ARE LOCAL AUTHORITIES ACHIEVING EFFECTIVE MARKET STEWARDSHIP FOR CHILDREN’S SOCIAL CARE SERVICES?

A SYNTHESIS OF SUFFICIENCY STRATEGIES FOR CHILDREN IN CARE IN ENGLAND

March 2022
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Authors

Anders M Bach-Mortensen²,³
Hannah Murray²,³
Benjamin Goodair¹,²
Eleanor Carter⁴
Eleanor Briggs²
Aoife O'Higgins¹,²

Affiliations

1: Department of Social Policy and Intervention, University of Oxford.
3: Greater Manchester Combined Authority, Manchester.

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The Independent Review of Children's Social Care was announced in January 2021 and will report in Spring 2022. Josh MacAlister is leading the review which has a wide ranging and ambitious scope. The review is a chance to look afresh at children's social care. It will look at issues through the perspective of children and families throughout their interactions with children's social care, from having a social worker knock on the door, through to children being in care and then leaving care. What Works for Children's Social Care is supporting the review by producing and commissioning evidence summaries, rapid reviews and new analysis.

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EXECUTIVE SUMMARY

Securing good quality, supportive accommodation that meets the needs of children in, or on the edge of, care is a vital step in delivering improved outcomes for children and young people. Over the last 10 years, local authorities (LAs) have had to balance an increasing demand for children’s services with budget cuts. As a consequence, service provisions are highly variable across LAs, who struggle to finance the growing demand for both adult and children’s social care. Whilst it is known that the number of children in care is increasing and that commissioning practices vary across LAs, the capability and efforts of local authorities to respond to this challenge as corporate parents are less well understood.

This report provides analysis of all up-to-date LA sufficiency strategies with a focus on identifying (I) the main perceived challenges for LAs to meet their sufficiency duty, (II) what actions are being undertaken or planned by LAs to improve commissioning outcomes, and (III) perceived negative consequences associated with using certain commissioning or market shaping approaches. This work was commissioned by the Independent Review of Children’s Social Care.

We analysed a total of 81 sufficiency strategies covering 84 (56%) English LAs. Our findings reveal some nationally shared challenges in dealing with increasing numbers of children in care as well as changes in children’s characteristics and needs. Coupled with increasing costs of services and difficulties finding appropriate placements in family settings, our analysis creates a picture of LAs struggling to navigate the marketised system of children’s residential care and to provide the quality of services which they strive to achieve.
Key findings include:

1. Almost half (44%) of LAs did not have a publicly available or up-to-date sufficiency strategy, which is noteworthy considering that this is a key aspect of fulfilling the sufficiency duty. It is possible that more up-to-date strategies exist but are not publicly available. However, given that an important feature of the strategies is to communicate information about cohort characteristics and expected demand to providers, it is surprising that only half of these were readily available.

2. Strategies generally reported an increasing demand for residential care, especially for children with complex needs. Numerous LAs described deficient local provision, unsuited to accommodating emergency, specialist, or therapeutic placements. It was reported that LAs were simultaneously under pressure from increasing demand for places for both high and low need children. The most commonly cited reason to explain this development was a lack of fostering services for children who needed them, alongside the increase in numbers of children with severe trauma and acute therapeutic needs.

3. Strategies reported that the cohort of children and young people in care is becoming more complex and thus increasingly expensive to place within residential provisions. Several LAs reported that even a small number of children who require high need placements severely impacted their budget.

4. It was generally reported that prices and unit costs of residential care places are increasing, especially among ‘independent’ (private for-profit and third sector) providers. However, the extent to which this is a result (or not) of changes within the children in care cohort was unclear.

5. Many LAs struggle to place children locally and to access local provisions, even though this was highlighted as a priority in most sufficiency strategies. It is also worth noting that the Statutory Guidance states that “For the majority of children in care, the ‘most appropriate placement’ will be within the local authority area.” Notably, even oversupplied LAs could not always access local provisions due to these being occupied by children from other LAs.

6. Few strategies included detailed information or analysis on their local provision, particularly independent sector provision. Providing more information, along with an assessment of the extent of the LA’s utilisation of local supply, could help clarify and inform supply-related commissioning intentions.

7. More than half of the LAs reported being part of a regional or sub-regional framework, in the expectation that this would improve their sufficiency by being able to access high quality and value for money residential services. However, LAs often reported that the effectiveness of these regional arrangements was limited as not all LAs took part, and not all providers joined the frameworks. As a result, several LAs reported that joining these did not help them achieve local sufficiency nor reduce reliance on spot purchasing.

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1 Sufficiency - Statutory guidance on securing sufficient accommodation for looked after children.
8. Several LAs urged caution in the interpretation of average unit costs measurements because of how this can easily be skewed by very expensive placements. Notably, several sufficiency strategies also advised against comparing unit costs across provider types as this is a complex task which depends on many factors, such as occupancy, the children's varying care packages, and the urgency of a placement. Instead strategies suggested that being better able to understand the true value for money of a placement would improve commissioning decisions, highlighting that current 'unit-cost measurements' are insufficient at providing substantive information about the value for money a placement provides.

9. Many LAs indicated that their own forecasting projections were not very convincing and could therefore not be used to predict changes to the numbers of children needing care with any level of confidence. Strategy documents often did not include sufficient information to assess the statistical properties underlying the estimates. It is thus unclear how LAs can meaningfully engage with providers (which was often stressed as a priority) given that based on the material presented in the sufficiency strategies - LAs do not have transparent and/or reliable information around future need. This is a key area in need of improvement, considering that an analysis of previous and future demand constitutes the foundation of a sufficiency strategy.

10. It was rarely clear whether the content of the sufficiency strategies had been shaped based on consultations with children and young people, and providers. This should be considered a key area of concern, and future strategies should clearly report how stakeholders were involved in the design of strategy.

11. Very few strategies were explicit in reflecting on progress against the objectives set out in their previous strategy. More careful documentation of the experiences of implementing different commissioning approaches could facilitate learning within the sector.

12. LAs are working to overcome their sufficiency challenges in many different ways. Several LAs described their own unique (but often untested) commissioning responses, but little is known about the outcomes associated with different commissioning approaches. In this report, we have explained the variety of commissioning responses employed by LAs but much more can be done to investigate variation in commissioning outcomes and how this relates to specific market shaping activities and LA characteristics.

13. Based on our analysis of 81 sufficiency strategies (covering 56% of English LAs), we find either no, limited, or mixed evidence in support of the criteria required for effective market oversight and stewardship (as defined by the Institute for Government) being met.
BACKGROUND

Introduction

Securing good quality, supportive accommodation that meets the needs of children in care is a vital step in delivering improved outcomes for children and young people. Over the last 10 years, local authorities (LAs) have had to balance an increasing demand for children’s services with budget cuts. As a consequence, service provisions are highly variable across LAs, and it is known that many LAs struggle to finance the growing demand for children’s social care (Health and Social Care Committee, 2020; House of Lords Economic Affairs Committee, 2019). The struggle to uphold service quality while having to cut costs have been highlighted in recent work (Bach-Mortensen & Barlow, 2021; Body, 2019; Webb, Bennett & Bywaters, 2021). For example, a 2021 Department for Education (DfE) report concluded that LAs are struggling to meet the increased demand for children’s social care, and that this was exacerbated by ‘budgetary pressures’ (Holmes, 2021). The same report also highlights that there is an absence of reliable data which links service costs and spending with quality of care outcomes thus making it difficult (from the currently collected data) to understand and evaluate outcomes related to quality and improvement within children’s services.

It is known that commissioning practices vary across LAs, but how specifically LAs are addressing these challenges and engaging with the residential care market is not well understood. Notably, a 2021 report by the Local Government Association (LGA) identified sufficiency (the ability of LAs to secure suitable accommodation and care that meet the needs of children in care) to be the main problem facing children’s residential provisions (LGA, 2021). This is often attributed to poor coordination between LAs and providers and issues related to the disadvantageous leverage position of LAs caused by the severe lack of residential supply. Several commissioning innovations and frameworks have been developed to specifically address this problem and to help LAs access the residential provisions they need. For example, regional and sub-regional frameworks such as the D2N2, the West Midlands Residential Care Framework, and the South London Commissioning Partnership aim to achieve better commissioning outcomes among member LAs though joint procurement and contracting practices. By having a consistent and transparent framework through which to contract “eligible” providers, these frameworks seek to improve access to high quality services and achieve value for money.
However, the success of these efforts to improve commissioning outcomes is currently unclear. Moreover, little is known about what other activities are being employed by LAs to ensure sufficiency, and to what extent commissioning innovations and frameworks have supported LAs to achieve better outcomes for children. In this report, we respond to this gap by analysing published sufficiency strategies from LAs, as these provide key information about how local authorities manage markets, engage providers, coordinate provision, and steward services to meet their sufficiency duty and accommodation needs.

