



Children and Young
People's Services

Home from home –

A review of
residential care
placements
Wolverhampton

July 2021

Children on the Edge of Care,
Children and Young People in
Care, Care Leavers and
aspects of Children and Young
People with Special
Educational Needs

Produced by: CYP
Commissioning Team in
conjunction with the Children's
Services Leadership Team

Executive summary

The review of Residential Care in Wolverhampton has been drafted by the Children's Commissioning Team and has sought to take an overview of how City of Wolverhampton Council (CoWC) meets its statutory duty to ensure that there are sufficient places available where Children and Young People in Care (CAYPiC) need residential placements.

For the purposes of the review, we have defined residential placements as those in children's homes regulated through the Ofsted inspection framework.

The review comes at a time of national concern from central government about the provision of residential care. The Children's Commissioner has expressed concern about the growth of private providers, which led to the children's social care review chair asking the Competition and Markets Authority to investigate market for children in care placements. This led to an investigation of how a lack of availability and increasing costs could be leading to the needs of children in care not being met; does profit come at expense of quality in the children's social care market and what impact does this have on our ability to meet the needs of our Children and Young People in Care?

The Local Government Association, in its report on children's homes (January 2021) has examined barriers to entry and the impact of private equity investment on the sector, concluding that both central and local government has a role to play in restructuring the sector in alliance with the providers. The chair of the Association of Directors of Children's Services standards, performance and inspection policy committee,

recognises that it is difficult to reconcile significant profits in the sector as the impact of a decade of austerity continues to bite in local government alongside the impact of the pandemic.

Regionally we are looking at how effective our Flexible Contracting Arrangement is in procuring the residential placements we need, and the landscape will change in the next few years through the introduction of creative and innovative solutions.

In the meantime, the findings of the review propose a twin track approach to residential placements of

- continuing to support our focus on prevention and early intervention through a mixed economy of provision, and
- being at the forefront in the development of the sector where Wolverhampton Children and Young People in Care need residential placements

Our recommendations are

- young people at the centre
- more robust contract monitoring, including high cost placements and quality assurance visits
- continue with mixed economy of provision but with focus on smaller, local units with stable, competent, well trained and supported staff who focus on meeting the individual needs of our Children and Young People
- review transitions adulthood plans and ensure actions are in place
- improve communications with providers through more provider events
- work with regional colleagues to rebalance the market

1. Introduction

This review will look at how City of Wolverhampton Council meets its legal duty to ensure sufficiency of provision for Children and Young People in Care with assessed needs for residential placements. We define residential placements as children's homes regulated through the Ofsted inspection framework.

In Wolverhampton we have seen a year on year decrease the number of our children and young people going into residential care however it is not unusual for us to have difficulty in locating a suitable care home placement. This is a national issue and in November 2020 the Children's Commissioner called for a more proactive approach from central government and local government to address a shortage of provision in this sector and rebalance the market.

2. Vision

Our vision for the sector is to ensure there are sufficient places of suitable quality available where Children and Young People in Care need to be placed in regulated children's homes.

3. Background and context

The state of the market

The report of the Children's Commissioner, '[Private provision in children's social care](#)', explores the growth of private

companies providing placements in children's homes. It warns there is a clear lack of planning and oversight for the market, leading to an increasingly fragmented, uncoordinated and irrational market. Private provision accounts for 73% of the growth in the number of children in care between 2011 and 2019. The number of children in homes provided by the private sector has grown by 42% over this period whereas local authority provision has not kept pace and has shrunk in some areas. The Children's Commissioner argues that the responsibility for making the system work has fallen through the cracks: the growth in private provision may not have been a deliberate policy choice but it is a consequence of government inaction along with the options and funding available to local authorities.

The report finds that certain large providers are seeing a profit margin of around 17% on fees from local authorities, which can amount to over £200 million a year in total. It is felt that this diverts much needed resources from direct investment into preventing escalation with early intervention. It looks at how the companies providing these services are increasingly being owned by private equity firms and raises questions about the way some large private providers are financed, with high levels of debt that could potentially create instability in future. It also shows how opaque the system has become, with detailed and complex investigation needed to understand the ownership, accountability, profits, costs, and prices of different providers – and the situation changing rapidly.

