

**BLACK TEXT IS THE QUESTION FORMAT PLEASE DO NOT CHANGE**

CMA are studying Childrens SC provision – including children's homes and fostering (**but excluding secure children's homes or residential schools**) to establish why a lack of availability and increasing costs could be leading to the needs of children in care not being met.

Will look at how well the current system of provision is working across England, Scotland and Wales and explore how it could be made to work better. In particular:

- the supply of placements
- prices charged by providers
- commissioning of places
- regulation in the sector
- the environment for investing in the system to ensure sufficient appropriate places are available for all children who need them in the future.

Information provided will help CMA to understand how to improve outcomes in the provision of accommodation and associated care, and support for looked-after children and fostering services for looked-after children and identify ways to help local authorities secure better value for money in their procurement in the Children's SC sector.

Childrens SC Sector is determined in the CMA document as:

- Looked After Children
- LA Purchasers
- Residential care – Children's Homes
- Residential care – Unregulated Accommodation
- Fostering
- Other Key stakeholders

The market study aims to investigate problems that have been identified in the Children's SC sector relating to children's homes; unregulated accommodation and fostering and detail is given in the document pages 13-16.

**Scope and themes to be proposed for consideration:**

The scope of this market study is the supply of accommodation and associated care and support for looked-after children in children's homes, foster care, and independent and semi-independent living facilities. It will look at the ability of local authorities to secure appropriate placements for the children in their care, at a reasonable price. It will cover England, Scotland and Wales, considering relevant policy, market and socioeconomic differences between and within the three countries.

**Key Purposes:**

First, to consider the efficacy of the market in providing such important social services, including the role of private provision. Over the past few decades, the private sector has come to dominate the provision of children's homes and unregulated accommodation in England and Wales, and independent agencies have become increasingly prominent in the fostering market. Concerns around private provision in the sector have grown, particularly in light of increasing private equity investment and consolidation. We will explore levels of profit-making by private providers in the current system and consider whether the current mixed market is delivering good outcomes and value for money when compared to possible alternative models.

Second, to consider how well the current market is working and explore how it could be made to work better. There are areas that seem to be functioning sub-optimally on both the demand and supply sides of the market and addressing these could deliver improved outcomes for children and local authorities irrespective of the overall shape of the market that emerges from any overall policy approach.

To explore these issues, we propose to focus on how each of the following four themes contributes to the problems of securing appropriate supply and avoiding unduly high prices.

#### 4 themes and key questions:

##### **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?

Historically our internal fostering provision and the regional frameworks for residential and fostering placements met the majority of our placement needs. Over the last three or four years however we have had to put in place our own local contracts as well as planning for our own internal children's home to build capacity, to continue to try and meet need.

##### **Childrens Homes**

- Although we are part of Regional Frameworks and have our own small block contracts, current supply levels are not meeting demand. There is a view that with the increase in demand providers are more able to 'cherry pick' from the volume of referrals they receive.
- We believe that homes may be refusing what they perceive as more challenging children as they are more likely to cause disruption and hence may impact on their Ofsted rating.
- Quality of provision remains a key concern and focus of our activity.
- There is a significant concern that the lack of competition within the system, as a small number of companies own most of the provision, is not creating an environment where quality is being raised across the sector. There is some evidence of some providers moving children out very quickly, or they are asking for increased weekly fee's to help stabilise children but with seemingly limited justification and evidence of improved outcomes as a result and overall.
- The sector is experiencing many children moving between providers, children therefore are not receiving a full programme of intervention and support and starting again with a new provision with different levels of support and specialist experience.
- Occupancy levels remain a key factor for providers, as this clearly impacts on profit or loss. Some providers have placed themselves in a position to become specialist in the issue that is paramount at that time. For example, specialist in exploitation, young violence, drugs, behaviours that challenge, etc. However, there is a concern that despite placements being made under a therapeutic or specialist package, children are not receiving the level of support and intervention that was outlined and therefore expected.
- We have seen more homes open locally, but despite more vacancies and efforts to build relationships the authority has not seen an increase in its sufficiency. There are two children's homes in the county that have been vacant since they opened, this is entirely related to the quality of the provisions.
- The market is becoming saturated, providers can see through referral rates that the demand for children needing homes is high and will potentially be sustained for some time, providers therefore have more influence on the market price. The authority have seen an increase in the market price, with some providers offering significantly higher fees than 2019/20, however others have held their prices and worked with authorities to achieve value for money placements.