Table 1: Terms used in this report

<table>
<thead>
<tr>
<th><strong>Children in care</strong></th>
<th>Children and young people aged 0-17 years old in out-of-home care where the local authority has corporate parenting responsibility, often referred to as “Looked after Children.”</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Demand</strong></td>
<td>Refers to children in care, who will need provision to meet their needs. See “placements.”</td>
</tr>
<tr>
<td><strong>In-house provision</strong></td>
<td>Services delivered by the local authority.</td>
</tr>
<tr>
<td><strong>Independent provision</strong></td>
<td>Services delivered by for-profit or third sector providers, see “provider.”</td>
</tr>
<tr>
<td><strong>Provider</strong></td>
<td>The organisation or body delivering the services. This can be for-profit, local authority, or third sector, but is most commonly used to refer to independent (for-profit and third sector) providers.</td>
</tr>
<tr>
<td><strong>Places</strong></td>
<td>A place in a children's social care service, such as in a children's home or fostering household, see “supply.”</td>
</tr>
<tr>
<td><strong>Placements</strong></td>
<td>A place in a children's social care service which is occupied by a child in care, see “demand.”</td>
</tr>
<tr>
<td><strong>Supply</strong></td>
<td>Provisions that can be used to support children in care, see “places.”</td>
</tr>
</tbody>
</table>

The terminology used in this report reflects that of the sufficiency strategies analysed. However, we acknowledge that other terms and different language is used and preferred by professionals, children, families and others with lived experience of children's social care. This is an area that LAs may wish to consider when engaging young people. For clarity, Table 1 summarises these terms.
Demand of children’s social care services and categories of need

The number of children in care in England is currently at an all time high at 80,850 (as of March 2021), which is an increase of 25% since 2010. Most children in care are placed in foster care (71%), followed by residential settings (17%), kinship care (7%), and adoption (3%). As displayed in Table 2, the main category of need recorded as the reason a child is in care is ‘abuse or neglect’ (66%). This has increased by three percentage points from 2018 to 2021. Other prevalent categories of need include ‘family dysfunction’ (14%) and ‘family in acute stress’ (8%), which have all remained fairly stable in the last four years.

Meeting the ‘sufficiency duty’

A key concept underpinning the commissioning of services and placements for children in care is ‘sufficiency’. Section 22G of the Children Act 1989, which was amended by the Children and Young Persons Act 2008, requires local authorities to ensure sufficiency of residential social care provisions within their area to the extent that this is ‘reasonably practicable’. This duty applies to all ‘looked after children’, as defined by the 1989 Act. To monitor how LAs are planning to ensure sufficiency, LAs are required to formulate plans about how they will achieve this through commissioning (defined by the 2010 Statutory Guidance as “[...] the process for deciding how to use the total resource available for children, parents and carers in order to improve outcomes in the most efficient, effective, equitable and sustainable way.”).

Table 2: Number of children in care and reasons for being in care in England from 2018 to 2021.

<table>
<thead>
<tr>
<th>Reason for Care</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of children in care</td>
<td>75,370</td>
<td>78,140</td>
<td>80,000</td>
<td>80,850</td>
</tr>
<tr>
<td>Abuse or neglect</td>
<td>63%</td>
<td>64%</td>
<td>65%</td>
<td>66%</td>
</tr>
<tr>
<td>Child’s disability</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Parental illness or disability</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Family in acute stress</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Family dysfunction</td>
<td>15%</td>
<td>14%</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Social unacceptable behaviour</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Low income</td>
<td>&lt;1%</td>
<td>&lt;1%</td>
<td>&lt;1%</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Absent parenting</td>
<td>6%</td>
<td>7%</td>
<td>7%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: Children looked after data return (SSDA903)
Sufficiency is a multifaceted concept. The sufficiency duty requires LAs to do more than simply ensure a sufficient number of placements be provided. Placements and care support must meet the needs of children (that is, be well matched between each child and their placement). LAs must have regard for the quality, location and type of provision all whilst acknowledging that sufficiency is not a static situation to be arrived at, but a dynamic endeavour where LAs will need to iteratively respond to changing circumstances and the characteristics of children and young people. In other words, “[…] securing sufficient accommodation requires a whole-system approach which includes early intervention and preventative services to support children in their families, as well as better services for children if they do become looked after.” In Surrey County Council this is understood as: “[…] having enough of the right accommodation and services, in the right places, to effectively support [Surrey’s] children, young people and families. This also includes thinking about the quality of those services and whether or not they are making a positive difference to the lives of children, young people and families.”

The pursuit of sufficiency is analogous to the concept of market stewardship* or the management of quasi-markets of public services. The Institute for Government (Gash et al., 2012 p. 15) argues that the following conditions need to be satisfied for such markets to create positive outcomes:

- new providers must be able to enter the market and grow
- providers must be competing actively, and in desirable ways
- providers must be able to exit the market
- those choosing services (whether service users or public officials choosing on their behalf) must be able and motivated to make informed choices
- levels of funding must be appropriate to achieve government’s objectives.

These criteria are rarely met in practice (Gash et al., 2012) and quasi-markets of social care services are often associated with poor outcomes (e.g., Jensen and Stonecash, 2005; Petersen et al., 2018). Although some challenges are common in the oversight of all types of public service markets, there are unique challenges in achieving effective market stewardship of social care services. Most importantly, the complex nature of social care means that it is difficult to develop reliable and monitorable outcomes to guide commissioning decisions. Compared to more technical services, social care outcomes are difficult to quantify in a meaningful way. In consequence, costs are often used as the key indicator to inform commissioning decisions. Thus, the degree to which placement decisions are based on an informed background with regards to service quality and child-centred outcomes is unclear. The assumption of ‘informed choice’ is further weakened by the current scarcity of supply in children’s social care.

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6 Sufficiency - Statutory guidance on securing sufficient accommodation for looked after children
7 Looked after children and care leavers sufficiency strategy - Surrey County Council
8 Defined as the “the long-term oversight of market mechanisms, as well as the commissioning process” (Gash et al 2012)
The 2010 Statutory Guidance considers commissioning and market stewardship as the key mechanisms through which to ensure sufficiency and improve outcomes for children. Commissioning planning is therefore considered a key aspect when assessing the ability of LAs to achieve sufficiency. In order to monitor sufficiency, the Guidance reports that inspectors are required to evaluate evidence which "[...] specifically includes commissioning strategies relating to looked after children." (p 15) It is thus expected from LAs that "[...] such information is readily available and that commissioning practice addresses sufficiency issues." (p 15)

These plans are typically formulated in sufficiency strategies and statements, which are also evaluated by Ofsted when inspecting local authority children's services. These are often publicly available on the respective LA website. However, it is unclear how these strategies are evaluated in Ofsted inspections and the extent to which these strategies are used to hold LAs accountable for their commissioning practices and outcomes. There is therefore some uncertainty as to what is considered a 'good', well-functioning or effective sufficiency strategy.

**Existing work on sufficiency strategies**

There is little research available on sufficiency strategies and the connections between alternate sufficiency strategies/strategic commissioning approaches and the ultimate outcomes for children and young people. A 2020 report by the Rees Centre at the University of Oxford reviewed the sufficiency strategies of all London LAs (n=31 covering 33 LAs). Although there was considerable variation in terms of the type and detail of information presented in the sufficiency strategies, several common and high-level findings were identified (Suh and Holmes, 2020). First, the report found that 'high-cost low-incidence' areas caused substantial concern and placed pressure on LA finances, even though details on this cohort were often missing. Second, LAs across London reported similar trends in demand and sought to work with the same narrow pool of providers. Third, commissioning decisions were heavily influenced by the scarcity of children's social care places. Fourth, Ofsted ratings were used as the main outcome used to monitor providers. Fifth, LAs generally expressed interest in improving information sharing and to promote joint commissioning practices among all London authorities. Importantly, these findings only relate to sufficiency strategies in London. As such, there is no research to date that analyses the approaches of sufficiency strategies across all of England as tools to improve commissioning practice and ultimately the outcomes for children and young people.

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9 Sufficiency - Statutory guidance on securing sufficient accommodation for looked after children
10 ibid.
11 Inspecting local authority children’s services
This research project builds on existing work by identifying and analysing all up-to-date sufficiency strategies with a focus on identifying: (I) the main perceived challenges for LAs to meet their sufficiency duty, (II) what actions are being undertaken or planned by LAs to improve commissioning outcomes, and (III) perceived negative consequences associated with using certain commissioning or market shaping approaches.

Note: We centre our analysis on the commissioning of residential care and related services 'at the edge' of care. We acknowledge that there is no shared or standard definition for preventative or 'edge of care' services but understand that commissioners may strive to improve outcomes for children and young people by commissioning auxiliary or complementary services beyond the formal provision of residential placements.
METHODS

We identified, catalogued, and synthesised all available up-to-date local authority sufficiency strategies in England. We extracted and analysed information related to demand, supply, access, costs, experience and use of commissioning frameworks, and market shaping activities related to improving commissioning outcomes. These key dimensions were informed both by wider literature on public service stewardship, previous research on sufficiency strategies, and in consultations with the Competition and Markets Authority (CMA) and the Independent Review of Children’s Social Care. We also extracted information related to whether and how service provider and user feedback was used to shape the sufficiency strategy.