The LGA report '[Children's Homes Research](#)' (January 2021) examined the main barriers to entry into the market; stigma, perceived poor return on investment, need for upfront investment of time and capital without guarantee of positive

outcome, ability to meet complexity of need within regulatory requirements, lack of coordinated and strategic commissioning - local and short-term arrangements mean that long term needs are unmet. Examples of innovative models of funding and delivering residential children's care services were cited including:

- leveraging capital from trusts and foundations to invest in properties to convert into residential care homes
- establishing Community Interest Companies with social investment to set up residential care homes, part-owned by staff
- joint venture partnerships where local authority partnerships with providers enable them to recoup expenditure on placement fees
- investing in residential care staff (both financially and in their professional development) to promote retention and better care
- creating multi-disciplinary services which provide hubs for social care, health, youth justice and education practitioners to work collaboratively in providing intensive preventative support

The strength of the West Midlands regional collaboration was given as an example of good practice, and this can be built on through the work of West Midlands Strategic Commissioning Network (SCN) and Operational Commissioning and Contracting Group (OCCG).

4. What the data tells us

How placements are procured in Wolverhampton

Wolverhampton has access to a mixed economy of provision in procuring residential placements including internal provision, the Regional Flexible Contracting Arrangement (FCA) through the West Midlands Placements Portal, block contracts and spot purchase where necessary.

The City of Wolverhampton, like many major cities nationwide, still has many children in need or who require protection. However, the number and rate of children in care (the most intensive level in intervention) are relatively stable after several years of rapid increases and the national rank of children in care has decreased after being second highest at one point. In August 2020, there were 582 children in care. In April 2021, there were 545 children in care.

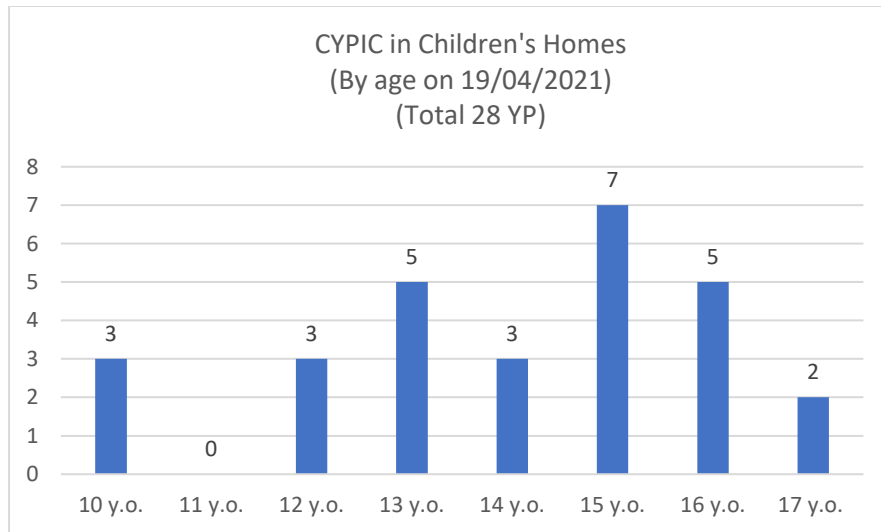
A recent data exercise, carried out as part of the review of the effectiveness of the FCA, showed that the largest percentage of placements purchased are framework (52%) with 41% spot, 3% block and 4% internal.

The data collected suggests that the big providers see no disadvantage in not being part of the FCA. This taken with the fact that 39% of providers reported that they only use the West Midlands Placements Portal to offer placements with 10% completely off portal, leaving just over 50% accessing the portal occasionally to make offers suggest that we be looking for a different approach to procuring residential placements. This is in contrast with the anecdotal evidence that around 85% of fostering placements are framework based through the portal. This raises the question as to

whether the presence of a large internal market within fostering is significant in terms of sufficiency.

