

Competition and Markets Authority - market study into children's social care provision

Invitation to comment – Ofsted response

Introduction

Ofsted inspects services providing education and skills for learners of all ages. We also inspect and regulate services that care for children and young people, including children's homes and independent fostering agencies. Ofsted does not currently inspect or regulate supported accommodation.

This response provides data on children's homes, independent fostering agencies and (where available) supported accommodation, including information on:

- Placement choice and the impact on children
- Fragility and change within children's homes
- Size and capacity of children's homes and fostering agencies
- Sector split of private, voluntary and local authority provision
- Inspection outcomes
- Regional split of children's homes and independent fostering agencies
- Ownership of children's homes and independent fostering agencies
- Types of care offered by children's homes in England

We note your intention to engage further with Ofsted and we look forward to meeting with you to discuss these issues in more detail.

Placement choice and the impact on children

Sufficiency in children's social care remains a major concern. The current system is not working well for children. The uneven spread of children's homes and the chronic shortage of foster homes means that some of our most vulnerable children are often likely to be living far from home in unsuitable provision, risking further instability and difficulties. We have also become increasingly concerned about unregistered children's homes. In 2019/20, we undertook 250 investigations into potentially unregistered homes.

Commissioning is often linked to individual children. Prices are high. Limited choice means that the commissioner is often not in a good position to negotiate the best care and support for children. We have already expressed our view to the independent care review that a national approach is required. No single local authority can resolve these serious sufficiency issues on their own; indeed, a cross-government approach is required.

Oversight of the market

Ofsted's regulatory powers reflect the profile of providers from previous decades. No organisation has the responsibility to oversee the market for children in the same way that the Care Quality Commission (CQC) does for adults, providing important safeguards against business failure or withdrawal. In a dynamic market with increasingly larger providers that operate a considerable proportion of provision, we believe that this a serious gap.

There is little transparency around costs. The recently published Local Government Association research into children's homes¹ explores the issues around cost and market in some detail.

While we do not currently regulate supported accommodation that does not provide 'care', you are aware that the government has recently announced plans to introduce a regulatory framework for semi-independent and independent provision for 16 and 17 year olds.² We welcome these plans.

Fragility and change

Children's homes can change quite quickly following changes in managers or staff teams. They are, individually, relatively small operations so the impact of one or more people leaving can be quite significant. Homes are required in law to have a registered manager. At any one time around 10% of homes do not have a registered manager in place. Turnover can be high and securing the right manager for a home can be challenging. Staff in children's homes are generally low paid and do not have high status. Qualification requirements are low.

1

https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwiok5mrofvvAhUiwuYKHawlBmsQFjABegQIAhAD&url=https%3A%2F%2Fwww.local.gov.uk%2Fsites%2Fdefault%2Ffiles%2Fdocuments%2FChildrens%2520Homes%2520Research%2520-%2520Newgate.pdf&usg=AOvVaw0GEC-Sbu49_TcTQN4pvk1v

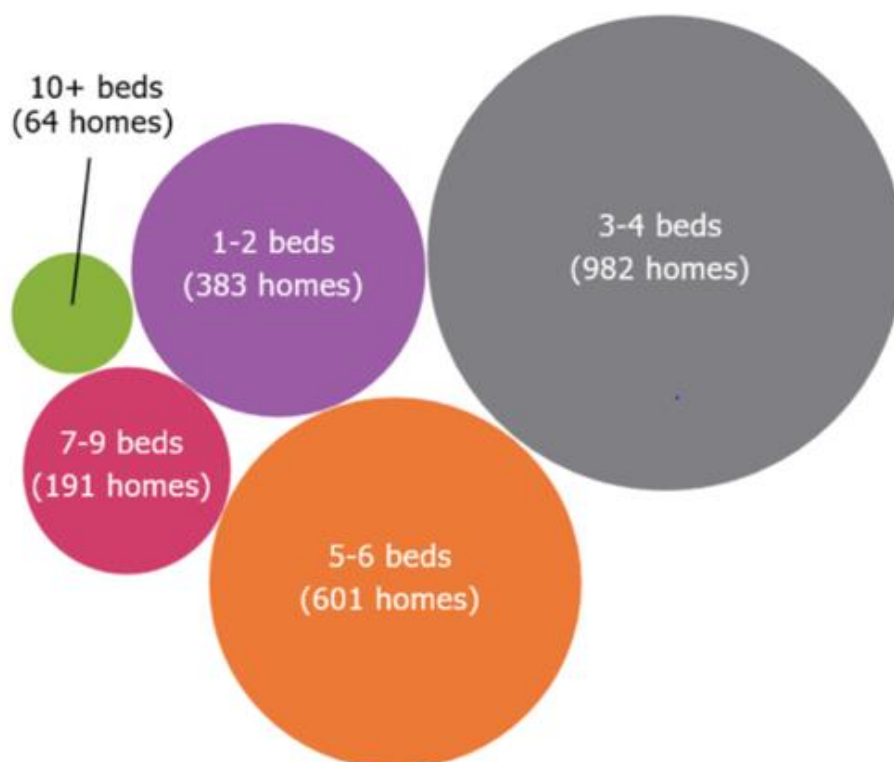
² In CMA's paper inviting comments, it states: 'In each case, any support provided must fall short of the definition of 'care' set out in the Care Standards Act 2000 [para. 32)]'. To be clear, the Care Standards Act 2000 does not define 'care'. In the absence of a clear legal definition, Ofsted has produced guidance to distinguish between 'care' and support' (as you explain in a footnote).

