

Costs and complexity in care

The real drivers of
high-cost placements
for children in care

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Executive summary

Placements for children in care costing over £0.5million per year are increasing in England, causing significant concern and financial strain on local authorities, with little improvement in outcomes for children. The high needs of these young people often indicate missed opportunities for earlier intervention and previous placement instability, risking further trauma to children who have already disproportionately experienced abuse and neglect.

This research, commissioned by the Local Government Association (LGA) and conducted by the National Children's Bureau (NCB), explores the drivers behind high-cost placements and provides actionable recommendations.

By investigating market changes, procurement practices, and the increasing complexity of children's needs, this report analyses systemic and individual factors. NCB used a two-phase approach: first exploring the context of high-cost placements, then developing actionable recommendations using a mixed methods approach.

Children's journeys, as documented by social workers/managers, reveal high complexity of need, trauma, abuse and escalating behaviours that challenge. Monitoring placement quality varied significantly across local authorities, often relying on social worker visits. Interviews with young people showed limited mechanisms to monitor care quality, with children feeling responsible for reporting concerns. Social worker turnover and instability in children's home workforces meant they did not always know who to tell or trust that something would be done about it.

Findings indicate that lack of specificity and sufficiency, increasing complexity of need, variable commissioning practices, especially for emergency placements, and market changes are interdependent factors driving high-cost placements. Stakeholders, local authorities and providers agreed there had been an influx of providers but insufficient skills to meet the needs of complex cohorts of young people. Fear of being penalised by Ofsted deterred some providers from taking on children at risk of going missing or with additional complexities, which Ofsted have sought to address with recent updates to the inspection framework (Ofsted, 2025).

Evidence showed high profit margins were not always linked to high costs. Some high quality, specialist placements were costly with little profit, while cheaper placements by larger providers yielded high profits due to economies of scale.

Conclusions on value for money, linking high cost to good quality, are difficult to demonstrate. Feedback from young people indicates significant improvement is needed in commissioning practices, decision making approaches and workforce support to ensure high costs lead to better outcomes for young people.

“I can do a better job than people that you hire because I’ve got care experience. I know the system. One day, when I’m ready, I want to... work in a [Children’s Home] and do it properly from the bottom to the top.”

Expert by Experience

Recommendations

The report includes 19 recommendations in relation to the following themes:

- commissioning practices
- planning and decision making
- provision
- workforce
- further research.

It should be noted that these are the recommendations of the report authors, and do not necessarily reflect the views of the Local Government Association.

Key recommendations include:

Relational commissioning: Foster strong relationships between local authorities and providers. Open communication channels and mutual respect can lead to better outcomes for children and more effective use of resources. Senior leadership in children’s services should engage in partnership events and conversations alongside commissioners to have a clear understanding of the challenges and opportunities in the sector.

Enhanced early identification: Implement robust screening and assessment processes to identify children at risk of high-cost placements as early as possible. This includes regular health and developmental checks, as well as exploring more effective multi-agency engagement with the dynamic support register (DSR).

Integrated care models: Invest in integrated models of care between local authorities, local providers and the NHS to provide in-depth and wraparound personalised support for children and young people with complex needs including therapeutic models, specialist foster carers and on-site therapeutic education services.

Increase funding for preventative services: Explore the opportunity to invest in preventative services, that can help address the root causes of escalating needs leading to high-cost placements, including through the DfE prevention grant and as part of the implementation of an integrated Family Help service as set out in the Families First Partnership Guidance.

Flexible emergency provision: amend regulations to establish a robust approach to ensuring that, where there is no safe alternative to a child or young person being placed in an unregistered setting offered by trusted providers, due to unplanned or emergency placement, there are requirements that:

- there is a robust multi-agency risk assessment with the provider, specific to the child and circumstances, which informs the best course of action
- the placement has a specified time limit while a suitable long-term placement is identified
- there are specified frequent review points to ensure quality and safety
- there is an expectation that the setting takes steps to register within a specified time
- Ofsted is informed of the placement within a specified time.

Introduction

The increasing prevalence of high-cost placements for children in care has become a significant concern and a drain on resources for local authorities across England, that rarely reflects a proportionate improvement in outcomes for children. Local authorities are identifying that the entirety of their overspend on children's social care is on high-cost placements for children with increasing complexity of need. Aside from the issue of cost, the high needs associated with this cohort of young people point in many cases towards missed opportunity for earlier intervention and a prior lack of placement stability, and by placing in a potentially unsuitable, or short-term placement, a risk of causing further pain and trauma to a cohort of children who have already disproportionately experienced abuse and neglect. The placements have profound implications for both the experiences of the children involved and the financial sustainability of children's services. This research, commissioned by the Local Government Association (LGA) and conducted by the National Children's Bureau (NCB), aims to explore the drivers behind these high-cost placements and provide actionable recommendations to address this pressing issue.

The research undertaken for this report seeks to answer critical questions about the factors contributing to high-cost placements and the potential strategies to mitigate their rising prevalence. By investigating a range of hypotheses, including market changes, procurement practices, and the increasing complexity of children's needs, this report provides a comprehensive analysis of the systemic and individual factors at play.

Throughout this report, when referring to complex needs, we use the Nuffield Family Justice Observatory (NFJO) definition of children and young people with "multiple, overlapping difficulties that are not being met...This includes the many children who are deprived of their liberty...[with] multiple emotional and behavioural needs that are often associated with experiences of early and ongoing childhood adversity (such as abuse and neglect, but also poverty and racism) and complex trauma...The children's behaviour may cause significant risk to others (eg physical aggression) and to themselves (eg self-harm)...They often have overlapping difficulties with mental health, emotion regulation, neurodevelopmental conditions (eg autism and ADHD), risk of exploitation, and missing education" (Bevington, Duschinsky et al 2023:2). Through a mixed methods approach including data collection from local authorities using mapping tools and surveys; interviews; and roundtables, the research captures

the perspectives of local authorities, care providers, relevant stakeholders and young people themselves. This approach ensures that the voices of children and those working in this sector are central to the findings and recommendations.

The findings of this report highlight the multifaceted nature of high-cost placements, encompassing issues such as the lack of sufficiency in suitable placements, high profit margins and the impact of emergency placements. Additionally, the report touches on broader societal changes that have influenced the market and exacerbated the challenges faced by those in the sector.

This report aims to provide a robust evidence base to inform policy and practice, offering practical solutions to reduce the drivers of high-cost placements and improve outcomes for children in care. By addressing these challenges, we can work towards a more sustainable and effective system of care that meets the needs of all children.

Background and context

Many children placed in residential settings have complex needs, disabilities, experience of abuse and neglect, and/or exposure to extra familial harms (Children's Commissioner 2020; Ofsted 2022). They are at higher risk of placement breakdown (CCO 2020), being missing from placement (Hayden and Goodship 2015), involvement in the youth justice system (Day 2021), and poor mental health (Steels and Simpson 2017). The profile of children in care living in children's homes in England tends to be older, with three-quarters aged between 14 and 17 (Narey 2016). Over half of children in care in children's homes are male.

There are also disproportionate numbers of Global Majority children across children's social care. This is reflected in NCB's work on the National Child Safeguarding Practice Review into Safeguarding Disabled Children in Residential Settings, as well as our report into the under-utilisation of children homes placements in London, London Children, London Lives (Coady, C., Parish, N., and Norwood, S. 2022), and across all types of secure settings (Roe 2022; DfE 2024).

While there are a range of reasons why children are placed in residential care, we know that local authorities are more likely to place children in this form of placement once other options such as foster care have been unsuccessful, and prior placement(s) have broken down. Residential care can be seen to be more suitable for children with complex needs or external risks such as child criminal or sexual exploitation, as well as complex trauma or significant mental health needs because they can offer more specialist support or because a family-based setting may be perceived to find it more challenging to manage the risk associated with this complexity of needs and behaviours.

A combination of missed opportunities and a system with resources directed away from earlier intervention can lead to a vicious cycle of placement breakdowns and retraumatising experiences which can contribute to these children's needs escalating. This can lead to avoidable crisis resulting in high-cost, emergency placements, far from homes, and often with poor outcomes.

Many, though not all, children in residential settings tend to have differing needs to children in other types of care such as those placed in foster or kinship care, which lead to their route into children's homes, if they have been placed according to need. These needs can lead to them doing less well than children in kinship or foster care across a range of outcomes including health, education, employment and wellbeing. However, it is important to acknowledge that there are children in residential care who have similar needs to those placed in foster care, and those in foster care who would mean that residential care is a better fit for them, as a result of sequential placement providing procedures. Despite comparatively poor outcomes for this group of children, the costs of placing this cohort in residential settings are increasingly high, as demonstrated by the recent LGA survey findings that the number of placements costing the equivalent of over £0.5 million per year has increased from 120 to 1500 between 2018 and 2023. Budgetary pressures across local authorities in England for children's social care are acute and increasing and there is a need for a thorough understanding of the drivers of high-cost placements for children in care to enable potential action to address them. Many children's homes providers are also struggling to recruit and retain the necessary staff to meet the needs of young people with complex needs.

The 2021 ban on unregulated placements and subsequent regulation of, what was, the semi-independent accommodation sector may also have had some impact on the increase in high-cost placements. Anecdotal sector intelligence gathered through NCB's DfE-funded Supported Accommodation Sector Awareness and Provider Preparedness programme suggests that the cost of supported accommodation placements are increasing more significantly than those in fostering or residential, with providers citing the demands of the new regulation and quality standards as having caused the increase, leading to an uplift in placement costs to the local authority. However, it is also important to acknowledge that these placements are not designed to support young people with a high level of complex needs which may result in high cost, wraparound services being brought in alongside standard support. Where a local authority places a young person in a registered, or unregistered, supported accommodation provider in this way, that provider is likely to be operating unlawfully as an unregistered children's home.

A 2021 report by the Local Government Association (LGA) identified sufficiency to be the main problem facing children's residential provisions (LGA 2021). This is often attributed to poor coordination between local authorities and providers (Child Safeguarding Practice Review Panel, 2023), and issues related to the disadvantageous leverage position of local authorities caused by lack of residential supply (Coady, C., Parish, N., and Norwood, S. 2022). NCB's work commissioned by the London Innovation and Improvement Alliance (LIIA) found that the nature of competition for placements led to provision being guided by what the market wants or feels they have to provide rather than being truly needs-led. The high profits of some large providers have been highlighted as evidence that the market is not functioning effectively as local authorities are unable to negotiate cost effective prices which match high quality services, due to lack of market competition (Competition and Markets Authority, 2022). Evidence from our Pathway and Decision Mapping Tool identified that local authorities feared losing rare places in children's homes to other local authorities who were not trying to negotiate on cost. Local authorities do not feel they have the necessary levers to meaningfully shape what provision is available and are therefore unable to make effective financial forecasts and procure the appropriate provision across the area.

Additionally, the Competition and Markets Authority Inquiry and Independent Review of Children's Social Care both found that children's homes commissioning and allocation of places was inefficient and ineffective. Ofsted have found that commissioning of placements is often driven by practices such as spot-purchasing rather than strategic planning with providers (Ofsted 2023). It can be challenging for local authorities to forecast future demand due to the nature of the complex needs of individual children in care. This can make it difficult to predict what kinds of provision will be needed and can lead to emergency/unplanned placements, which have a significant premium in terms of both cost and children's experiences. Commissioners may also lack consistent knowledge of what provision is available and therefore make decisions on where to place based on existing relationships with providers rather than children's individual needs and value for money.