##### **Unregulated Provision**

- Provision has grown in abundance – the placement portal has been flooded with new providers seeking to be placed on the portal and access regional referrals. With the lack of regulatory requirements and standards on these provisions it is too easy for them to set up and deliver services.
- Our framework for Supported Accommodation has been in place since July 2020 following a robust procurement process. 95% of placements made are called off this framework. Close monitoring of Framework providers takes place.
- Local and regional QA teams carry out due diligence checks and quality monitoring of accommodation and support.

## Foster Care

- The Fostering Framework – around 80% of IFA placements are made through this arrangement. Whilst the framework has served the authority well in relation to placement offers it has worked less well in being able to offer local placements. There is a need for more IFAs to develop more local placements to enable children to live closer to their support networks and avoid disruption to their education and healthcare plans / service agreements.
- A block contract for Children In Care stepping down from residential care and preventing residential care admission was awarded in April 2019 to meet changing demands and improve placement stability outcomes; it will provide up to nine placements.
- In August 2020 WCC varied a bail and remand fostering contract with a local provider to develop short-term emergency placements through the provision of two emergency foster care placements. This arrangement will remain in place for two years.
- Locally we have seen increased difficulties in obtaining external foster care provision which can lead to children escalating to children's homes as there is simply no other place for them to go.

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?

## Childrens Homes

- A number of large provider groups do not need to reply on frameworks and other contract arrangements, often LA's send referrals to all providers both on and off frameworks to maximise chances of securing a placement – especially when the need for a placement is urgent. One large provider's business model has no contract agreements with any LA, this is primarily because they know they can rely on LA's to send referrals anyway because demand is high, competition between LA's is evident and as emergency/same day placements is increasing, LA's are left with little option but to cast the net wide.

## Unregulated Provision

- Currently both our Housing Related Support providers are large not-for-profit organisations with a national presence. Accommodation is varied from large HMO/hostel-style provision to individual 'dispersed' accommodation for young people aged 16-25 and not exclusively for care leavers.
- Framework and spot providers for Supported Accommodation tend to be smaller organisations, very few are not-for-profit. Although some of them have many years' experience of providing supported accommodation services for care leavers many new providers have come to the market over the last two to three years with little experience and immature governance and practice. They are often run by a sole director/domestic partnership and rely heavily on agency staff.

## Foster Care

- There are four IFAs with Head Offices based locally, all judged 'good' by Ofsted (as at 31st March 2019). According to these Ofsted reports, the IFAs have capacity for 80 placements for Children In Care in total and provide a range of fostering services including long term, short term, respite, emergency and parent and child placements. One of the IFAs is part of a large regional charity and the others are small, independent companies which are not part of larger organisations.

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

## Childrens Homes

- The key factor is always the occupancy rates; this will make or break the profit margin. There is a concern that some providers seek referrals with fewer challenging needs, to limit impact on matching alongside others and to potentially keep support needs and subsequent costs low. This also means there is little to no incentives for providers to move children on from their placement into fostering arrangements or move back home. Some providers are hesitant to engage in transition plans and as the primary care provider for the child at the time have potential opportunity to escalate their influence in determining outcomes and transition planning for the child.
- It is becoming more common to only receive 1 or 2 market offers of placements for referrals. Having only one offer frequently means it is an out of county placement which immediately impacts the children's education, relationships and access to wider support services and networks. One offer removes choice from the children, young people, their family, and the authority. Often, the child/young person is moved to another county and experiences disruption and delay whilst a new education provision is identified.
- Rehabilitation/return home is another outcome impacted by the lack of supply. With children placed at some distance from home there can be issues with their ability to maintain and improve relationships, particularly those that are in residential care. They are more reliant on the providers ability to plan and prioritise transport and support and to coordinate this with the LA to enable visits to happen.