Current Residential Placements

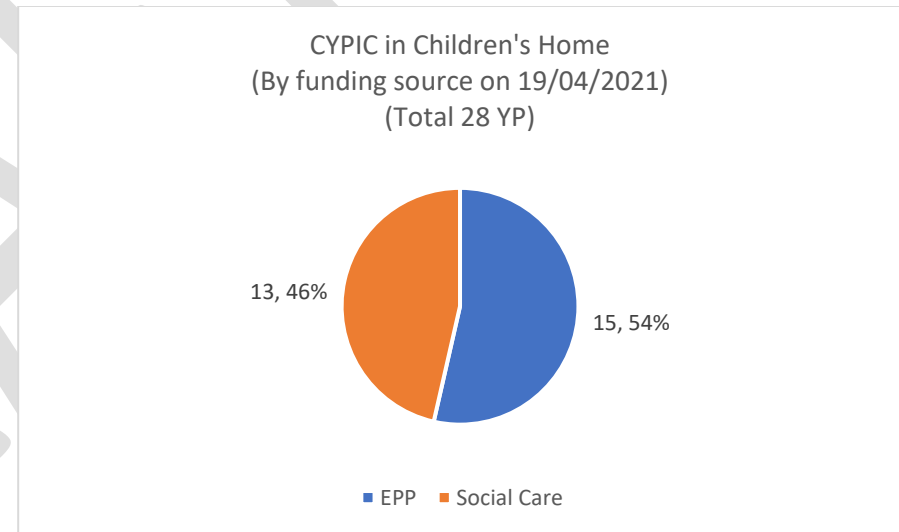
In April 2021, 28 children in care were placed in regulated children’s homes with three in K2I, 1 in Wolverhampton, 22 out of city and 2 in Scotland. These children age from 10 to 17.



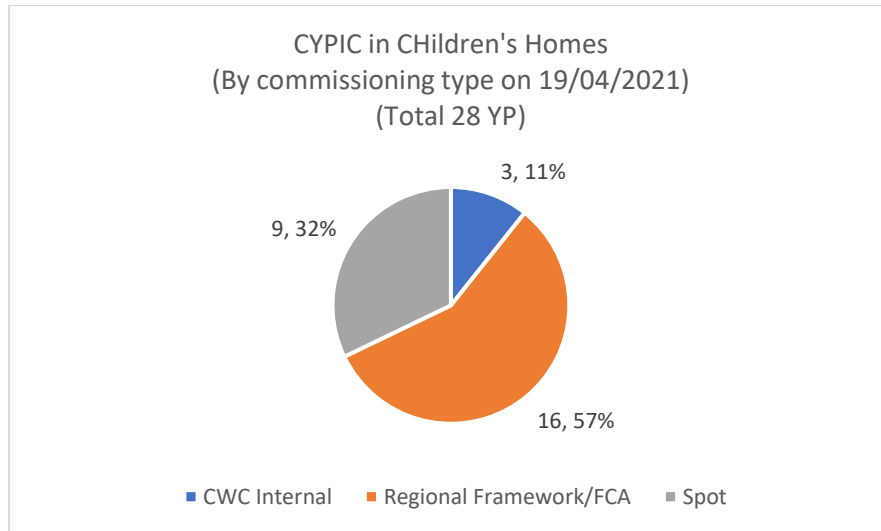
External residential placements are sometimes necessary where the holistic (social, educational and health) needs of a child/young person require specialist support and provision that is not available within Wolverhampton. These are children/young people who may present with the most complex of health, educational and social care needs and

where all local service provision to meet these needs has been exhausted.

The External Placements Panel (EPP) manages a shared funding arrangement between CWC & the Clinical Commissioning Group to fund placements for a small number of children and young people up to the age of 18 who have combined specialised and/ or social care and health needs that cannot be met within internal resources. 54% of residential placements in April 2021 are funded by the EPP.



57% of residential placements in April 2021 are placed with providers under the regional framework or flexible contracting agreement.



