

Barnardo's submission to the CMA's Children's Social Care Market Study Interim Report

About Barnardo's

Barnardo's is the UK's largest national children's charity. In 2020-21 we supported 382,872 children, young people, parents and carers, through almost 800 services and partnerships. Barnardo's has a long history of providing services to children and young people not living with their parents – we were founded to provide food, shelter and skills to children living on the streets of Victorian London. Today we provide support to families who are struggling; we are the largest voluntary provider of adoption and fostering services; and we provide support to care leavers up to the age of 25. We also run 15 residential services across the UK. These cater for children with a variety of needs, including emotional and behavioural difficulties, special educational needs and autism, and life limiting conditions.

Our answers to the consultation questions are provided below

Our analysis of market outcomes

1) Do you agree with our analysis of market outcomes, as set out in Section 3 of this interim report?

Overall, Barnardo's considers the report to be a reasonably accurate analysis of the market outcomes in the child placement market, and many of the issues raised chime with our own experience as a provider. We agree that there is currently a limited supply of appropriate placements for certain groups of children, particularly older children, those with complex needs and sibling groups. This is in part due to the increase of children coming into care and a change in the needs portfolio of referrals with a particular increase in the number of teenagers. Commissioning and workforce have not always kept pace with these changes, making it more difficult to find the correct placement for a child. We see this across all of our referrals into care services but most notably in relation to referrals to our semi-independent accommodation.

Semi-independent accommodation is an important option for older young people (16+) which provides a necessary stepping-stone between full time care settings and living independently. We support Quality Standards for this accommodation and believe this should be extended to services for care leavers up to 25 and believe this accommodation should only be used for children who are ready for a placement which allows them more independence. Barnardo's practitioners have, however, reported an increase in 16- and 17-year-olds who are looked after children being referred to semi-independent accommodation placements who have complex needs that cannot be met in these settings. For example, a

Leaving Care Personal Adviser referred a young adult male care leaver with significant disabilities and complex needs who had been a victim of criminal exploitation and neglect to Barnardo's services. The Adviser had struggled to find appropriate 'care' home provision – whether foster or residential care so approached our semi-independent service. The practitioner described this young person as needing three care visitors per day from local authority social care staff. Semi-independent accommodation is not an appropriate option for a young person who need extensive levels of care, due to their complex support needs.

There are however areas where we believe that the CMA's analysis could be further developed to consider. These include wider factors which are significant in the functioning of the social care market, as well as differences between different parts of the market. For example, there are significant pressures in relation to the job market – with very high labour market vacancies post the pandemic. Working in children's social care, particularly residential does attract many passionate and value driven individuals. However, the sector is very challenging and intense which can make the sector unattractive to many and difficult to recruit into when the labour market is tight. Current available funding also means it is difficult for the sector to absorb increased staffing costs.

We would also highlight that while spot purchasing of a small number of social care placements is common in the residential care market, this is less common in fostering where local authorities have framework agreements in place.

Our emerging conclusions on the potential drivers of market outcomes

2) Do you agree with our emerging conclusions on the potential drivers of the market outcomes, as set out in Section 4 of the interim report?

From our experience, some of the analysis provided in section four seems to be an accurate reflection of the current marketplace. Barnardo's experience is that too often there is a "Friday afternoon bidding war", where a child needs a placement before the weekend and the local authority has to contact providers to identify somewhere for them to go. This inevitably drives up price and often results in a child being placed somewhere that may fail to meet their full needs.

A failure to forecast future need is also a problem. Too often in recent years local authorities have found themselves having to concentrate all of their resources into responding to the immediate needs of children. This means that local authorities don't have the time to consider what future need will be and to work with partners on how to address it. Planning of provision can also be subject to siloed thinking, with different provision created for specific age groups, or children with specific needs with some children inevitably falling through the gaps. This is particularly true for ensuring that there is provision available for older children 16+ with SEND who need a place which can deliver care while helping them prepare for adulthood.

However, while the report is correct to highlight the issues in relation to forecasting, it is also important to consider what is required is a dynamic and responsive infrastructure. For example, during the Covid-19 pandemic, Barnardo's saw an increase in demand for our residential care services for children with learning disabilities and autism. This appeared to be due to the sudden lack of face-to-face support services, combined with the additional

pressure of parenting vulnerable children in the context of lockdown restrictions. We therefore worked with a particular local authority to refurbish an existing property owned by Barnardo's to develop a new 6-bed provision for 11–18-year-olds with mild learning disability, Autism Spectrum Disorder (ASD) and Asperger's. Given the sudden nature of the pandemic and its impact, such a need would never have been reflected in long term forecasting.