#### Foster Care

- In foster care there is less of a concern. Primarily because of the strong relationships commissioning have built with a small number of good quality providers and it is these providers that frequently make the offers.
- That said where fostering offers are not forthcoming children can be escalated to residential care status when their needs do not necessarily dictate it.
- Our internal foster carers are also often reluctant to take UASC. This has been particularly the case during covid 19.

4. How have the following four types of children's care home and fostering agency provision developed over the last decade: a. Local authority b. Private – private-equity owned c. Private – non-private-equity owned d. Third sector private.

#### Children's Homes

- We have none of our own children's homes but now have one in the pipeline and are looking at the business case for more.
- It is very difficult to now understand the provider market with companies being acquired by private equity companies.
- We have long standing relationships with third sector providers for children with disabilities, one we have commissioned provision from for over 25 years and the other has supported children on remand to remain in foster care for over 20 years. Despite these longstanding relationships and commitments, we still struggle to get the third sector to take a larger part of the market share of children's homes. We have attempted with the third sector, but the financial risks have impeded this for charities.

#### Foster Care

- We have seen larger companies adopting smaller and some third sector companies. With IFA's this has not always been a negative experience. The authority have a strong relationship with one provider; one of the largest private equity fostering providers (with some residential schools), where they have merged/bought smaller IFA's they have, in our experience, enables those IFA's to continue to trade as subsidiaries and not altered their pricing structures but have shared benefits with LA's through their economies of scale and access to improved service delivery a larger organisation can offer. However, this is not the same experience with others.

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?

#### Childrens Homes

- Larger volume providers tend to be the private equity providers – they have the investment to be able to move / flex their models perhaps more freely than third sector and LA's. Economies of scale can be achieved with the larger organisations through provision of management and oversight down to front line training for care staff and/or carers.
- It does appear to impact on the ability to form long standing relationships, as stated above we have contracts with the third sector that have been in place for many years but we have not experienced the same with private or private equity providers.

#### Unregulated Provision

- Third sector provision is significantly cheaper than framework/spot purchase placements which may be lower in quality of support.
- Private sector placements can be more tailored to individual need/support hours.

#### Foster Care

- IFA's potentially have more 'pulling power' where they have greater financial backing and are seemingly more able to tempt carers into their services through offers or greater support packages, access to other benefits but not necessarily paid any higher than an LA foster carer.

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?

Local Authorities do not have the resources to keep on top of the ownership of providers. This changes constantly in this sector and often companies with multiple names are owned by one private equity firm based abroad. This is often invisible to commissioners, social workers and children. As this is not transparent it is hard to understand and even harder to influence our decision making.

In our experience private equity ownership does have a short vision, to complete high occupancy, for maximum profit for the shortest time period. We have seen across the sector children's homes and fostering agencies being brought by private equity companies for this reason. However, the key factor is always the occupancy rates, this will make or break the profit margin. The cost of the property is less of an issue. Ensuring support costs remain low or maximise income from local authorities with insisting packages increase in cost are key drivers.

## 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?

It is only over the last three years or so that as an authority we have deemed it necessary to move beyond the regional frameworks that had worked well for us historically and as such we have now have a range of contracts that complement the regional arrangements to support meeting sufficiency and keeping children close. This has been due to increasing demand, limited supply and increasing competition for placements with other local authorities. Our research leads us to believe that there is a northern drift, certainly with regards to children's homes and although there is good capacity locally, we struggle to place locally and are told our children are too complex.

