# research in practice

# Reimagining residential children's homes

## Placement decision-making

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# Commissioning children's homes: Placement decision-making

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## Introduction

This think piece considers practice and procedures around placement decision-making in children's residential care. Drawing on the available evidence, and on her own extensive experience in the field, the author seeks to look beyond residential care as an option of 'last resort' and consider residential care as a placement of choice for some children. In particular, the resource:

> Highlights the importance of listening to children and young people's own views about their care options.

> Discusses the dangers of focusing exclusively on short-term costs.

> Addresses the limitations and risks inherent in sequential sourcing.

> Considers the potential for closer partnership working between commissioning authorities and residential providers.

> Sets out key messages for local authority strategic leaders and managers to consider in working to achieve optimum decision-making in children's residential care placements.

## The importance of effective matching: stability, outcomes and financial efficiency

In May 2019 Ofsted announced it would be examining the decision-making processes for children in care to better understand what contributes to good decisions, including about where children live. Ofsted's National Director for Social Care, Yvette Stanley, wrote: 'Effective matching is important for children's future life chances because it can make a real difference to their well-being, relationships and education' (Stanley, 2019). Getting those decisions right, she added, reduces the likelihood of placements breaking down.

The importance of good matching is emphasised in statutory guidance to the *Children Act 1989*: 'Local authorities should ensure they have a range of residential placements available to allow placements to be matched to each child's individual needs' (*The Children Act 1989 guidance and regulations,* Volume 2, p. 74).

Effective matching increases the likelihood of stability, a factor known to be crucial to enabling a child in care to feel safe and supported, and to fulfil their potential. Placement moves often entail a change of school, a change in social networks and a negative impact on health. In their research review, Hart and La Valle (2015) recognised the importance of matching each residential placement to the individual child: 'Even within a single service, some children will describe the home in glowing terms while others hate it, indicating the importance of matching each child's assessed needs to the placement's ability to meet them' (p. 81).

It seems fair to say that any role the children's homes sector as a whole may play in contributing to instability in the lives of children in care is relatively limited. Only around one in four children has a residential home as their first placement (Narey, 2016), and the What Works Centre for Children's Social Care (CSC) (n.d.) notes children are often placed in residential care only once 'other placement options, such as foster care, have been unsuccessful'. In 2015, the Institute of Public Care's (IPC, p.16) research into the residential care market found that:

> For three out of every four children's residential care placements the child or young person will have had at least one previous care placement. Thirty percent of children placed in residential care have had six or more previous care placements.

As well as the moral imperative to provide stable placements for children in care, there are also sound financial reasons. The right placement can transform a child's life and support them onto a positive life pathway, thereby avoiding the escalating costs associated with poor outcomes.[1] Aside from increased placement costs, the high cost of managing placement disruptions and placement moves must be taken into account, as evidenced by the Cost Calculator for Children's Services developed by the Centre for Child and Family Research at Loughborough University (see McDermid & Holmes, 2016). Improving placement stability reduces these costs for local authorities.

In August 2019, the Children's Commissioner published the third annual Stability Index, which measures changes in home, school and social worker for children in care. It reported that the overall profile and needs of children in care is changing, driven by increasing numbers of older children, who have experienced significantly higher levels of instability and whose needs require more intensive – and therefore increasingly expensive – support arrangements (Children's Commissioner, 2019, p. 4). The consequences of focusing exclusively on short-term costs when making placement decisions are discussed further below.

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1   For example, Hart and La Valle (2015, p. 71) highlight a study of British children who were in care in the 1970s and 1980s (Dregan & Gulliford, 2012), which found that having multiple placements was associated with 'extensive disadvantage' in adulthood for most of the outcomes explored (e.g. depression, addiction, criminal convictions).

## Ensuring children's voices are heard

> The main argument for listening to children and young people is that they are the experts on their own lives and so they can help adults find solutions that will make a positive and lasting impact for them.
>
> (Pona & Hounsell, 2012, p. 7)

Children need, want – and ask for – stability. In the 2017 Stability Index, the Children's Commissioner reported, 'Children in care tell me that being stable and being able to build consistent relationships with carers, friends and teachers is what makes the biggest difference to their lives' (Children's Commissioner, 2017, p. 1).

While foster care is the right and preferred choice for many children, some prefer to live in a group setting. As long as 20 years ago, Sinclair and Gibbs (1998) interviewed 223 children living in children's homes and found that the majority, by a ratio of three to one, said they would choose residential over foster care, even those who had experience of both. A study by Save the Children in Scotland among 15 to 25-year-olds who had been in care, on average for seven and a half years, also revealed a strong preference for residential homes and schools rather than foster homes (Barry, 2001).