Selection process

In the initial stage of the selection process, which took place in September 2021, we conducted a desktop search of LA websites to retrieve all publicly available sufficiency strategies. We considered strategies to be “up-to-date” if the expiry date was at the end of financial year 2020/21 or later. First, we used the search function on the website to search “sufficiency strategy”, “sufficiency statement” and “placement strategy”. Where this did not retrieve an up-to-date strategy, we navigated to and reviewed the LA website in full. Specifically, we reviewed all information on the LA webpages related to children in care, commissioning or, more broadly, children and young people. If the strategy was still not identified in these sections, we reviewed sections on strategy, governance and transparency or on LA children’s services safeguarding procedures.
We identified 103 strategies through this process, 72 of which were up-to-date. This process also uncovered some collaborative strategies that LAs have produced in addition to their local strategy. Three such strategies were found, two of which were out-of-date, and none of which were included in the sample.

Subsequently we emailed 76 LAs representing the 79 LAs whose individual or joint strategy either was out-of-date or not publicly available. Where LAs were part of a joint strategy, one LA was contacted. Email addresses were sourced from LA websites via the same process as outlined above. The contact information for the placement and commissioning teams of most of these LAs was not published. Where this was the case, an alternative was used. The fostering team’s email address was usually readily available and, if it was not, a general enquiries email for children’s services or the LA was used. We were not able to find a functional email address for two LAs.

We received 11 strategies (representing 14 LAs) via email response, of which nine were up-to-date. An additional two LAs informed us that their revised strategy was currently under development. Further to the 72 up-to-date strategies located online, this created a sample of 81 sufficiency strategies covering 56% of LAs in England at the end of 2020/21. The LAs in the sample account for 59% of children in care in England and with a population rate near equivalent to England overall: the LAs in the sample had 66.4 children in care per 10,000 under 18-year-olds (as of 31 March 2021) compared to 66.9 for England.12

Only eight of these 81 strategies were single year strategies with the rest extending over

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12 Children looked after in England including adoptions, Reporting Year 2021 – Explore education statistics – GOV.UK
multiple years, the earliest of which began in 2017. As previously mentioned, all included strategies had an expiration date of the end of financial year 2020/21 or later. The strategies varied in length and format, and some appeared to be periodically updated documents while others were formally published strategies.

**Extraction process**

An extraction template was created using thematic headings grounded in prior research and in consultation with stakeholders. These themes were: demand, supply, access, costs, experience and use of commissioning frameworks, and market shaping and engagement activities related to improving commissioning outcomes. However, other themes emerged during the extraction process, namely within-LA collaboration, and the role of service provider and service user feedback in shaping the strategy. Following discussion between authors, these themes were added to the thematic framework. This approach is sometimes referred to as “best fit” framework synthesis (Carroll et al., 2013).

To begin, the initial data extraction template was piloted with seven strategies. This pilot stage was conducted by ABM and HM, which led to two modifications of the extraction template, namely on scope and content.

First, the extraction sheet was revised to provide clarification that the extracted material should, to the extent possible, be primarily related to residential provision. It was not possible to apply a specific definition of what was to be included within residential, as strategies mostly did not report trends and discuss challenges in reference to subcategories of residential services. Therefore, we relied on the definition of residential care employed within each of the strategy documents themselves.

Second, as it may be considered artificial to focus on residential provision in isolation from other types, a separate “other” field was created for material on challenges and commissioning activities related to other types of provision if the strategy stated it affected, or is affected by, residential provision. For example, foster care or edge of care services were eligible if the strategy expressed that this was directly related to challenges with residential provision.
All data was extracted by HM and BG, who met regularly to discuss and clarify the extraction process. A quality assurance exercise was conducted which involved HM and BG extracting from the same two strategies. There was a high degree of match and both discussed and confirmed a consistent approach in relation to the small number of slight differences in the material extracted.

**Synthesis**

The synthesis was conducted by HM, BG, and ABM, each synthesising distinct components of the extraction sheet. Decisions taken during this stage were logged using comments and reviewed by the other authors throughout. There were two aspects to this process.

First, the raw extracted material was analysed descriptively in order to map the contents and features of strategies. Binary coding, that is the presence or absence of content in relation to a specific dimension of sufficiency, was only used in relation to whether the content, such as changes in demand, was reported or not. Otherwise, binary coding was avoided as some strategies provided insufficient detail or clarity to enable such a judgement to be made while others did not include material on certain topics.

Second, to address our aims of determining the main experiences and perceived challenges facing residential provision along with actions taken to achieve sufficiency, the material was analysed thematically. We were intentionally broad in defining our areas of interest due to the lack of theory in this area. As such, we kept data in its raw form across all extraction dimensions from which our codes were derived and later reviewed and refined before developing themes. The authors met regularly to iteratively discuss emergent results to ensure consistency in the synthesis procedures and refine the final themes, which were developed in consensus.
RESULTS

Sample details

We identified a total of 114 sufficiency strategies by searching LA websites and by directly contacting the LAs from whom we could not identify and download a sufficiency strategy. Thirty-three of these were out of date, and 81 sufficiency strategies covering 84 (56%) English LAs were thus included in the synthesis.

As displayed in Table 4, the included sufficiency strategies were well distributed regionally, although the East Midlands region was slightly overrepresented. The analysed sufficiency strategies also covered an even distribution of LA Ofsted ratings. There were no obvious patterns in the detail and transparency of the sufficiency strategies by ‘Outstanding’ LAs compared to LAs with lower Ofsted ratings.

Table 3: Number of included sufficiency strategies and local authorities

<table>
<thead>
<tr>
<th>1a. How many LA sufficiency strategies were identified in total?</th>
<th>114</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a i. Of these, how many were up to date?</td>
<td>81</td>
</tr>
<tr>
<td>1a ii. Of these, how many were out of date?</td>
<td>33</td>
</tr>
<tr>
<td>1b. Of the 114, how many were identified through contacting LAs?</td>
<td>11</td>
</tr>
<tr>
<td>1b i. Of these, how many were up to date?</td>
<td>9</td>
</tr>
<tr>
<td>1b ii. Of these, how many were out of date?</td>
<td>2</td>
</tr>
<tr>
<td>2. How many sufficiency strategies were included in the analysis?</td>
<td>81</td>
</tr>
<tr>
<td>2a. How many LAs did these strategies relate to?</td>
<td>84*</td>
</tr>
</tbody>
</table>

* The sample includes two instances of joint sufficiency strategies: (1), Kingston upon Thames (London), Richmond upon Thames (London), and Windsor and Maidenhead (South East); and (2) Kensington and Chelsea (London), and Westminster (London). Northamptonshire’s sufficiency strategy - expiring in 2021 - predates the boundary changes which founded West and North Northamptonshire LAs.

Table 4: Distribution of LAs represented by the included sufficiency strategies across regions and Ofsted ratings

<table>
<thead>
<tr>
<th>Ofsted rating at March 2021</th>
<th>Regional coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding</td>
<td>East Midlands</td>
</tr>
<tr>
<td>Good</td>
<td>East of England</td>
</tr>
<tr>
<td>Requires improvement</td>
<td>London</td>
</tr>
<tr>
<td>Inadequate</td>
<td>North East</td>
</tr>
<tr>
<td>Yet to be inspected</td>
<td>North West</td>
</tr>
<tr>
<td></td>
<td>South East</td>
</tr>
<tr>
<td></td>
<td>South West</td>
</tr>
<tr>
<td></td>
<td>West Midlands</td>
</tr>
<tr>
<td></td>
<td>Yorkshire and The Humber</td>
</tr>
<tr>
<td></td>
<td>Total (LAs)</td>
</tr>
<tr>
<td>9</td>
<td>6</td>
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<tr>
<td>31</td>
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<td>31</td>
<td>19</td>
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<td>12</td>
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<td></td>
<td>7</td>
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<tr>
<td></td>
<td>84</td>
</tr>
</tbody>
</table>
The content and formatting of the sufficiency strategies varied widely. Most strategies only provided information on a fraction of the areas of interest. The coverage of each area is presented in Table 5, which displays the number of strategies that contained information on the areas that we extracted information from. The detail and type of information on each area varied considerably across strategies. Each theme is described in detail below.