National trends

The Children's Homes Research (Jan 2021) LGA noted

- Increases of the number of children in care by 15% between 2015-2020
- Increases in the proportion of residential care provision provided by a relatively small cohort of private providers
- 60% of children in residential care were living outside of their 'home' local authority
- Out of area placements create barriers to the maintenance of relationships between a child in care and their family and friendship groups
- Concerns raised by local authority members around their level of control in meeting sufficiency duties

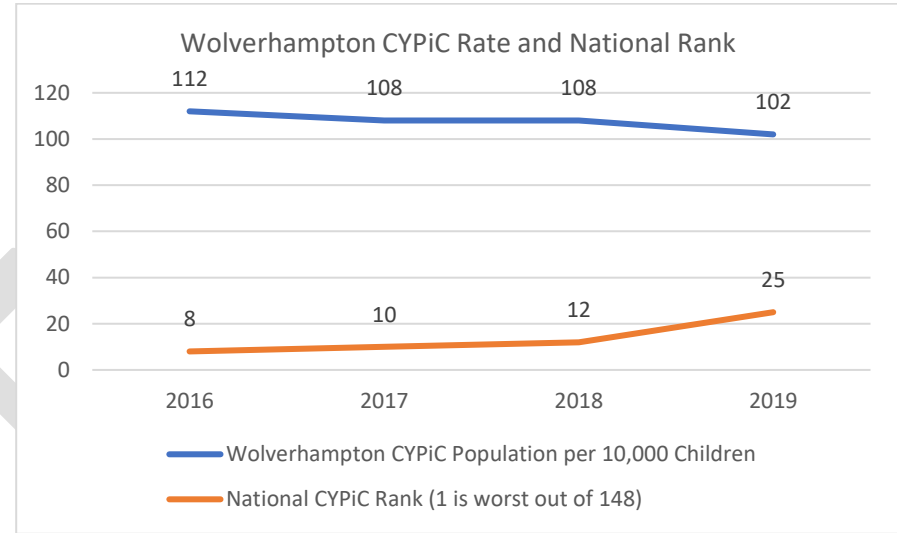
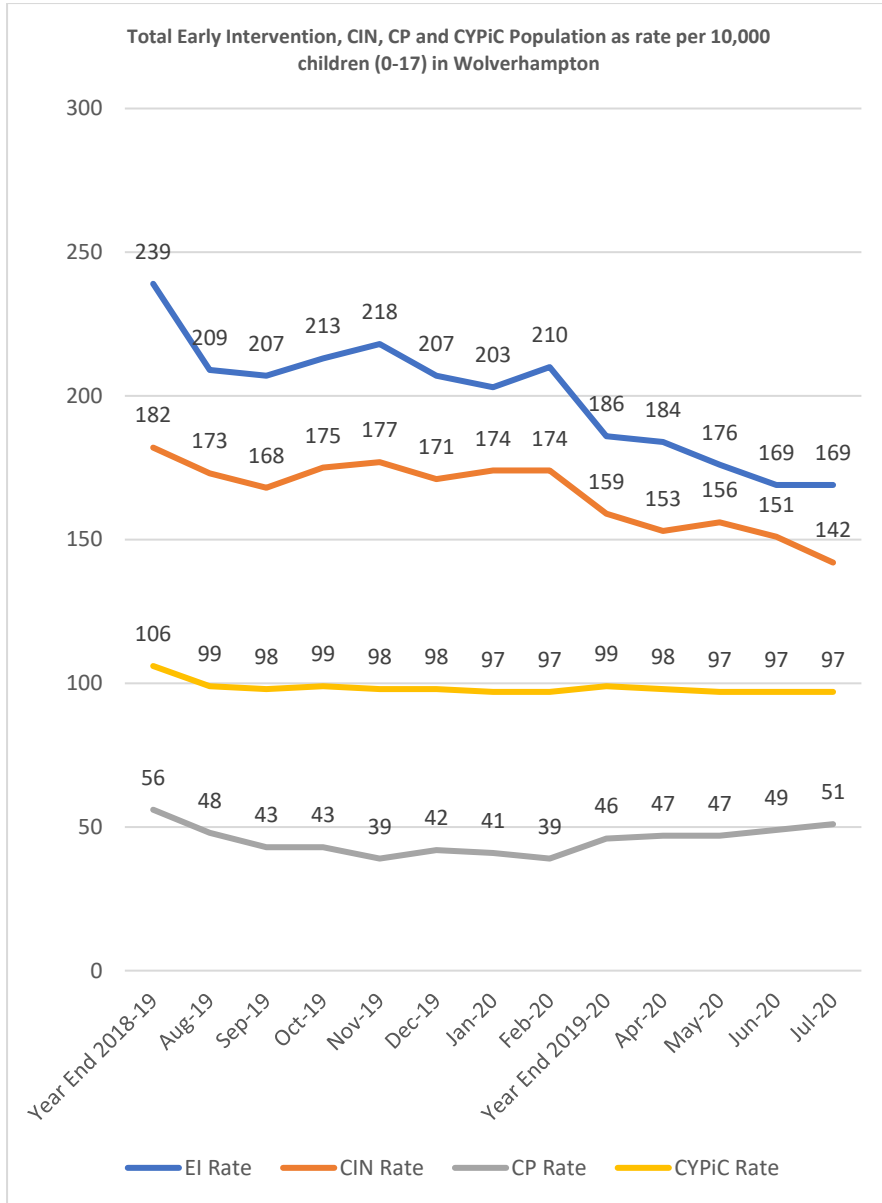
Local Trends