More recently, a survey by the Children's Commissioner found that many children with experience of residential care felt it could be 'a positive experience' and the 'best placement choice'. The survey, which was carried out to inform Sir Martin Narey's (2016) review of residential care, found many children living in residential homes did not want to live in a family, although they still wanted elements of family life within their residential setting. (For a summary of the children's views, see Narey, 2016, pp. 82-83.)

At the 2019 Care Experienced Conference, care-experienced people spoke about their experiences of how decisions were taken in relation to their own care placements. The conference report summarises messages from those who attended:

> It is our life and we will be affected long after carers and professionals have moved on. We need to be kept informed, to be consulted and our views respected in decision making about our own lives. We must be able to make decisions about our own lives and it should be routine and should happen all the time.
>
> We are asked to settle and call places 'home' but multiple changes to those places and our being taken away repeatedly from people we have grown to know and care for fractures relationships and does damage, including the risk of damaging our ability to trust and form good relationships in future.
>
> (Care Experienced Conference Report, 2019, p. 9 and p. 11)

When children are involved and empowered to make choices and decisions affecting their care, they are far more likely to be placed in a placement that best meets their needs and, in turn, achieves stability. This ultimately delivers the best value for the public purse.

Local authorities can also strengthen placement decision-making procedures by taking account of children's views more generally, at a strategic level – for example, through a care council or other local forum.

## Deciding the purpose of residential care

> Although it is a topic re-worked in a variety of reports to DfE, the question of who should residential care be for is not just an academic exercise or a research question, but needs answering from a practical perspective as a guide for commissioners. Failing to be clear about who residential care is for, when and why means inevitably you end up with a reactive last resort service.
>
> (IPC, 2015, p. 74)

> Because of the lack of clarity about the purpose of residential care, it is difficult to develop suitable provision.
>
> (Hart & La Valle, 2015, p. 15)

There is widespread uncertainty and disagreement among decision-makers, commissioners, providers, social workers, residential staff, children and families about the purpose of residential care in England. While residential care in England is often seen as an anachronistic and costly option of last resort (Narey, 2016, p. 69), this is not always the case elsewhere (see Hart & La Valle, 2015, chapter 2). Cronin (2019, p. 4) notes that other European countries often lack the 'social policy consensus ... which favours foster care over residential care for all children'.

When considering the question of what and who residential care is for, it is important to acknowledge that there is some tension between, on the one hand, the residential services that local authorities look to commission (most tenders ask children's homes providers to develop services for older teenagers), and on the other, the proactive and preventative services that many in the residential sector believe should and could be provided. Yet the consequences of getting it wrong in this policy area can be very negative, both for the lives of individual children as they grow up, and also in terms of the long-term costs to society. It may be that the development of closer working relationships between commissioning local authorities and residential care providers offers a potential way forward towards a shared vision for residential care (partnership working is discussed later in this paper).

### The privileging of foster care

Over the past 50 years, local authorities have shifted towards using foster care as the preferred placement of choice for children in care. In explaining how and why the use of residential care fell from 42% of the care population in 1966 to just 8% in 2018, Cronin (2019)[2] suggests the transformation was 'driven by a social policy discourse promoted by successive governments, which has privileged foster care as the most suitable place for children needing out-of-home public care' (p. 1).

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2  The 8% relates to children living in children's homes only (as opposed to residential care of any type).

Cronin argues that this preference for foster care has been heavily influenced by John Bowlby's work on attachment theory, which placed a high value on the need for a continuous and close relationship with a substitute parent – something, it was felt, residential care could not easily provide. Noting the comparative weekly costs of foster care and residential care[3], Cronin also highlights how Bowlby's ideas on attachment theory lent support to the financial argument for prioritising foster care – 'in the wake of Bowlby's influential ideas on attachment theory, the opportunity offered by foster care provision to cut costs were attractive at all levels of government' (p. 2).

It is not surprising, then, that local authorities have conveyed a strong preference for foster care in their sufficiency statements, as these three extracts show:

> 'We know that most children are most often better supported by families rather than being placed in residential care' (a local authority Looked After Children Sufficiency Plan 2016-19).

> 'Placement in a residential setting will only be taken as a last resort when all other options have been exhausted' (a local authority Sufficiency Strategy 2019-22).

> 'The ambition is for the majority of children in care to be placed in family settings, with a small minority needing residential placements for a time limited period to enable their complex needs to be met, usually with a view to a planned return into a family setting' (a local authority Sufficiency Strategy 2018-2020).

