

Theme 1 - Nature of supply

1. How has the provision of children's homes, unregulated accommodation and foster care for looked after children developed over time, what has driven this development and how will the wider environment shape it in the future?

Please see attached Position Statement.

2. Are there significant differences in how providers operate, depending for example on the type of provider they are, their size or the geographic region in which they are operating?

3. To what extent is a lack of availability of suitable residential and fostering placements driving undesirable outcomes for local authorities and children?

The largest challenge we face is a lack of availability of specialist placements. This can include:

- Parent & Child (with and without parenting assessment)
- High risk young people presenting with challenging behaviours including risk of harm to self and others
- Young people with learning disabilities and autism
- Young people with Deprivation of Liberty Safeguarding Orders (DoLS)

These young people all require regulated (Ofsted registered) placements due to their high level of risk and care needs.

Where a placement cannot be sourced through regulated provision, as a very last resort we have no alternative but to place a young person in unregulated, unregistered provision. In 2019/20 LB Sutton made 10 placements of this type. These placements are always on a short term basis and in most cases, where possible, no longer than 28 days. This creates further instability for the young person with additional placement moves. LB Sutton instigates enhanced Quality Assurance on these placement types to ensure robust oversight of the quality and safety of the placement.

Costs for these placement types, in both registered and unregistered provision, can be substantial. Contributing factors to high placement costs include requirements for higher staffing ratios and specialist intervention, however a lack of alternative options diminishes powers of negotiation. Analysis of LB Sutton's 10 highest placement costs across regulated and unregistered provision since 1st April 2019 has shown an average cost of £8,022 per week.

A lack of suitable provision local to Sutton is also a challenge and can to often result in children and young people being placed at a considerable distance. This can be very disruptive for the individual as they are removed from their local community and support network. This also presents challenges for Social Workers and Independent Reviewing Officers.

4. How have the following four types of children's care home and fostering agency provision developed over the last decade:

a. Local Authority

Whilst there has been a slow decline in Local Authority run children's homes (<https://socialcareinspection.blog.gov.uk/2018/08/22/the-changing-picture-in-the->

[childrens-homes-sector/](#)) a growing number are turning to the development of their own provision. In 2020 LB Sutton opened our first children's home in response to an emergency case where a child had been served notice by their Secure Children's Homes as they could not meet their needs. This home is being further developed to accommodate 4 placement with an additional emergency bedroom, to increase our local sufficiency and meet the needs of our more challenging to place young people. [X].

LB Sutton have Foster Carers employed and managed by the authority. The ratio of children placed with our in house foster carers and through IFA's has remained approximately 40:60, respectively. We continue to prioritise recruitment of Foster Carers internally with the aim to place 60% of our children with in-house carers.

- b. Private – private-equity owned
- c. Private – non-private-equity owned
- d. Third sector private

5. Does the status of the provider (ie Local authority, private equity, non-private equity or third sector) significantly impact on the nature of the homes and fostering arrangements they put in place, in terms of: the number of placements (eg do they have incentives to invest in new capacity), price, value for money, location and quality of placements?

6. With regards to private equity ownership of children's care homes and fostering agencies:

- a. What features of children's care homes and fostering agencies attract PE investors? Are these the same compared to non-PE investors?
- b. To what extent are property prices a driver of PE incentives to invest?
- c. Do PE investors in the sector have a shorter-term investment horizon than other types of providers, and if so, what effect does this have on the service they provide and investment in future capacity?
- d. Do PE-owned children's homes or fostering agencies carry a higher financial risk profile or leverage than the other types of providers, and if so what effect does this have on the service they provide and investment in future capacity?
- e. What are the implications for the number of placements, price, value for money, location and quality of placements if group companies providing essential services such as children's social care are registered offshore?

Theme 2 - Commissioning

1. How has the way in which local authorities commission places in children's homes, unregulated accommodation and foster care developed over time, what factors have driven this, and how is it likely to develop in the future?

Development of Regional Consortia. LB Sutton are a member of London Care Services and utilise the Residential Children's Home and IFA Frameworks for these placement types. There are a number of smaller consortia across London and new initiatives are continuously being developed in response to the challenges within placements for children looked after. An example of this is the Pan London Placements Commissioning

Programme with work streams including:

- Rees Centre research to inform pan-London commissioning
- Resettlement and alternative to youth custody
- Complex adolescents
- Mother and baby residential
- ASD, behaviour and/or mental health issues
- Sexually harmful behaviour

With regards to unregulated accommodation, LB Sutton commissioned our Semi-Independent Accommodation framework in 2017. This is due to expire in 2022 and we are considering commissioning options including partnership with neighbouring authorities. Due to this accommodation type being unregulated LB Sutton have an enhanced Quality Assurance process to ensure robust oversight of all placements made within this placement type.

2. How able are local authorities to secure appropriate placements to meet the varying needs of children in their care, for a reasonable cost?

Costs are increasing due to increased cost of living, minimum/living wage increases and lack of competition within the market.