### Table 5: Reporting coverage in included sufficiency strategies (n=81)

<table>
<thead>
<tr>
<th>Areas reported on in sufficiency strategies</th>
<th>Demand</th>
<th>Access to and use of local provision</th>
<th>Costs and expenditure</th>
<th>Forecasting activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported changes in demand of residential care</td>
<td>34 (42%)</td>
<td>Contained information about level of supply</td>
<td>23 (28%)</td>
<td>Reported any type of forecasting projections 33 (41%)</td>
</tr>
<tr>
<td>Increasing demand</td>
<td>19/34 (56%)</td>
<td>Reported using ‘out of area’ supply</td>
<td>45 (56%)</td>
<td>Forecasting for residential placements 20 (25%)</td>
</tr>
<tr>
<td>Declining demand</td>
<td>8/34 (24%)</td>
<td>Local supply not entirely adequate to meet need</td>
<td>23 (28%)</td>
<td>Clarity around methodology and underlying data of forecasting projections 8 (10%)</td>
</tr>
<tr>
<td>Fluctuating or stagnant</td>
<td>7/34 (21%)</td>
<td>Reported barriers to using local provision</td>
<td>25 (31%)</td>
<td></td>
</tr>
<tr>
<td>Characterised demand as acute</td>
<td>17 (21%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contained information about level of supply</td>
<td>23 (28%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reported using ‘out of area’ supply</td>
<td>45 (56%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local supply not entirely adequate to meet need</td>
<td>23 (28%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reported barriers to using local provision</td>
<td>25 (31%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reported information on residential care provisions costs</td>
<td>46 (58%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reported trends in prices (average unit cost vs placement costs)</td>
<td>12 (15%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increasing prices</td>
<td>7/12 (58%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decreasing prices</td>
<td>4/12 (33%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stagnant or fluctuating prices</td>
<td>1/12 (8%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reported trends in overall expenditure</td>
<td>9 (11%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased expenditure</td>
<td>8/9 (89%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decreased expenditure</td>
<td>1/9 (11%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reported exceeding budget</td>
<td>7 (9%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price comparisons across provider types</td>
<td>22 (27%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent provision more expensive</td>
<td>17/22 (77%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reported actions to reduce costs</td>
<td>28 (35%)</td>
<td></td>
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</tr>
</tbody>
</table>
Commissioning frameworks
Reported using at least one regional or sub-regional commissioning framework 53 (65%)
- Reported reasons for joining a commissioning framework 32/53 (60%)
- Reported experiences of using commissioning framework 26/53 (49%)
Reported planning to join a commissioning framework 7 (9%)

Market shaping and engagement activities
Discussed activities related to market shaping and engagement 60 (74%)

Commissioning intentions
Create or enhance supply 36 (44%)
Reduce residential demand 41 (51%)
Improve commissioning practices 53 (65%)
- Procurement including block contracts 33/53 (62%)
- Internal quality assurance 23/53 (43%)
- Data, analysis and insight 15/53 (28%)

Provider feedback
Contained information about provider feedback 10 (12%)

Inclusion of children’s voices
Report indicated that children’s views are included in decision-making 39 (48%)
Aimed to include children’s voices in the future 15 (19%)
Clarity around how children were consulted to shape the content of sufficiency strategy 14 (17%)

Market conditions
The following sections explore the market conditions described in the sufficiency strategies which LAs face in terms of the demand, supply and access, and costs and expenditure of residential children’s care.

Demand
Thirty-four (42%) of the 81 sufficiency strategies reported a change in the local demand for children’s residential care. Specifically, of the 34 strategies that reported information on demand, 56% reported that demand went up, 24% reported demand to decline, and 21% reported demand to be stagnant or to fluctuate too much to assess the direction. Seventeen sufficiency strategies (21%) characterised their demand as acute. Here we analysed only the strategies’ perceived changes in needs for residential placements.

We did not infer trends from any tables displaying the numbers of children in residential homes if no narrative was provided. Similarly, information that only reported changes in the proportionate use of residential care, the number of children in care, or the need for a certain type of residential care was excluded from the demand analysis. While we made these decisions in order to have comparable analysis across all strategies, some LAs reported changing need for services within specific age-bands or services, which may represent more useful information for service providers.

Changes in demand were explained by multiple factors, depending on whether this was reported to increase or decline. The following factors were considered to influence increasing demand.
First, several LAs explained increasing demand for residential provisions by a development in the cohort of children in care, who were reported as having increasingly complex needs. Mentioned factors include children with a gang affiliation, unaccompanied asylum-seeking children, and children having experienced sexual exploitation, domestic abuse, and substance misuse.

Second, the increase in demand was often attributed to a lack of fostering capacity. Specifically, it was reported that children who were eligible or better suited for fostering ended up in residential care because of insufficient fostering capacity. This was often reported to result in children being placed in residential care, even when a foster placement may better suit their needs. For example, Wakefield recognised that many children with care needs arising from disabilities are often placed in residential homes when a family setting would suit them better and explained that the reason for this was insufficient foster services for these children.\(^{13}\)

Some strategies described experiencing both pressures simultaneously. LAs reported a lack of fostering provision, including ‘specialist’ care to enable children with challenging behaviours to live in family environments which, for some, was creating a situation in which the complexity of need in residential care was becoming more acute. They stressed that the changing care needs and experiences of children entering care is affecting the entire care system. In addition to the characteristics and needs of children and young people, some LAs considered wider contextual reasons linked to demand pressures, such as national funding cuts, pressures arising from COVID-19, and increasing placement costs.

Three sufficiency strategies reflected on reasons for the declining demand for residential care. Wandsworth reported having achieved this by improving their placement and matching procedure.\(^{14}\) Bournemouth, Christchurch, and Poole explained this decline by having reduced their use of emergency residential accommodation.\(^{15}\) Importantly, although Ealing reported declining demand, they also highlighted that this has been known to fluctuate due to factors unrelated to their commissioning efforts.\(^{16}\) They were therefore cautious in interpreting this development as evidence that they could confidently reduce the supply of residential care.

**Supply and access**

**Local provisions**

Few strategies provided an initial assessment of whether they have, on paper, enough residential places to accommodate the number of children in care requiring a residential placement. In total, 23 (28%) of the strategies provided either a clear statement of whether they were over- or undersupplied, or numerical information on the number of places and placements. A further nine (11%) sufficiency strategies stated they were experiencing “insufficiency” or that demand for residential care was exceeding supply, but this was often described in general terms without much detail regarding the underlying factors.

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13  Wakefield, Sufficiency Strategy 2020 - 2022
14  Wandsworth, Children Looked After and Care Leavers Placement Sufficiency Strategy 2020-2021
15  Bournemouth, Christchurch and Poole, Sufficiency strategy for children in care and care experienced young people (2021-2024)
16  Ealing, Looked After Children (LAC) and Care leavers sufficiency strategy (2018-21)
driving this, for example whether the issue was the aggregate number of placements, or the nature or availability of local supply.

Twenty-two (27%) strategies provided only a partial view of local capacity. Most commonly, these reported on in-house capacity but did not describe local independent provision, or they reported only on recently developed capacity. Another nine strategies provided some information on local supply but at the level of establishment rather than capacity. The remaining 18 (22%) strategies provided no analysis on local supply.

Of the 23 strategies that provided information on both supply and demand, 14 (61%) reported having a surplus of residential places within the LA, whereas the other nine (39%) reported that they did not have enough local places to meet demand. Notably, the LAs that were ‘oversupplied’ reported distinct barriers to being able to utilise their local provision (elaborated in more detail below).

**Barriers to utilising local provision**

One or more barriers to accessing local supply were reported by 25 (31%) sufficiency strategies. Of the strategies that reported on this, the most commonly mentioned barriers included competing with other LAs for placements (17 of the 25 (68%)), practical difficulties of not being able to match a referral to the available local vacancy (8 of the 25 (32%)), and so-called “bed blocking” by reducing the utilisation of supply due to high-need placements (4 of the 25 (16%)). Two reported that staffing shortages meant local in-house provision could not be fully utilised. For Nottingham, this was reported to have been an issue after the COVID-19 outbreak as they had to decrease the capacity of in-house provision in order to keep staffing at appropriate levels.17

Importantly, those strategies which reported being ‘oversupplied’ also detailed barriers to accessing local provision. All but one included local provision being used by other LAs as one such barrier. This competition between LAs for independent places was reported by Staffordshire, an oversupplied authority, to make market shaping activities and engagement with providers targeting their own demand profile more challenging.18 While this barrier was not reported by ‘undersupplied’ strategies, Coventry anticipated soon becoming oversupplied and cited this inter-LA competition as a future risk.19

**Appropriateness of local supply**

In addition to considerations of volume (ie., the aggregate number of places in homes), another aspect of the sufficiency duty is whether the provision in a LA meets the specific needs of its children in care. Twenty-three (28%) sufficiency strategies clearly identified at least one reason for why their local supply of residential care was not entirely able to meet demand. Most commonly, provided reasons related to issues with the type of provision offered locally. For example, 18 (78%) of the 23 strategies reporting on this described that local provisions were unsuited to accommodating emergency, specialist, or therapeutic placements. A smaller number of strategies mentioned issues with the features of the homes themselves, such as a

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17 Nottingham City, Children in Care Placements - Commissioning and Sufficiency Strategy 2021-2023
18 Staffordshire, Sufficiency Strategy 2020-2021 (received via email).
19 Coventry City, Placement Sufficiency Strategy for Looked After Children and Care Leavers 2020 – 2023
lack of homes of a certain size, in particular smaller or single place provision, and being in an unsuitable location within the LA. In addition, five strategies reported concerns around the quality of local provision, for example in terms of children and young people’s outcomes not being met, provision falling below their expected Ofsted rating, or provision not offering the required support packages. Other areas of concern included local providers not being part of the regional or sub-regional commissioning framework or providers not having the appropriate skills, expertise, and experience sought by the LA.

Out of area placements

More than half (56%) of the strategies reported using residential places “at a distance”. However, ‘distance’ was understood in different ways. Of the 45 strategies reporting using “at a distance” placements, 73% defined distance as residential placements outside the LA border, 22% understood it as a placement more than “20 miles” from the home address, and, in a small number of instances it was unclear what was meant by ‘distance’.