The CMA's section on emerging conclusions also fails to identify other important drivers behind the current difficulties in the market. There is no reference to the current funding available for children's social care services. Research carried out by Pro-Bono Economics on behalf of Barnardo's and other children's charities showed that funding for children's services fell dramatically in the aftermath of the 2008 financial crisis and has not recovered. Despite a continuation of the annual growth in spending seen since 2016-17, and a significant over-spend compared to budgets, the total amount of expenditure on children's services in 2019-20 remains £325million per year lower than it was in 2010-11¹. This reduction in spending has coincided with the number of children in care increased considerably - The number of children in care in England reached 80,850 in March 2021, up from 65,520 in March 2011 – an increase of nearly a quarter in a decade². Spending has been particularly reduced in relation to early intervention spending, such as children's centres and youth services, with a 48% decrease in spending on early intervention services between 2010-11 and 2019-20. Many local authorities have had to concentrate their spending on child protection work.

Ultimately this means that there is less resource available for children's services departments to invest in capacity building in services to enable entry into the market by a range of different providers. This is particularly true in relation to residential care, where there are significant upfront costs that occur before a home can open, including the purchase and refurbishment of a suitable building, hiring of staff and completing Ofsted registration. Not-for-profit providers such as Barnardo's are unable to meet these costs independently and require help with upfront capital costs from the local authority. Without upfront capital funding, the market will inevitably become dominated by a few private sector firms who have the funds to manage the initial investment. This will inevitably lead to fewer market entrants even when there is significant demand for placements.

The report's emerging conclusions also fail to acknowledge the barriers to developing successful provision which often sit outside the mandate of local authorities' children's services, or providers of residential and foster care. Successful care provision for children with very high needs requires 'whole system' approaches to health and wellbeing, which creates a long-term network for the child. The aim should be to set up multi-skilled social care and health partnerships to meet children's needs within a care setting with professionals, from occupational therapists to nurses to speech and language therapists, able to work together in a holistic way to provide support. For example, residential care should be commissioned in a way which ensures there are established pathways into Child Adolescent Mental Health Service (CAMHS). We need to ensure

¹ <https://www.barnardos.org.uk/sites/default/files/2021-07/Spending%20on%20children%27s%20services%20in%20England%20-%20July%202021.pdf>

² <https://www.gov.uk/government/collections/statistics-looked-after-children>

effective partnership working between health and social care if we are going to develop the type of provision needed to support our current residential care population.

Finally, we would be cautious around the extent to which the CMA considers the current regulation to be a barrier to entry into market. Regulation undoubtedly acts as a disincentive for some providers to enter the market. However, our own experience is that regulation provides essential safeguards which are there to protect the needs of our most vulnerable children. We do not believe that the CMA should be seeking to recommend ideas that while removing barriers for entry into the market, would result in a general lowering in the quality of provision available. We do however believe that the time which is taken for approval of new services can act as a barrier – particularly in enabling the marketplace to be responsive in meeting immediate needs.

Our thinking on possible remedies

3) Do you agree with our thinking about possible remedies as set out in Section 5 of the interim report? AND

6) Do you see potential for unintended consequences with any of the potential measures set out in Section 5?

We believe some of the suggestions within the interim report will fail to address the identified problems and also carry the risk of creating unintended consequences, which will not benefit children in need of care placements.

Barnardo's has some concerns about the suggestion that the market will work more efficiently if it is able to operate at a larger scale. In particular, we have concerns about the recommendation to create regional or national level bodies to help local authorities secure placements for their looked-after children.

We would urge the CMA to consider the importance of local relationships between services when ensuring adequate support is available for vulnerable families. Any introduction of a regional or national body should be designed in such a way as to avoid placing providers at arm's length from local authorities, as this could result in a further fragmentation of the care system. Local authorities typically offer a range of services under the umbrella of children's social care, including for example, early help, youth services and youth offending support. Vulnerable families seldom only access one part of the system but move around; a family for example may be accessing early help, when problems escalate and require a social care placement, interventions may then be completed with the child and family that enable the child to return home. Splitting decisions around the commissioning of placements from other children's services risks failing to achieve joined-up planning and could result in a lack of consistency in the support offered to the child and family. Consistency of support is essential to enable re-unification after a time in care and to prevent a child from moving in and out of social care placements.

We are also concerned that planning and commissioning through a regional body, may risk missing trends that occur at a local level. Large rural counties that border inner city urban areas may have very different needs and demands that could also change significantly over time. Identifying and responding to these

changing needs requires a granular approach to looking at data within smaller more localised areas rather than always focusing on larger regional trends. We are also concerned a regional approach to commissioning over too great an area may see an increase in children being placed a long way from their birth families, and other support network. We know that placing a child too far from their home risks disrupting many areas of their life including their schooling, and access to other services such as health. It can also result in long term issues with loneliness and isolation for many children.

Finally, we are would also raise concerns about any recommendations which focus on changes to regulation to reduce bureaucracy and enable more providers to enter the market. This regulation provides a high level of necessary safeguards and protections for vulnerable children. We do believe that the review could consider the speed of the registration process.

4) Can you provide any best practice examples of initiatives to improve outcomes, including collaborative initiatives, that we should consider?