NCB's report, 'Collaborative commissioning, creative support', identified a series of actionable recommendations designed to redirect resources from high-cost placements through a new model of care focused on more effective identification of need and risk factors associated with children's journeys; redirecting resources to fill gaps identified as missed opportunities to intervene and supporting the workforce to understand and manage risk earlier in intervention pathways preventing avoidable crisis and unnecessary escalation of need; ultimately keeping more children safely at home with their families and communities.

Methodology

The National Children's Bureau was commissioned by the Local Government Association (LGA) to undertake research to explore the drivers of high-cost placements for children in care. The overall aim of the research was to produce robust evidence on the individual and systemic factors driving high-cost placements for children in care, and the extent to which those placements have provided effective support.

The research aims to answer the questions:

- What are the drivers of high-cost placements?
- What action can be taken to address the rising prevalence of high-cost placements?

Specific objectives were to:

- investigate the range of hypotheses suggested for the increasing prevalence of high-cost placements
- identify drivers for high-cost placements, including consideration of procurement processes, cost-effectiveness/value for money; children's needs; children's journeys and stability of any prior placement; quality of provision
- examine stakeholders' views and experiences and ensure that the voices of care-experienced children and young people shape policy and practice in this area
- share actionable knowledge on the ways to address the rising prevalence of high-cost placements.

The hypotheses suggested for the increasing prevalence of high-cost placements were:

- lack of specificity and sufficiency
- high profit margins
- increasing complexity of needs (including Deprivation of Liberty Orders)
- ban on unregulated provision for under 16s
- poor commissioning and finding of placements
- emergency placements
- changes to the market
- provider approaches to/perception of risk.

Phase 1: Preparation and understanding the context of the drivers of high-cost placements

Developing a sample framework of local authorities

We worked with the LGA to identify a sample of up to ten local authorities for case analysis and fieldwork. We reviewed findings from the 2023 LGA survey, triangulating with themes from our existing work in London set out in the Collaborative Commissioning, Creative Support report (Coady, C., and Norwood, S. 2022) and our work with [Kingston University](#), to develop a sampling framework. Using this we identified a group of local authorities which were broadly representative of the breadth of England in terms of geography, size, levels of deprivation, expenditure, rates of children in care and Deprivation of Liberty Orders. We focused on areas outside of London, building in the London perspective through our work on the London Children, London Lives report (Coady, C., Parish, N., and Norwood, S. 2022) and the Collaborative Commissioning, Creative Support report (Coady, C., and Norwood, S. 2022). The LGA then sent out invitations to an initial engagement webinar to local authorities with the highest and lowest cost placements.

Local authority engagement

We held an information webinar, which 17 local authorities attended, to share details of the opportunity and the expectations of engaging with the research as well as identify any support they may need from the project team to respond to requests for information in the timelines of the project. The webinar was targeted at heads of service and local authority commissioners whose support was needed to mobilise and engage social workers and other key partners to participate in focus groups, surveys and interviews.

There was rich discussion captured during the information webinar which contributed to shaping our understanding of the issue and focusing the direction of the remainder of the fieldwork.

Children's Journeys

We worked with the LGA to tailor a question framework aimed at capturing the journey of children in some of the highest cost placements in local authorities. The question framework was shared with all participating local authorities to complete child journey details for up to three children or young people from their top 10 highest cost placements. The children had needs/experiences that were representative of the factors we sought to explore, building on learning from the LGA survey, work from the Nuffield Family Justice Observatory and NCB's existing work on child journey mapping in London (Coady, C., Norwood, S. 2022). The question framework included characteristics of the child or young person such as their needs, any evidence of undiagnosed needs and whether the child was already known to children's services prior to placement. It also included questions around procurement processes for the individual child; the type of provision and provider used; the cost; and the quality of the provision.

Pathway and Decision Mapping Tool

We worked with the LGA to tailor the pathway and decision mapping tool, drawing on NCB's experience of developing similar tools in our work with the National Child Safeguarding Practice Review Panel on the review of safeguarding disabled children in residential settings. The tool included system level procurement processes, placement identification and decision-making pathways.

Virtual fieldwork with three local authorities

In our in-depth fieldwork in three local authorities, we were seeking to gain a greater understanding of their views on the drivers of and prevalence of high-cost-placements in their area.

We carried out semi-structured interviews with a wide variety of key internal stakeholders in a small group.

Across each local authority we aimed to speak to the director of children's services, assistant directors responsible for SEND and children in care, the leads for children's placement commissioning and the leads for children's services finance.

During the fieldwork delivery we spoke with:

- Strategic Commissioner for Children in Care and Care Leavers
- Director of Children's Social Care
- Senior Commissioning Manager
- Children's Services Finance Lead
- Group Manager for Children in Care
- Group Manager for Care Leaver Services
- Commissioning Hub Manager for Children's Social Care
- Placement Team Manager
- Senior Finance Business Partner for Children's Services
- Assistant Director for All Age Disabilities 0-25 Service.

Phase 2: Developing actionable recommendations to address the rising prevalence of high-cost placements

We held two virtual roundtable events with a selection of placement providers from across England. One of these was with providers offering placements to disabled children and young people with complex needs. The other was with providers offering placements to children and young people with experience of complex trauma. We engaged with providers identified by the local authorities, LGA, and drew on our existing networks of providers engaged in projects such as the Children's Homes Workforce Census, National Key Worker Pilots, and Department for Education (DfE) funded Complex Commissioning Roundtables.

18 providers registered to attend the roundtables but only six providers attended. The providers who attended were a mix of small and large providers, children's homes, therapeutic communities and supported accommodation providers for 16–25-year-olds. All providers were from the private sector.

One virtual roundtable event was held with a selection of key stakeholders, partners and other representative organisations including the following:

- Revolution Consulting
- Nationwide Association of Fostering Providers
- Local authorities
- Commissioning Alliance
- Children's Cross Regional Arrangements Group
- Child and Adolescent Mental Health Services (CAMHS), NHS England
- Association of Directors of Children's Services.

Voice of care-experienced children and young people

Building relationships with young people with complex support needs and with direct experience of high-cost placements takes time and so for this project we planned to work with young people we have existing relationships with. This has involved sharing findings and recommendations via interviews with six young people with experience of living in foster care, children's homes and supported accommodation. Some of the young people we interviewed wished to be named in the report. For those who preferred to remain anonymous, we have referred to them as 'Expert by Experience' only.

We have also considered findings from NCB's work with several groups of children and young people through related programmes to explore themes relevant to this report, including a workshop on deprivation of liberty with the FLARE group, the DfE's national young SEND advisory group, an activity on quality assurance of supported accommodation settings with care experienced young people in Young NCB and interviews and case studies of the experiences of young people at risk of tier 4 hospital admission and their families who had support from a key worker. This feedback has informed the findings and recommendations in this report.

Additional interviews with key stakeholders

To supplement the qualitative data gathered from local areas and providers through the roundtable, we also sought out additional interviews. This included an interview with independent consultant, Marie Tucker, with experience in commissioning and procuring services for children in care and with Ofsted.

Data limitations

Data requested from local authorities in the form of the question frameworks and pathway and decision mapping tool was self-reported by allocated social workers or their managers and by local authority commissioners and as such, are subject to the common risks associated with self-reporting.

This project had a short timescale and the engagement period for local authorities and request for data was in the run up to and over the Christmas period. This meant that despite initial enthusiasm from local authorities who were passionate about the issue and keen to take part, we received back less tools and question frameworks than we had hoped for. It is therefore hard to generalise our findings more broadly. We have mitigated this where possible by comparing with other data sets at our disposal, drawing on previous work such as the children's journey mapping across London in the Collaborative commissioning, creative support report (Coady, C., Norwood, S. 2022) as well as findings and recommendations in the Safeguarding children with disabilities in residential settings (Child Safeguarding Practice Review Panel, 2023)

Key findings

Who are the children?

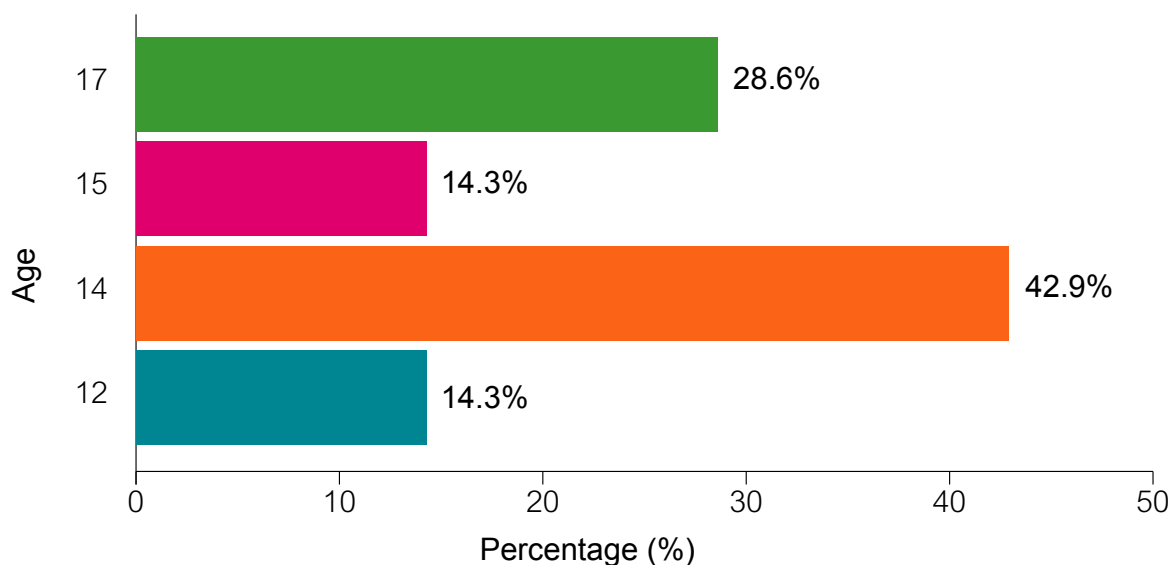
The picture painted by the children's journeys completed by allocated social workers/managers is that of high complexity of need of children with a history of trauma, abuse and escalating behaviours that challenge.

The children whose journeys we received were 57 per cent (n = 4) male and 43 per cent female (n = 3). 86 per cent (n=6) of the children were White British, and 1 child (14 per cent) was Pakistani. The young people described were almost all teenagers and the primary reasons for being placed in these high-cost placements were the interaction of psychological and behavioural issues. When comparing this data to what we know about a comparable group of young people in secure care and subject to Deprivation of Liberty orders, there are some similarities and differences. The cohort of children whose journeys we received were in line with the finding that children in secure care are usually in their teenage years (Roe 2022) and there are approximately equal numbers of boys and girls referred in (SWCU 2024). There is a lack of data on ethnicity of children subject to Deprivation of Liberty Orders but available data suggests that White British children make up 69.9 per cent of this cohort (Roe & Ryan 2023). This same dataset suggests that children from Mixed and Black ethnic groups are usually overrepresented compared to other groups (ibid). Our data therefore does not seem to be representative of general trends on ethnicity, possibly due to the low sample size.

There were descriptors of extreme self-harm, risk posed to others and previous assault of staff which led to high levels of supervision and staff ratios needed to protect the child from harm to themselves and others. A complex web of needs and behaviour with self-harm and risk-taking caused by previous trauma was described, with emerging concerns around how this had impacted the young people's social and emotional development.

We didn't find there to be evidence of targeted approaches based on protected characteristics.