Eleven (14%) strategies reported either using, or being likely to use, provision outside of the LA, but without clarifying for what placement type. Commonly reported reasons for placing children “at a distance” include safeguarding concerns or to access specialist provisions that are not available in the LA. However, some sufficiency strategies described the decision to place children out of the LA area as not motivated by the needs of children. For example, both Herefordshire and Hertfordshire cited having to occasionally use out of area residential provision due to “insufficient” local provision.21

Costs and expenditure

The cost of residential care was discussed in more than half (58%) of the sufficiency strategies, but price trends were only discussed in 12 (26%) out of the 47 strategies providing information on costs. Of these, seven reported an increase in average prices, four reported fluctuating or stable prices, and one reported a decrease in average pricing.

Nine (11%) sufficiency strategies discussed trends in overall expenditure on residential care. Eight of these reported spending more than in previous years on these provisions, and seven even reported exceeding their budget.

This development was explained by a variety of factors. For example, some reported that price increases were due to an increasingly complex cohort of children, who were expensive to accommodate. However, many sufficiency strategies also reported that independent (i.e., private for-profit and third sector) providers have raised prices for many LAs. Specifically, for the 22 that compared prices among provider ownership, 17 reported problems with the cost of independent provision with it either being more expensive in absolute terms or rising in cost. Eight explicitly reported independent places being more expensive (unit cost average or price) than in-house provision, although two reported that the unit costs were lower in independent provision than their in-house placements.22

21 Hertfordshire, Looked After Children Sufficiency Statement, 2020-2021
22 However, evidence suggests that there is inconsistent reporting of costs for internal and external care provision (Suh and Holmes, 2020)
In consequence, many LAs characterised it as a seller’s market, in which the scarcity of supply allowed independent providers to increase prices without consequences.

Similar to the Rees report (Suh and Holmes, 2020), one of the most mentioned stressors for LA budgets were children in need of expensive placements with high staffing ratios and capacity to meet complex therapeutic needs. Even though this often only involved a low numerical number of places, this was reported to substantially impact the overall budget. Additionally, it was mentioned that placing children at a distance involves additional costs for the placing LA. Buckinghamshire, Rotherham, and the City of Bristol all reported that placements at distance caused financial strain - often because providing supplementary care with their social workers is more expensive for children placed at distance.23 24 25

One LA outlined a very different situation to most. Coventry reported a reduction in both the average and the total expenditure on residential care.26 This is despite also reporting an increasing demand for the services. The explanation given for this was the success of their “transformation strategy to increase internal provision and reduce the use of independent provision.” In the three years prior to the strategy Coventry cut annual expenditure on independent residential care by over £3m and increased internal expenditure by £400,000. Coventry set out plans to continue this transformation of care provision given its successes thus far. Several LAs cautioned against average unit costs measurements, in part because of how this can easily be skewed by the types of very expensive placements mentioned above. Notably, several sufficiency strategies also advised against comparing unit costs across provider types, as this is a complex task, which depends on many factors, such as occupancy, the children’s varying care packages and the immediacy of placement. Instead strategies suggested that being better able to understand the true value for money would improve commissioning decisions, highlighting that current ‘unit-cost measurements’ are insufficient at providing substantive information about the value for money a placement provides.

Indeed, some LAs only reported the changes in expenditure in terms of the overall expenditure for residential care. Of the nine strategies that discussed overall spend rather than unit cost, eight reported increasing expenditure - again only Coventry reported a decrease. The increasing spend on residential care cannot tell us much about the experiences of the cost of provision on its own. However, four LAs reported overspending their budgets. Barnsley reported an overspend of their residential budget despite successful efforts to negotiate the increased use of Health budgets on residential care services in that year.27 Some LAs reported very severe overspending; for example, Hertfordshire reported their residential budget was £35.1m overspent.28

23 Buckinghamshire, Placement sufficiency strategy for looked after children 2018-2021
24 Rotherham, Looked After Children Sufficiency Strategy 2019-2022
25 Bristol City, Sufficiency Strategy Placements for Children in Care and Care Leavers 2020-2023
26 Coventry, Placement Sufficiency Strategy for Looked After Children and Care Leavers 2020 – 2023
27 Barnsley, Placement & Sufficiency Strategy For Children In Care 2020-2023
28 Hertfordshire, Looked After Children Sufficiency Statement, 2020-2021
Current efforts to achieve sufficiency

The sufficiency strategies describe a market environment characterised by increasing demand for residential care, reduced availability of local services, and increasing or fluctuating prices. The below sections describe the efforts currently being undertaken by LAs to respond to the market conditions described above in order to achieve sufficiency.

Forecasting

Thirty-three (41%) sufficiency strategies used and presented forecasting estimates to inform their strategy, and 20 reported doing this specifically for residential placements or costs. In eight (40%) of these 20, the forecasting on residential placements was calculated based on existing data and using a transparent methodology, whereas the methodology and underlying data was unclear for the remaining sufficiency strategies.

There was a wide variation in terms of the data that was used to predict the future number of children in care. For example, some approaches used general population projections, whereas others used specific data on children about to turn 18 and annual children in care populations. This means that the forecasting projections were often incomparable across the sufficiency strategies. There was also substantial variation in the forecasting methodology, although the underlying approach was rarely clearly described. Most employed a very basic analysis of less than five data points and it was common for LAs to use a linear trend on annual observations, often across the last three years. Only a few used advanced statistical methods or utilised large quantities of granular data.

The detail of statistical information presented with the forecasting estimates also varied considerably. Although some sufficiency strategies used confidence intervals or projections under multiple scenarios to accompany their estimates, many expressed caution about the confidence of their single projected figures without sufficient information to reliably assess the statistical features of the forecasting estimates.

Most LAs recognised that their forecasting estimates should be interpreted with caution, in part due to the issues described above. Based on our synthesis, we found that forecasting activities could be improved by considering the following aspects. First, none of the included strategies reported having tested their forecasting on previous years’ data, meaning that there is no (reported) evidence regarding the success of their employed approach. Second, many sufficiency strategies would benefit from using more frequent data points over longer periods of time. Third, providing multiple forecasts based on population projections and children in care projections would allow LAs to develop more sophisticated models. Fourth, improving the statistical reporting by, for example, reporting confidence intervals and more detailed descriptive information about the underlying data. Fifth, providing situational forecasts by clarifying, for example, how changes in demand are expected to influence the number of children. This would ease the interpretation of the forecasting and highlight the hypothesised implications of specific actions.
Commissioning frameworks

Most sufficiency strategies (64%) reported using at least one commissioning framework. These were typically regional or sub-regional membership networks which enabled access to providers using a transparent and shared contracting framework. Of these, 62% reported reasons for subscribing to a commissioning framework. The most prevalent reasons were to ensure sufficiency (for example by accessing independent providers and ensuring more stable placements), achieve better value for money (for example by improving market leverage and purchasing places at more consistent prices), improve information sharing among the LAs subscribed to the same service, and to reduce the reliance on spot purchasing.

Half of the sufficiency strategies that reported using at least one commissioning framework discussed their experience of using a commissioning framework (50%). Numerous LAs found that being part of a commissioning framework did not enable them to secure local placements nor to achieve sufficiency. This was often explained by local providers not being signed up or not participating in the commissioning framework. For example, in Reading none of the local providers were signed up to their subscribed framework (Local Authorities of the Southern Region (LASR) Flexible Framework)\(^29\) and in Surrey only 38.8% of the local providers were signed up for their commissioning framework (also LASR).\(^30\)

The lack of local provider take-up was often highlighted as an area that LAs were actively trying to address by encouraging local providers to join.

Several LAs also reported having to deviate from their regional or sub-regional commissioning framework to place children locally. Moreover, it was often reported that LAs were still reliant on spot purchasing despite being part of a commissioning framework. For example, both Oxfordshire,\(^31\) Solihull,\(^32\) and the joint strategy between Richmond upon Thames, Kingston upon Thames, and Windsor and Maidenhead\(^33\) reported that current frameworks did not enable them to achieve local sufficiency nor discontinue their reliance on spot-purchasing. Several LAs explained this development by noting they had become over-reliant on commissioning frameworks which did not help them to achieve sufficiency and were therefore looking to develop alternative commissioning solutions more carefully tailored to their local needs. To achieve this, several LAs, including Warwickshire,\(^34\) Gloucestershire,\(^35\) and Staffordshire,\(^36\) reported plans to develop block contracting arrangements directly with local providers (discussed in more detail below).

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29 Reading, Children in Care Sufficiency Strategy 2020-2023
30 Surrey, Sufficiency Strategy for Looked After Children, Care Leavers and Children on the Edge of Care 2020-2025
31 Commissioning Strategy for Looked After Children Placements 2020-2025
32 Solihull, Placements and Sufficiency Strategy for Children Looked After and Care Experienced Young People 2020-2024 (received via email).
33 Kingston upon Thames, Richmond upon Thames, and Windsor & Maidenhead, Looked After Children Sufficiency Strategy 2020-25 (received via email)
34 Warwickshire, Children in Care Sufficiency Strategy
35 Sufficiency Strategy 2018 - 2021 - Gloucestershire County Council
36 Staffordshire, Sufficiency Strategy 2020-2021 (received via email).
Market shaping and engagement activities

Sixty (74%) of the included sufficiency strategies discussed at least one market shaping and/or engagement activity. This usually entailed hosting provider events and forums, in order to foster better relationships and information sharing between providers and LAs.