Projected demands on Children and Young People in Care (CYPiC) placements

Children's Services have focussed on reducing the number of children in care since 2014. The launch of Children's MASH in 2014 has been instrumental to this objective. At one point, Wolverhampton's rate of children in care was the second highest in England with over 800 children in care. In August 2020, 585 children are currently in the care of City of Wolverhampton Council.

The number of children in care is expected to be more in proportion to the England average by 2023. However, the Covid-19 pandemic started in 2020 inevitably would have some unforeseeable impact on vulnerable children and their families, such as unemployment, school attendance, housing, etc.

During 2020 to 2023, sufficiency will be required to provide suitable placements for children in care in the right place at the right time. The Council will continue to increase internal fostering capacity to ensure majority of children in foster care will be placed with internal foster carers. Generally, dependency on the external market of fostering, children's home and supported accommodation would continue to reduce.



Plans to reduce dependency on external care providers include:

Residential homes

- The Council expects the number of children’s home placements to reduce in the next 3 years when some of the young people turn 18
- City of Wolverhampton Council will continue to be part to the West Midlands Regional Framework Contract and collaborate with the Regional Commissioning Hub
- Step Down projects such as The Big Fostering Partnership will ensure children whose care plan is fostering will step down from residential to fostering

Sufficiency for 2021 to 2024

Whilst the dependency on placing children in care with external providers is expected to reduce, placement sufficiency for the following cohorts of children must be considered in the Council's Sufficiency and Commissioning Strategy 2021-2024

Children in Care with Complex Needs

- this will be the main cohort of children in residential care
- the majority of these children will be open to the Disabled Children and Young People Team
- the majority of these residential placements would be funded through the External Placements Panel

Children in Care with Complex Needs but not Health Needs

- the number of children in this cohort would remain small and,
- they will require full time care in residential placements
- The needs of this cohort are not currently being met and we require a new smaller in-city residential home for children with the most complex needs.

Unaccompanied Asylum-Seeking Children (UASC)

City of Wolverhampton Council will continue to work with The Royal School Wolverhampton when the Council receives any new allocation. The working relationship between the Council and the school has been very positive.

