



National Centre for Excellence in Residential Child Care

**Outsourcing and children's social care: A longitudinal analysis of inspection outcomes among English children's homes and local authorities.**

**Bach-Mortensen, A. M., Goodair, B., & Barlow, J. (2022).**

**Social Science & Medicine, 115323.**

**<https://www.sciencedirect.com/science/article/pii/S0277953622006293>**

(NCERCC responds to research and reports RCC sector. NCERCC is involved with policy and practice, research and theory and these inform our analysis).

The research had limited reporting. Commonly these reiterated previously reporting rather than the research.

**There are two key sentences that need to be amplified and disseminated widely**

- The severe shortage of appropriate and available children's social care placements is detrimental to the placement process for children in care.
- Designing commissioning practices that facilitate local, stable, and high-quality care should be a policy and research priority going forward.

**These are insightful and if understood by national and local policy makers will assist in leading from the current inactivity and towards exploring child-centred progressive solutions.**

**The research indicates there is an urgent need for another look at the conditions and context that have been created for the sector, and its commissioning.**

There are few researchers who include observations of the current situation being the outcomes of the context.

**The research indicates there is an urgent need for another look at the conditions and context that have been created for the sector, and its commissioning.**

This is important as changes are being currently being considered regarding commissioning and financing of the sector.

**For the people involved in this work and the comments they provide the research offers a valuable advice, “ ... caution is needed in terms of regulating the sector going forward, as the role of for-profit provision cannot be replaced without substantial coordination and long-term planning”.**

It is important for any researchers or policy makers to understand the situation described in the research is due to many factors.

Progressive voices have been unsuccessful in being heard over the two decades of the commissioning experiment. It is of no comfort that the lack of success in promoting change has been due to the dominance of others.

### **The research raises more issues than were reported at the time of publication**

It may assist to consider the multiple factors in the following identified situation: “As per the statutory guidance, placement decisions should be based on the appropriateness of the match between the expertise of a provider and the needs of a child ([Department for Education, 2010](#)). Further, it is the responsibility of local authorities to provide accommodation within their area that meets the needs of the child and allows them to live near their home ([Department for Education, 2022](#)). However, a growing body of evidence suggests that the placement process is significantly impacted by restrictive market conditions, which hinder local authorities' ability to meet the standards set by their sufficiency duty ([Bach-Mortensen, Murray, et al., 2022](#); [CMA, 2022](#); [MacAlister, 2022](#))”

1. **The research has the focus on focus and providers. There is the need to include the activity and inactivity of the local authority as purchaser and market maker and shaper.** Analysis of the context would show the degree to which local authorities have engaged with either activity to the degree necessary. It is apparent that analysis of needs and trends have been unaddressed, definitions of homes to meet needs have not been made, conditions and partnerships have not been established that would lead to homes in the area. This absence has, in reality, left commissioning as procurement from a provider base that is not diverse or robust enough to meet the co-occurring needs of children.
2. **Research is needed into the context of the wider issues that feed into the current situation,** social work instability, the need for greater depth to social work assessment, the availability of psychological and psychiatric assessments, the loss of earlier appropriate psycho-social intervention for children and families. There is research evidence that these combine to keep children perhaps too long in community provision and when the threshold for intervention is approached or crossed propel children towards crisis intervention type provision.
3. **The historical context of the use of residential child care by the local authority and nationally needs to be included in any research.** The object of research has a context that is a factor necessary for a comprehensive understanding. The residential sector has a residual local authority component, these have often been a differing cohort with regard to need than in the independent sector, for example it includes short break homes and few specialist homes for higher level needs. This latter group has been outsourced by default of there being no ‘inhouse’ homes. Although

outsourcing has featured of provision, up until 2000 primarily voluntary organisation and small homes, it grew rapidly with the political decision to implement commissioning as part of a 'third' way that encouraged local authorities not to run their own homes but to procure. The result was an inevitable growth in the independent sector. The policy decision is the origin, the outcome the change in ownership.

4. **The concept of stability as used in the research needs to be contextualised.** There may be internal and external factors to the provider that are active in decision making. Since the publication these have had further complexity added through the inception of the Supported Accommodation sector, and the variations in the threshold regarding care and support. Analysis of readiness and stability with regard to dependency/interdependency/independency may provide rich insights.
5. **Ofsted inspection statistics show outcomes for all 3 ownership types have remained broadly consistent and within a zone of statistical tolerance.**
  - i) **This presents a potential challenge to the conclusion in the research that “for-profit outsourcing is consistently associated with worse placement outcomes among local authorities”.**
  - ii) Additionally, the Ofsted outcomes of inspection give no allowance for differing levels or types of needs. Quality of outcome at a child level for like needs is not known and likely a complex task to achieve, though ideas and methods have been presented over the years.
  - iii) The researchers' conclusion regarding the above may have been attributed to stability. In this case however, knowledge of operational decisions provides insight that decisions of stability are often determined by the local authority rather than the provider. It would not be appropriate to attribute this outcome to providers alone.
6. **There is the need for extensive comparative analysis of effective strategies.** The following statement was not presented as a hypothesis, *“This suggests that increasing the already significant proportion of for-profit children's social placements may not be the most effective strategy to improve outcomes in the children's social care sector”*. There is the need for more data and further hypotheses, we do not have the data or provision to be able to make the comparative analysis to know what would be an effective strategy. Such a counterfactual study, that has a control or comparison group as similar as possible to those in the residential group in relation to their needs and the circumstances that affect the outcomes of interest, remains to be undertaken, maybe because of the complexity of attribution and contribution effects that are hard to disentangle.
7. **A particular research position was analysed. There are others that could have been adopted. The research is not definitive or conclusive.** This

observation is prompted by the researchers' statement, "*First, we assess the location of children's social care placements by using the percent of all placements that are located outside the local authority that holds the corporate parenthood of a child in care. Location is calculated by the Department for Education (DfE) by analysing the home and placement post codes provided to them by the Local Authorities (Department for Education, 2021)*" and the summary point regarding further outsourcing in similar vein. Alternative hypotheses could have been explored, for example, looking at the procurement patterns of authorities and why they do not procure partnerships with local providers for commitment purchasing; or looking at the authorities who place the most children out of area when they have lots of, or even enough, places within their areas e.g. Birmingham and Greater Manchester and researching the reasons providers in those areas do not work with their local authorities.