Strategies commonly stated an intention to engage with providers through periodic forums or events. Where the objectives of engagement were provided, the most common aim was to communicate local requirements to providers. Of the 60 strategies reporting on this, 25% wanted to create new independent supply locally and 13% wanted to access existing local supply. Twenty percent of these reported wanting to develop local provision, but did not describe how they were planning to achieve this. Other LAs were planning to engage providers about local needs (seven out of 60). Additional activities included developing co-produced commissioning arrangements, partnerships with local providers, and block contracting arrangements. One LA (Ealing) also reported wanting to commission more places with recently opened providers, who were currently considered underutilised.37

Some strategies described efforts already underway to develop relationships with providers in order to increase access to local provision. For example, Dorset reported having worked with providers to receive notification of upcoming vacancies, a strategy Reading is also interested in.38 Alternatively, County Durham reported that they request providers to agree to a “Durham First Approach” whereby Durham County Council would be the priority purchaser of local provision.40 The strategy described the LA taking a proactive multi-agency approach in collaboration with the police to review new residential services before the planning application. If they deem that the service is required, they will request the provider to agree to this approach. This was said to ensure that the new provision meets the needs of the LA’s population but also that the LA can access these places. The strategy reported that this has had positive results in relation to two areas: first, prospective providers were found suitable to meet the LA’s needs and, second, there are to be 10 new places to be used exclusively by this LA. It was not reported how this approach had been received by providers.

Other sufficiency strategies (13 out of 60) reported that better monitoring, quality assurance, and information sharing practices were needed in order to meaningfully shape the market. Specifically, several LAs wanted more information and monitoring data about the outcomes of residential placements, which, in turn, could help shape contracting arrangements and potentially foster outcome-based commissioning. Some reported that this could be achieved by setting up more centralised information gathering procedures to help understand the needs of children in care. There was one example of LA collaboration in this area: Knowsley reported that it led the development of an online environment for Liverpool City Region, making information such as

37 Ealing, Looked After Children (LAC) and Care leavers sufficiency strategy (2018-21)
38 Dorset, Placement Sufficiency Strategy 2020 – 2023
39 Reading, Children in Care Sufficiency Strategy 2020-2023
40 County Durham, Sufficiency and Commissioning Strategy for Looked After Children and Care Leavers 2020-2023
placement vacancies and cost available in a dynamic manner.\textsuperscript{41}

Another intended approach reported by 12 LAs was to improve their market engagement by joining or continuing to use existing regional or sub-regional commissioning frameworks or dynamic purchasing systems. However, five LAs who were all current members of a commissioning framework, planned to develop alternative commissioning solutions that were better tailored to their local needs. For example, Gloucestershire reported that their regional commissioning framework did not meet their local needs due to excessive demand for places within the framework.\textsuperscript{42}

**Within LA collaboration**

Twenty-seven (33\%) LAs reported some form of collaboration between departments or other local government bodies for the provision of children’s social care - ten of those specifically discussed the role internal cooperation could play in improving the provision of residential care.

The most common solution identified via internal collaboration was joint commissioning, usually with the corresponding Clinical Commissioning Group (CCG). The aim was typically to ensure that services could meet the needs of children if they extended to acute therapeutic needs or special educational needs. For example, Derbyshire reported using a service run by clinical and educational psychologists and therapeutic workers, commissioned jointly with the local CCG, which provides consultation with each residential care home each month - as well as delivering their own therapeutic interventions.\textsuperscript{43} Collaboration with other public service teams within the local area was also sought in some cases, for example, Hillingdon targeted better links between the children’s homes and community police officers.\textsuperscript{44}

Another way in which LAs utilised internal collaboration was to create multi-agency resource panels. These panels provide direction and clarity over the process of joint funding as well as act as a decision-making body to approve the jointly-funded services. For example, Gloucestershire recently created a multi-agency resource panel and was planning to review all current jointly funded services to ensure appropriate joint assessments had taken place to support funding allocations.\textsuperscript{45} Similarly, North East Lincolnshire understood that the commissioning process was too fragmented even within the children’s social care team and created a body that would commission places jointly with input across the different care teams.

**Commissioning approaches to achieve sufficiency**

The majority of sufficiency strategies discussed how they were planning to maintain or improve sufficiency through commissioning. The main suggested commissioning remedies described in the sufficiency strategies can be summarised by the following themes.\textsuperscript{46}

\begin{itemize}
  \item Knowsley, Children in Care Sufficiency Strategy, 2018-2021
  \item Gloucestershire, Sufficiency Strategy 2018 - 2021
  \item Derbyshire, Children in Care Placement Sufficiency Strategy 2017-21
  \item Hillingdon, Looked After Children & Care Leavers Strategy 2018-2021
  \item Gloucestershire, Sufficiency Strategy 2018 - 2021
  \item North East Lincolnshire, Children Looked After Sufficiency Strategy 2021 - 2024
\end{itemize}
Are local authorities achieving effective market stewardship for children’s social care services?

Reduce demand for residential children’s services

Forty-one (51%) sufficiency strategies described plans to actively reduce demand for residential care. This usually involved activities such as the recruitment, retention and development of foster carers to ensure there are carers suitable for children with more complex needs, and to enhance ‘edge of care’ programmes or alternatives to residential placements, including step down units, return homes, or “Staying Close.” Some of these approaches were already reported to have produced positive results. For example, Hertfordshire LA partook in a DfE-funded innovation scheme “Inside Out.” This scheme used intensive coaching to help children to “step down” from residential homes. Out of the 17 children signed up to the programme, eight had moved back to their family or into independence with another young person who planned to move back to their family.

One alternative approach to ensuring access to foster places was the use of block contracts. Warwickshire reported to have pioneered an approach whereby they established a block contract with independent fostering agencies to secure foster places for children in care to prevent them entering residential provision or to enable step down.

Create supply

Thirty-six (44%) sufficiency strategies reported actively developing, or planning to develop, new residential supply. In many instances (23), strategies that set out intentions to create supply did so in conjunction with plans to reduce demand. This suggests that LAs did not consider this to be an “either or” choice, which may reflect that many LAs were experiencing simultaneous pressure in terms of increasing demand and a lack of, or inadequate access to, supply. Most reported pursuing an increase in supply by boosting the availability of in-house provision, creating new additional supply in partnership with providers, increasing the number of beds within existing homes, or adapting the nature of local supply. Many other strategies set out an intention to review their in-house provision to ensure it meets the needs of their cohort of children in care.

Some of the approaches underway included increasing capacity but also reconfiguring in-house provision to better meet the needs of children in care. For example, Bristol reported replacing larger homes with smaller establishments to provide a more adaptable offer to meet complex needs. Similar approaches were underway in Darlington and Surrey.

Others reported pursuing partnership or alternative delivery models that fall between in-house delivery and traditional outsourcing. For example, Durham has developed a small home in partnership with a community

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47 Hertfordshire, Looked After Children Sufficiency Statement, 2020-2021
48 However, an evaluation of Inside Out has been classed as having low strength due to the small number of participants involved (Sanders et al., 2021).
49 Warwickshire, Children in Care Sufficiency Strategy 2020-2021
50 Bristol City, Sufficiency Strategy Placements for Children in Care and Care Leavers 2020-2023
51 Darlington, Looked After Children and Care Leavers Commissioning and Sufficiency Strategy 2021-2024
52 Surrey, Sufficiency Strategy for Looked After Children, Care Leavers and Children on the Edge of Care 2020-2025
interest provider to meet a specific need among their children in care. Hertfordshire reported working in partnership with independent providers to create provision, some of which will make use of existing LA properties, and to ensure provision is of a high quality. Other approaches reported by some to be of interest include social enterprises and joint ventures which Somerset reported would aim to achieve greater control and social value.

The outcomes LAs intended to achieve by establishing new or improved provisions include increasing the proportion of placements made locally, enabling family contact, improving stability along with reduced expenditure or improved “value for money” (for example, Buckinghamshire and Barnsley). Some LAs reported having achieved positive outcomes through these activities. For example, Wakefield reported that their new in-house residential provision led to positive outcomes for the children, and they therefore plan to develop this strategy further.

**Block contracting**

Various elements of procurement were discussed by 33 (41%) strategies as areas for future development. This usually pertained to establishing or reviewing contractual or purchasing arrangements, or considering alternative commissioning approaches that could be deployed. One frequently cited area for development was block contracts, which was discussed in 21 strategies. These were commonly highlighted as a promising approach to improve access to local residential provision and several LAs reported that this contracting type enabled them to achieve more local placements. For example, both Oxfordshire and Nottingham attributed their reduction in out-of-LA placements to their block contracting arrangements. Nottingham also reported that the increased proportion of local placements resulted in a reduction of out of area visits and the commissioning of services in other LAs, leading to reduced expenditure and improvements in the commissioning cycle.

