
- The numbers of homes and the Ofsted judgements on the following slides is data known as at 31st March 2014. All registered children's homes must be inspected twice a year. However, where homes have had no children on roll for a significant period these inspections do not result in a judgement by Ofsted, as it is not possible to gather the necessary range of evidence. Further information regarding children's homes can be found on the [Ofsted website](#).
- We gave the eleven largest providers opportunity to comment on their data. This has highlighted the inclusion of judgements that pertain to homes that had no children on roll as of 31st March 2014 and where interim inspections had not resulted in a full inspection judgement.
- Significant differences between the total number of homes and the total number of inspected homes may be accounted for by homes that are awaiting re-inspection having recently changed ownership.



The market is mostly made up of smaller providers

Distribution of private and voluntary providers by number of homes owned (31 March 2014)



The total of 1,390 private or voluntary sector owned children's homes had 455 providers.

71% of private / voluntary providers own either one or two homes.

This analysis is based on the owning organisation of each setting. A number of provider organisations belong to a larger ownership group. We have not clustered providers into ownership groups for the analysis in this slide.



There are 11 owners with more than 15 homes at 31 March 2014. These are:

Owner	Number of homes at 31 March 2013	Number of homes at 31 March 2014
Advanced Childcare Group	133	139
Keys Group	68	68
Northern Care	42	40
Horizon Care and Education Group	32	33
Care Today	29	29
Castle Care Group	31	27
Priory Group	16	22
European Care Group	21	20
Meadows Care Limited	16	18
Ethelbert Children's Services	16	16
Option Group	13	16

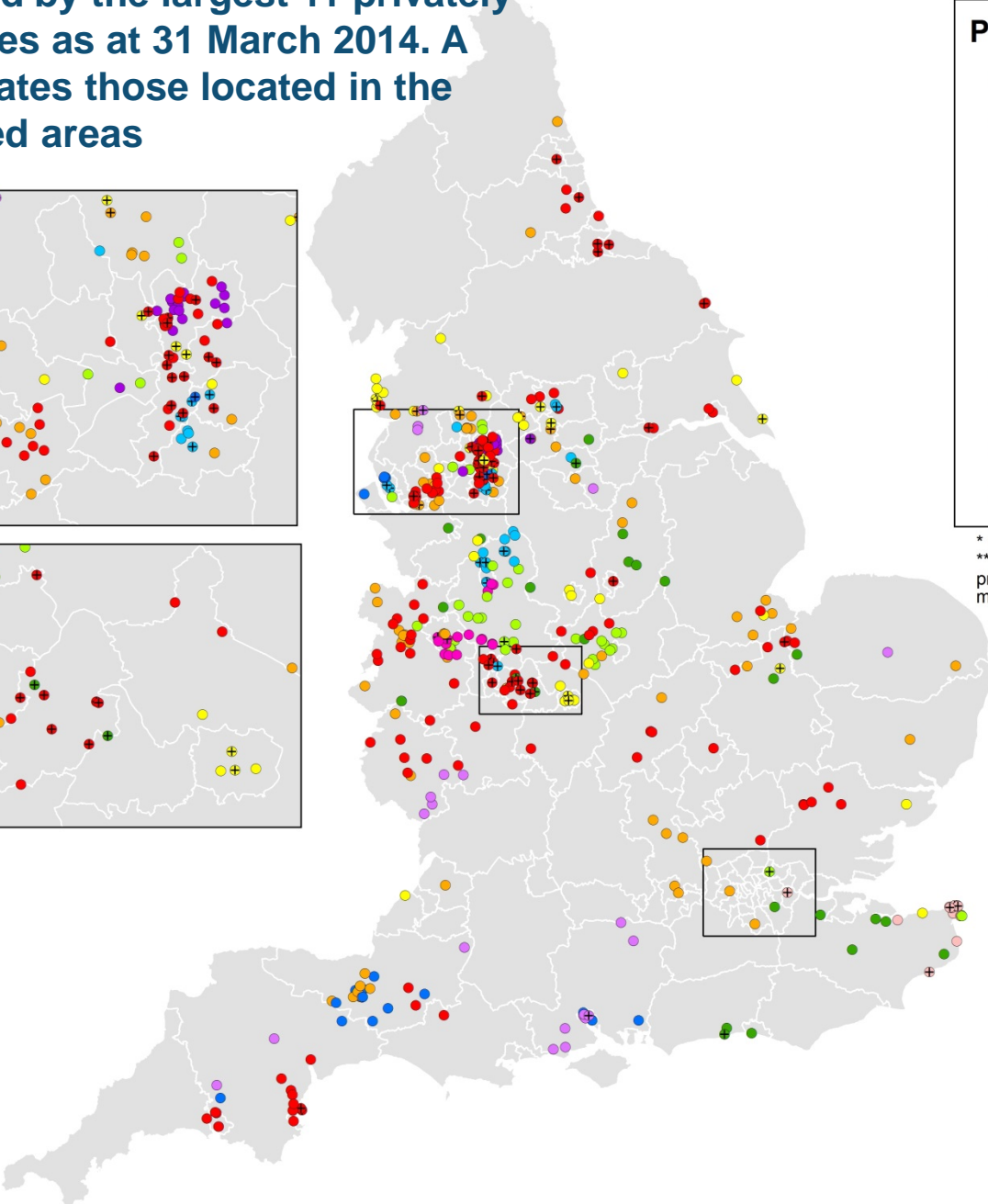
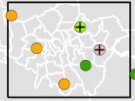
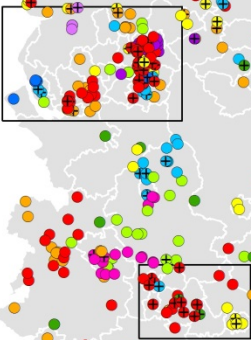
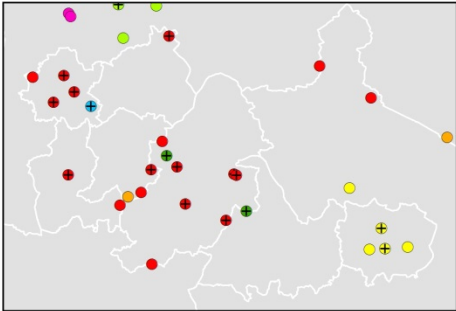
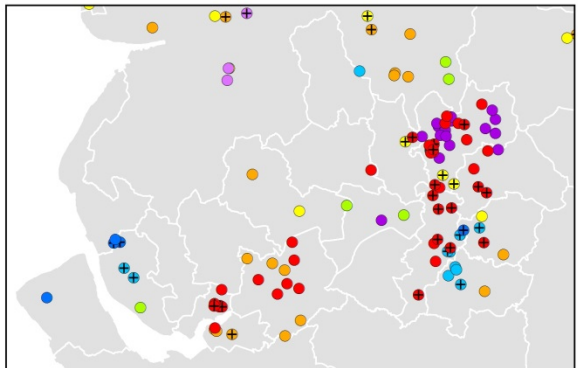
There are a variety of private provider ownership structures present in the sector, including private equity and venture capital as well as family owned companies, public companies and individual social entrepreneurs.