Percentage distribution of ages

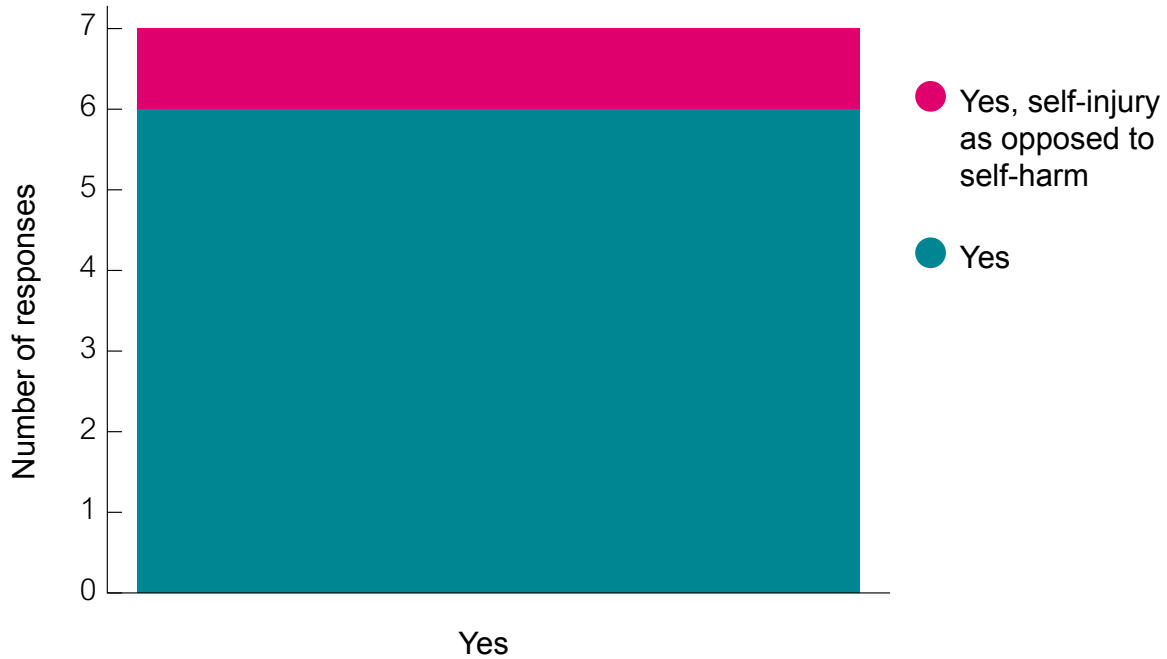


Six of the seven children had a diagnosed or suspected neurodivergence, such as Autism or ADHD. Of these six children, 67 per cent (n=4) had a formal diagnosis of Autism and the remainder were currently being assessed for this. 33 per cent (n = 2) of the 6 children had an additional diagnosis of ADHD.

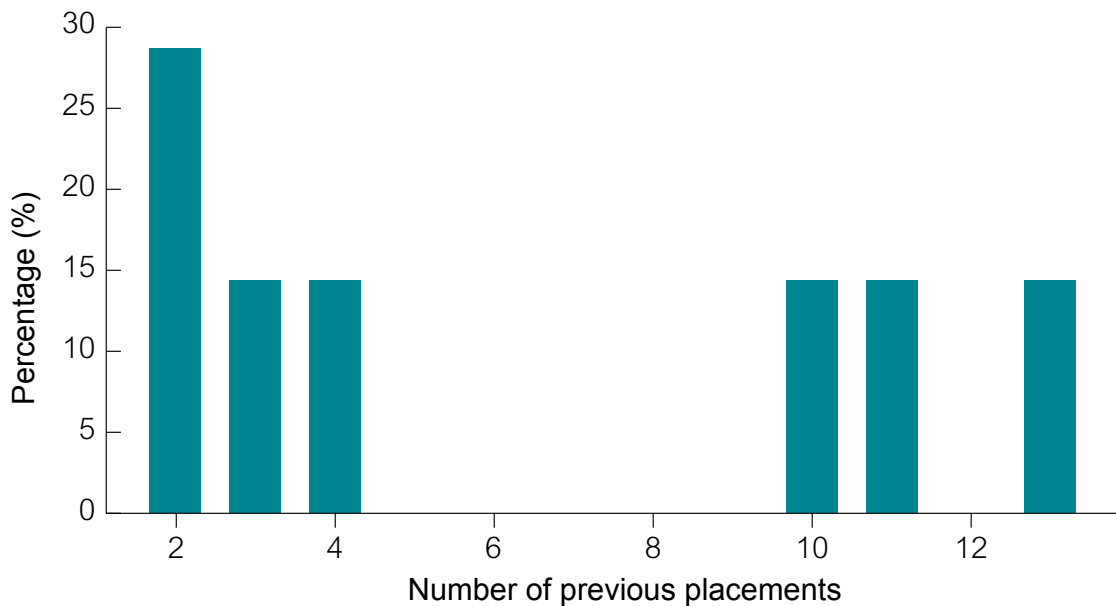
71 per cent (n = 5) of the total children had a formal physical or mental health diagnosis and 29 per cent had a formal diagnosis of complex PTSD. One of the children had severe learning difficulties and another epilepsy.

There was a strong theme of unmet need emerging from the children's journeys with 71 per cent of the children having suspected undiagnosed needs including attachment disorders, Autism, psychosis, learning needs/cognition, mental health needs and sensory processing difficulties. Downie and Twomey (2021) suggest that a significant number of children placed in a secure children's home had a suspected but undiagnosed mental health condition and other studies have suggested that autism, ADHD and speech and language difficulties are frequently undiagnosed (Kennedy et al 2019; Roe & Ryan 2023; Bryan et al 2015). All of the children had self-harmed or caused self-injury, with this resulting in A&E attendance for 43 per cent (n = 3) of them. The average age of the children coming into care was 11 and the average number of placements prior to the current one was six, though some children had as many as 13 placements prior to their current one. 29 per cent (n=2) of the children had a Deprivation of Liberty Order in place.

Self-harm Responses



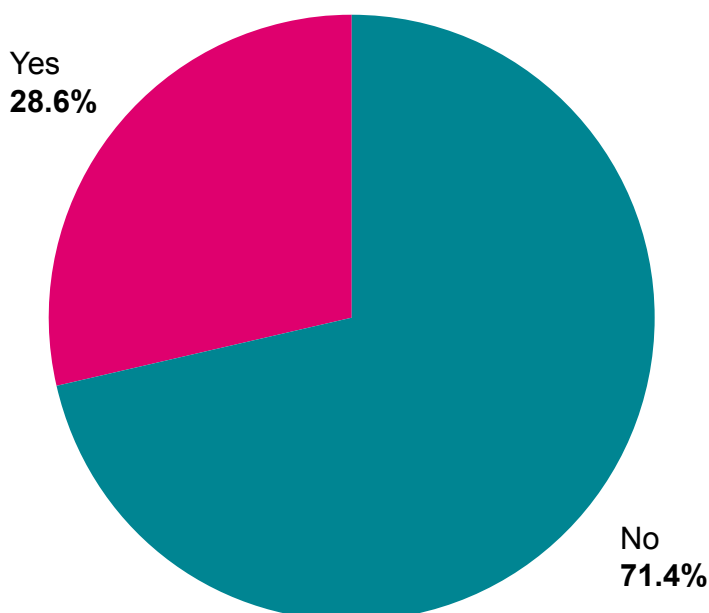
Distribution of previous placements



The children began their journeys into care in a range of ways. 57 per cent of the young people (n = 4) began their journeys as children in care with residential placements. 43 per cent (n = 3) began their journeys as children in care in foster placements or kinship care before these. However, what unites many of the journeys is the picture they paint of multiple short placements and an escalation of types of placements from foster care to secure or residential. One of the children had relatively long stints with kinship arrangements of several years before these escalated to short residential placements, with some as short as two months or several weeks.

Most of the children (71 per cent n = 5) were not currently in education. The time spent out of formal education ranged from six months to 2.5 years. The most common reason stated was challenges in identifying a suitable provision relating to placement moves or meeting the child's needs. However, only 29 per cent (n = 2) of the children had been formally excluded from school. All but one of the children (86 per cent n = 6) had an Education, Health and Care Plan (EHCP).

Child/young person currently in education?



A range of therapeutic provisions were in place for the children in their current placements, though this was not necessarily the same as a child living in a therapeutic setting. These included counselling sessions, support with life skills, medication reviews, positive behaviour support therapy, dietician, mental health liaison, learning disability team, and animal therapy. All but one of the children had a staffing level of either 2:1 or 3:1 at all times but previous placements had sometimes been as high as 4:1. All of the children had access to either therapeutic support or were connected to CAMHS, however one was not being provided CAMHS support due to the temporary nature of the placement. Identified support needs which contributed to the high cost of the placement included specialist therapy, high ratio of staff to child (eg 2:1, 3:1), staff trained in therapeutic care or needs such as Autism, 'bed-blocking', solo placements and private education.

It was striking that all of the respondents (mostly allocated social workers or managers) completing the children's journeys felt that the placement did meet the needs of the young people while conversely reflections from the mapping tool, completed by commissioners acknowledged that settings often didn't meet needs well, particularly for emergency placements where options had been limited. This could be due to the fact that commissioners were very aware of the lack of choice and the fact that the available placement was often the only option.

Frontline practitioners could possibly have felt that the placement was a good match if there was no placement breakdown and the placement was 'quiet'. 29 per cent of those completing the children's journeys felt that, despite the placement meeting the young person's needs, it was not good value for money. Those that felt that the placement was good value, cited greater stability and less frequent hospital attendances, re-engagement in education and learning, proportionality of cost given high levels of staffing and the child "thriving" in the placement and being supported to have independent family time.

- "It helped to stabilise young person's behaviours and help her to feel safe, as well as to motivate her to engage with some vocational activities".
- "B has been much calmer since being in this placement. He gets on well with the staff team who manage his dysregulated behaviour well".
- "The placement is meeting A's needs really well and have a good understanding of the care and support she requires...A has built up a good relationship with her placement staff".
- "There has been progress made, and the incidents have reduced over time she has been there".
- "Young person supported by structured routine and his independence is promoted in line with his abilities".
- "When you enter the home, it couldn't be clearer that the child lives there. All of their personalised items are around the home which include all of their interests and hobbies. The child's sensory needs are met...The staff have undergone training to ensure that they able to fully understand the child's needs".

All of the children's journeys demonstrated good evidence of involving the child/young person and/or their family in planning for their current placement and capturing their views, wishes and feelings and future planning. However, this may not be reflected in a young person's experience.

"Paperwork wise, it was probably put down that I was [involved in decisions], but at the end of the day a choice isn't when someone gives you two options and makes you pick. That's not a choice. A choice is where you're actively involved in making that decision and that just doesn't occur."

Will, Expert by Experience

Based on a similar activity detailed in the Collaborative commissioning, creative support report (Coady & Norwood 2022) the journeys of 12 children and young people with a combination of autism, learning disabilities and social, emotional and mental health (SEMH) needs in London were also mapped. Similarly to the findings from this project they demonstrate a series of missed opportunities to intervene early despite all children having had historical engagement from social care. Six of the young people were looked after with four of those having experience of multiple placement changes, with the reason stated as escalation of needs and behaviours that challenge.