However, a number of issues around setting up a block contracting arrangement with providers were reported. Bournemouth, Christchurch and Poole LA reported that the lack of suitable local provision meant efforts to establish block contracts for complex needs provision was not possible. They were, however, continuing to pursue this with smaller providers. Also, Brent reported challenges in establishing block contracts due to “very limited appetite” from providers, which was explained by a general hesitancy

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53 Country Durham, Sufficiency and Commissioning Strategy for Looked After Children and Care Leavers 2020-2023
54 Hertfordshire, Looked After Children Sufficiency Statement, 2020-2021
55 Somerset, Sufficiency Statement for Children Looked After and Care Leavers 2020 – 2021
56 Buckinghamshire, Placement sufficiency strategy for looked after children 2018-2021
57 Barnsley, Placement & Sufficiency Strategy For Children In Care 2020-2023
58 Wakefield, Sufficiency Strategy 2020 - 2022
59 Oxfordshire, Commissioning Strategy for Looked After Children Placements 2020-2025
60 Nottingham City, Children in Care Placements - Commissioning and Sufficiency Strategy 2021-2023
61 Bournemouth, Christchurch and Poole, Sufficiency strategy for children in care and care experienced young people (2021-2024)
among providers to restrict their choice over which children to take in. 62

In addition to these challenges around local provision and provider “buy-in”, some LAs that were at earlier stages in their block contract development reported having financial concerns. These strategies were concerned that block contracts could result in paying for voids if they were unable to match a child or young person to a place or if their demand profile changed, rendering the provision unsuitable. Both Slough and Bracknell Forest considered collaborating with other LAs as a potential solution to this whereby they could offer unrequired beds to the other LAs. 63 64 However, a joint strategy between three LAs (Kingston upon Thames, Richmond upon Thames, and Windsor and Maidenhead) noted that block contracts afforded benefits to both parties as the financial certainty offered to providers may in turn allow for reduced placement costs. 65 Collaborative approaches were reported already to be underway by some, such as the North East London Commissioning Partnership which received funding from the DfE’s Innovation Programme. Tower Hamlets reported that block contracting was one of the initial intentions of this sub-region of eight LAs. 66 These mixed views and experiences closely reflect those reported by providers in a member survey of the Independent Children’s Homes Association (Revolution Consulting, 2020a).

**Reduce residential placement costs**

Twenty-eight (35%) sufficiency strategies reported an action plan on how to reduce costs or optimise expenditure. Two pathways to achieving this were frequently highlighted: (1) to reduce placement costs and (2) to improve commissioning processes.

Many LAs considered it a priority to reduce the number of high-cost placements - one of the key themes indicated to be causing financial stresses on budgets. This involved retrospective activities, such as reviewing currently expensive placements, renegotiating contracts, and changing the care package for the child. For example, Bristol was developing a programme with a 12-month wrap-around service of therapeutic care for high-cost placements with the goal of finding less expensive and more stable accommodation after that period. 67 Activities related to finding cheaper accommodation for high need children were often phrased as a ‘win-win’ with children getting “more appropriate” provision for their needs in a less expensive placement.

Some LAs had ways of identifying high cost placements, whilst others were hoping to improve their ability to monitor these. For example, Gloucestershire already has a ‘high cost placement panel’ which was reported to improve the placement process for this cohort and which they hoped would become a normalised part of their practice. 68 However, it was clear that LAs are at very different stages in addressing high cost placements. For example, Kensington and

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62 Brent, Looked After Children and Care Leavers Placement Sufficiency Strategy 2020-24
63 Slough Children's Services Trust Sufficiency Duty Strategy for 2019-22
64 Slough Children’s Services Trust Sufficiency Duty Strategy for 2019-22
65 Kingston upon Thames, Richmond upon Thames, and Windsor & Maidenhead, Looked After Children Sufficiency Strategy 2020-25 (received via email)
66 Tower Hamlets, Placement Sufficiency Strategy for Looked After Children and Care Leavers; 2019-2022
67 Bristol City, Sufficiency Strategy Placements for Children in Care and Care Leavers 2020-2023
68 Gloucestershire, Sufficiency Strategy 2018 – 2021
Chelsea, and Westminster’s joint strategy was focused on identifying high cost placements and reviewing the services each provider is delivering and whether it corresponds to the needs of the child.69 Due to increasing prices and constrained budgets, LAs were therefore very concerned with ensuring that the best possible matches, both in terms of quality and price, are made for high cost placements. However, the potential impact of disrupting children’s current placement was not clearly considered in the strategies, even though placement stability was reported as key to the welfare of children.

Another common area in need of improvement identified by the strategies was the commissioning process itself. Many LAs did not feel they had sufficient information and expertise about the market and prices to achieve better value for money. Several sufficiency strategies thus reported a need for better negotiation expertise by experienced commissioners with an enhanced understanding of costs and prices in the sector. Financial strains were the driving factor of a minority of LAs looking to change existing provision arrangements, for example through block contracts and more in-house provision.

Provider feedback

Only 10 (12%) of the sufficiency strategies contained information on provider feedback and suggestions from provider organisations. Where this was included, the most common suggestion by providers was for the LA to improve information sharing. This includes clarity around the local needs LAs require of the market, children in care demographics, and more detailed information about the requirements around best therapeutic practices. Another suggestion was for providers and LAs to jointly address issues around workforce, and for LAs to support and assist providers to recruit qualified staff.

Other feedback related to regulation and matching. In terms of regulation, two LAs reported that providers are very conscious of their Ofsted ratings, and that taking in complex needs children were perceived to jeopardise these. Providers reported that they found it challenging to achieve good matching practices. For example, Brent reported that providers were generally reluctant to accept block contracts as there are fears that serving a much smaller pool of children from a single LA would make matching processes much harder, even if the overall demand is there for places.70

Inclusion of children and young people

Thirty-nine (48%) sufficiency strategies reported incorporating children’s voices in their decision making. In 15 of these, this was primarily reported as an intention and it was not clear if this was part of current practices. It was only clear in 14 strategies that the content had been shaped based on consultations with children and young people.

The ways in which children were consulted and how those consultations were used to shape the strategy varied considerably. Some LAs consulted children before drawing together the strategy, for example by using children’s councils. However, many

69 Kensington & Chelsea and Westminster, Looked After Children Sufficiency Strategy 2019-22 (received via email)
70 Brent, Looked After Children and Care Leavers Placement Sufficiency Strategy 2020-24
LAs defined children’s voices as a key ambition for the future without reporting how this was currently being achieved. Only seven strategies mentioned specifically consulting children for the strategy - either for feedback from the previous sufficiency strategy or in understanding the needs of children before drawing up this document. In all seven cases which report consulting children for the specific purpose of writing the strategy, it was clear how the voices were incorporated in shaping the strategy. For example, Gloucestershire’s consultation with 48 children found that the children wanted placement stability and continuity of care, but more specifically that they did not feel they were in control of the placement process. To respond to this, Gloucestershire is piloting a referral process whereby a one-page profile will be written with the child and shared with providers, giving the child more ownership over the placement process.

Notably, LAs used a very similar toolbox of consultation techniques, such as direct consultations, surveys, and forums for the purposes of staff recruitment, quality assurance or inspections, and creating strategies or pledges.

Beyond using children’s voices to directly shape the production of the strategy, some LAs reported ways in which children's voices are included in broader provision practices. Here schemes of 'young inspectors' or 'young commissioners' were utilised in five of the strategies. Croydon was one such LA which reported using a young commissioners programme to ensure that the procurement of residential care included the views of children. They also mentioned that they encourage children to sit on the South London Commissioning Programme’s reference group, impacting the regional commissioning work.

However, the outcomes of these groups were rarely reported in the sufficiency strategies, and it was not clear how this engagement with children and young people improved the commissioning process.

Are local authorities achieving effective market stewardship?

The rise in the number of children needing residential care combined with the shortage of supply is highly problematic for LA commissioning teams, who often report having inadequate resources and expertise to predict and cope with this development. We undertook this research in order to better understand the capability and efforts of LAs to respond to this development as corporate parents. Table 6 summarises our results in relation to market stewardship by describing the extent to which our analysis supports the fulfilment of the criteria required for effective market oversight, as defined by the Institute for Government (Gash et al 2012).

Based on our analysis of all up-to-date and publicly available sufficiency strategies, we find either no, limited, or mixed evidence in support of these criteria being met.

71 Gloucestershire, Sufficiency Strategy 2018 - 2021
72 Croydon, Children Looked After Sufficiency Plan 2019-2021
Table 6: Evidence of success in the market stewardship of children’s social care by local authorities.