At first sight, the position taken in these (as in most other) sufficiency plans could be seen to be supported by the What Works Centre for CSC (n.d.), who have summarised evidence comparing outcomes for residential care with other types of placement, such as foster care. The Centre's summary is based on the findings of a systematic review by Strijbosch et al. (2015), which looked at evidence in 19 international studies (none of which took place in the UK). The review considered how residential care affects children's behaviour problems (externalising, internalising and total problems), their social and cognitive skills, and offending behaviour. In terms of behaviour problems and social and cognitive skills, children in non-residential placements had better outcomes than children in residential care 'when both were providing care as usual'.

As a standalone headline message, this could be seen to support the preference for family-based placements. However, the Centre also makes clear that when evidence-based residential care was compared with evidence-based non-residential placements, 'there were no significant differences in outcome' (evidence-based care in this context means that the placement involved a structured, evidence-based treatment intervention). The one exception was that children in residential care were more likely to be involved in offending behaviour. The Centre has assessed the evidence reviewed as being of 'moderate strength'.

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3  Cronin cites the influence of research by Berridge et al. (2012), which estimated the relative weekly costs of foster care (£676) and residential care (£2,898). More recently, Narey (2016) notes that the Department for Education estimated the cost of foster care at around £600 per child per week, compared to around £3,000 per week for a child living in a children's home (p. 21).

Moreover, in their literature review Hart and La Valle (2015) report that a number of studies have found 'residential care as usual' does not seem to be effective in dealing with the problems children have when they enter the home. They also note that 'care as usual' is mainly defined by what it is not: 'it does not have a clear purpose; the service delivery is not guided by a theoretical underpinning; it is not evidence based and outcome focused; it is not staffed by well-qualified professionals who receive adequate training and support' (pp. 10-11). Children are not placed there based on a robust assessment of needs, but typically 'because everything else has failed' (p. 11).

So caution is needed when comparing outcomes for children and young people in foster and residential care in England. The children have often had considerably different care journeys. Those in residential placements have commonly experienced greater levels of instability, which reflects the perception of this form of care as a 'last resort' (Cronin, 2019; Narey, 2016). Cronin goes on to point out that in other European countries, where residential care is more likely to be seen as a positive placement option, there is evidence that some children and young people in residential placements experience more positive outcomes.

*Moving beyond a focus on short-term cost*

The need to develop commissioning strategies that focus on long-term efficiencies, and which guard against a narrow focus on short-term savings, has long been recognised. In 2008 the New Economics Foundation (NEF), an independent think tank, warned against the risks of focusing exclusively on short-term costs, and advised local authorities to commission services 'based on achieving positive long-term outcomes' (NEF, 2008, p. 5).

The NEF argued that standards are improved not by the creation of an 'efficient market', but rather by the development of 'an explicit theory of change' that is used to identify 'indicators that capture progress against key outcomes' (p. 35). Its report suggested that investing in the right type of residential care for the children who would most benefit from it would deliver significant financial savings over a 20-year period.

The NEF research used the concept of Social Return on Investment (SROI) to examine how young people were likely to benefit from the work of two well-regarded residential care homes. SROI is 'about giving a financial voice to excluded values and benefits' (p. 20) – a process for understanding, measuring and reporting the social, environmental and economic value and benefits (in relation to physical and mental health, healthy relationships, autonomy, being safe, and reduced offending) created by an intervention.

While cautioning that the findings from its small-scale study are indicative rather than definitive ('the kind of savings that might be possible' – p.19), the NEF estimated that every additional pound invested in higher-quality residential care was likely to generate between £4 and £6.10 worth of additional social value over a 20-year period (p. 19). Financial values were based either on existing research on cost savings or data derived through proxies generated by the researchers. In the NEF study, returns on investment mostly derived from the benefit to young people and society of reduced drug use, forgone wages and taxes, reductions in crime and more stable relationships. The NEF emphasises that these factors would account for a less significant proportion of the value of residential care if better data had been available on other outcomes.

*Residential care as a potential route to stability in foster care*

In the decade since the NEF undertook its research, the tendency to use residential care as a last resort has continued. It appears that no local authority uses residential care as a first or equal placement choice, and inevitably there is, therefore, a lack of research of the consequences of using residential care as a first placement choice in England. However, there is some recognition that the residential care sector is not homogenous, either in quality or approach, and there are examples of residential care being used in a planned and positive way, including for younger children (see below).