### Childrens Homes

- In 2019 the authority commissioned its first block contract with a residential provision – the driver for this was a) sufficiency and keeping children local, b) ability to have some (although limited) control on price and c) ability to have some control on quality.
- Our residential figures have almost tripled in 3yrs. Over the last 2yrs some children entering residential care have seemingly done so earlier than they may have due to the lack of available foster care placements to meet need; this has been more prevalent during the Covid19 pandemic where children have not transitioned due to courts not being opened/delays or more children have accessed staying put arrangements.
- We are in the process of going through the necessary steps to open our own children's home at the end of the calendar year.
- We have yet to demonstrate it is good practice but more LA's are returning to the residential sector to increase capacity and encourage local competition to drive up standards and better influence the market.

### Unregulated Provision

- In 2020 we commissioned our first supported accommodation framework – this was driven by the need to ensure better quality assurance monitoring, standards of accommodation, staff qualifications etc due to being an unregulated sector. Also to develop stronger relationships with providers and value for money.
- The authority will join the regional Framework when it goes live in summer/autumn 2021 to increase sufficiency and choice of providers/locations as a backup to our local framework.
- The authority will seek to develop use of supported lodgings as a preferable solution for young people where appropriate to meet level of need and internal supported accommodation provision to improve quality of accommodation and support with better value for money.
- Seeking to increase incentives for foster carers to offer staying put arrangements which would always be the preferred option to supported accommodation.
- The number of care leavers in supported accommodation has remained relatively constant over the last five years.
- The number of UASC in supported accommodation has doubled in the last three years.

### Foster Care

- In 2019 the authority commissioned its first foster care block contract for children stepping down or at risk of entering residential care. This contract is underperforming due to the challenges presented primarily by matching along with complex needs and behaviours that challenge.
- The authority now commission more external placements with IFA's than in any year prior to 2020, this is partially driven by the number of carers available through our internal foster care service.

2. How able are local authorities to secure appropriate placements to meet the varying needs of children in their care, for a reasonable cost?
- It is incredibly challenging to secure appropriate placements at a reasonable cost. We negotiate on all placements, providers are not shy in advising us they have numbers of referrals they are looking at potentially for one placement.
  - Providers we have relationships with appear to have maintained their prices, however we are making more short notice/same day emergency placements which is resulting in providers inflating costs through additional staffing measures to manage potential and unknown risks of an urgent placement.

#### Childrens Homes

- Sourcing external placements has become more challenging. Despite significant numbers of newly registered children's homes, we still experience challenges in sourcing placements, most specifically for our teenage cohort 15/16/17yrs who present with behaviours that challenge and/or complex or mental health needs.

#### Unregulated Provision

- The last five years has seen a significant increase in the complexity of needs and challenging behaviours of young people aged 16/17 referred to supported accommodation. This has led to an increased need of solo placements with 24/7 cover. This has had an impact of the cost of placements.
- Providers tend to make an offer of a placement and after a short time say there is a need to increase staffing due to behavioural issues which results in an increase in the cost.

#### Foster Care

- Recent challenges for the authority have been the availability to source placements for specific groups particularly sibling groups and older children / teenagers.
- Our residential figures have increased steadily over the last five years and are at their highest ever level. A number of these referrals initially started as fostering placement searches but were escalated to residential care as a result of no offers being received due to matching and young people presenting with behaviours that challenge.

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?

#### Childrens Homes

The most significant factor in the market influencing costs and inability to find local placements is the excess demand and limited supply. Supply cannot respond quickly enough to fluctuations in demand due to the level of regulation. The time it takes to set up a home and have it Ofsted registered is significant.

#### Unregulated Provision

- Uncertainty of future numbers of new arrivals/demand for UASC placements increases LA reluctance to commit to block contracts or secure facilities for internal provision.



- Economies of scale could be achieved for care leavers in a block provision but there are risks inherent to placing a number of children with challenging behaviours/high needs together in a single accommodation unit even if comprised of individual self-contained units.