About the settings

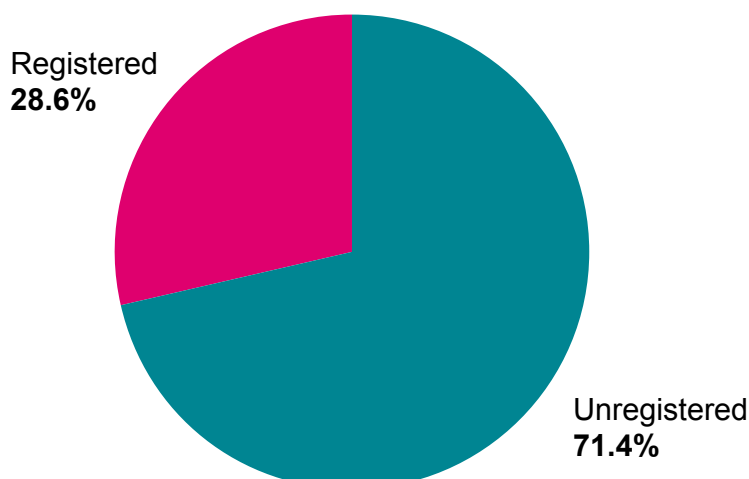
All of the children were living in private sector accommodation but only 29 per cent (n = 2) were in registered homes, with the remainder in unregistered accommodation. The placements were located on average 54 miles from the child's family home but with a range from 12 to 120 miles. It was expected that all but one of the placements would be long-term for the child, yet 71 per cent (n = 5) of them had been made as emergency placements and the same proportion had been spot purchased. The average weekly cost of placement was £17,337 or annually £901,501. The range was from £12,450 to £23,362 per week. Interestingly, 57 per cent (n = 4) had never been provided with a breakdown of cost for the child's current placement by the provider.

Placement cost per week

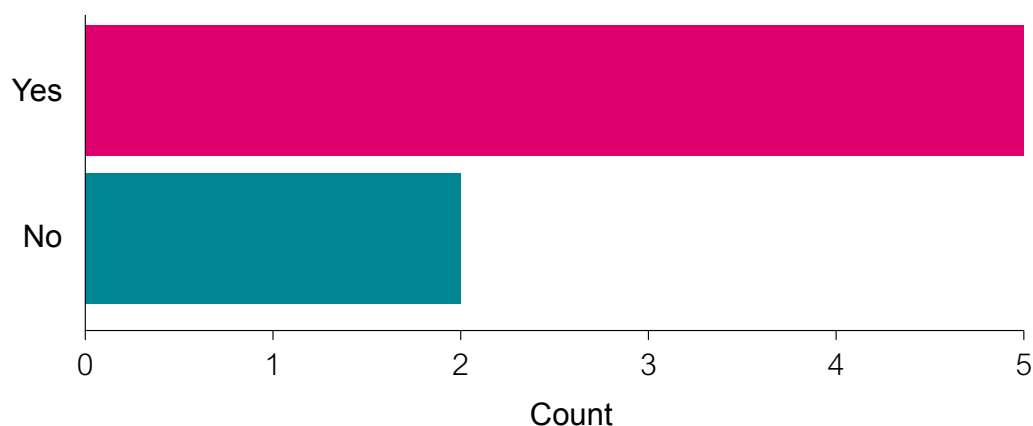


The majority 57 per cent (n = 4) told us that at the time of decision making about the placement, no other options were available for this child. For the remaining 43 per cent, two had one other option and only one had multiple other options. For the 43 per cent (n = 3) with other options at the time of placing, one had a lower cost option available but this was significantly further from the family home so was discounted, one had none available at a lower cost, and one did not confirm costs with other placements as they didn't feel these were suitable matches for the young person.

Placement registration status



Emergency or crisis placement



There was limited data from the children's journeys on the involvement of health partners in placement decisions however three local authorities responding to the pathway and decision mapping tool suggested that CAMHs and other relevant health colleagues were involved in placement planning and decision making. This appeared to relate more to financial decisions rather than engagement in the process of identifying placements or quality assuring decisions as to whether they might meet need.

“Where a child has an identified health need, a request will be made to health to fund a part of the child’s fees (usually a third)”

Local Authority, Decision Mapping Tool

Understanding quality of provision

Based on the pathway and decision mapping tools, Ofsted ratings were identified as one of the main ways of understanding the quality of a provision, particularly where that provision was not part of a commissioning framework and was being spot-purchased. Ongoing monitoring of the quality of placements varied significantly across the local authorities with some relying on social worker visits to individual children and one identifying the capacity challenge of having no formal quality assurance team in place. It was clear from interviews with young people that ongoing mechanisms to monitor the quality of the care they were receiving were limited and they felt it was their responsibility to report their concerns to people but with changing social workers and instability in the workforce within the homes themselves they did not always know who to tell or who they could trust to do something about it.

“It was reported because I ended up going to a higher person... [We didn’t have a stable] home manager...and all their words were to me was, ‘well, you both live there. You’ll have to learn to get along’. Which I think is disgusting because if a neighbour was on their street with their kids and was being aggressive, they’d want something doing about it. They wouldn’t just learn to get along.”

Reece, Expert by Experience

One young person also described providers being a certain way when social workers were there and changing when they left.

“I couldn’t have the TV on. At the first [placement], it was all for show, you know, nice big TV. But you couldn’t use the TV because the woman that lived there, that was her TV, [only] she could watch it.”

Expert by Experience

One local authority identified that the process is reactive to issues rather than proactive in monitoring for quality. Another local authority suggested that an area for improvement would be to ensure provider visits take place pre-placement. However, where this is working well, robust processes are in place including the use of monitoring toolkits such as Valuing Care, quarterly and monthly performance returns and provider meetings; end of placement reports from children’s social care; and regulation 44 reports. One response to the pathway and decision mapping tool also mentioned that ‘stability meetings’ regularly take place and include input and feedback from children’s social care.

Children and young people have much higher expectations for what quality means to them and how local authorities and other responsible partners at both local and national level should monitor it:

“The Ofsted inspector should not be sat in an office for two days on their computer reading documents and talking to staff and having a 10-minute interview with each young person. It should be the other way around.”

Will, Expert by experience

Similarly, through our previous work with Young NCB we explored the types of things they would look for if they were inspectors in terms of what a home should look and feel like which included:

- feeling safe
- to live without being judged
- feeling able to speak about experiences
- being able to retreat and have a choice between your own space and shared space
- to feel like it's yours if you are living alone, or that it belongs to the group if you are living with others.

Staff having high aspirations for children and young people was also highlighted as a repeated challenge for the young people we interviewed.

“The first social worker I had, the first ever meeting I had with him, he asked me what do I want to do in life? What are my future aspirations and things like that? And I said, hmm, I’m not sure at the moment, but potentially maybe go to medical school, become a scientist in some way or another. And he started laughing at me... [In care] your life becomes a constant challenge of proving people wrong.”

Amir, Expert by Experience

Hypotheses

Lack of sufficiency

Through interviews with local authorities and stakeholders, and roundtables with providers, we learned that there has been a huge increase in providers to the market in recent years. However, providers are either directly catering towards solo placements or placements with smaller providers end up being ‘blocked’ out by local authorities for single young people with complex needs in order to stabilise the placement, which means that demand can outpace supply. New entrants to the market or existing providers do not always have the specialist skills or specific training to meet the needs of children with the most complex needs. This is further exacerbated by insufficient foster carers, particularly of a specialist nature. This was not purely a sufficiency issue but sometimes related to the poor utilisation of available services. Through the Pathway and Decision Mapping tool, local authority commissioners told us that lack of foster placements meant that children who should be placed with families ended up in residential placements, which in turn exacerbated the issue of sufficiency of children’s homes.

“It’s a lack of available places where we need them. I have lost track of the number of searches we’ve had to do that we want a foster placement and can’t get it. We end up having to escalate to residential, we end up placing a young person that doesn’t need it in a residential placement. Then suddenly when the residential placement is needed for someone else, we are now lacking options.”

Interview with LA in the Midlands

“The carers were absolutely amazing, you couldn’t have asked for better carers, but looking at it from the local authority’s perspective, it was more of a, ‘this is the only place we’ve got’, even though it was like two and a half hours down the road, it was out of my catchment area. It seemed like they didn’t really care. I had no one up there. They were just like ‘you’re 10 years old. You’re fine.’”

Reece, Expert by Experience

This then led to a lack of spaces for children and young people who did have a high level of needs. Having to find emergency placements was something which influenced the availability of placements for these children. Whilst local authority commissioners rated their efficacy around matching needs to the skills of practitioners in placements as well as to other young people in settings at 3.2 out of 5 with a range of 2 (n=1) to 4 (n=2), commissioners told us that this was a challenge for many of them due to sufficiency issues. For young people this is a critically important aspect of decisions around placements.

“In my last children’s home, we were matched with both the young people and the staff. No residential support worker would get hired unless we said that we wanted them. If we said we didn’t want them, they weren’t hired. That was a rule.”

Will, Expert by Experience

“They don’t match very well... They cause a lot of trauma and then that might like, you know, upset someone that might bring some flashbacks of them about, you know, the way they’ve been treated in the past.”

Expert by Experience

Interviews and roundtables with stakeholders highlighted another issue: prioritising 'Family First' approaches often leads to children with complex needs being placed in foster care initially. These placements frequently break down, causing children's needs to escalate until they end up in residential care. A key theme was the importance of not treating residential care as a last resort, as sequential placement approaches can cause unnecessary delays for these children.

“Why aren't we using residential care as a first placement for some children? All the evidence is there that for some children, it's absolutely what we should be doing. Some children can't cope in a family setting.”

Interview with stakeholder

“I think a foster placement's very, it's very intense [...] You kind of live with that family, that family kind of becomes your family.

And when that breaks down, it'll be very traumatic [...] One way we can mitigate the trauma of those placement breakdowns is by putting young people into children's homes rather [than] back into foster care because a breakdown of a foster place, it's a lot more traumatic than the breakdown of a children's home placement.”

Will, Expert by Experience

The number of new children's homes in England continues to rise across all regions. On 31 March 2024, there were just under 3,500, up from 3,100 the previous year. Ofsted told us that by the end of March 2025 this is likely to be up to around 4,000, but that the conversation about sufficiency was complicated because there weren't always the right resources in the right places. They referred to an unintended consequence of the discussion of high profits in the sector being reported in the media as enticing new providers attracted by the idea of high profit margins into opening children's homes, but these new providers lacked the right set of skills, knowledge or experience the sector needed.

Local authority commissioners rated the extent to which there was a wide availability of options when identifying and planning placements for a child or young person as 2 out of 5. All commissioners reported this being an issue. One local authority described a situation where there were 140 placements in children's homes in their county but only 34 per cent of these were occupied by local children. The remainder were occupied by out-of-area children, though some of these placements were not available at all, due to staffing recruitment issues and others were blocked by the provider because of the complexity of need of the occupying child.

This lack of sufficiency was seen as a key driver for the issue of high-cost placements and the rising prevalence, but we found that this issue was more complex than there simply not being enough placements. Stakeholders, local authorities and providers alike agreed there had been an influx into the market but that there was not a sufficiency of skills to meet the needs of complex cohorts of young people. It was intertwined with the national shortage of foster care placements and the growing trend of smaller providers and the practice of 'bed blocking'. More specialist and clinically led children's homes are needed that are based on therapeutic communities in addition to tackling the foster care shortage.

Further to this, a lack of beds in secure accommodation has the impact of potentially leading to an increase in Deprivation of Liberty Orders for young people who are placed in inappropriate accommodation which has the danger of leading to further placement breakdown and escalation of need (Rome 2020).

Overall, we found that this hypothesis was supported by our research and that it was a driver of many of the other hypotheses.

High profit margins

What emerged from discussions around high profit margins was the need to distinguish between profit and profiteering. Stakeholders and providers alike pointed out that an organisation operating at profit was not inherently bad and could be run by skilled professionals with good intentions providing good quality services.

Local authorities described an escalation in cost in recent years which was not always directly attributable to need and a failure by providers to always provide cost breakdowns. Many felt powerless to negotiate on cost despite collaborative commissioning efforts.

“Is a profit-making company purely and simply a private company? I’ve known people who were social workers... visiting children’s homes and thinking, ‘I could do better than this’, and they’ve mortgaged their house to set up a service. They’re for profit, because they’re not a charity.”

