



*National Centre for Excellence in Residential Child Care*

## **Saving Residential Child Care**

**Common-sense sustainability for the future of Residential Child Care.**

### **Rationale**

The Care Review has become distracted from its main goal. In attempting to do too many things, to appease the scatter of interested parties, trying to connect the fragments, it has become unable to see the big picture.

This is seen in the 3 dilemmas that it selected for discussion [Thinking out loud: three dilemmas - The Independent Review of Children's Social Care \(independent-review.uk\)](#)

Also, it has accepted an unrealistic time frame for the necessary work.

The Care Review needs to be realistic.

It cannot do everything. It should not try to do so.

Its conclusions regarding children's social care placements need to address and propose structures that will provide direction, and containment.

It needs to state unequivocally how this work will be done, but that it is not the vehicle for it.

The overarching need is for Governance. This needs to be the focus for the Care Review.

The Care Review needs to address the future structures that are necessary for the well-being of children's social care placements.

An insight into how this might be done has been offered by the football initiative Saving the beautiful game [Saving+the+Beautiful+Game\\_2020.pdf \(squarespace.com\)](#)

(What follows uses Saving the beautiful game as a template that is amended to be Residential Child Care specific).

**Residential child care is a national asset. It is part of our common wealth.**

Yet there are financial disparities that are affecting its health.

Is having dominant providers and purchasers helpful to young people?

If we think it isn't then let's work to find consensus, not compromise, where power is shared not seized.

**Asking 4 questions gets us to the root – that what we have is determined by money, from many sources, rather than what is needed for children**

1. How can it be right that some are making millions and others are going to the wall?
2. How can it be right that some are supported by the state and others are not?
3. How can it be right that some are supported by funds from outside of social care?
4. How can it be right that some needs, especially high-level complex ones, have no ready provision?

**Having all providers directly funded, from setting up costs to operations, would create the conditions for the diversity of settings needed possible.**

**Why wouldn't you want to do that?**

The report "[Saving the Beautiful Game](#)" urges a radical overhaul of the governance of English football with proposals for an independent regulator overseeing redistribution of funding.

It is very like the fullest ideas for a Care Bank [Children in Charge: the original proposal | Children England](#)

The central idea in this paper is to create a national 'Care Bank' to fund the costs of all placements (kinship, foster, residential and adoption) directly from the nation's income taxes. The costs of a 'failing care system' are borne by the nation and demonstrable in data relating to outcomes for care leavers. Logically, therefore, for these costs to be in part or wholly recovered by the exchequer then the solution must be funded by the exchequer. By doing so it could free social workers to make care placement decisions led by children's best interests rather than the need to ration council budgets; it would free councils to devote their locally raised resources to community services that can help strengthen families and keep children happy and safe at home wherever possible. It would give children themselves a greater degree of say over where they want to live while in care and create a systemic focus on reducing the human and financial damage of multiple placement breakdowns.

The [National Audit Office report on children in need of help and protection](#) (Oct 2016) issued a stark warning that their analyses suggested there is '*...systemic, not just local failure*'. The Care Bank paper is an attempt to imagine what a systemic response to systemic failure might look like.

The Care Bank idea describes the **systemic reform needed and thinks through how relationships, power, money, and decision-making in care commissioning *could* be organised very differently from the way they are now.**

**The 'Saving the Beautiful Game' report recommends a new regulatory body is formed by legislation in Parliament which should:**

- 1) Be independent of the current structure of the game.
- 2) Decide on new ways of distributing funds to the wider game based on a funding formula and a fair levy payable by the EPL.
- 3) Set up a new and comprehensive licencing system for the professional game.
- 4) Review causes of financial stress in the EFL including parachute payments, solidarity payments, salary caps and mandatory relegation clauses in players' contracts.
- 5) Implement governance reforms at the FA which are essential to ensure it is truly independent, diverse, and representative of English football today. A fundamental reform of The FA Council would be an impressive start of this process.
- 6) Liaise with supporters' organisations to progress issues that are of concern to fans and provide a greater voice for supporters.
- 7) Study lessons from abroad and seek to champion supporter involvement in the running of clubs.

'Saving the beautiful game' brought together a group of people able to draw upon and contribute their knowledge and experience. You can find out who they are here [About Us — Our Beautiful Game](#)

Residential child care needs the same – a steering group bringing together of a group of people able to draw upon and contribute their knowledge and experience.

### **Isn't this the job of the Care Review?**

The Care Review is showing it is not bringing together a group or thinking that has the required sector specific knowledge and experience.

Learning from 'Save the beautiful game,' residential child care needs such a group, a Residential Task Force.

This group would include policy, practice, finance, legal, care experienced, researcher views. This would be the executive and there would need to be an operations and field work team (allowing extensive insights into the here and now).

### **The task**

The task would be to undertake an analysis historical and current to establish context dynamics and trends.

### **Funding**

To be independent this work needs to be funded independently, outside of government and any links to social care. It needs a philanthropist to be truly so and donate the money to a hands-off trust.

## **The mission for residential child care**

A creation of a diverse group of people who share both a deep passion for residential child care and an equally profound concern about its current state, who can weigh the scale of this crisis and the fundamental problems.

There has been resistance to change over years despite the best efforts of many interested parties.

## **The current system of planning and funding is dysfunctional, ineffective, and inefficient.**

Residential child care needs a clear framework.

Residential child care needs to speak with one voice.

There are long term structural shortcomings which contribute to the current crisis. Structural solutions exist if we recognise that access to the right placement at the right time is an essential public good and should be treated as such.

