

Rees Centre



# Improving quality, choice and cost in children's placements

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# Overview

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## ❖ Introduce two recent studies

- ❖ Cost pressures and variations in unit costs analysis for the Department for Education (Summer 2019)
- ❖ Review of Sufficiency Strategies in London (Summer 2020)

## ❖ Synergies in findings

- ❖ Key issues related to improving quality, choice and cost in children's placements

## ❖ Focus on a series of (overlapping) recommendations

- ❖ Do things differently?
- ❖ Do things together?
- ❖ Lever in resources: Invest to save?

# Cost pressures and variations in unit costs

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- ❖ New data from Cost Pressures survey
  - ❖ Data collected between March and July 2019
  - ❖ The survey formed part of the DfE's wider work to understand children's social care service cost and demand, and the challenges and opportunities for further efficiencies in the delivery of children's social care services
  - ❖ Variations as identified by the local authorities and how these relate to the existing research findings
  - ❖ Surveys returned by 13 local authorities
    - ❖ Not representative, but a mix of types of local authority (London borough, unitary, metropolitan, shire) and geographical location, with multiple regions represented
    - ❖ Highlights the pressures on demand, spend and potential solutions provided by local authorities
    - ❖ To note – the key messages corroborate the evidence base and provide insights into issues that require further exploration

# Review of Sufficiency Strategies in London

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- ❖ A rapid desk-based study
- ❖ Reviewed 31 sufficiency documents by London authorities
- ❖ Surveyed current challenges and evaluated existing sufficiency strategies in resolving them
- ❖ Focus on high-cost low-incidence areas

# Overarching issues and cost pressures

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- ❖ Complex and nuanced system with numerous factors that impact on demand and pressures

(evidenced in Cost Pressures survey, recent reviews and research, i.e. Care Crisis Review, 2018; La Valle et al, 2019)

- ❖ Increases in the complexity of the needs of children, young people and their families
  - ❖ Specific contemporary issues such as Child Sexual Exploitation, Child Criminal Exploitation and County Lines. Responses to address these issues are still relatively new, and will take some time to embed
  - ❖ These issues make it difficult to predict demand, or type of demand
- ❖ Extension of support for care leavers (up to the age of 25)
- ❖ Support for unaccompanied asylum seeking children
  - ❖ Use of Home Office hotels

# Overarching issues and cost pressures

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- ❖ Factors outside of the direct control of children's social care
  - ❖ Poverty as well as broader socio-economic and socio-cultural issues
  - ❖ Local political climate
  - ❖ Role and responsibilities of partner agencies (such as housing, health and education)
  - ❖ Geographical factors (such as cost of living, cost of housing stock)
- ❖ Conceptual framework to illustrate the wider context and how it influences the ways in which children's social care services operate (La Valle et al, 2019)

# High-cost low-incidence placements

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- ❖ No clear definition of high-cost (*to be discussed today*)
  - ❖ Rising unit costs is a substantive issue for children's services departments, a range of (inter-related) factors have been identified as causal factors for higher unit costs
- ❖ Complexity of the needs of the young people requiring placements
  - ❖ Increase in the demand for placements and associated lack of in-house provision
  - ❖ Market pressures, particularly where demand is higher than supply
  - ❖ External placements charging for additional or higher ratios of staffing (2:1 or 1:1)
  - ❖ Small proportion of placements skew the budget
    - ❖ Up to 16% of the budget spent on 10 highest cost placements (constitutes a small proportion of the total looked after population)
    - ❖ For some local authorities this has been an increasing % for the past five years

# Issues and solutions: Placement Commissioning

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- ❖ Cost comparisons between local authority and independent placements are still dominated by fees and allowances paid
- ❖ These comparisons do not adequately account for the needs and circumstances of children or the outcomes achieved
- ❖ Market driven commissioning of placements (where demand is greater than supply) was cited as the single biggest factor for overspending
- ❖ Local authorities cited a lack of control over annual price uplifts and when providers stipulate the need for increased staff ratios to meet the needs of children and young people



# Issues and solutions: Regional consortia

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- ❖ The establishment of regional and/or sub-regional consortia was frequently cited as a solution to address market pressures and to facilitate more effective commissioning and procurement practices
- ❖ Regional consortia were also cited as leading to efficiencies in terms of quality assurance and placement monitoring
  - ❖ Avoid duplication of effort
- ❖ Specific examples were also provided:
  - ❖ Online (secure) portals with information about available placements
  - ❖ Forums to share good practice and solutions
  - ❖ Development of collaborative initiatives

# Recommendations

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- ❖ Establish a clear strategic vision for the use of residential care
  - ❖ *Right placement at the right time*
- ❖ Therapeutic residential care?
  - ❖ Standard definition (*to be discussed today*)
- ❖ Examine use and capacity of residential care
  - ❖ What are the alternatives?
  - ❖ Are the *right children* being placed?
  - ❖ Commissioning checklist to evaluate (including cost effectiveness)
- ❖ Scrutinise the market

# Further information

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[Cost pressures report: http://www.education.ox.ac.uk/wp-content/uploads/2021/01/Children\\_s\\_social\\_care\\_cost\\_pressures\\_and\\_variations\\_in\\_unit\\_costs\\_Jan\\_2021.pdf](http://www.education.ox.ac.uk/wp-content/uploads/2021/01/Children_s_social_care_cost_pressures_and_variations_in_unit_costs_Jan_2021.pdf)

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