**Apple Tree Treatment Centre** in Cumbria offers therapeutic residential placements for younger children between 6 and 11 years old. Therapeutic programmes are tailored to each child's needs, including work with families where appropriate. Apple Tree says its robust assessment, matching and planning process, and the opportunity to engage the child and family at an earlier age, enables it to deliver positive outcomes. After two and a half years of being at Apple Tree, 95% of children return to their birth, adoptive or foster families before they reach their teenage years.
 **www.appletreeschool.co.uk**

**The Mulberry Bush** is a residential special school and children's home that provides specialist residential therapeutic care for children, aged 5 to 13, with severe social and emotional difficulties, or who have suffered trauma. Its three-year therapeutic programme aims to reintegrate children into safe and stable family settings.
**https://mulberrybush.org.uk**

Although there are few examples in the literature of children moving successfully from residential to foster care, anecdotal evidence suggests that, in recent years, some local authorities have been successful in moving children from residential care to stable foster care settings. While there is a lack of formal research on the outcomes for children who have made such a transition, local intelligence from local authority commissioners, residential care and fostering providers, professionals and young people, suggest key factors for success are:

> Recognising that children who have experienced significant trauma may benefit from a therapeutic residential placement early in their care journey.

> Recognising that for many children, therapeutic work may take several years, not months or weeks.

> The placing authority, children's home, child and any other appropriate parties, co-producing a therapeutic plan, tailored to the individual needs of the child.

> Ensuring a trusting and co-parenting relationship with the provider, whereby decisions and risks are shared.

> Ensuring the child's views and wishes are heard – and, importantly, that the child is in agreement with the plan and the child's views are taken into account when determining the timescale for a move to foster care.

> Facilitating and supporting trusting and positive relationships between children's homes and foster care providers, so that they can ensure effective transitions.

> Acknowledging the expertise of residential care workers and foster carers, and appreciating that some creative overlapping contractual arrangements may be needed to enable these professionals to undertake critical transition planning and preparation.

## Deciding whether a child should be placed in residential care

> The most pressing need is to clarify which children will benefit from a residential, rather than a family, placement and at what point in their care journey.
> (Hart & La Valle, 2015, p. 99)

> If local authorities do not get the assessment right, placements are more likely to be changed. This unsettles the child, and means the local authority will ultimately pay more and achieve poorer outcomes for the child.
> (National Audit Office, 2014, p. 19)

There is no clear evidence that one type of care consistently delivers more favourable outcomes than another. For some children, foster care will best meet their individual needs; for others, a residential model will enable better outcomes. The challenge is in determining which type of provision is best for each individual child.

In his 2016 review of residential care, Sir Martin Narey wrote 'it is entirely proper for local authorities, at least initially, to pursue fostering as the first choice for children in care' (p. 21). However, this is not a unanimously held view across the whole of the sector. Many believe a generic approach to placement sourcing will not necessarily deliver stability, and that in order to match effectively, the methodology for sourcing each placement should be based on the assessed needs of the individual child and the child's own views about the type of placement they want.

Narey does acknowledge that a residential placement may sometimes be the better option, and says the possibility that it may offer greater permanence 'must not be ignored' – 'particularly with adolescents ... not least because some older children will steadfastly resist being fostered' (p. 21). Boddy's (2013, pp. 4-5) review of evidence on permanence for the Care Inquiry emphasises the importance of 'individual solutions for individual children'. This is not as simple as using residential care for older children with more complex needs and high-risk behaviours. Indeed, there is a growing recognition that we need robust and effective assessments to identify the right type of provision to meet the needs of individual children.

It appears many local authorities in England do not rely on any particular tool to determine the right type of placement for a child. (The use of such tools seems to be more common in other countries – see following box.) Anecdotal evidence from local authority commissioners, social work colleagues and care providers suggest there is general agreement that social workers need to be better supported to determine the best type of placement for an individual child. There is also a widely held view that many social workers would benefit from having a better understanding and, ideally, direct experience of residential care – in particular, to understand more clearly that residential care is not a homogenous provision, but encompasses different models designed to meet the varying needs of children in care.

**Assessment tools for residential care**

> **MultifunC (Multifunctional Treatment in Residential and Community Settings)**
> is a manualised residential treatment programme for young people with
> serious behaviour problems. It was developed in Sweden and is now
> commonly used in Scandinavia, where residential treatments have long been
> a preferred intervention for serious antisocial behaviour in young people.
> Assessment is based on recognised methods and standardised instruments,
> with treatment goals developed from the initial assessment.
> **www.multifunc.org/html/english_.html**

> **Child and Adolescent Needs and Strengths (CANS)** is a multi-purpose tool
> for children's services, which was developed in the United States to support
> decision-making in care and service planning. Versions of CANS are used
> across the US in child welfare, mental health, juvenile justice, and early
> intervention (there is also a multi-system version). CANS was developed to
> facilitate a direct link between the assessment process and the design of
> individualised service plans, including the application of evidence-based
> practices.
> **https://praedfoundation.org/tools/the-child-and-adolescent-needs-and-
> strengths-cans**