8. **An unexplored research question arises: Why have local authorities not created through commissioning placements as local as possible and as specialist as necessary?** What would be the conditions that would facilitate placements close to home? Asking such a question requires an analysis of local authority activity. If local authorities were local market-making then the distance involved would not be necessary. The conclusions of the research could then be posited that Ofsted have been signing off 'sufficiency statements and practice' because the definitions used in the regulations and inspection framework are awry from those that would precipitate change. The way things are is because no one has sought to act to change them. There is some evidence to support a sceptical researcher. NE London saw a rise in placements quite beyond other areas, however it does not seem to have been led by the local authorities, and the demography is mainly SEBD rather than SEMH, not higher level needs, and the investors seem not to have had prior experience of the sector, such rapid expansion also stresses available resources of staffing and especially leadership, training, consultancy support.
9. **Regarding distance the research would benefit from a greater inclusion of the historical development of the sector.** That metropolitan areas exported children is the origin of, for example, the numbers of homes in some coastal areas, and with greater numbers of children than today. With this understanding way there is a new context for statements such as "*For-profit outsourcing is linked with more placements away from the child's home*". The distance is not necessarily to be associated with the funding type. It is to do with something else. The research does not address potential error in transposing one funding type on to another set of thinking and decisions making. The reasons for 'at distance' thinking and provision have not been addressed and are likely deep in the historical psyche regarding the societal perspectives on provision of care and welfare for 'the poor'. This is needed to be included in the research for readers to have a deeper and wider context with which to situate the findings.

10. **Stability is used in a particular way in the research. Are there alternative explanations possible to stability than that in the study?** There may be many. For example, currently RCC is used for 6 months or less, as a crisis intervention to stabilise often teenage children whose needs have not been attended for many years. Given these parameters if the research takes an arbitrary figure of 2 years it is inevitable that it will be met. Stability could be a suitable research indicator, but not if used in this way.

Additional factors would add to the complexity. For example, could it be that some of the placements struggle and cease because the sector does not have the knowledge and practice in sufficient quantity and quality to meet higher level, complex, co-occurring needs. Factors for this might include, lack of understanding of the severity of needs, lack of suitable psychological/psychiatric assessments, loss of specialist care providers, loss of experienced leaders and practitioners, inadequate training expectations in the qualifications for leaders and practitioners, regulatory risk perceived by providers from working with higher level needs, local authorities not recognising the true costs of intensive care. The result would be a dominance in the sector of ordinary devoted group care that cannot provide a match to the needs, and local authorities do not make the 'most appropriate placement' as it may not exist, or may not have any vacancies. These factors would be the result of the lack of commissioning by local authorities. Commissioning would be seen as having been eroded to become procurement, not starting from the needs of the children and commissioning provision according to trend forecasting, not having the data to do so as yet, and with no plans known to do so. These are the factors that provide the long-running stereotypes portrayed in policy and politics by national and local government, followed by the narrow focus employed by the media. The research could have generated many useful hypotheses to be pursued. The reason for the pursuit of a seemingly explanatory conclusion is itself an interesting research topic.

11. **The focus is only on the provider and this is to wipe from view the purchaser.** It is factually correct that over 3 decades the private sector has come to own and run more than 80% of homes in England, and there are "large, debt-laden chains, owned by private equity investors, increasingly gobbling up smaller firms" ([Outsourced care means more children being moved further away – study | Social care | The Guardian](#)). What is missing from the focus is that local authorities did not and do not need to purchase from private providers if they open and run their own homes as many are now deciding.
12. **The 2014 DfE dataset specifically addressed that private providers "open homes in parts of the country where property prices are cheapest to keep costs down and increase profit". It found no correlation.** There may be homes in less expensive areas (and some inappropriate locations). There are homes that have the same postcode as

less expensive areas but are large homes in affluent areas. It can be a matter of a postcode.

13. **One of the reasons there are more homes in the NW than anywhere else in the country is because providers will open close by to other homes they operate.** (See elsewhere in this response for the understanding of the regional historical development of placements). There are sound operational reasons for this to occur. However this is not the end of the matter and further important research topics come into view.

Firstly it maybe erroneous for NW LAs to state that there are enough homes for their children. This means there will be enough granular differentiated homes, well-led and knowledgeable experienced staff even for higher level needs. Is this the case? The answer is we do not know because we have not undertaken the research.

Secondly we need to know which local authorities are nett exporters of children and the reasons.

Thirdly, if we want say London LAs are not to place at distance (NB research suggests distance is always a factor but not always negative; distance can enable safety, specialism and choice – see DfE research) then we need to make the conditions where they do not have to do so. In the case of London this would be the first time historically this has happened (even vol orgs had London circled by villages for care (Barnardo's), and 'oval schools' for education (NCH now AfC, the same pattern for vol orgs can be seen in other metropolitan areas for example TCS and other philanthropic funders)

14. **There are other means of relatedness of local authorities and private providers, collaborative, relational, Common Pool Resources, social partnerships that could be explored** from the statement "It is unclear if the trend of outsourcing children's social care to private companies has exacerbated this challenge".