#### Foster Care

- In addition to the increase in volume of referrals for external placements we have noted changes in the 'placement type' in comparison to previous years.
- Increase in referrals for older children / teenage children who are coming into care for the first time.
- Increase in sibling group searches.
- Increase in younger children, specifically under 5's attributed to paucity of placements in our internal foster care provision.
- Increase in step down from tier 4 mental health hospital placements.
- IFA referrals show a high number of young people who present with behaviours that challenge. Our data also shows us an increasing number of younger children, 10 years and under, that are presenting with behaviours that challenge at the point of referral. This reflects the position the authority has found itself in over the last 12 months with children under the age of 10 years entering residential care for the first time.
- Placement stability remains a key focus across both internal and external fostering provisions. We are seeing an increasing number of referrals for children who require a new placement as a result of their existing placement breaking down.

#### 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.

- We have our own blocks and frameworks and are part of the regional frameworks too.
- Commissioners work hard at building and sustaining relationships with our key providers. This will be a renewed focus for 2021.
- Capacity in our placement hub impacts on ability to engage, build and extend relationships with current and new providers.
- We have seen an increase in demand for emergency / unplanned placement endings. Due to pressured capacity in the placement team we are reliant on electronic forms of communication as opposed to being able to invest in (virtual) face to face and phone calls.

##### b. the extent to which local authorities proactively forecast demand and seek to attract providers into their area.

- The authority has a sufficiency strategy but recognises the need to revisit and update this on at least an annual basis due to changes and increases in demand and needs.
- Due to the size and dispersed nature of the markets commissioners engage mostly with those providers we have contractual relationships with, or operate locally, to actively share needs and identified gaps.
- We are part of a regional networking group and contribute data to a regional collection tool which is also shared with the provider market across residential services and IFAs.

##### c. levels of collaboration between local authorities in planning and purchasing.

- We are part of the Regional Network and we work extremely well together in commissioning through joint block contracts and in collaboration and support. There are joint frameworks for residential, fostering and supported accommodation.
- The reality however is at the point of placement search LA's are inadvertently competing for placements for their children.



d. ability to recruit and retain appropriate staff to carry out their planning and procurement functions.

- We have a Strategy and Commissioning function and Commissioning Support Unit that works collaboratively with Children and Families to plan and procure what is required.
- A key challenge remains capacity within the placement hub to support the micro commissioning of IFA and residential placements.

e. any other factors?

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

The Regional Collaboration works very well but requires individual authorities to compliment these arrangements with their own contracts to meet local needs.

Our small floating beds block has been very successful and has cemented a productive relationship with a national provider, who have worked with us in supporting the delivery of emergency beds when these have been needed. There is a significant amount of commissioning resource that goes into managing this relationship.

We are as yet to demonstrate the successes- but with our LA returning to the residential sector we hope to increase capacity and quality that will in turn encourage competition and to drive up standards.

Development of a local framework for supported accommodation where nearly all placements are called off that framework and an internal supported lodgings scheme.

### 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.

Despite Ofsted notifications to LA's we have concerns that Ofsted do not engage with LA's in a timely way where they have concerns regarding a provision. The Ofsted judgement on a provision can change from good to inadequate overnight and the decision to suspend placement with immediate effect causes trauma for children, places immense pressure on LA's to manage risks and safeguard the young person as well as indirectly exploiting the LA's position in needing an urgent placement. This can result in the LA, which must place the child the same day, relying on either poor quality, high cost and in some cases unregulated provision because no alternative is available.

There is often a significant gap between Ofsted conducting its registration visit and the first monitoring visit to the home, this period is imperative with a new provider who have not yet been established themselves and children can be placed in a risky provision particularly when there are no other options available.

Newly registered home initially will be given a certificate of registration detailing their registration number and its description this is just the beginning of the registration process and does not indicate that Ofsted have approved them or done due diligence on the provider managing the service. The Registered Manager need's to have completed a successful 'fit person' interview with Ofsted before they are seen as fit to run a children's home. It can take up to 6 months for a registration process to be fully completed and applications to be approved.