Size and capacity

Children's homes

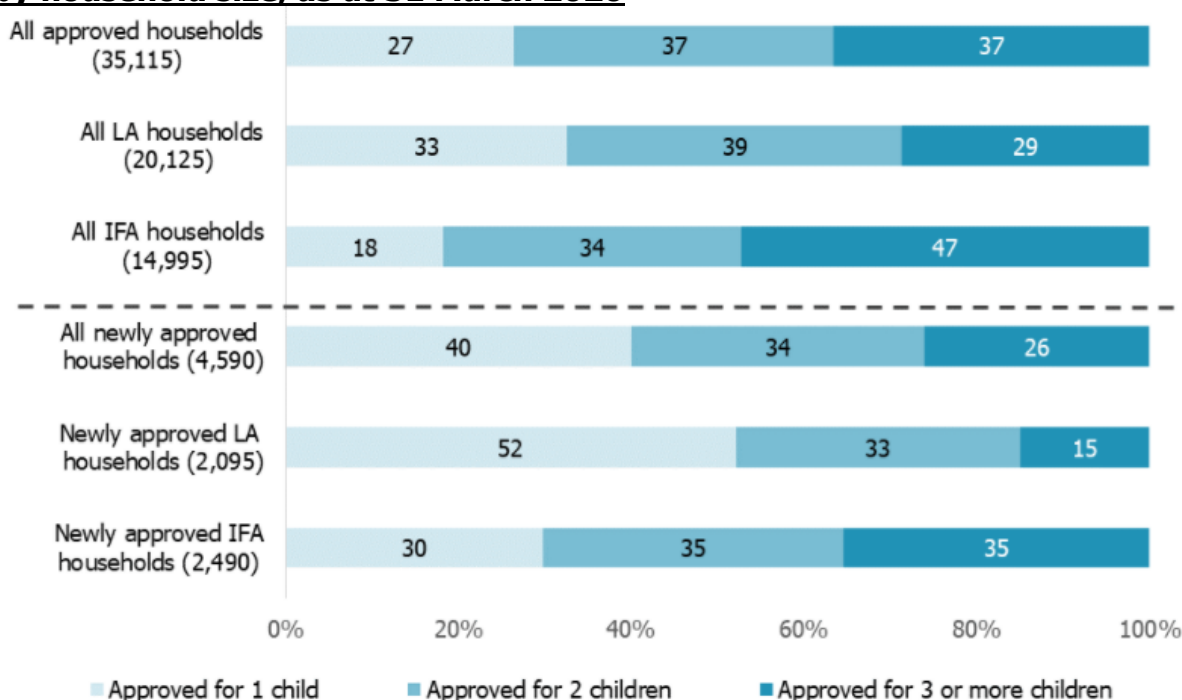
- There were 2,460 children's homes as at 31 March 2020, a 7% increase (156 homes) from the previous year (2,304). These homes were registered for 12,175 places, a 1% increase from 12,035 as at 31 March 2019. The mean average size for children's homes is 5 places; the mode and median averages are both 4.
- The rise in the number of places did not keep pace with the increase in the number of homes. This is mainly caused by new children's homes being smaller than those that close. The average number of places for a new children's home was 3.4, while the average for a closing home was 5.1.
- The consistent pattern over the last 5 years has been of homes increasing at a greater rate than places, i.e. homes are getting smaller. While the number of all children's homes increased by 19% between March 2015 and March 2020, the number of places increased by 3% over the same period.
- Staffing ratios vary considerably according to individual children's needs and the group living arrangements. For some children, arrangements can mean 2:1/ 3:1 staffing.

Fig. 12: Distribution of children's homes by the number of registered places (as at 31 March 2019)



Foster homes

Fig. 13: Proportion of fostering households and new fostering households by household size, as at 31 March 2020



- The number of IFAs has varied over the years. As at 31 March 2020, there were 300 IFAs, a small decrease from 305 as at 31 March 2019. Private companies own 4 in 5 IFAs and voluntary organisations run the rest.
- During 2019 to 2020, 12 new IFAs opened and 16 resigned. Ofsted cancelled the registration of one IFA.
- As at 31 March 2020, the majority (72%) of fostering households were approved to care for 2 or 3 children.
- In line with previous years, IFA households were more likely to be approved to care for larger numbers of children. Almost half (47%) of IFA households were approved to care for 3 or more children, compared to 29% of LA households
- We estimate that the number of approved foster carers was around 75,300, a very similar figure to March 2019 (75,260). This is based on the 71,150 foster carers who we have data for, submitted from the 94% of agencies that completed the data collection.
- As in previous years, LAs continue to account for almost two thirds of all carers (64%) and almost two thirds (64% or 34,190) of children in placements; the number of foster carers in the LA sector, though, decreased and those in the IFA sector increased.
- Of the 84,545 approved fostering places for which we have data, excluding short-break only places:
 - 64% were filled (53,585)