> **BERRI** is an online clinical assessment tool for identifying complex needs and
> tracking how they change over time, thereby helping to improving outcomes
> for children. It was developed in the UK by Dr Miriam Silver through focus
> groups with foster carers and residential care staff. Its designers recommend
> using the full BERRI four times per year to identify major changes; the track-
> ing system can be used more often to focus on changes within particular
> areas of concern, and to see whether interventions are working.
> **https://berri.org.uk**

*Sufficiency of placements across foster and residential care*

It is also important to have a clear understanding of the relationship between residential
and foster care, and how sufficiency (or the lack of it) in one sector affects the other. In
its latest annual report, Ofsted highlights that while the number of residential and foster
places is now increasing, this is at a modest rate (around 1% in the last year) significantly
below the increase in the numbers of children in care (4% between 2018 and 2019)
(Ofsted, 2020, p. 39). Currently, a lack of sufficiency across both sectors is leading to
children being placed according to availability, rather than need.

Anecdotal evidence from professionals suggests that some children who are best suited
to foster care are being placed in residential provision due to the lack of available foster
placements. This, in turn, reduces capacity and choice in the residential sector for those
children who need this type of care. Fostering providers express similar concerns about
children being placed in foster care who would have benefitted more from a residential
placement, and the impact this can have on carers and their ability or willingness
to continue in a fostering role. Even when a comprehensive assessment of needs is
completed, generic placement procedures in many areas mean social work professionals
often have little choice in specifying a child's care placement type.

In 2018, a survey by *Community Care* found that adults' social workers experienced high levels of frustration about the struggles they faced to secure the right services for their clients (Carter, 2018). Specifically, they were concerned that local funding panels were being used to prioritise cost savings over people's needs. While this research applied to social workers in Adults' Services, it seems likely that social workers in Children's Services may hold similar views. Further research on this is needed.

## Placement searches, and the limitations and risks of sequential sourcing

In 2014, the National Audit Office (NAO) set out to examine how well the Department for Education was meeting its objectives to improve the quality of care and stability of placements for children in care. Its report questioned the practice whereby local authorities considered their own internal provision first.

> Local authorities ... often choose to care for children through their own foster and residential carers because they have already committed costs and so need to fill places. They also believe the cost is cheaper than private provision, but do not always know that this is the case. Either way, an internal placement may not be the best fit for the child.
>
> (NAO, 2014, p. 19)

*Sequential sourcing*

As previously discussed, there is a lack of research into social workers' views about policies that restrict initial searches to in-house provision, and how free they feel they are to make decisions in the best interests of individual children. But given the downward pressure on budgets, the reality is that local authorities generally source placements in a sequential way, looking at the least expensive option first, before moving on to look at more expensive options. For example:

> Consider in-house fostering. *If unsuccessful:*

> Consider pre-qualified independent foster care. *If unsuccessful:*

> Consider in-house residential options. *If unsuccessful:*

> Consider pre-qualified external residential options: *If unsuccessful:*

> Consider external providers offering placements on a spot purchased basis. *If unsuccessful:*

> Consider unregulated provision.

Some local authorities use a 'tiering' system (see following box) whereby providers are grouped into tiers, which are considered in sequential order based predominantly on the price they offer. In some, there is a requirement for social workers or placement officers to seek permission from a senior manager before they can approach providers on the next tier.

**A current local authority residential care tiering model** (October 2019)*

| Tier | Price per week |
| --- | --- |
|  |  |
| Tier 1 | <£3,700 |
|  |  |
| Tier 2 | £3,701 – £4,500 |
|  |  |
| Tier 3 | >£4,501 |
|  |  |

Providers on the Dynamic Purchasing System (DPS) will be given the opportunity to apply for every 'call off' in line with the tiering model hierarchy.**

1. Commercial advantage, in terms of order of approach through the DPS, is given to providers in Tier 1. Providers in Tier 1 will be approached before providers in Tiers 2 and 3.

2. If there are no tenders or appropriate matches from Tier 1 providers, the council will approach providers in Tier 2 to submit a tender.

3. Providers in Tier 3 are only approached if no tenders have been received from providers in Tiers 1 and 2.

* While this is an actual local authority model, it is typical of many others, and is presented here anonymously.
** Under a DPS, a local authority has a list of approved providers that meet criteria and standards defined by the authority, as the contracting purchaser. These providers sign up to terms and conditions of business, which will govern each placement made under the DPS. The DPS operates for a specified period (i.e. number of years) and new providers can apply to join the system during that time. When a placement is required for an individual child, the local authority will send out a referral relating to the child. This details their care needs and the criteria for a placement match. Providers are asked to respond to this referral within given timescales. In response, providers will provide information on the provision they propose can meet with child's needs along with any specific terms and conditions. Options are then considered by the placing authority. This is referred to as the 'call off' process and is a procurement term which means that a placement for the individual child is being made under the established DPS.