Provider roundtable

There was some disagreement between local authorities and providers as to the extent to which profiteering was rife and whether the market operated with an “exploitative” business model. It was acknowledged by stakeholders that the current system did allow for some profit-driven providers to exploit the market. Stakeholders suggested that high profit isn't always correlated with high cost. It is needed, instead, to understand the relationship between quality and outcomes and the cost of the placement, as high cost doesn't occur in isolation to these other factors. Procurement processes which could be bureaucratic, favoured larger providers who could operate at economies of scale and so offer lower prices for their services despite having higher profits. Procurement processes which could be bureaucratic, favoured larger providers who could operate at economies of scale and so offer lower prices for their services despite having higher

profits. Collaboration and coproduction of tender documents between local authorities and providers could address some of these disparities.

“Higher cost of services doesn’t necessarily mean higher profits for an organisation. For example, a private equity firm financing a large provider may be lower cost to the local authority but it’s operating an economy of scale and so making larger profits than a small provider run by a charity.”

Interview with stakeholder

Supporters and critics of profit caps were not necessarily found in obvious places. For example, some providers were in favour of a cap as a means of standardising support and helping to ensure consistent quality. However, one local authority wondered whether a profit cap would just mean that profits are hidden through other means or investments.

Breaking down the cost components was felt to be necessary to understand the high cost of placements. Sometimes this led to seeing that the placement was good value for money, which can be triangulated with the data from the children’s journeys in which all of those completing them felt they met the needs of the child or young person. However, some local authorities reported never being provided with cost breakdowns or being charged high costs for services such as broadband.

“There’s no question that there’s wiggle room for profiteering around bespoke packages, you see it and you hear it. Some of the fees that are getting charged are unjustifiable”.

Provider roundtable

“I don’t think the first one was worth the money. In a way, I don’t think any of them were, because when you find out how much they’re costing for you to be there and how much they’re paying the company for you to be there and the companies aren’t even doing the hours, it doesn’t seem worth it.”

Expert by Experience

Lots of stakeholders agreed that often greater profits emerged from the practice of ‘bed-blocking’ as a means of addressing a crisis. Whereby, the local authority buys out an entire four or five bed children’s home for one child.

From the evidence from our Pathway and Decision Mapping tool, several local authorities told us they currently use, or plan to use tools, such as Care Cubed to evaluate value for money. However, at least two local authorities reported not using any specific tools and relying on individual opinions. One local authority spoke of the benefits of the Children’s Cross Regional Arrangements Group (CCRAG) as a means of negotiating fees with support from other local authority partners.

This hypothesis was not fully supported by our research. Stakeholders cautioned the need to distinguish between profit and profiteering and that high profit margins were not always directly linked to high costs. Some of the highest quality and most specialist placements were the highest cost with little profit and some of the cheaper placements offered by larger providers could yield high profits for companies because of economies of scale. There was a fear that media amplification of the issues of providers with high profit margins had flooded the market with lots of new providers hoping to exploit this. They had neither the skills nor experience to handle complex cases and so did not address the lack of sufficiency. This also had the danger of slowing down the registration process for new homes from experienced providers. There was a lack of awareness of the existence of Ofsted's fast track registration scheme, for use in specific and limited circumstances, but this didn't address longer-term need.

Increasing complexity of need

There was widespread consensus amongst those we spoke to in the interviews and roundtables about the increasing complexity of need in this cohort of young people. This rise in complexity of need occurred with the backdrop of COVID-19 and the years of austerity. Stakeholders pointed to the importance of early intervention to address this. This just wasn't happening at an early enough stage and children were coming into care later and at a greater point in crisis than ever before. Missed opportunities for early intervention included inclusive and flexible education to support children with SEND and personalised care for children.

“Young people are coming into the system much later in mental health crisis. They'd previously have been dealt with in Young Offender units. We need Sure Start back!”

Stakeholder roundtable

“I sometimes hear about some of these children [who have] ... just come to the attention of social care, and I think they must have been in somebody else's eyeline at some point...you just think there's been missed opportunities all the way through here.”

Interview with Stakeholder

Local authorities described an escalation in violence, aggression and behaviour that challenged, in addition to weapons being brought into homes, meaning that young people were perceived not to be able to be alongside others in a standard Ofsted registered children's home due to their care plan.

Finding foster placements for disabled children was widely agreed to be more difficult, regardless of whether it was a medical need or where the disability led to behaviour that challenges. Complex autism was mentioned as being on the rise by a number of different stakeholders and local authorities, coupled with staff without the right training to be able to meet these needs.

“The levels of violent behaviour that comes with that is really our key issue, so, homes will really struggle in managing behaviour in those circumstances and that really is the key driver with regards to why children’s placements break down and then... one placement breaks down because of those types of reasons, the next placement is more expensive, etc. So, I think... that increase in complexity has really driven some of those high costs.”

Interview with Local Authority in North of England

“Health don’t recognise their role within the need for placement. We have children, young people that go into residential placement with complex disabilities. They sit as a social care need. It lacks any understanding about the reality that this child has a disability, has a complex health need and they might not meet Children’s Continuing Care level of intervention or the criteria on that. But without the disability, they are unlikely to have required a residential placement, because this has come from carer fatigue, or from placement breakdown as a result of that disability.”

Interview with Local Authority in the Midlands

Specialist workforce training was widely viewed as essential to prevent escalation of need, the need for higher staffing levels and to avoid placement breakdown. Specialist providers told us that their clinically led approach meant they were positioned as complex care providers but there were not enough of these types of providers using such evidence-based models. One specialist provider talked about the importance of short-term high dependency homes which provide the conditions for young people to then be ‘stepped-down’ into ordinary care after this initial stay. This was also reflected in the repeated need to look at alternatives to sequential sourcing of placements with a primacy given to family-based care first. Stakeholders stated the importance of looking at the needs of the child and determining if residential settings might be appropriate in the first instance. Residential care should be viewed as a valued intervention and not a destination.

We found overwhelming support for the hypothesis that increasing complexity of need was linked to high-cost placements.

The context of the COVID-19 pandemic and years of austerity was pointed to as driving further complexity of need and missed opportunities for intervention with families.

The average age of the children described in the journeys by social workers was 15 and so they would have been impacted by COVID-19 lockdowns between the ages of 10 and 12, a key point of development and the average age that they came into care, aged 11, would have been right in the middle of this age range, and this context.

The 2023 Children's Homes Association 'State of the Sector' survey described providers reporting "increasing acuity and complexity of needs and associated behaviours" such as "criminal and sexual exploitation, trauma and adverse childhood experience related challenging behaviours, gender identity related issues, mental health, violence and self-harm issues, suicidal ideation, undiagnosed Autistic Spectrum disorders, emotional and behavioural difficulties, children subject to Deprivation of Liberty Orders, learning difficulties, ADHD, PTSD and other disabilities, and an increased number of girls being referred" (Revolution Consulting 2023:14). This complexity of need was directly attributed to 'bed-blocking' if multi-occupancy homes are used, thereby increasing the issue of a lack of sufficiency.

One of the key challenges in relation to increasing complexity of need is ensuring that the workforce is appropriately trained with the right skills to match this need. Insufficient clinically led models of care in homes can exacerbate this issue. Social workers and commissioners should think about the sequencing of when residential homes are offered for particular children and push back against a Family First approach for children and young people where this is inappropriate to ensure that needs don't escalate from young people being moved from placement to placement that aren't suitable for them. Children's homes should not be viewed as a last resort but as a valid first option, or as a means of meeting complex needs for a time before stepping down into foster care or reunification. Work is also needed to give the fostering sector confidence that there are children in residential homes who are ready to be moved to a family setting.

If increasing complexity of needs is driving high cost, it is important to explore what is driving this increasing complexity of need. Stakeholders pointed to a vital need for early intervention to be embedded in systems so as not to miss opportunities to intervene or prevent escalation of need. Early intervention is absolutely key in addressing increasing complexity of need. Interventions to identify a child's needs at an earlier stage could prevent entry into care in the first place or placement breakdown for children already in care. Some local authorities, such as Hertfordshire are using 'invest to save' approaches to family safeguarding initiatives to increase the prospects of reunification or placement stability for children and young people with complex needs.

Ban on unregulated provision for under 16s

There seemed to be some unintended consequences of the ban on unregulated provision for under 16s such as 16- and 17-year-olds being moved into supported accommodation when it wasn't necessarily the right fit for them in order to free up spaces for under 16s.

“The ban on under 16s...has driven some [older] children to supported accommodation, which is often unsuitable for their needs. There have been challenges for Ofsted around managing the volume of supported accommodation applications.”

Interview with Stakeholder

Concerns were raised by stakeholders that now that supported accommodation was part of a regulated sector, commissioners may have more confidence in placing young people in this “less expensive option”, despite that meaning that providers could be unlawfully operating as an unregistered children’s home. This could lead some providers to take advantage, similar to the issues seen in the influx of providers to the market attracted by the notion of high profits. Stakeholders debated about the binary view of “registered good, unregistered bad” being problematic.

“Until we have a registered sector that is flexible enough to meet all need, there is no point at all in having a conversation about registered good, unregistered bad, because they can both be bad and they can both be good.”

“Unregistered should not exist, but it exists because the registered sector and the regulatory framework that sits around the registered sector cannot meet need.”

Stakeholder roundtable

There seemed to be some misunderstanding from providers and practitioners in relation to the regulatory framework, but it was generally agreed by stakeholders and providers that the regulation of supported accommodation was driving up standards. Providers felt that the new regulations and registration requirements had created a regulatory bottleneck which caused a backlog. Ofsted clarified that different teams dealt with supported accommodation and children’s homes registrations so this should not cause issues. However, they did describe a huge volume of applications from providers, which could cause some delays.

We didn’t find this hypothesis to be supported by our conversations with stakeholders and providers, though there were concerns about 16–17-year-olds with complex needs being moved into supported accommodation to make space for under 16s in registered children’s homes. It is noteworthy, however, that 71 per cent (n=5) of the placements from the young people’s journeys were unregistered. These high costs could in part be due to the risks associated with being an unregistered home. It was widely agreed that supported accommodation was not suitable for young people with complex needs and this could leave them isolated and at risk of escalation.

Stakeholders were generally supportive of the changes to legislation and did not view them as a driver of high-cost placements. However, there is more research needed to understand the underlying issue of supported accommodation providers being asked to support young people with more complex needs which is driving the issue of children and young people being placed inappropriately and leading to supported accommodation providers operating as unregistered children's homes.

Commissioning practice

Local authorities told us they often felt powerless against providers and that commissioning frameworks or block contracts were not always successful. Their view was that a lack of sufficiency of placements meant that providers had the power to charge whatever prices they wanted.

“We’re part of [a regional] framework...with four local authorities where we...have a collaborative framework, but that framework really doesn’t work for us. I think we’ve probably got about 35 per cent of our residential placements on that framework. The rest of this is spot purchased.”

Interview with local authority

Stakeholders agreed that different contracts for fostering and residential placements forced both commissioners and social workers to make decisions in a similar way: for example, focusing on one and then another in a sequential approach, rather than focusing on the child's needs in a holistic way. Evidence of when commissioning worked well included when local authorities collaborated regionally and took part in information sharing.

“We have regional price uplift processes, so providers aren’t pitching us all against each other. When it comes to the annual price uplift request process, most providers engaged with that, there’s only one or two that put their foot down.”

Interview with local authority in the midlands

Multiple stakeholders, providers and local authorities stressed the importance of relational commissioning. Strong relationships with open communication channels between local authorities and providers were seen to be key to address the current challenges.

“Relational commissioning is really, really important because it is the thing that from my perspective that just really makes a difference.”