We need to deal with the long-term issues and put residential child care in a stronger, better-balanced position for the benefit of all going forward.

## **The resistance to change over years, despite the best efforts of many interested parties, must be overcome.**

The conclusion is clear, practical, and radical.

External involvement in the form of a regulator supported by statutory powers is required. This is the only realistic way to bring real change, stability, and long-term health to residential child care.

## **The question must be the relationship and responsibilities of everyone for the wider health of residential child care.**

The recent history of residential child care includes the decoupling of placements from frameworks and tenders and the adoption of spot purchasing as dominant.

Riches have escalated, for some. The financing of the aggregation of places into a few providers has brought debts that can be met if placements continue. In some cases income does not cover debt repayments.

Salaries for management levels are rising to attract recruitment. Salaries for those working most directly with children are both falling far behind the managers and at or barely above the minimum wage. Recruitment and retention of these staff is a constant and inevitably losing battle.

Long term philanthropic investment is threatened by demand for short term success.

The previous culture has been weakened and is rapidly changing as decision making moves from practice makers to profit makers. There is an atmosphere of a sector losing its soul.

There are no financial fair play rules. There is an increasing sense of unfairness.

**This all matters because residential child care is what makes all else in children's services be possible.**

**This is the root of the panic amongst policy makers.**

**That residential child care is fundamental for all else to function is rarely realised and has not been expressed recently, especially by the Care Review discussions. After all, which of the parties is going to express this truth in which they are implicated in developing and sustaining?**

**The social consequences of an unsustainable residential child care sector are too significant to ignore.**

**Restrictions on the operation of a free market are possible, regulating form of entry, regulation of competitions, and even profit caps. There is no universal model to maintaining a viable degree of competition.**

**Funding directed through an independent body would reduce the soft power consistently exercised by large providers. An effective and independent body is needed to oversee the financial regulation of the sector.**

**There is no current organisation that has the credibility or expertise to function as a governing body.**

Debates about the need for rebalancing the way the sector is governed and its financial regulations have rumbled on without any substantial reforms being achieved.

**The conclusion is crystal clear.**

**The sector has shown itself incapable of self-reform.**

The core issues are:

- Financial disparity and unsustainability
- A power structure that is fundamentally out of balance
- A range of consequential matters including the shortage of high-level complex needs placements, an increasing lack of diversity of placements in the right geographical area at the right time.

**If this is to be resolved external involvement is required in the form of an independent regulator or commissioner supported by statutory powers.**

**Governance lessons learned from football in other countries.**

Sanctions, the current focus given by the Care Review and CMA, are always reactive. Structures are needed that ensure, proactively, the right decisions are always taken.

Governance needs to be enshrined in law.

Law and regulation can be used to create a framework which is in the interests of children and the whole nation.

## **Licencing**

There are lessons to be learned regarding licensing, ownership and financing from Germany, Spain, France, and the USA

A licence is awarded as part of a contractual agreement between the club and the League Association and is valid for one season.

To obtain the licence clubs must meet standards in areas including sporting, financial, legal, administrative, personnel, infrastructural and media proficiencies. This ensures financial stability, environments are maintained in very good condition, every team develops young talent, and the clubs are staffed and structured exceptionally well.

## **Ownership**

There needs to be a change to the ownership of children's homes whereby those involved, children and staff, have a tangible and meaningful stake in the club's business.

Fees need to be assured, determined by needs. The focus for competition becomes meeting needs rather than price.

## **Finances**

There needs to be a low debt approach to the management of their finances. This could be enshrined in a new licencing regime.

A low debt approach would come directly from new Governance structures.

## **Conclusion and Recommendations**

There are a wide range of fundamental problems in English residential child care.

- 1) The scale and implications of financial imbalances between providers.
- 2) The resistance to key changes in regulation, governance, and balance within the game. This despite many efforts and recommendations by parliamentary select committees and other enquiries over years.
- 3) The multitude of consequential issues extending from unacceptably limited progress in dealing with the diversity of provision needed that is to the detriment of children with the highest needs.

Despite there being many organisations involved, national and local state, providers, commissioners, regulators, the situation is now embarrassingly large.

There simply is no body that has the authority to ensure all parties meet their commitments to the children and the residential child care sector.

Structural reform is required.

No public money is needed, the running costs would come from licensing.

It would not be appropriate for any government to run residential child care.

Government can significantly help residential child care by assisting a sector that has proven incapable of reforming itself.

Government needs to give an appropriate Governance body appropriate authority.

This body is the Care Bank.

Care Bank needs to be able to:

- 1) Be independent of the current structure of provision, purchase, and regulation.
- 2) Decide on the distribution of needs-led funding.
- 3) Set up a new and comprehensive licencing system for children's residential child care.
- 4) Review causes of financial stress in the provision of residential child care as it affects the meeting of all needs.
- 5) Implement governance reforms which are essential to ensure it is truly independent, diverse, and representative of residential child care today.
- 6) Liaise with children's and workers organisations to progress issues that are of concern to ensure their voice is heard and acted upon.
- 7) Study lessons from outside of the sector.

### **Progressing the proposal**

If Government time is not forthcoming, we would urge the introduction of a Private Members' Bill in 2021 to bring forward these reforms. We are optimistic that such a Bill supported by government and with cross party support from MPs and Peers would have a real prospect of success.

In summary we hope and believe these radical proposals have the best chance of bringing some stability and long-term health to the whole structure of children's residential child care.

The need for them is urgent.

A mix of factors including a lack of independence, vested interests and self-protection has stymied change for too long