The major flaw in sequential sourcing is that it prioritises weekly cost over meeting the child's needs by creating a delay in sending referral information out to prospective providers. A provider, who may be local and best placed to meet an individual child's complex needs, may not even be approached until numerous previous searches have been exhausted. That delay may mean the 'best place' provider simply does not then have time to assess, plan and prepare once the referral is received. As a result, the provider is not able to offer a placement, and so the chances increase of the child being placed in a distant placement designed (and priced) to accept emergencies.

*Emergency placements*

In recent years, providers in the residential sector have identified an increased need for emergency placements (ICHA, 2016, p.9; 2019, p. 13). Emergency placements are best described as those situations in which a local authority requires care for a child within a very short timescale (local policies vary on this – timescales tend to range from 48 hours to 'same day' placement). An emergency placement is needed when one of two situations arises:

1. There is a sudden change in the needs of the child, and/or their current carers, which is so significant that it would place the child and/or others at risk if their existing living arrangements were to continue. Such an emergency may be unpredicted and unavoidable. Local authorities often have no choice but to identify the best placement possible in the short time available.

2. Sequential sourcing means the referral has not been sent to all providers (who could potentially meet the child's needs) in a timely way. This has led to a situation whereby there are 48 hours or less before the child needs to be placed. This type of emergency is avoidable and is created by the design of the local authority placement procedures.

The risks inherent in making emergency placements need to be better understood. Within 48 hours or less, the residential provider has to:

> consider the referral and how well the home's statement of purpose meets the child's needs

> seek clarification on any parts of the referral documentation

> complete an impact risk assessment

> consult with other young people in the home

> consult with other placing authorities

> seek authorisation from decision-makers within the organisation

> rearrange staff rotas

> set up tailored administrative systems

> give carers time to read background files

> facilitate any staff training that may be needed in response to the specific needs of the child

> prepare for the young person's welcome.

Within this same timescale, the child's social worker has to complete the necessary paperwork and support the young person to prepare physically, mentally and emotionally to move at very short notice. Moreover, the placement team has to negotiate the final contract within this restricted timescale. This is a formidable ask of children, social workers, providers and placement officers. It is not surprising, therefore, that placements made in emergency situations are far more likely to break down than those which have been properly planned and arranged within a reasonable timescale.

*Emerging good practice*

In order to provide children with the best opportunity to plan and prepare for a care placement, placement finding mechanisms need to ensure that referrals are shared with all potential providers as early as possible. A key distinction needs to be drawn between the decision on 'where to look' and the decision on 'where to place'.

The good news is that examples of changing practice are emerging. Local intelligence suggests some local authorities are applying their tiering system in a different way; they now contact all pre-qualified providers at the same time, and only consider 'tiering' once responses have been received. And in recognition of the risk of delay, some have devolved to the placements team manager the decision to extend the search to the independent sector. However, some placement teams report that thresholds have increased, and say they struggle to get permission to send a referral out to the independent sector until it becomes urgent.

**Redesigning placement procedures – Lancashire County Council**

By going out to the independent sector at the same time that in-house services are approached, LCC has been able to identify better matches for children. Where children have been better suited to foster care, the level playing field approach has increased the chances of identifying a foster care placement.

LCC say this led to a significant reduction in the number of hard to find fostering placements each month – from an average of 20.8 per month during 2017-18 (the first year of the approach) to an average of 13.1 per month during 2018-19. Although the most recent figures for 2019-20 show a return to the 2017-18 figure of 20 per month, LCC are confident that the approach is supporting them to find the most suitable placements for children. Their view is that the recent increase is likely due to higher overall demand and that without this new approach the figure would possibly be significantly higher.

This success in identifying better matches in foster care is gradually increasing availability in residential homes, which means that the local authority is better able to use this provision proactively for children who will most benefit from it, not because they have been placed there as a last resort. The number of hard to find residential placement searches each month has also fallen from an average of 8.2 per month in 2017/18 to 7.3 per month in 2019/20

Redesigning its placement procedures has also increased LCC's capacity for partnership work with providers. It also enables parties to work together to ensure that higher quality care models are developed to meet the needs of Lancashire's children. It is important to note that the figures quoted within this case study for 2017/18 are from the first year of using the level playing field approach, it might be that the baseline figures from before the intervention would demonstrate a larger impact.

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## A new relationship – working in partnership with providers

Evidence from children's homes providers suggests they would mostly welcome the opportunity to develop closer working relationships with local authorities. For the past five years, the Independent Children's Homes Association (ICHA) has published the results of an annual 'state of the market' survey of its members. The 2019 report contains messages about commissioning arrangements and views on how both sufficiency and outcomes could be improved.