The impact of COVID-19 on Children and Young People in Care

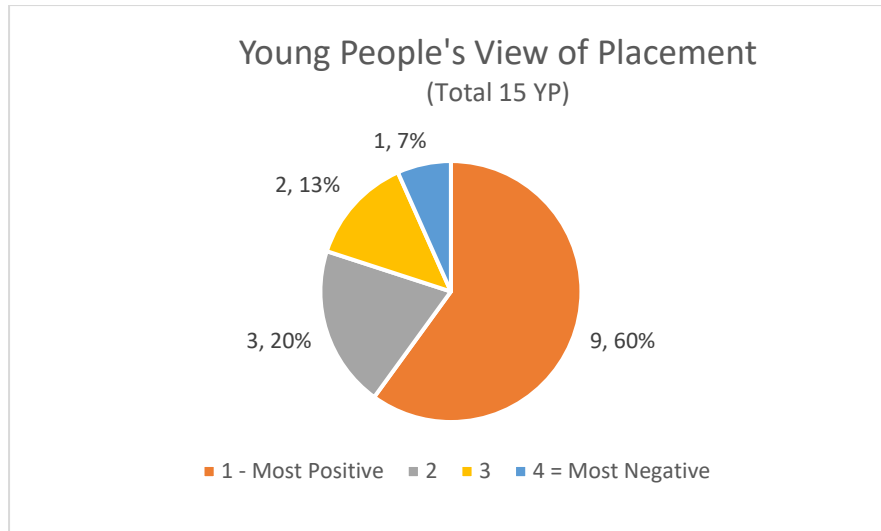
In considering the impact of Covid-19 on families in Wolverhampton who are affected by the trio of vulnerabilities; alcohol/substance abuse, domestic abuse and mental health problems. This trio of vulnerabilities have been evidenced to put children at notably greater risk of immediate harm as well as having a detrimental impact on their later life outcomes. See appendix 1 for more information on the local area profile of child vulnerability.

With the Covid-19 Crisis Scenario targets for children leaving care in consideration, the CYPiC numbers within the above projections would increase. At the end of 2020/21, the projected figure will be 629, which would be an increase of 43 during 2020/21.

5. What our stakeholders told us

What our young people told us

Fifteen young people have shared their experience about living in an Ofsted registered children's home. Nine (60%) young people feel very positive about their placements. One (7%) young person does not like the location of their placement as it is away from their birth family.



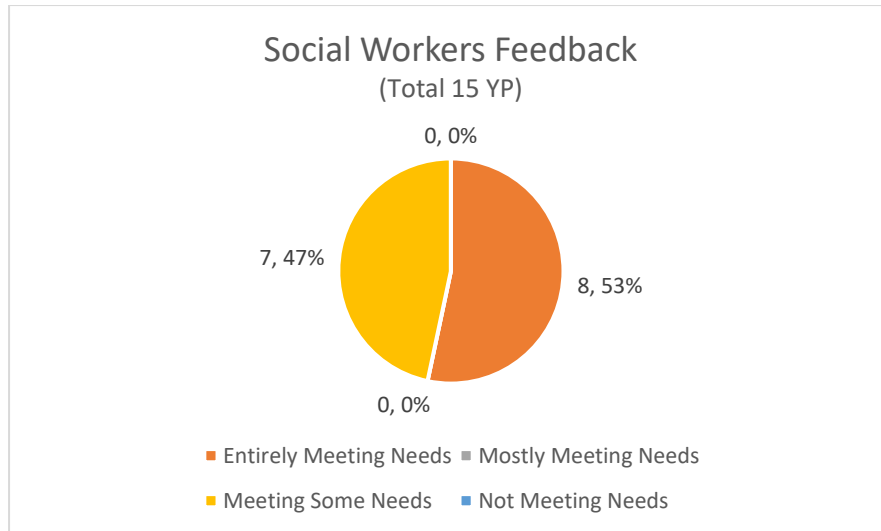
Some of young people's comments are: -

- "I'm happy and settled in the placement. I enjoy the activities within the placement. I like the staff and has a good relationship with them."
- "I don't like being placed away from my family."
- "I enjoy living at my current placement, as I get to do what I enjoy the most. My school and the home are all close together I feel happy and safe all the time."
- "I told my IRO that I did not want to stay in Wales and felt I had been lied to and tricked into going to Wales. I believed it would only be for 2 weeks."
- "I've developed a good relationship with the staff support given to prepare for independence."