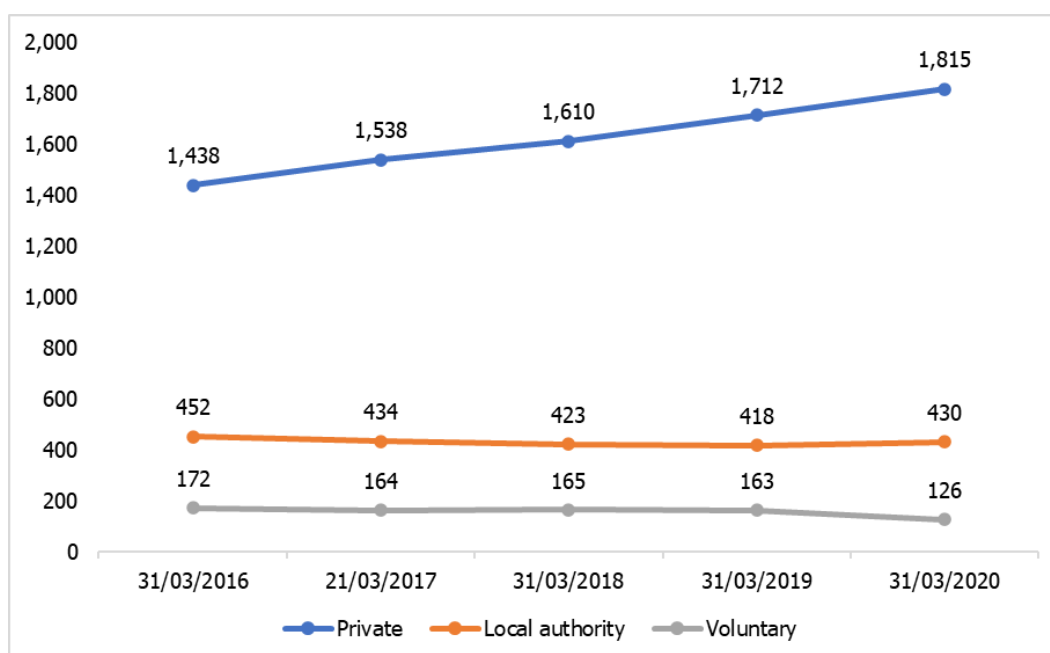
- 16% were vacant (13,135)
- 20% were 'not available' (16,555)
- Patterns of occupancy have maintained a steady trend since 2016. Increasingly, there have been more children living with foster carers (5% increase) and fewer places vacant (a decrease of 8%).

Sector split

Children's homes

- Over the last five years, the private sector has increased its share of children's homes by 26%.
- As at 31 March 2020, this sector owned 77% of all children's homes.
- The voluntary sector is very small and in decline.

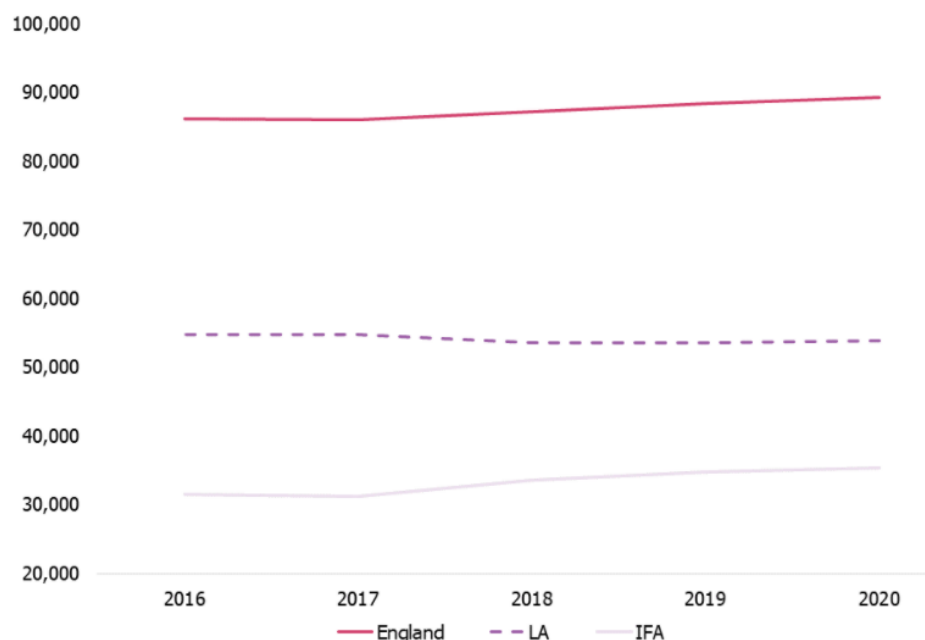
Fig.1: Children's homes: places split between private, LA and voluntary sectors (2016-2020)



Foster homes

- As at 31 March 2020, there were 89,200 fostering places in England.
- Places overall have increased by 11% since 31 March 2015.
- LA places have increased by 10%; IFA places by 12%.
- The majority of places are with LAs (59%).
- Around four out of every five IFAs are privately owned.