Interview with local authority in the North

“Children fare best when the adults in their lives get on with each other...if you’ve got a local authority and an independent provider...[as] Mum and Dad [and they] aren’t getting on...constantly arguing and not agreeing...the children suffer. But where you have the providers and the LA social workers being supported by their senior leaders to work together...and respecting each other...talking to each other...We really need to shift to recognising a co-parenting ethos between providers and local authorities”.

Interview with stakeholder

“I try to always link up with good quality providers, encourage them to open homes in [the local authority area]. We’ve seen an increase in residential homes over the last few years, but the numbers can’t keep up with the demand.”

Interview with local authority in the midlands

Improved commissioning and service specifications and terms and conditions could help local authorities identify and access suitable services in a more planned manner. Providers felt there were a lack of diverse specialised frameworks and tenders in the sector to better match the needs of young people in care. Better specifications could reduce the need for bespoke packages and improve value for money. Two specialist providers used existing practice standards from the External Service Standards for Therapeutic Childcare Settings from the Royal College of Psychiatrists and felt that this could be drawn on by local authorities to write into service specifications as a means of driving up standards. Providers suggested that a provider liaison role in a local authority could be an important way to broker these relationships in addition to really robust service specifications and block contracts.

“There needs to be a mixed economy of services, with local authorities providing some services and others being sub-regional or national.”

Provider roundtable

The lack of a national residential care strategy in England and a fundamental lack of clarity around the purpose of residential care was cited by one stakeholder as a key issue. This lack of clarity makes decision making for local authorities more complex and can lead to difficult decisions being made such as placing children with Deprivation of Liberty Orders in supported accommodation, which is not in the best interests of the child. Better planning and decision making is needed to avoid placing these young people in unsuitable accommodation, however the best decision making in the world cannot produce suitable homes if there are none. Sufficiency in the right

types of homes is a major driver of this. Another stakeholder suggested that local authority commissioners needed better training and professional development when working with high-cost placements and children with particularly complex needs. Commissioners need support to understand what is required in a therapeutic model so that effective conversations about cost can then be taken forward.

There were a range of commissioning and procurement approaches mentioned in the Pathway and Decision Mapping tools (n = 6) but most local authorities mentioned some form of block contracts or using frameworks to commission placements from trusted providers. Half of the local authorities mentioned initially looking for in-house or local provision for all forms of care before searching elsewhere. Some local authorities relied on local arrangements and strategic partnerships. Commissioners rated their efficacy of approaches to commissioning and procurement of planned placements as 3.8 out of 5 on average, with a range from 2 (n=1) to 5 (n=2).

Commissioners mentioned challenging cost where appropriate and the need to benchmark costs across the sector. Some local authorities used tools such as Care Cubed to calculate the value of placements. Others who primarily used block contracts reported that this negated the need for negotiation. Factors impacting negotiation included levels of support for the child or young person, risk, whether the initial cost was considered high, and market knowledge.

Commissioning practice emerged from our research as a key driver of high-cost placements. Our interviews with local authorities and the completed pathway and decision mapping tools painted a picture of a challenging environment because of a lack of options, with local authorities feeling they had to take whatever was offered by providers at whatever price because of a scarcity of placements and fear that another local authority would snap it up if they tried to negotiate. This lack of sufficiency informed how local authorities approached their commissioning. An over-reliance on spot purchasing and regional commissioning frameworks not helping local authorities to communicate needs to the market is reflected in other research (Rome 2020). When commissioning worked well, it was when local authorities worked together rather than in siloes and built strong relationships with providers, not just limited to commissioners, but involving senior leadership.

Commissioning practice appeared to be led by scarcity rather than being informed by children and young people's needs and this led to fear in the system which had the effect of driving up prices. More systematic and collaborative commissioning practices, coupled with some regional or national commissioning could address this issue, alongside increased commitment from central government towards a national strategy in commissioning, developed by those with direct experience of the sector.

Emergency placements

Stakeholders spoke about the need to distinguish between emergency placements as a temporary solution to crisis and those which ended up being long-term. It was striking that 71 per cent of the children's journeys had been made as emergency placements but all but one of them were viewed as being long-term solutions until the young person transitioned into adult services. Stakeholders spoke about the need for local authorities to have some flexibility to temporarily place young people in unregistered placements during crises, but a child living in such a placement for more than 6 months or a year was a very different situation and ideally there would be a legal means of distinguishing between the two.

Emergency placements, made in the absence of suitable planned placements, were viewed as leading to further trauma and placement instability for the young people.

“I mean moving to your first children’s home is one of the most traumatic experiences that can occur when you’re sat in that room, that first night and you are scared to even leave your bedroom door to go to the toilet or go down to the kitchen to get a glass of water. It’s one of the most terrifying things that you can experience.”

Will, Expert by Experience

There was a sense that the system is often “crisis-driven” rather than focused on proactive, planned support. Stakeholders felt that a lack of the right type of placements, commissioning practices and complexity of need all fed into the reliance on emergency, spot-purchased placements.

“There was an individual that was not actually matched at all into the placement. That was an emergency placement in there that really didn’t work well for the dynamic of the home.”

Will, Expert by Experience

One provider explained that 90 per cent of their placements were emergencies as they are specifically structured as an organisation which will accept these and that was a business decision.

Emergency placements were seen to be another symptom of the primacy given to the Family First approach and the sequential sourcing process for placements because of the duration of time it took to source a family-based foster care placement for a child where that wasn't appropriate.

“You’re almost creating your own emergency placement because you’re taking so long...because you’re doing that sequential process.”

Interview with stakeholder

“No providers wanted to provide an emergency placement, even though it is the right type of care. So that meant that the child has had to go to a type of care that’s not appropriate for them”.

Interview with stakeholder

Responses from the Pathway and Decision Mapping tool reported the same process for emergency placements as for planned placement. Two local authorities mentioned having specific contracts with local providers for emergency beds. Strong relationships were also mentioned as important here and ‘normal’ processes often followed up with phone calls to providers directly. Self-rated efficacy of commissioning and procurement of emergency placements by local authority commissioners was on average 3.2 out of 5 with a range from 1 (n=1) to 5 (n=1). The local authority commissioner who rated their local authority as a 1 stated, “we always find an emergency placement when needed but it doesn’t always best meet the child’s needs”. This was also reflected in feedback from young people and experts by experience.

“It was a rush placement, an emergency placement. There was no match process at all. And then the staff that were there didn’t really understand the struggles behind young people who’ve gone through a traumatic process, change of placement.”

Will, Expert by Experience

Emergency placements seemed to be a symptom of other issues driving high-cost placements rather than its own driver. For example, emergency placements occurred as a result of increasing complexity of needs or commissioning practice. Certainly, emergency placements could often mean high-cost placements, but they didn’t appear to be a driver of these in their own right. It was striking that some providers had chosen to predominantly accept emergency placements as a business decision, therefore providing some indication of the profits which could potentially be associated with these.

Changes to the market

Local authorities told us they had seen a vast increase in costs since the COVID-19 pandemic and what would have been considered a high-cost placement a few years ago is now considered average.

“Just a few years ago, £5.5k would have definitely been considered a high-cost placement. That’s not far above our average nowadays, post-COVID, it’s skyrocketed. 2021 was when we saw a real push”.

Interview with local authority in the midlands

“There’s definitely been something about the impact that COVID had retrospectively. Ironically, not so much during the pandemic, but definitely as we came out of the pandemic. There was a very visible uptick in terms of cost, largely driven by children going into residential placements.”

Interview with local authority in the northwest

Providers spoke to us about the impact COVID-19 had had on recruitment in the sector which changed people’s perceptions of work-life balance with a preference for flexible working, something which can be challenging when working in residential settings. This was exacerbated by the public perception of a decrease in the value of social care, including residential care work, as a career. Stakeholders and providers felt that children’s social care needs to be promoted as a viable and attractive vocational career. The crisis in foster care recruitment which has been particularly marked since the COVID-19 pandemic also influences the stretched capacity of the residential care sector.

“Post Covid recruitment of staff has been very, very difficult... People see alternatives these days. I think it’s not as appealing, partly because it’s hard work it’s, you know...It doesn’t feel very publicly valued either...the public are really suspicious and sceptical of a lot of the work that people do. So it’s a bit of a thankless task all round.”

Provider roundtable

Staffing changes, particularly at a senior level, can also have a significant impact on the experiences of young people.

“When one manager was coming in, they ran the home one way, and then when another one came in, [everything they’d said was] up in the air...and the rules [changed] because they thought ‘because I’m a manager, I can do what I want’. ... It did put strain on relationships with [young people] because they were saying, ‘we’ve been told we can do this’, but then the next week or next two weeks, the new managers come in and said ‘no, that’s not allowed’... So it caused a lot of stir. And then it was just like an unsettled placement.”

Reece, Expert by Experience

“We had quite a few, probably two or three in one year. Different managers come and go. That obviously creates this instability in terms of the leadership, therefore the staff tend to become their own managers in a way that there was no oversight, so they could do whatever they like: bad or good.”

Amir, Expert by Experience

Ofsted referred to the significant increase in applications for registrations of children’s homes, but the volume of supported accommodation applications is even higher. They described the challenge in spotting solo placements as homes may not set out to register for just one child, but they end up with one child with complex needs and a local authority pays for all three or four places. This can lead to a worrying future impact on a child who is living for a long time in a solo placement who is not being equipped for adult life in that environment.

Several stakeholders and providers remarked on the broader changes in society in recent years, such as COVID-19 and the context of austerity, which were reflected in changes to the market, and which subsequently influenced the prevalence of high-cost placements. These included workforce recruitment and retention challenges and increased complexity of need because of a lack of early intervention.

Changes to the market alone were not a driver of high-cost placements, according to our findings, though market changes interlinked with issues in commissioning, emergency placements and complexity of need. Providers and stakeholders talked about the capabilities of larger providers to produce economies of scale and therefore to drive down prices. This meant that smaller, more specialist or internal providers were sometimes more costly. Local authorities described drastic changes in what was considered high cost five years ago to now.

Provider approach to/perception of risk

There appeared to be misconceptions about Ofsted's aversion to risk from local authorities, providers and stakeholders. Local authorities and stakeholders felt there was fear in the system around providers taking on children who may be at risk of going missing or have additional complexities because of fear of being penalised by Ofsted. Similarly, Coady, Parish & Norwood found that "providers are less inclined to take on young people with more complex needs, including those with deprivations of liberties, as they are unsure whether their behaviour may impact on their Ofsted rating" (2022:19). Ofsted have published an update (Ofsted 2025) to their inspection framework promoting being risk aware rather than risk averse. This includes recognising providers for managing and taking risks on children with complex needs. Ofsted have continuously stressed the importance of providers taking on and addressing the needs of children with complex needs (Stanley 2022; Stanley & Jones 2023; Stanley & Churchill 2024).

Providers told us that they wanted transparency from local authorities about a young person's needs so they could accurately put together the right package of support. If local authorities underplay the risks, then the placement is more likely to breakdown. In contrast, they spoke about social workers specifying a need for a solo placement for young people in a referral or stating that they can't be placed with other children. Providers felt that giving more detailed information and placing greater trust in providers would allow them to identify ways to make it safer with other children instead of isolating them. This in turn might reduce some of the costs of placements as well as creating opportunities for young people to have a peer group.

“Staff resource is the highest part of the cost...2:1, 3:1, 4:1 staffing without any real governance in terms of... understanding and responding to this young person's needs from an evidence-based perspective. So yeah, that might be keeping things safe but is it managing the risk?”

Provider roundtable

Our findings neither confirmed or disproved the hypothesis that provider approach to risk was a driver of high-cost placements however children being placed in settings that are not designed to meet their needs or providers not taking children due to concerns will continue to have an impact on sufficiency and availability of appropriate placements.