> Providers would welcome closer partnerships with local authorities, and the opportunity to work together 'with fellow professionals' towards better practice and shared resources, and greater communication and honesty.

> Over half (52%) of respondents see better sharing of demand and forecast information as a benefit to partnership working (only 7% disagree), and around half of those providers who would welcome better information say they would look to 'share the benefits arising' with local authority partners.

> Seven out of ten (70%) respondents would respond positively to local authorities guaranteeing occupancy or usage levels (fewer than 4% would not), with three-quarters of those 'willing to share the benefits back with the councils'.

> Two-thirds of providers (65%) said they would consider further investment 'if occupancy and usage could be guaranteed' (only 10% would not); nearly one half (47%) would be motivated to invest more 'if demand and forecast information were available' (only 16% would not).

> Providers want 'greater realism' from local authorities, and an acceptance that costs do inflate across time.

(ICHA, 2019, p. 17)

In recent years, the absence of effective partnerships has led to an increase in the number of children's homes' providers deciding to opt out of commissioning arrangements. Instead, providers offer services to local authorities on a spot purchased basis (on terms different to those in the local authority's established framework contract): '... only one third of providers identify a commissioning framework as having influence, indicating that open market spot activity could now be around two-thirds of all placements' (ICHA, 2019, p. 22).

The ICHA survey highlights the importance that providers attach to commissioning relationships. The evidence also suggests many providers now have 'preferred' local authorities to work with, so it is not always realistic to regard local authorities as sole 'decision-makers' when it comes to choosing which providers to approach.

It is also worth noting that up to 20% of respondents indicate that they are in a position to adjust prices to favour working with some local authorities over others, often due to favourable or unfavourable experiences with particular authorities historically.

(ICHA, 2019, p. 22)

With regards to risk sharing and partnership working, the ICHA survey (p. 17) concludes:

> Even with spot markets currently experiencing greater demand than supply, there are indications that providers would positively welcome a more stable and cooperative partnership with local authorities, ... especially ... if those partners would more readily share occupancy risks and guarantee greater stability of income. This brings the potential for a more effective economic outcome for all parties, as well as encouraging investment in the required additional capacity and innovation.

### Placement-matching platforms

Redesigning placement procedures and establishing mechanisms to facilitate effective searches is a complex task. Both changes in procurement legislation and new data protection legislation have led local authorities to adopt technological solutions to securely manage referral information and source placements.

In recent years, an increasing numbers of local authorities have introduced placement matching platforms, which enable local authorities to upload anonymised details of a young person so they can be seen by approved providers. Similarly, providers can upload details of their provision onto the same matching platform. How searches take place, and how different options can be identified, vary between platforms. Some local authorities do not use a placement-matching platform and currently rely on email.

At present, there are around ten different placement-matching platforms in use. This means that the larger the geographical area covered by a provider, then the greater the number of platforms likely to be required to access and use. As these platforms are all relatively new and still developing, there has been little research on their use and effectiveness. Moreover, not all local authorities and providers have chosen to sign up to use of these systems, which means that some are having to operate dual processes, using these systems as well as email.

A common message – which is now emerging with increasing frequency – is that providers would like to be seen as equal partners in designing placement procedures and in choosing the mechanism for sharing information. Also, that determining which platform to use is not a decision best taken by local authorities alone (based on author's conversations with children's homes' providers).

### Referral procedures and documentation

The document requesting a placement is arguably the most important in the placement finding and planning process. It conveys the child's needs and specifies the care and support arrangements required. Placement offers are made on the basis of what the referral document says, and it also underpins risk assessments and informs the contract price and terms. If the information is inaccurate or out of date, it can place the child, carers, provider and local authority at significant risk.

Residential providers have long held concerns about the quality of referral documentation. In 2013, the ICHA commissioned an analysis of placement request forms then in use by local authorities, and a survey of residential providers' views on the quality of referrals. The report made several recommendations about what local authorities could do to improve practice (ICHA, 2013). While these were well received, the ICHA's 2019 'state of the market' survey suggests providers believe improvements are still needed:

> Providers report receiving referrals very late in the placement process, and critically important gaps in information received. There is sometimes little evidence of planning for the child or young person, and children's homes only being approached as a last resort very late in the placement searching process.
>
> Providers are critical of the information provided by LA social workers and commissioners at the point of referral. Several respondents report that information has been withheld at referral and that this has ultimately led to subsequent placement breakdown (and downgrade by Ofsted).
>
> (ICHA, 2019, p. 10 and p. 12)