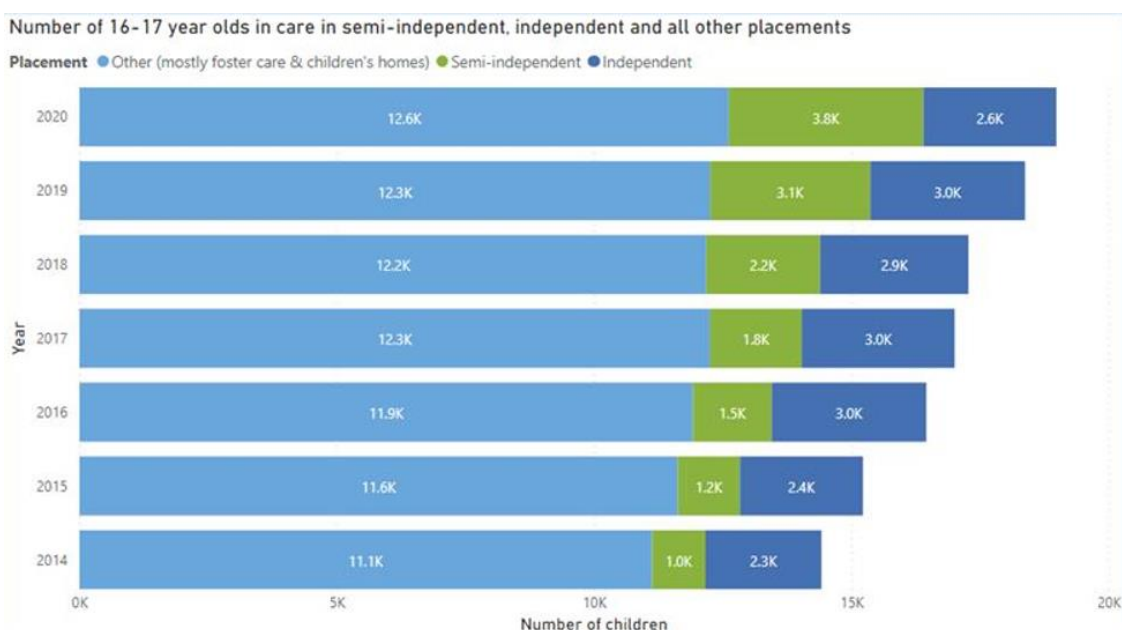
Fig.2: Fostering places in England – split between local authority and independent sector (2016-2020)



Unregulated accommodation

- While the number of children aged 16 and 17 in children's homes has increased since 2014, the number of children in care in that age range has increased at a faster pace, contributing to a growing number of 16-17 year olds in semi-independent or independent provision (Figure 3).

Fig. 3: Number of 16-17-year olds in care in semi-independent, independent and all other placements (based on DfE 903 data)

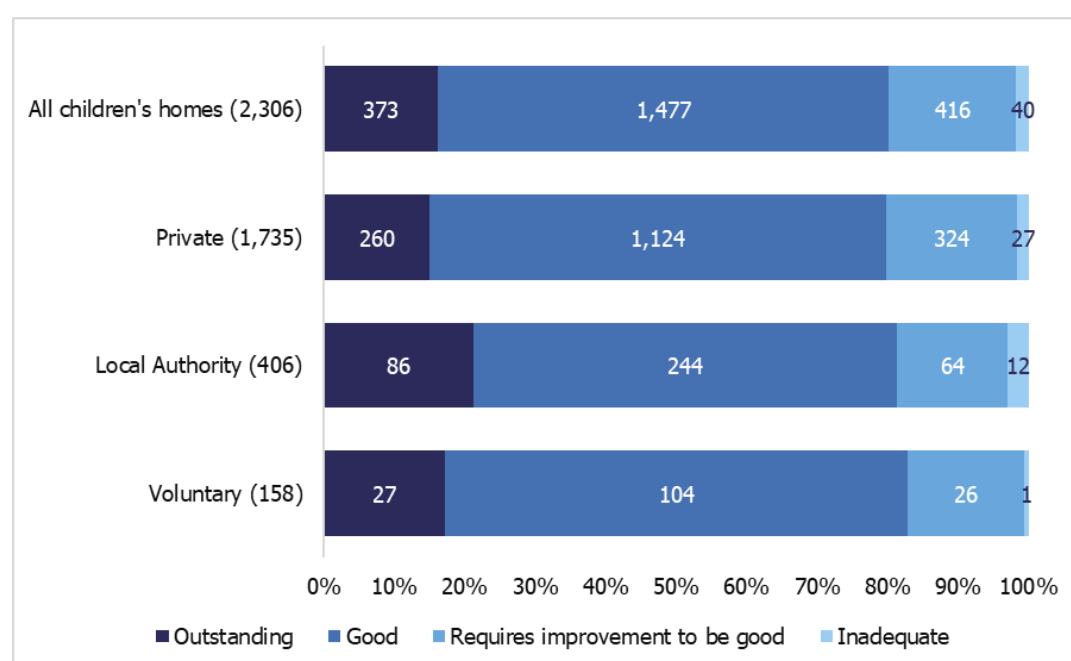


Inspection outcomes³

Children's homes

- As at 31 March 2020, 80% of children's homes were judged to be good or outstanding, similar to previous years.
- The private and local authority sectors had similar percentages of good and outstanding homes (80% and 81%).
- Voluntary sector homes performed a little better, with 83% judged good or outstanding