Between them, the eleven largest owners account for 428 homes: 24% of all homes.

The providers that have expanded the most since 31 March 2013 are the Advanced Childcare Group and Priory Group.



This map shows the location of the homes owned by the largest 11 privately run companies as at 31 March 2014. A marker indicates those located in the most deprived areas



Provider*

- Advanced Childcare Group (139 / 32%)**
- Keys Group (68 / 7%)
- Northern Care (40 / 33%)
- Horizon Care & Education Group (33 / 6%)
- Castle Care Group (27 / 22%)
- Care Today (29 / 55%)
- European Care Group (20 / 15%)
- Priory Education Services Ltd (22 / 14%)
- Meadows Care Limited (18 / 6%)
- Ethelbert Childrens Services (16 / 63%)
- Young Options College Limited (16 / 13%)

* Circles with a cross are in the 25% most deprived LSOAs.
 ** The first figure is the number of homes maintained by the provider, the second is the proportion of homes in the 25% most deprived LSOAs



The performance of the largest private providers (compared to national levels) is shown below

Owner	Total homes	Inspected homes	Outstanding (%)	Good (%)	Adequate (%)	Inadequate (%)
NATIONALLY	1,760	1,644	203 (12)	995 (61)	427 (26)	19 (1)
Advanced Childcare Group	139	120	8 (7)	88 (73)	23 (19)	1 (1)
Keys Group	68	66	7 (11)	35 (53)	23 (35)	1 (2)
Northern Care	40	37	10 (27)	17 (46)	9 (24)	1 (3)
Horizon Care and Education Group	33	32	5 (16)	24 (75)	3 (9)	0 (0)
Care Today	29	29	3 (10)	23 (79)	2 (7)	1 (3)
Castle Care Group	27	27	3 (11)	18 (67)	6 (22)	0 (0)
Priory Group	22	16	0 (0)	8 (50)	8 (50)	0 (0)
European Care Group	20	20	1 (5)	8 (40)	11 (55)	0 (0)
Meadows Care Limited	18	18	1 (6)	11 (61)	5 (28)	1 (6)
Ethelbert Children's Services	16	16	4 (25)	11 (69)	1 (6)	0 (0)
Options Group	16	16	2 (13)	6 (38)	8 (50)	0 (0)



Conclusions and next steps

- Greater transparency in both the quality of placements and outcomes of children in residential care is essential in helping to drive up standards. That is why we are publishing this data pack.
- We have for the first time in this pack set out what we know about outcomes for children in residential care and have tentative suggestions on the impact residential care might have for children who use it. We aim to refine and build on this data to look in more detail at both the impact of residential care and our own reforms on improving outcomes for children looked-after.
- We have shown that although there are changes in the residential care estate, it remains relatively stable in terms of the total number of places available. We have been able to show where homes close and open and we know the quality of those homes. Although homes rated inadequate are more likely to close, with respect to the total number of homes that closed a large proportion were rated as good. The market therefore requires careful management to ensure the right conditions for entry, expansion and exit from the market.
- Further research in this area will be undertaken over the course of 2014-15 to further understand how the market responds to the needs of those commissioning placements. The research will also look at the stability of the current market and the costs and charges that underpin it.