To improve forecasting there needs to be improved availability and sharing of data between partners to allow projection of need and ensure sufficiency. Barnardo's has been able to work towards this approach through the development of long-term strategic partnerships with local authorities, such as our work with [X] County Council which is highlighted below:

Good practice example – Barnardo’s Strategic Partnership with [X] County Council

Since 2018 Barnardo’s has been working with [X] County Council through the Children’s Innovation Partnership to look at all aspects of the care system. Residential care is the first priority of this work.

Currently [X] do not own or operate any residential provision and children are placed **privately**, with key complexities, including:

- Children placed far away, making **continuity** of school, CAMHS and other services difficult and breaking ties with family and networks
- **High cost** to the Council.

We have worked with the council to co-design a new model of residential care, with the acquisition of [X] properties to meet the needs of relevant groups and to provide support services.

This work is a partnership between our two organisations - the council provides upfront capital funding and will own and maintain responsibility for the properties, while Barnardo’s runs the homes and provides support staff. This means children will have local, high-quality placements that meet their needs and keeps them safe.

The Partnership also works together to develop robust **monitoring, evaluation and learning** to ensure that services are delivering their outcomes and can be adapted and changed to respond to changing need as it is identified by the partners operating at a local level. The Partnership has also engaged internal and external stakeholders to develop a **whole system approach** to a blended care model for children in the area.

Barnardo’s also has experience of working with a local authority to provide specialist placements for example remand foster parents, with a funding model which allows a retainer to be paid to carers when a child is not placed. In circumstances where the local authority knows that there is likely to be high long-term demand for these placements, this enables the creation of a specialist service and give carers the training and development they need to meet the needs of this vulnerable group of young people. It is more cost effective for the local authority compared to expensive last minute spot purchasing. More detail on the service is provided in the text box below.

[X] specialist foster care for young people who offend [X]

Barnardo's runs a small remand and emergency placement service in partnership with [X] County Council. Remand placements can last between 3 months and a year depending on the court process. These placements are all solo placements. The service has been running since [X] and has a close working relationship with the LA Youth Justice Service who value the service and work in true partnership with them to allow the staff and carers to have confidence in the response they will get from the LA.

Carers are recruited and trained by Barnardo's and paid a retainer between placements, as well as when they are looking after a child. Barnardo's is therefore able to create an excellent long-term relationship with the carers, with an emphasis on training about trauma and attachment using a variety of accredited models. This means that carers are continually ready to accept and sustain placements that they would otherwise not feel they have the skills to cope with.

The service has excellent results and since it opened it has supported the LA to ensure fewer children receive a custodial sentence, and fewer than 5% of children re-offend while in placement.

7) Are there any other measures we should be thinking about? If so, please explain how they would work and what would their impact be?

Rather than pursue a model which risks adding further bureaucracy to an already very complicated commissioning process, Barnardo's would suggest that the CMA considers how to improve the way that local authorities are able to work with a range of service providers including those in the voluntary or not for profit sector. Such organisations often have the expertise to develop the service provision the market needs, but current funding arrangements make it difficult. For example:

- **More upfront capital funding is provided by central government to local authorities** across the country to enable them to work with local voluntary and non-for-profit providers as well as private firms to develop provision needed in the local market
- **Encourage local authorities to invest in and develop long term partnerships with providers.** This should include regular meetings between providers and local authorities to look at data, share intelligence, and discuss risk sharing and needs and how these can be addressed. The aim should be for commissioning relationships to be effective long-term partnerships rather than transactional. Block contracts which make firm commitments over a longer duration will foster better collaboration between provider and commissioner, than frameworks and spot purchasing arrangements.

- **Consider how local authorities could develop models where they pay to retain placement availability for high quality emergency options. [✂].**

Financial analysis

8) We welcome comments from stakeholders on:

- a. the approach we are taking to the financial analysis of the sector; and**
- b. the initial findings from our financial analysis and our interpretation of those findings.**
- c. the specific questions to further our analysis as set out at the end of the financial analysis appendix (Appendix A).**

Barnardo's is a non-for-profit provider and our involvement in the market is based on local authorities developing specific provision. We therefore do not carry high levels of debt in the way private equality firms do and cannot comment on how to police this model in a way which ensures security in the market.

As an Independent Fostering Agency Barnardo's aims to generate a modest surplus from our own fostering services, which we reinvest in support for vulnerable children. In one of our services, for example, this surplus was used to fund a placement worker who provides support to placements such as participation and life story work for children, and additional on-call support for carers. This additional service can help children to thrive in their placements, help retain good carers, and lead to better value for money for local authorities. Barnardo's also uses surpluses to fund other services that could benefit children and families, particularly where it could be used to reduce demand for care. However, we do believe that more attention should be paid to the amount of profit allowed in the market and specifically profit that is not subsequently re-invested to improve services for vulnerable children.