- "I don't mind the residential home (K2I) and enjoy talking to staff. However, I cannot wait to have my own flat and my own independence."
- "I did not enjoy my experience of staying at my placement. I felt that the staff did not stop me from self-harming. The staff would watch me break a cup and go to my room and they knew I was going to cut myself they did not intervene at all. Afterwards they would clean up my wounds. When it came to the staff I really liked, the company got rid of them. The staff I really liked were amazing. Certain staff were very supportive and really listened, they cared, which was nice."
- "I have made many good friends at the Royal school and I feel safe and happy in my environment. I miss my family but want to remain at the Royal school."

What our social workers told us

Social workers of fifteen young people have told commissioners whether their placements meet their needs and support them to achieve positive outcomes.



What our Personalised Support Team (PST) colleagues told us

Key themes are

- *Complex cases*
- *Emergencies/same day placements*
- *Process for placements*
- *Timeframes*

Complex cases

- require high quality, detailed, up to date placement requests (PIR)
- there is a shortage of placements for Disabled Children and Young People
- it is important to include any diagnosis that is in place in the PIR

- need more bespoke packages of care for complex cases

Emergencies/same day placements

Placements for Upper Pendeford Farm (UPF) and Key 2 Inspiration (K2I) don't go through PST so we struggle with placing there especially when we have a request for emergency placements e.g. on Friday afternoons. Feel that K2I could be used for bridging placements where there are vacancies.

Process for placements

- We would like to do strengthen the understanding of the placement process from Placement Information Record (PIR) to completed Individual Placement Agreement (IPA).
- The IPA forms part of the contract so it is essential to be completed especially with a non-framework provider
- Some of the big providers aren't on the portal or don't use it at all
- Only head of service can authorise initial costings or increase in costings, we often have providers saying that a SW colleague has agreed additional staffing/increase in fees

Timeframes

Once we have received the request, we need regular updates if plans change for the CYP as we often continue to search for one kind of placement when another is needed.

If you could change one thing?

- Timeliness of communications – lack of communication can lead to placement breakdown which in turn leads an emergency request
- Clarification of roles and responsibilities between us, the provider and social work colleagues – we aren't trained in social work practice, we can't do the social work function or case management
- Improvements to the Placements Portal
 - the referrals close down when one person from the providers have read it even if they are not the right person
 - information needs to be kept up to date, in particular warnings and email addresses

What about Scottish placements? Are there things that impact improved outcomes?

- The regulator is more supportive, there appears to be more interaction, communication and discretion within the inspection system
- The inspection framework requires staff to have qualifications to be paid the qualified rate, whereas in England they can be 'working towards' a qualification for up to two years and this can be avoided by staff moving to another provider and trigger the two years again therefore not ever getting qualified

What our Independent Reviewing Officers and LADO told us

Wolverhampton is on an upward trajectory of continuous improvement; all staff care about improving the lives of the children and young people in care.

Key issues

- We need to prioritise personalised matching, although we recognise that there is a shortage of residential provision
- We need to take into account how it makes a young person feel when there is only one offer for them
- We need to recognise that settings are the young person's home and behave accordingly in terms of language that respects the YP's experience and their routines (e.g. reuniting the YP who has moved on with all of their belongings quickly – carefully collect their belongings)
- Residential care has the reputation of being the option for care when all other options have been exhausted – the 'end of the line' to some extent
- What we look for is placements that are homes with
 - Competent, stable, well trained and supported staff teams
 - Small units to allow for personalisation
 - Focus on meeting the individual needs of the child or young person
 - Open communication and visiting arrangements