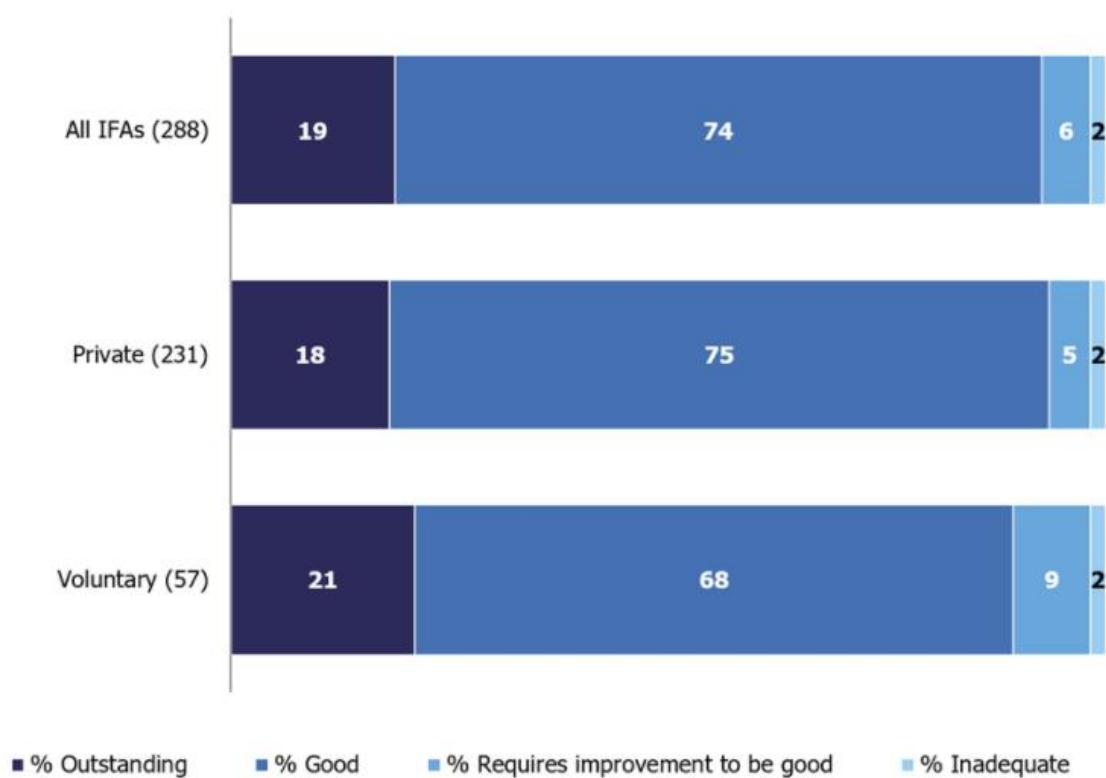
Fig. 4: Children's homes – inspection outcomes



Independent foster agencies

- As at 31 March 2020, 93% of independent fostering agencies (IFAs) were judged to be good or outstanding.
- .
- Privately owned IFAs performed slightly better (93% good or outstanding compared to 89% of voluntary owned) – but voluntary owned numbers are small, so this data should be treated with caution.
- Local authority fostering services are inspected as part of the ILACS programme, so we do not have inspection outcome data for these specifically

³ Ofsted paused routine inspection in March 2020 due to the pandemic; we are due to resume on 12 April 2021