Often, we only have 1 child in a placement. LA's can only look at their child and any recording/information relating to them, not all children. As such we may have less of an overview of the provider during our Quality Assurance activity. This restricts our capacity to view all areas and have a complete overview of the home.

This is where our relationship with Ofsted is imperative to aid our intelligence gathering and we need to develop this further.

b. The range of the regulators' functions and whether they ought to be reduced or expanded in any way?

WCC welcomes the new legislation regarding under 16's and the use of unregulated accommodation and the future introduction of national standards for providers of supported accommodation.

National recommendations for Supported Accommodation (SA) have not yet been approved and may not have a regulatory body inspection process. This means we will need to check that all providers have had some quality oversight before placing our young people. This is where a framework provider could meet this criterion if we insisted on a visit to see the standard of provision they will supply. Ofsted are happy to support any SA provider with advice on their service delivery, so they do not fall foul of operating as an unregistered children's home. The Annex A is a document within the children's homes regulations 2015, (unless people know it is available it is not widely known to new SA providers). QA have had to share this with many SA providers who were not aware of its existence. Any SA provider should be signposted to this to ensure they are aware of Annex A, this could be an attachment to the provider response form.

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.

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

Current lack of regulation of supported accommodation.

Lack of awareness of the difference between 'support' and 'care' and when registration is required.

The interface between CQC registered provision for 16 and 17 year olds and residential placements. Where it is deemed a young person with a LAC status could have their needs best met in a supported living setting with the care registered through CQC this is currently deemed to be unregistered.

Lack of supply, reducing choices particularly difficult for those with specific needs like: Challenging or sexualised behaviours, Mental Health etc.

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

Placing in SA is often in itself a perverse incentive and can see us with sub-optimal outcomes as these are not regulated or registered and do not have the resources as the providers are often under skilled and inexperienced in meeting the needs of challenging and complex children who have been in the care systems.

Point above regarding CQC registered care.

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?
  - For unregulated provisions for 16yr and over (supported accommodation) we rely upon its own internal QA provision to engage and quality assure provisions/providers.
  - We also access regional networks and placement portal systems to maintain oversight of unregulated provisions and note where there are concerns, as well as sharing concerns with others.
  - We have our own Supported Accommodation Framework which required awarded providers to go through a robust tender evaluation process before being awarded the contract.
  - These Framework Providers have quarterly contract meetings where there are YP in placement.

- To know that the person running/managing the SA service is a fit individual we insist on an up-to-date DBS and a background check of the owners/directors of the company.
- Social workers make the final decision on placements and try to place around the child's needs like, a certain area or a particular service and may decide to go off framework when the needs can't be met with framework providers.
- In the long term the introduction of new legislation and national standards around unregulated accommodation may reduce the need for close scrutiny by local authorities but the extent of this is yet to be understood. Local quality arrangements will continue for the foreseeable future.
- Clarification on the appropriate use of CQC registered care as an alternative to children's residential care would also assist.

#### **4 - Pressures 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?

In the supported accommodation market, providers can be reluctant to commit to acquiring properties if they are not certain of getting placements which is dependent on demand for a particular location and appropriate matching.

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?

It would appear that LAs who have or invest in property stock have greater capacity to provide sufficient, value for money accommodation services for CYP both internally and externally staffed.

Provide more support (financial) to the third sector to increase their competition within the sector.

Change the requirements of OFSTED that if they close provision that they must give at least 24 hours notice so children can be better supported when immediate notice to close a provision is given. These are children's homes and they become negatively impacted having their home closed so quickly and dramatically.

Increase the transparency required by providers so it is clear who owns the company and where the company is registered. Local Authorities can then use this information to help influence decisions when they place children. This could be completed in the children's homes market by making it clear that the "Responsible Person" must be the owner or Director of the company.