- Nurturing environments where young people are given choices and can take pride in their surroundings
- The voice of the child needs to be heard
- There is often a big difference in quality and care between the 'big' companies and small one, for many of the larger providers there is focus on the profit margin and charging for additional elements
- The quality of staff in homes is not just about their qualifications but their understanding of and empathy with the individual and cultural needs. There needs to be a regular review of any barriers present to delivering this kind of service
- We recognise that not all children are suited to foster care, they don't want a replacement set of parents and need a place to stay that is as close a match for their cultural and physical needs as possible (food, self-care, religious observance). It should not be a novelty to have a 'cultural meal'
- We would like to see more robust monitoring of contracts; if there is a therapeutic element or other additional element, is it making a difference - but give it time to work. Are the additional elements actually in place
- We recognise that the further away from home the more at risk they are of running and every day that a child spends outside their home is a day when they are cut off from their home networks which can make it more difficult to achieve a swift return
- There are some providers who are more collaborative than others on getting it right for the individual child and we would like to see these practices more widespread
- Young people need to understand why they are being treated differently from other young people in the same setting (e.g. curfew)
- Some of the settings we have visited are obviously in a poor state of care (cleanliness and repair), this needs to be addressed where it is seen, who is responsible for checking this?
- We have noticed that some providers are resistant to step down and this is sometimes due to the fact that they will lose money. There appear to be elements of collusion to maintain an unsuitable placement
- Other councils respond differently to issues of quality where there are children from more than one area in a setting and this can be challenging for us to reconcile
- We would like to see more emphasis on transition to adulthood from age 16 for the older teenagers; independent living skills and preparation for adulthood

What providers say

An informal exercise to look at how providers determine which authorities they respond to and the key influencing factors are;

- the speed that the payments are made
- speed of decision making on placements
- quality and accuracy of referrals
- support they get from placing authorities, responsiveness of social workers when issues are raised

6. Commissioning recommendations

The review has highlighted a number of areas for further work to support our continuing improvement:

- A new restorative practice, multi agency Children's Home within the City but outside the City Centre to meet the first sufficiency priority of Complex Needs (without Health needs)
- young people at the centre
- more robust contract monitoring, including high cost placements and quality assurance visits
- continue with mixed economy of provision but with focus on smaller, local units with stable, competent, well trained and supported staff who focus on meeting the individual needs of our Children and Young People
- review transitions adulthood plans and ensure actions are in place
- improve communications with providers through more provider events
- work with regional colleagues to rebalance the market

7. Next steps

Where CoWC chooses to deliver services 'in-house' it will use contract management mechanisms with internal services to ensure their performance is aligned to the expectations and standards of the external market and regulatory bodies.

CoWC will seek to manage both internal and external services through the lenses of:

1. Risk
2. Relationships

Service Risks

The safety of our children and young people is of paramount importance to CoWC but the approach will endeavour to be proportionate, pragmatic and provide opportunities for learning and continuous improvement on both the part of the service/provider and the Council.

The following areas of risk will be considered:

- Safety of our children and young people
- Compliance/Regulation – contract, Ofsted etc.
- Service/Market failure
- Financial

The Council will have clear measures in place to flag all risks so that immediate action can be taken to address these with the service/provider.

Relationships

Although managing risks around service provision is critical to the safety and quality of life for our children and young people, the relationship between the council and the service/provider is essential to achieving this.

CoWC will work in partnership with internal services and external providers where there is a contractual relationship between them and the Council.

CoWC will facilitate quarterly forums with our services/providers to maintain partnerships, understand the

challenges within the sector, and ensure quality of provision by continuously developing services that meet the needs of our children and young people.

The Council will value and respect the input of providers, seeing them as professionals who are delivering the service on behalf of CoWC. As such will seek their input and expertise as part of a multi-disciplinary approach.

Appendix 1 Further data

According to the latest local area profiles of child vulnerability from the UK Children's Commissioner Office, the City of Wolverhampton Council's profile is detailed below:

- The projected percentage of children in households where an adult has two or more of the above risks is 4.69% and the projected number of 0-17-year-olds affected is 2,870
 - The projected percentage of children in households where an adult has all three of the above risks is 1.18% and the projected number of 0-17-year-olds affected is 730
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- The projected percentage of children in households where an adult has an alcohol or drug dependency is 4.48% and the projected number of 0–17-year-olds affected is 2,750
 - The projected percentage of children in households where an adult experienced domestic abuse in last year is 5.88% and the projected number of 0–17-year-olds affected is 3,600
 - The projected percentage of children in households where an adult has severe mental ill-health symptoms is 13.8% and the projected number of 0-17-year-olds affected is 8,450
 - The projected percentage of children in households where an adult has any of the above risks is 18.66% and the projected number of 0-17-year-olds affected is 11,430