Fig. 5: Independent fostering agencies – inspection outcomes

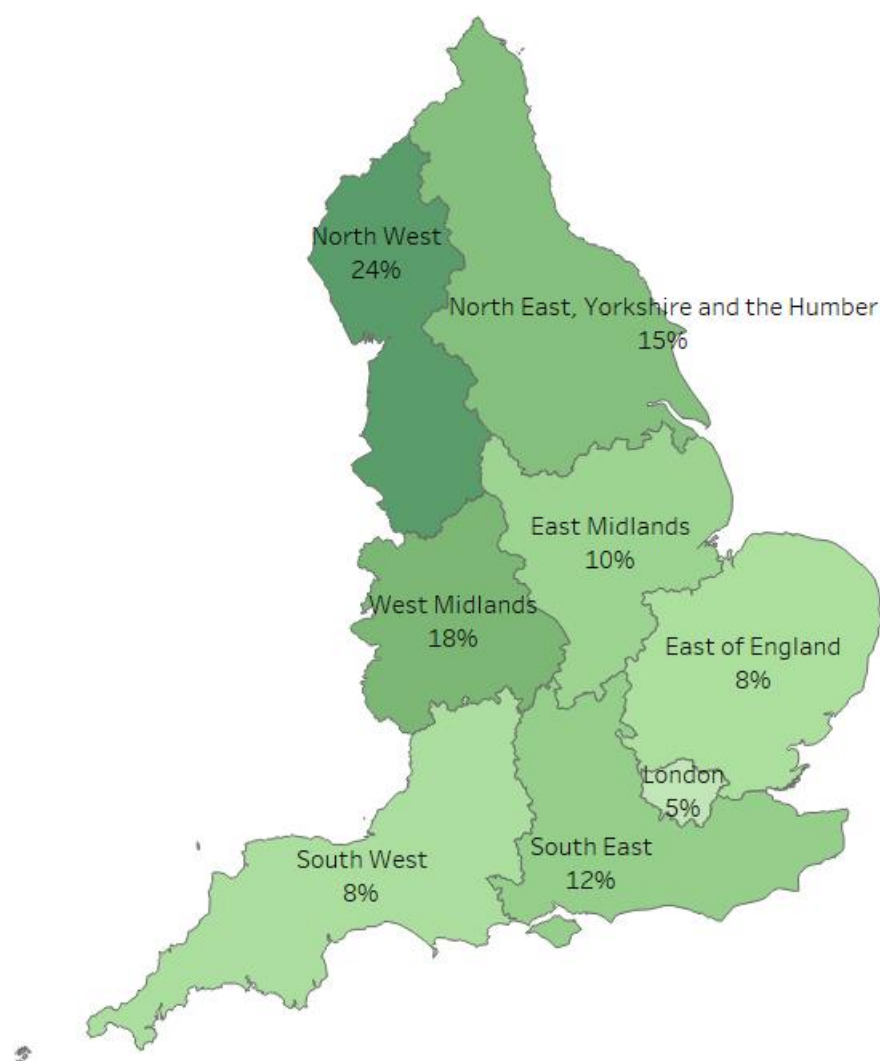
Numbers in brackets represent the number of providers with an overall effectiveness grade as at 31 March 2020

Regional split

Children's homes

- The distribution of children's homes across England does not match the distribution of the general population or the needs of children. (see Fig. 6).
- A much higher percentage of children's homes are in the North West (24%) than regions like London (5%), East of England (8%), and South West (8%).

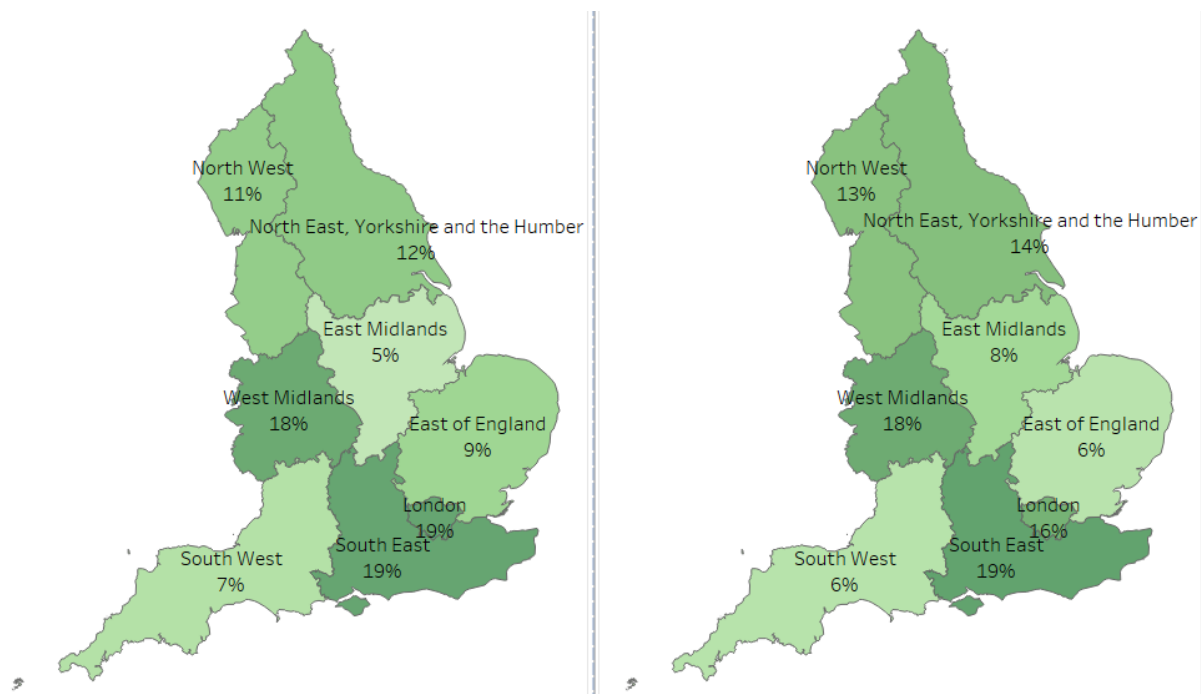
Fig. 6: Percentage of children's homes by region



Independent fostering agencies

- IFAs are not evenly split across England.
- Unlike children's homes, a greater percentage of IFAs are in London, the South East (both 19%) and the South West (18%).
- The picture changes slightly when looking at places, but not drastically.