Good practice

Seeking out examples of good practice was not within the scope of this research, but we came across some good practice along the course of our user engagement which we felt would be useful to situate with our findings.

The Children's Cross Regional Arrangements Group (CCRAG) is a collaborative initiative aimed at improving the efficiency and outcomes for placements of children in care. Multiple local authorities make up CCRAG and work collaboratively to share resources, monitor placements and negotiate fees to reduce costs. This regional approach helps to streamline processes and avoid duplication of efforts, ultimately leading to more cost-effective placements. By pooling resources and expertise, local authorities can better manage the demand for placements and negotiate more favourable terms with providers. This collaborative effort also allows for better monitoring and quality assurance, ensuring that children receive appropriate care without high costs. It is hosted by Hertfordshire but made up of local authorities in the South of England. The CCRAG template for reviewing fees was coproduced with providers making this a very useable document for a range of stakeholders.

Somerset's 'Homes and Horizons' initiative is a strategic partnership aimed at providing high-quality, cost-effective placements for children in care. It creates local, stable placements for children, reducing the reliance on expensive out-of-county and unregistered placements. By developing a network of homes within the county, Somerset ensures that children can stay closer to their communities.

Hertfordshire Family Safeguarding for Children in Care is a programme delivered in Hertfordshire which supports the reunification for children in care through five pilot projects. One of the pilots, Building Bridges, aimed to reunify children and young people with complex needs currently in high-cost placements. It exceeded its target for reunification in 2023/2024 by more than 100 per cent with 12 young people from high-cost placements returning home with care orders discharged or soon to be discharged, and another 10 children from regular placements returned home to families. This was achieved through intensive wrap-around support including multi-disciplinary teams including social workers, domestic abuse specialists, mental health practitioners and substance misuse experts; motivational interviewing; integrated case management and a focus on supporting parents with issues with the use of a dedicated Life Coach.

Recommendations

It should be noted that these are the recommendations of the report authors, and do not necessarily reflect the views of the Local Government Association.

The young people we interviewed reviewed some of the recommendations with a particular focus on those relating to provision and workforce. They all felt that the workforce recommendations set out below are critical to improving outcomes for young people and that increasing funding for preventative services is important in addressing the rising complexity of needs.

In order to address the drivers of high-cost placements and their prevalence, the report authors suggest the following recommendations are taken forward:

- **Consider a national strategy:** There is a need to provide clarity around the purpose of the range of placement options for children in care in England and the roles and responsibilities across agencies, including care, health and education. A national strategy could be one way of achieving this and help improve decision-making by local authorities and ensure that children with complex needs are placed in appropriate settings, both fostering and residential.

Commissioning practices

- **Collaborative commissioning:** Local authorities should work together regionally or sub-regionally to share resources, negotiate better terms with providers, and ensure a wider availability of suitable placements building on learning from the Regional Care Cooperative (RCC) pilots. This can help drive down costs, improve the availability of suitable placements, and improve the quality of care for children with complex needs.
- **Mixed economy model:** Commissioning should encompass a mixed economy model with different levels of provision at local, regional and national, to address the varying levels of complexity and need, for example local authorities delivering some services themselves as they are rooted in the community, but as the tariff of complexity increases, commissioning should be sub-regional, regional or national.
 - Develop regional oversight for location of provision, for example via Regional Care Cooperatives, to control the location of where children's homes operate and bring balance back into the system

- Promote understanding of the specific and limited circumstances of Ofsted's existing fast-track registration scheme.
- **Service specifications and block contracts:** Develop robust service specifications, terms and conditions and block contracts to help local authorities identify and access suitable services in a more planned manner. This can reduce the need for bespoke packages and improve value for money.
 - Explore creative commissioning opportunities such as double funding placements or 'soft blocks' with foster carers and residential placements to transition young people from residential back to foster care where appropriate.
 - Local authorities should model service specifications on existing External Service Standards for Therapeutic Childcare Settings from the Royal College of Psychiatrists to ensure high quality services for children and young people with complex needs
- **Relational commissioning:** Foster strong relationships between local authorities and providers. Open communication channels and mutual respect can lead to better outcomes for children and more effective use of resources. Senior leadership in children's services should engage in provider events and conversations alongside commissioners to have a clear understanding of the challenges and opportunities in the sector.
 - Establish a **provider liaison role** within local authorities to broker relationships with providers and ensure that service specifications are met. This role can help facilitate better communication and collaboration between local authorities and providers.
- **Enhanced monitoring and accountability:** Establish clear monitoring and accountability frameworks to ensure that high-cost placements are delivering value for money and positive outcomes for children. This could include regular reviews of breakdowns of placement costs, quality of care, and the progress of children in these placements, including a definition of value for money and an explanation of how this will be evaluated.

Planning and decision making

- **Enhanced early Identification:** Implement robust screening and assessment processes to identify children at risk of high-cost placements as early as possible. This includes regular health and developmental checks, as well as exploring more effective multi-agency engagement with the dynamic support register (DSR).
 - Provide specialist training for frontline staff, including social workers, teachers, and healthcare providers, to recognise early signs of complex needs and intervene appropriately. This can help prevent issues from escalating and reduce the need for high-cost placements.

- **Enhance data sharing and integration:** Improve data sharing and integration between different agencies and services involved in the care of children. This can help ensure that all relevant information is available to support decision-making and care planning
 - Make use of data analytics to identify trends and patterns in high-cost placements. This can help local authorities to make informed decisions about resource allocation and to develop targeted interventions for children at risk.
 - Make use of data analytics to identify trends and patterns in the early signs of complex needs. This can help local authorities to develop targeted early intervention strategies and allocate resources more effectively.
- **Improved referral and matching process:** Enhance the referral and matching process by providing more in-depth and transparent information from local authorities to providers. This can help prevent placement breakdowns and ensure that children are placed in settings that best meet their needs.
- **Step away from “Family First” as default:** ensure that residential provision is seen as a helpful intervention for some children rather than a “last resort”, with placement types chosen according to children’s needs rather than a blanket approach.

Provision

- **Integrated care models:** Invest in integrated models of care between local authorities, local providers and the NHS to provide in-depth and wraparound personalised support for children and young people with complex needs including family-sized residential homes, specialist foster carers and on-site therapeutic education services.
- **Increase funding for preventative services:** Explore the opportunity to invest in preventative services, that can help address the root causes of escalating needs leading to high-cost placements, including through the DfE prevention grant and as part of the implementation of an integrated family help service as set out in the Families First Partnership Guidance.
 - This includes early intervention programmes, family support services, and community-based initiatives to identify and address the needs of children at risk of high-cost placements.
 - Invest in community-based support services that can provide ongoing assistance to children and families. This could include support within the child’s home environment, short breaks, therapeutic services, and peer support networks to help families manage complex needs.
- **Flexible funding mechanisms:** Introduce flexible funding mechanisms that allow local authorities to allocate resources based on the specific and fluctuating needs of children.
 - This could include the ability to pool budgets across different services

(eg education, health and care) to provide tailored support packages. This could enable more effective resource allocation based on individual needs instead of having rigid budgets for different services.

- **Flexible emergency provision:** amend regulations to establish a robust approach to ensuring that, where there is no safe alternative to a child or young person being placed in an unregistered setting offered by trusted providers, due to unplanned or emergency placement, there are requirements that:
 - There is a robust multi-agency risk assessment with the provider, specific to the child and circumstances, which informs the best course of action
 - the placement has a specified time limit while a suitable long-term placement is identified
 - there are specified frequent review points to ensure quality and safety
 - there is an expectation that the setting takes steps to register within a specified time
 - Ofsted are informed of the placement within a specified time.

Workforce

- **Training and professional development:** Invest in training and professional development for local authority commissioners to enhance their skills in working with high-cost placements and children with complex needs. This can lead to more effective commissioning practices and better outcomes for children.
- **Develop specialist foster care programs:** Create specialist foster care programmes for children with complex needs, including those with disabilities, mental health issues, and histories of trauma. These programmes should provide foster carers with additional training, support, and resources to meet the specific needs of these children.
- **Specialist training for residential staff:** Develop and mandate specialist training programmes for residential staff to equip them with the skills needed to support children with complex needs, including those with neurodevelopmental disorders, mental health issues, and histories of trauma.
- **Promote trauma-informed care:** Implement trauma-informed care practices across all services working with children in care. This involves training staff to understand and respond to the effects of trauma, creating safe and supportive environments, and integrating trauma-informed approaches into care planning.
- **Invest in workforce development:** Enhance the recruitment, retention, and professional development of staff working in children's homes. This includes offering competitive salaries, providing ongoing training, and creating clear career progression pathways to ensure a skilled and stable workforce.

Research

- Further and more in-depth research needed into examples of good trauma informed matching and placing of young people.
- Further and more in-depth research needed into examples of good commissioning practice.
- Further research needed into whether the practice of 'bed-blocking' is driven by the needs of young people or the business models of certain providers
- Further research into what is driving increasing complexity of needs in this cohort of young people.
- Further research into whether there is underutilisation of therapeutic Independent Fostering Agency (IFA) providers.
- Further research into 'invest to save' measures in local authorities which explore approaches to early intervention to prevent placement breakdown or entry to care.
- Explore different local authorities' approaches to negotiating placement cost or use of tools/technology to calculate value for money.
- Examine best practice in short-term high dependency residential settings which aim to step children and young people back into foster care or back home with their families.

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Appendices

Appendix 1: Framework for exemplar children's journeys

Drivers of high cost placements

General information

- Numerical identifier
- Date
- Current age of child/young person on date of completion
- Ethnicity
- Is the child placed in in-house provision, other LA provision, private or voluntary sector?
- Is the placement registered or unregistered?
- What type of placement are they currently in? (eg residential, foster care, supported accommodation)?
- What is the current cost of the placement for this child per week/month (please specify)
- Has this cost increased or decreased since the placement started, and if so, why?
- How long has the child been in this placement?
- Is this placement the result of an emergency or crisis situation?
- What was the expected duration of this placement when it began?
- What was the actual duration of the placement (if ended)?

Identification of needs

- What are the primary reasons this child is in their current placement? Eg behavioural, medical, psychological needs
- Does the child have a Deprivation of Liberty Order (DoLO) or any other legal orders that impact the placement?
 - Were there any changes to the level of supervision specified in the application from the court order?
- Does the child have a formal physical or mental health diagnosis(es) and if so what are they?
- Does the young person have a formal diagnosis of a learning disability? If so, please detail.
- Are there any diagnosed or suspected neurodevelopmental disorders? (eg Autism, ADHD, other) If so, what?

- Has the young person experienced exploitation? If so, was it criminal, sexual, Modern Slavery?
- Has the young person been involved in county lines?
- Are there any suspected undiagnosed needs/previously unidentified needs?
- Has the young person self-harmed?
- Have they been admitted to A&E as a result of self-harm or suicide attempt? If so, how many times?
- Have they ever been admitted to tier 4 inpatient care? – under what circumstances (eg under Mental Health Act) (see additional questions below)
 - If so, how many times?
 - If so, what was average length of time?
- Has the child/young person engaged in substance misuse? If so, which substance were they misusing?
- Is there a reasonable belief they may lack capacity in relation to consenting to their care and support?
 - Was a mental capacity assessment carried out?
 - Is there evidence of Best Interest decisions?
- Are there records of A&E attendance whilst in care? Please state reason for A&E attendance.
- Records of A&E attendance prior to care? Please state reason for A&E attendance.
- If so, how many times and when?
- Is the child/young person currently in education?
- If not, how long have they been absent from education? For what reason?
- If so, have there been any previous records of absence from education?
- When, for how long, and for what reason?
- Are there any records of exclusions?
- If so at what age was the first exclusion?
- How many times has the child been excluded?
- How many schools has the child or young person attended?
- What was the child or young person's age at their first change of school?
- Do/did they have an EHCP Plan?
- If so, when was their first statutory EHC needs assessment and EHCP?
- What were the outcomes sought, and what provisions were made?
- Was there a health element and/or social care element of an EHC Plan or other form of multiagency plan - CIN, CP, CLA etc?
- If so, what was it, and was it actually delivered/happened?