As discussed above, it is becoming increasingly more challenging to secure appropriate accommodation for children and young people with complex care needs.

3. To what extent do features of the market limit the ability of local authorities to secure appropriate placements at reasonable cost, including:

- a. levels and uncertainty of future demand;
- b. nature of demand, e.g. age profile of looked-after children or prevalence of complex needs;
- c. levels of uncertainty of future funding;
- d. level of access to information on providers and individual placement options;
- e. any other factors?

4. To what extent does the capacity, capability and practice of local authorities limit their ability to secure appropriate placements at reasonable cost, including:

- a. the relative use of frameworks, block contracts or cost and volume contracts, as against spot purchasing;
- b. the extent to which local authorities proactively forecast demand and seek to attract providers into their area;
- c. levels of collaboration between local authorities in planning and purchasing;
- d. ability to recruit and retain appropriate staff to carry out their planning and procurement functions;
- e. any other factors?

Providers starting to come off London Care Placements framework due to there being no uplift within the contract.

Enhanced QA requires greater time to ensure robust oversight of unregulated provision.

5. Are there examples of good practice within or among local authorities that have been effective in overcoming any of these potential difficulties?

[X].

Theme 3 - Regulatory system

1. Please briefly describe the regulatory system and your assessment of its effectiveness in supporting good outcomes in children's social care. In particular, we welcome comments on:
 - a. The interplay between regulators and government, local authorities and providers.
 - b. The range of the regulators' functions and whether they ought to be reduced or expanded in any way?
 - c. The operational effectiveness of regulators and whether this could be strengthened by reform of their remit and objectives, resources and skills-sets and/or powers.

Ofsted ratings of registered providers are always considered when making placements in children's homes or with IFA's. Providers rated Inadequate by Ofsted will not be considered for new placements. Where providers are rated Requires Improvement we will instigate Quality Assurance checks to determine if concerns raised by Ofsted have been addressed ahead of considering the provider for placements.

Ofsted are quick to notify authorities of concerns regarding a provider accommodating a Sutton child or young person so that we can take appropriate action. We have also found Ofsted very accommodating where we have raised concerns relating to a registered provider.

We feel strongly that Ofsted or a similar regulatory body should oversee providers of unregulated accommodation for children looked after and care leavers. As outlined above, LB Sutton have robust quality assurance mechanisms in place to ensure we only utilise high quality providers of this accommodation type, however this is resource intensive and impacts commissioning capacity which could be redirected to respond to some of the wider challenges in CLA commissioning.

2. Are there particular problems in the way placements are supplied and commissioned that the current regulatory system is not well-equipped to address?

3. Does any aspect of regulation create any perverse incentives on local authorities, providers or other actors, which are driving sub-optimal outcomes?

The unregulated market is of particular concern. As an authority we have stopped using a number of providers where our young people have experienced poor quality support and accommodation. It would seem that for some agencies this type of accommodation can be seen as high profit at low cost with no regulatory oversight, to the detriment of young people leaving the care of local authorities. These can be some of our most vulnerable young people.

4. Where local authorities use unregulated placements, how do they ensure that these are appropriate in the absence of regulatory oversight? In England, how might this change as a result of the government's recent announcements?

All providers on our Semi-independent framework receive annual Quality Assurance visits (this has been adapted to be conducted virtually in response to the Covid-19 pandemic). We hold a list of off-framework providers who have completed our QA process, who we

utilise where a placement cannot be sourced through a framework provider. If a placement is made with a provider not on these 2 lists, we will initiate a full QA either before or immediately upon the young person moving in.

We have a range of methods for professionals and young people to raise concerns or compliments about all CLA placement providers. We also hold 6 weekly Joint Intelligence Group (Children's JIG) meetings to discuss any providers where there are concerns.

Theme 4 - Pressure on investment

1. What are the main drivers of, and barriers to, decisions to invest in new children's homes capacity by local authorities, private sector and third sector providers?

Please consider:

- a. Levels, nature and certainty of future funding;
- b. Levels, nature and certainty of future demand;
- c. Expectations of the level of prices in the future;
- d. Regulatory and policy frameworks;
- e. Barriers to the acquisition of appropriate property;
- f. Barriers to the recruitment and retention of appropriate staff;
- g. Any other factors you think are significant drivers or barriers.

2. What are the main drivers of, and barriers to, decisions by local authorities to expand their use of in-house foster carers, and to new independent fostering agencies entering the market or expanding their operation? Please consider:

- a. Levels, nature and certainty of future funding;
- b. Levels nature and certainty of future demand;
- c. Expectations of the level of prices in the future;
- d. Regulatory and policy frameworks;
- e. Barriers to attracting and retaining appropriate foster carers;
- f. Any other factors you think are significant drivers or barriers.

3. Within the private sector, does the ownership model, particularly whether or not a firm is private equity-owned, affect the appetite of a provider to invest in providing new placements?

4. Are there actions that government, regulators, local authorities (acting independently or collaboratively) or other actors could take to support more investment in capacity where it is required?