Fig.7: Percentage of IFAs (left) and IFA places (right) by region



Ownership

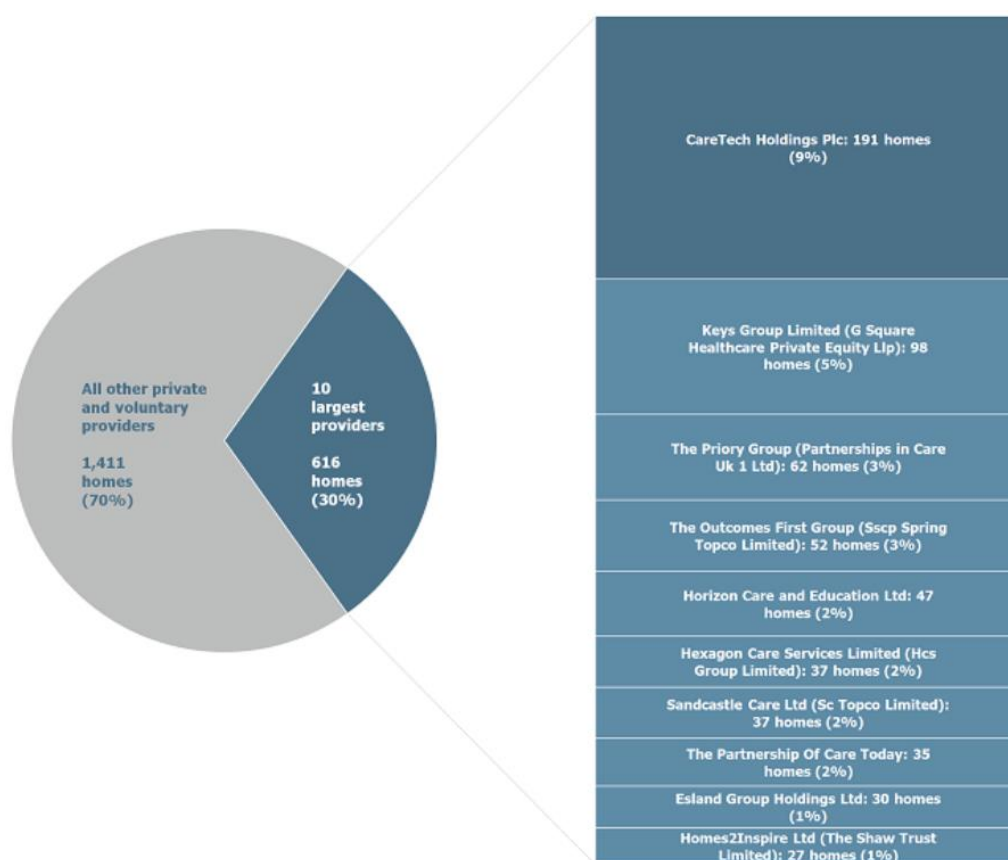
Providers of both foster care and children's homes

- Two top companies appear within the largest provider lists for both children's homes and IFA places. These companies are CareTech Holdings PLC and the Outcomes First Group (SSCP Spring Topco Limited)
- 30 companies operate both IFAs and children's homes (5 of these are Trusts). 5 of these operate children's homes, IFAs, and residential family centres

Children's homes

- As at 31 March 2020, the 10 largest providers owned 30% (616) of the 2,029 private and voluntary children's homes; this is in line with 2019.
- CareTech Holdings PLC (191 homes) was the single largest provider, with almost double the number of children's homes compared to the next largest.
- The 10 largest providers performed slightly better than all private and voluntary owned children's homes (82% good and outstanding compared to 80%).