Social Care Involvement and placements

- When were they first allocated a social worker?
- How many separate periods of social care involvement are there and for what length of time?
- Have they been subject to a Child in Need plan and/or Child protection plan?
- If so, under which category; (neglect; emotional; physical; or sexual abuse)?
- How long were they on the (CIN/CP) plan?
- At what age did the young person become looked after?
- By which route did the young person become looked after:
 - Voluntary arrangement – under section 20 of the CA 1989
 - Care Order
 - Emergency protection order (then potentially subject to care proceedings; interim care order/care order)
 - Police Protection order (then potentially subject to care proceedings; interim care order/care order)
 - Via a tribunal judgement
- How many previous placements has the young person have?
- What type of placement was this – family-based care, residential etc and how long did each placement last. Please list in chronological order
- What were the reasons for any placement disruptions or moves? Eg was it to address a change of need or finding a different place to do the same thing?
- How many times have they been recorded as 'missing' from care and for what length of time in each instance?
- What additional support needs have been identified that might increase the cost of this placement? Eg specialised care, additional staffing, 1:1 support
- What level of supervision did the young person have in previous placements?

Children and young people's experiences

- Is there evidence of involving the child or young person in planning for this placement?
- If so, how were their views, wishes and feelings considered and recorded?
- Has the child expressed dissatisfaction or concern about their placement?
- Is there evidence of involving the child or young person in planning for their future care needs?
- If so how are their views, wishes and feelings considered and recorded?
- How many miles from their family home is the current placement?

Support/treatment

- Are they receiving any health support/treatment, this could include:
 - A form of Positive Behaviour Support therapy or similar
 - Physical, occupational, Speech/language, sensory therapy
 - Using health commissioned short breaks
 - Specialist Support from CAMHS
 - Support from Community Learning Disability Team
 - Receiving Personal Health Budget
 - Other
 - Are they on medication?
 - Support from Dietician/Nutritionist or other diet/nutrition support?
 - Was there any Family Carer Support- including Healthy Parent Carer programme
- Does the child have access to appropriate therapeutic or support services? Eg mental health services, physical care needs, education support
- If not, why not?
- What about in previous placements?
- What level of supervision does the child/young person have in their current placement, if any? (eg 1:1, 2:1, 3:1?)

Quality of placements

- What is the Ofsted rating of the current placement?
- To what degree does it meet the child's needs?
- Do you feel the child's current placement is value for money?
- Has the LA ever used any type of care costing tool (eg Care Cubed) and if so, what was the outcome for this placement?
- To what extent have you been able to negotiate with the placement provider?
- Have you been provided with a breakdown of cost? If so, please attach it when returning this question framework.
- What reasons are attributed to the high cost of this placement? Eg staffing, mental health support, bespoke education provision, unknown.

Planning

- Are there plans for transitioning the child out of this high-cost placement?
- Is there an active plan in place for the child's future placement? Eg fostering, reunification etc
- When choosing this placement, how many other options did you have?
- Were any of these other options lower cost?
- Was the current placement spot purchased, purchased from a framework or other?

Additional questions for those placed from inpatient settings

Experience of inpatient/admissions avoidance

- Was there a discharge plan?
- Was the discharge plan followed up on?
- Were they on the Dynamic Support Register?
 - If so, what happened as a result?
- Were there any Care Education and Treatment Reviews (CETR) or Local Authority Emergency Protocol (LAEP) in advance of, or after admission?
- Was there a risk management plan?

Health Involvement while in inpatient setting

- Was the CCG, (or NHS England) contributing to the cost of the placement?
- Have any of the above health checks been carried out while they have been in the setting?
- What is the health element of the EHC Plan - is it being delivered?
- Is there any CAMHS involvement?
- Is there any involvement from learning disability autism team?
- Were they being prescribed and administered medication.
 - Any evidence this was reviewed?

Appendix 2: Pathway and Decision Mapping Tool

Date:			
Completed by (please include name, local authority and job title):	Scale of 1-5 (1 is least and 5 is most)	Brief description	Details and Examples
Procurement			
<p>What is your commissioning and procurement approach for planned placements?</p> <p>Please briefly describe and share examples from your commissioning frameworks including approaches to any spot purchasing.</p>			
<p>What is your commissioning and procurement approach for emergency placements?</p> <p>Please briefly describe and share examples from your commissioning frameworks including approaches to any spot purchasing.</p>			
<p>How effective are the approaches to commissioning and procurement of planned placements?</p> <p>Please share examples from your commissioning frameworks including approaches to any spot purchasing.</p>			
<p>How effective are the approaches to commissioning and procurement of emergency placements?</p>			
<p>How does your approach change for different types of placements, eg, children's homes/supported accommodation?</p>			
<p>What are the primary factors to consider when negotiating a placement with a provider eg, cost/risk and how do these influence provider's decisions to accept placements, and the long-term stability of the placement?</p>			

Provision			
Who is involved in placement planning and decision making across social care, education, health including CAMHS, and LA placement/commissioning teams?			
<p>What is the process for identifying an appropriate placement for a looked after child or young person?</p> <p>Please describe the factors considered in making this decision and describe how you find out this information, eg, circumstances of placement, the needs of the child (health, education, SEND), location, risk, cost of placement, quality of placement.</p>			
<p>How effective are the approaches to identifying placements including matching of the needs of the child/young person to placement skills/expertise and the needs of other young people already in placement?</p> <p>Please share examples of approaches used.</p>			
To what extent do you feel there is a wide availability of options when identifying and planning placements for a child/young person?			
Cost			
<p>How do you evaluate value for money and the cost effectiveness of placements?</p> <p>Please detail how you evaluate cost effectiveness both before and during the placement (monitoring).</p>			

Outcomes			
<p>What is your approach to understanding the quality and effectiveness of placements you commission in supporting children and young people to achieve positive outcomes? Eg, in health, education or employment</p> <p>Please describe any specific tools or approaches used.</p>			
<p>How effective is your approach to understanding of the quality and effectiveness of placements you commission in supporting children and young people to achieve positive outcomes? Eg, in health, education, employment.</p> <p>Please describe any strengths or weaknesses in your understanding.</p>			
<p>What is your approach to understanding the quality and effectiveness of placements you commission in meeting statutory requirements and minimum standards?</p> <p>Please describe any specific tools or approaches used.</p>			
<p>How effective is your approach to understanding of the quality and effectiveness of placements you commission in meeting statutory requirements and minimum standards?</p> <p>Please describe any strengths or weaknesses in your understanding.</p>			
<p>How does information collected on the quality and effectiveness of placements you commission impact on future commissioning, placement planning and decision making in the local authority?</p>			
<p>If a child/young person is placed in a setting with specialist therapeutic provision, what information is provided about therapy on offer and how are outcomes related to this tracked?</p>			

Appendix 3: Topic guide for interviews

Overview

1. Overview of High-Cost Placements

- a. Can you describe the current landscape of high-cost placements in your area?
- b. What trends have you observed over the past few years?
- c. How do high-cost placements impact the overall budget for children's services?
- d. What are the long-term implications of these placements on service delivery?

Resources

2. Drivers of Cost

- a. What do you believe are the primary drivers of high costs in placements?
- b. How do factors like market changes, emergency placements, and complexity of needs contribute?

3. Market Dynamics

- a. How have market changes affected the availability and cost of placements?
- b. What strategies can be employed to navigate these market dynamics?

Planning

4. Procurement Processes

- a. Can you walk us through the procurement process for high-cost placements?
- b. What challenges do you face in this process?

5. Stakeholder Engagement

- a. How do you involve children and young people in decision-making about their placements?
- b. What feedback have you received from them regarding high-cost placements?

6. Specific Needs and Challenges

- a. What are the unique challenges faced by disabled children and those with SEN in high-cost placements?
- b. How do these needs impact placement costs?
- c. Can you describe the current commissioning practices for SEND and looked after children?
- d. How can these practices be improved to improve outcomes and support better value for money?

7. Innovative Solutions

- a. Are there any innovative approaches you have considered or implemented to reduce costs?
- b. How successful have these approaches been?

Quality

8. Quality of Provision

- a. How do you assess the quality of high-cost placements?
- b. What measures are in place to ensure these placements meet the children's needs?

9. Policy and Practice

- a. What policies are currently in place to manage high-cost placements?
- b. How effective do you think these policies are?

10. Cost-Effectiveness

- a. How do you ensure value for money in high-cost placements?
- b. What criteria do you use to evaluate cost-effectiveness?

Practice improvement

11. Future Strategies

- a. What strategies do you think could be implemented to reduce costs?
- b. How can we ensure these strategies are sustainable?

Additional Financial Prompts (Leads for Children's Services Finance)

1. Financial Overview

- a. Can you provide an overview of the financial impact of high-cost placements on the budget?
- b. What trends have you observed in spending over the past few years?

2. Budget Management

- a. How do you manage the budget for high-cost placements?
- b. What strategies do you use to control costs?

3. Cost Drivers

- a. What do you identify as the main cost drivers in high-cost placements?
- b. How do you address these drivers to manage expenses?

4. Future Planning

- a. What financial strategies do you think could help in managing high-cost placements more effectively?
- b. How can financial planning be aligned with the needs of children and young people?

Appendix 4: Provider roundtables

Market dynamics

- What are the challenges faced by children with complex needs in high cost placements? How do these impact on cost?
- Local authorities have referred to the limited choice they have in placements for children with complex needs. What are the key barriers you face in expanding the range of placement options for children with complex needs (eg, geographical restrictions, staffing availability, financial constraints)?
- Local authorities have noted a lack of flexibility from providers in allowing them to select or step down specific elements of care (eg, staffing levels, therapeutic support). Can you discuss the challenges in providing a more flexible, tailored package for local authorities and children
- What examples are there of commissioning arrangements between providers and commissioners which help to support children locally?

Staffing and matching

- How do recruitment challenges and staff turnover influence both the quality of care and the overall cost of placements? What do you need from the workforce to address this?
- What training do you provide for staff in these types of placements, or do you seek to recruit staff with particular qualifications/training?
- Are there any innovative or cost-effective ways you've explored to address staff retention that could help mitigate the high costs of placements?
- What works well in the referral and matching process? What improvements could be made which would help to reduce high cost placements?

Systemic challenges and opportunities for reform

- What are the primary drivers of these high-cost placements, and how do they vary depending on the complexity of the child's needs?
- Are there opportunities for improving outcomes that could also result in cost savings (eg, early intervention, better planning for transition to less costly placements)?
- From a policy or funding perspective, what changes would most help to reduce costs, improve flexibility, and increase the availability of appropriate placements? How can local authorities and providers work together to advocate for these changes?
- Do you see any opportunities for improvements which could offer a more affordable approach to meeting complex needs?

Appendix 5: Stakeholder roundtables

Early Intervention and Support:

- What strategies can be implemented to ensure timely diagnoses and early intervention for children with complex needs?
- How can we improve access to mental health and therapeutic support at an earlier stage to prevent avoidable breakdown in education and/or care?

Educational Engagement:

- What measures can be taken to address the educational challenges faced by children in high-cost placements?
- How can we ensure that children receive appropriate educational support and remain engaged in learning?

Placement Stability:

- How can we improve placement stability for children with complex needs?
- What support is needed for carers to manage children's needs and behaviours safely with their families and/or for the workforce to effectively deliver consistent support?



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