In some local authorities, the thresholds set by funding panels may have an adverse impact on the integrity of referral documents. There is concern that in order to meet thresholds, social workers sometimes exaggerate children's needs so they can secure permission to source a residential placement. As this same information is then sent out to providers, they may not offer a placement (because they think they cannot meet the overstated needs), or may offer a placement at a higher price (in order to meet the exaggerated needs).[4]

There is also concern that children's needs are sometimes downplayed, including when a placement is required in an emergency, for example. A provider may offer a placement only to find they cannot meet the child's needs, and/or the contract price does not cover costs. There is a view among providers that some social workers, desperate to secure a placement for a child, may omit information about some risks in referral documents. Some providers may choose not to offer a placement because they mistrust the information in referral documents.

However, there are some promising developments in response to these concerns. Increasingly, commissioning arrangements place greater emphasis on the administration and management of referral documents. In 2019, the Nationwide Association of Fostering Providers (NAFP) produced a briefing for local authority commissioners, setting out what providers need from a referral document; it suggests the same principles apply also to the residential care sector. A key message is that when there are plans for a child already in care to move to a new placement, the referral documents should be co-produced with the foster carers or residential care workers. However, there may still be some resistance on the part of social workers and commissioners to embracing this partnership approach to producing the referral documentation. An example of how a group of local authorities share decision-making is provided on the following page.

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4 There is a lack of research in this area. The concerns highlighted in this (and the following) paragraph are based on the author's own experience and many conversations over the years (with social workers, placement managers and providers, for example). Formal studies into the effectiveness of funding panels, in particular their impact on cost, would be valuable.

**Sharing placement decision-making**

In local authorities, it is usually a head of service or director who makes the final decision whether or not to agree to a placement offer. It is not only the local authority who makes the decision whether or not to place the child. The Children's Homes (England) Regulations 2015 give home managers greater accountability for placement decisions.

> Despite the high and increasing referral rates, providers are again very clear about the overriding requirement to appropriately and carefully match the needs of children referred to the needs of the existing residents and the capabilities of staff. In this context the providers act as a quality control on good matching practice, selecting only the appropriate referrals from a chaotic and unfocused mix of referrals.
>
> (ICHA, 2019, p. 12)

The role and status of the decision-maker varies across local authorities and providers. Under the Cross Regional Residential Project (operated by Oxfordshire on behalf of a small consortia of neighboring local authorities), not only has the decision been devolved to the home manager and the child's social worker, but there is an understanding that the decision to place a child in a home is a joint decision for which both parties assume the risk.

## Conclusion and key messages

Currently, the commissioning of children's homes provision is largely aimed at meeting the needs of older teenagers with multiple and complex needs, high-risk behaviours and a history of placement breakdowns. Residential care continues to be perceived by many as a service of last resort (Cronin, 2019; ICHA, 2019; Narey, 2016). This is despite some evidence that, for certain children, good quality residential care – with a strong theoretical underpinning, used properly and at the right time – can deliver positive outcomes, and is the preferred placement type for some children. Good residential care, used as a preventative measure for some children, can reduce the chances of a child's needs increasing, and can deliver long-term savings for the public purse.

In light of this think piece, local authorities may wish to:

> Consider how well social workers are supported to determine the best placement type for each individual child.

> Review their commissioning strategies and sufficiency plans to ensure that the purpose of residential care is clear and, as far as possible, underpinned by the available evidence.

> Consider placing a clear definition of 'value for money' in sufficiency statements, making it clear how this will be measured on both a short- and long-term basis.

> Ensure that placement searches do not follow a generic pathway (i.e. one that dictates which type of provision must be considered, and in which order), but instead ensure that each placement search is designed and tailored around the needs of each individual child.

> Look at how well children are consulted about the type of placement they would prefer when they first come into care, and consider whether some independent scrutiny of this would be helpful.

> Seek the views of providers, social workers and care-experienced people on the quality of referral documentation, and, in particular, identify and assess any barriers that may be preventing social workers from co-producing the entire referral document with the child and current foster carers or residential care workers.

> Commission an independent survey of the views of social workers, placement teams, providers and care experienced people regarding the effectiveness of the local authority's placement procedures and any funding panels.

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# research in practice

# Reimagining residential children's homes

## Placement decision-making

Research in Practice aims to support the children's sector to use research in the design and delivery of services, to help secure better outcomes for children and families. We make reliable research more accessible – summarised and interpreted with the particular needs of those working with children and families in mind.

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This think piece on *Placement decision-making* explores the decision-making processes and challenges involved in deciding residential care is a suitable option, as well as then choosing an appropriate placement. It highlights key issues which need to be considered in order for this process to be more child-focused.

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