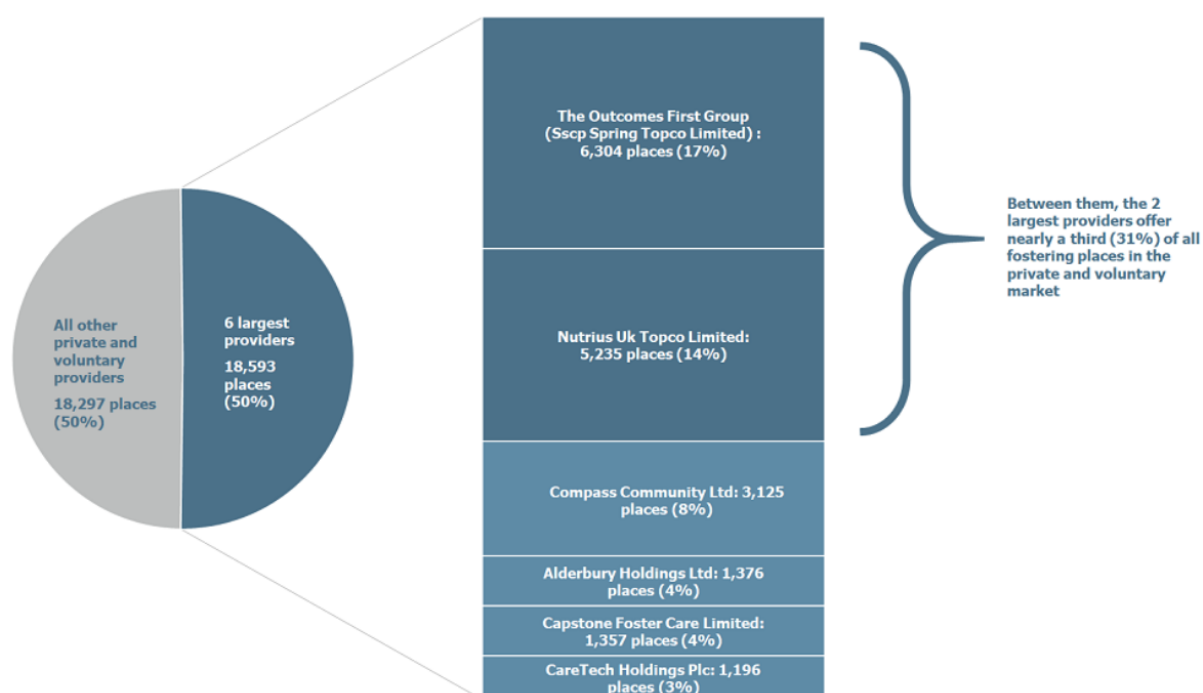
Fig.8: Ownership of children's homes



Independent fostering agencies

- As at 31 March 2020, the 6 largest providers (those with capacity of 1,000+ places) provided owned 50% (18,593) of the 36,890 IFA places.
- They also owned just over 20% of all IFAs (66 of 300).
- The 2 largest providers (Outcomes First and Nutrius) provided more than 11,000 places (62%), and 47 IFAs
- The 6 largest providers performed better than all IFAs (98% good and outstanding compared to 93%).
- In total, 29% of the IFAs owned by the largest providers were judged outstanding, compared to 16% of all other IFAs.

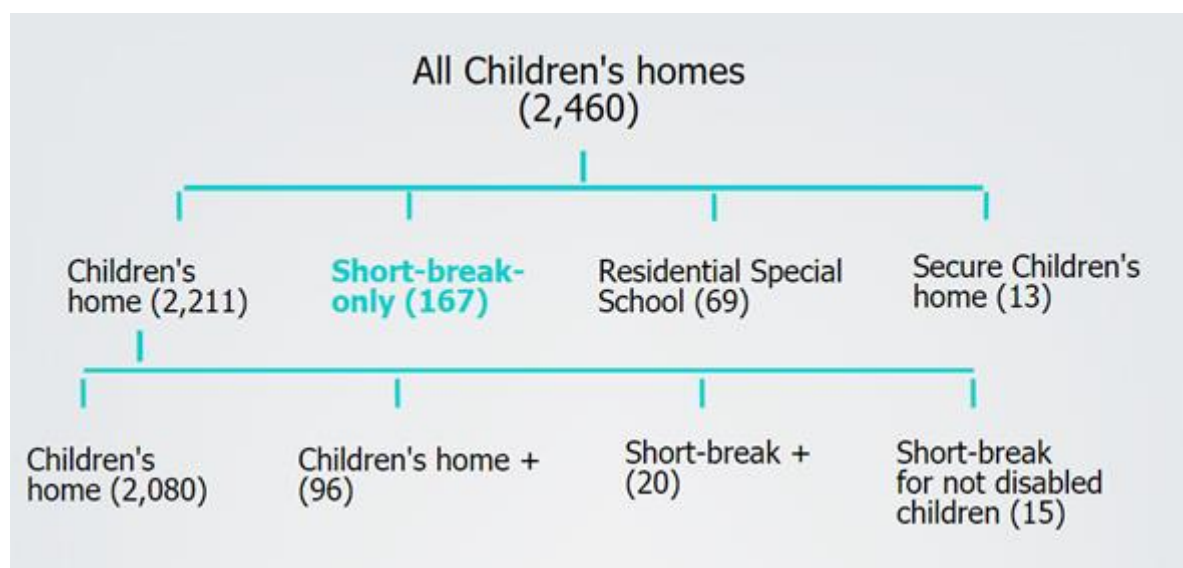
Fig. 9: Ownership of independent fostering agencies



Children's homes: types of care offered

- As at 31 March 2020, there were 167 short-breaks-only children's homes (7% of all children's homes)
- There is also a small group of homes which primarily offer longer-term care but can take short breaks exceptionally: 131 homes (5% of all children's homes). This includes short-break + (homes which primarily provide short-breaks but exceptionally take children on longer placements); children's home + (homes which primarily provide longer placements but exceptionally take children for short-breaks); and short-breaks for not disabled care (short-breaks are typically for children with disabilities).

Fig.10: Children's homes – short break care



- As at 31 March 2020, almost all children's homes (90%, 1,999) stated that they care for children with 'challenging behaviours'⁴. Many homes will care for children who fall into multiple 'need groups', as the chart above shows.
- There was a gap between the next two groups (negative childhood experiences, 55% and learning difficulties, 42%).
- The least common needs that homes cared for were complex health (5%) and sensory impairment (3%).

⁴ Most homes care for children whose needs fall into multiple groups

Fig. 11: Children's homes – meeting children's diverse needs