<table>
<thead>
<tr>
<th>Criteria for effective market stewardship (Institute for Government)</th>
<th>Is there evidence that the criterion is met? (Clearly met, partially met, mixed evidence, no evidence, not met)</th>
<th>Elaboration</th>
</tr>
</thead>
<tbody>
<tr>
<td>New providers must be able to enter the market and grow</td>
<td>Mixed evidence</td>
<td>It was reported to be challenging for small, local, and new providers to become part of commissioning frameworks. However, independently provided places are generally reported to be slowly increasing but whether these represent ‘new providers’ (as opposed to existing providers opening more facilities) is not necessarily clear.</td>
</tr>
<tr>
<td>Providers must be competing actively, and in desirable ways</td>
<td>Not met</td>
<td>It is not providers who are ‘actively’ competing for placements, but LAs who are competing for providers. There are many applications from LAs per placement at a children’s home. Competition is not maintaining prices at low or consistent levels for commissioners, even for those subscribing to regional or sub-regional commissioning frameworks.</td>
</tr>
<tr>
<td>Providers must be able to exit the market</td>
<td>Partially met</td>
<td>The sufficiency strategies did not frequently discuss or mention service closures. However, considering that the majority of homes are a) not tied down to block contracts, b) under no legal pressure to accept a child, and c) able to end any placement with 24 hours’ notice, it is likely that providers can remove themselves from the market or limit how many places they offer.</td>
</tr>
</tbody>
</table>

73 Children Act 1989 guidance and regulations - volume 5
Those choosing services (whether service users or public officials choosing on their behalf) must be able and motivated to make informed choices. Not met

‘Informed choice’ necessitates a surplus of supply, which is, at minimum, severely restricted given the current scarcity of supply in children’s social care provisions. Some providers report receiving applications for completely infeasible placements such as applying for a girl to enter a boys-only home. The majority of LAs report limitations to their ability to choose placements - particularly in reference to the location of the home.

| Levels of funding must be appropriate to achieve government’s objective | Mixed evidence | We identified mixed evidence in terms of funding sufficiency. There were some indications of insufficient funding with LAs being unable to invest to secure the availability of local supply. Relatedly, there also seemed to be insufficient funding to ensure that the correct type of service was always available (e.g., enough edge of care support). However, we acknowledge that it is difficult to identify whether the level of funding is appropriate and that the material in the sufficiency strategies offers insights that are not necessarily conclusive. For example, it is not clear whether over-spending is because of insufficient funding at an aggregate level or because of challenging market conditions and the high costs of placements. |
DISCUSSION

Summary of findings

1. Almost half (44%) of LAs did not have a publicly available or up-to-date sufficiency strategy, which is noteworthy considering that this is a key aspect of fulfilling the sufficiency duty. It is possible that more up-to-date strategies exist but are not publicly available. However, given that an important feature of the strategies is to communicate information about cohort characteristics and expected demand to providers, it is surprising that only half of these were readily available.

2. Strategies generally reported an increasing demand for residential care, especially for children with complex needs. Numerous LAs described deficient local provision, unsuited to accommodating emergency, specialist, or therapeutic placements. It was reported that LAs were simultaneously under pressure from increasing demand for places for both high and low need children. The most commonly cited reason to explain this development was a lack of fostering services for children who needed them, alongside the increase in numbers of children with severe trauma and acute therapeutic needs.

3. Strategies reported that the cohort of children and young people in care is becoming more complex and thus increasingly expensive to place within residential provisions. Several LAs reported that even a small number of children who require high need placements severely impacted their budget.

4. It was generally reported that prices and unit costs of residential care places are increasing, especially among ‘independent’ (private for-profit and third sector) providers. However, the extent to which this is a result (or not) of changes within the children in care cohort was unclear.

5. Many LAs struggle to place children locally and to access local provisions, even though this was highlighted as a priority in most sufficiency strategies.74 It is also worth noting that the Statutory Guidance states that “For the majority of children in care, the ‘most appropriate placement’ will be within the local authority area.” Notably, even oversupplied LAs could not always access local provisions due to these being occupied by children from other LAs.

6. Few strategies included detailed information or analysis on their local provision, particularly independent sector provision. Providing more information, along with an assessment of the extent of the LA’s utilisation of local supply, could help clarify and inform supply-related commissioning intentions.

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74 Sufficiency - Statutory guidance on securing sufficient accommodation for looked after children
7. More than half of the LAs reported being part of a regional or sub-regional framework, in the expectation that this would improve their sufficiency by being able to access high quality and value for money residential services. However, LAs often reported that the effectiveness of these regional arrangements was limited as not all LAs took part, and not all providers joined the frameworks. As a result, several LAs reported that joining these did not help them achieve local sufficiency nor reduce reliance on spot purchasing.

8. Several LAs urged caution in the interpretation of average unit costs measurements because of how this can easily be skewed by very expensive placements. Notably, several sufficiency strategies also advised against comparing unit costs across provider types as this is a complex task which depends on many factors, such as occupancy, the children’s varying care packages, and the urgency of a placement. Instead strategies suggested that being better able to understand the true value for money of a placement would improve commissioning decisions, highlighting that current ‘unit-cost measurements’ are insufficient at providing substantive information about the value for money a placement provides.

9. Many LAs indicated that their own forecasting projections were not very convincing and could therefore not be used to predict changes to the numbers of children needing care with any level of confidence. Strategy documents often did not include sufficient information to assess the statistical properties underlying the estimates. It is thus unclear how LAs can meaningfully engage with providers (which was often stressed as a priority) given that based on the material presented in the sufficiency strategies - LAs do not have transparent and/or reliable information around future need. This is a key area in need of improvement, considering that an analysis of previous and future demand constitutes the foundation of a sufficiency strategy.

10. It was rarely clear whether the content of the sufficiency strategies had been shaped based on consultations with children and young people, and providers. This should be considered a key area of concern, and future strategies should clearly report how stakeholders were involved in the design of strategy.

11. Very few strategies were explicit in reflecting on progress against the objectives set out in their previous strategy. More careful documentation of the experiences of implementing different commissioning approaches could facilitate learning within the sector.

12. LAs are working to overcome their sufficiency challenges in many different ways. Several LAs described their own unique (but often untested) commissioning responses, but little is known about the outcomes associated with different commissioning approaches. In this report, we have explained the variety of commissioning responses employed by LAs but much more can be done to investigate variation in commissioning outcomes and how this relates to specific market shaping activities and LA characteristics.

13. Based on our analysis of 81 sufficiency strategies (covering 56% of English LAs), we find either no, limited, or mixed evidence in support of the criteria required for effective market oversight and stewardship (as defined by the Institute for Government) being met.
Implications of findings

We have explored the experiences of LAs in England when commissioning residential placements for children in care. Our findings, which are derived from 81 sufficiency strategies (covering 56% of English LAs), reveal some nationally shared challenges in dealing with increasing numbers of children in care as well as changes in children’s characteristics and needs. Coupled with increasing costs of services (often in independent provisions) and difficulties finding appropriate placements in family settings, our findings create a picture of LAs struggling to navigate the marketised system of residential care and to provide the quality of services which they strive to achieve.

One recurring barrier to LAs achieving the desired level of sufficiency is the location of placements. LAs are consistently aiming to place children close to their homes and within their home LA, as this is considered integral to children’s wellbeing, cheaper for LAs, and is also part of their sufficiency duty (to the extent that this is “reasonably practicable”75). However, it is not currently possible, because each LA is competing with other LAs for a scarce number of children’s home places. Despite a theoretical monopsony - whereby LAs are the only purchasers of residential provision - the market currently leaves many LAs struggling to access local placements, even before the competition from other LAs is taken into account.

An important aim of this research was to analyse and appraise the toolbox of policy responses that LAs currently utilise to improve commissioning decisions and processes. We find substantial variation between LAs, indicating considerable local discretion, since LAs have scope to tailor their response according to local need. This local tailoring and adaptation of commissioning approaches brings a real opportunity for learning between LAs. One of the main areas for improvement, indicated by many of the LAs themselves, was in forecasting and planning for future provision. Here, difficulties in having the resources to perform quality analysis of universally collected data may soon be alleviated by the ‘Demand Modelling Tool for CLA Placements’ recently released by the Data to Insights team (Local Digital Collaboration Unit, 2021). However, improved data alone will not improve commissioning outcomes. For example, two recent reports commissioned by the Independent Children’s Homes Association (ICHA) caution that until LAs are equipped to utilise more detailed data to effectively inform their sufficiency strategy and other market shaping activities, it is likely that providers will continue to make investment decisions based on their own analysis (Revolution Consulting, 2020a; 2020b).

LAs are working to overcome their sufficiency challenges in many different ways. From methods of increasing the availability of residential home placements to improving value for money or reducing the number of children requiring residential care. Several LAs described their own unique (but often untested) commissioning responses. This variation in commissioning approaches provides an opportunity for further research evaluating the outcomes associated with different approaches. Here we have described the variety of commissioning responses but much more can be done to investigate variation in commissioning outcomes and how this relates to specific market shaping activities and LA characteristics.

75 Sufficiency - Statutory guidance on securing sufficient accommodation for looked after children
There are some limitations associated with this work. First, and most importantly, the extent to which sufficiency strategies depict existing practice is unclear. It therefore cannot be assumed that improving the reporting and content of these documents will, in isolation, change commissioning outcomes. Moreover, the diverse needs and characteristics of LAs mean that strategies associated with positive outcomes in one setting will not by default transfer to another. Second, we primarily analysed material included in the sufficiency strategies, although it was sometimes indicated that further information could be located in other documentation. Third, many strategies described unique experiences and practices related to commissioning, and the unavailable strategies, if they existed or were up to date, would likely contain further useful information. Further research into specific commissioning innovations could usefully supplement our analysis. Without a learning agenda and a clearer connection between commissioning innovations and evaluation of their effects, it will remain challenging to identify and emulate best practice in the sector.

There are several strengths of this research worth highlighting. First, this is the first nationwide analysis of sufficiency strategies. Included LAs represent an even regional coverage, including a spread of metropolitan boroughs and unitary authorities. Second, to ensure that the extraction process was consistent among all researchers, we conducted several quality checks, including piloting the extraction sheet and subsequently double extracting a selection of strategies. Moreover, the authors met regularly during the extraction stage to iteratively discuss potential modifications to the extraction criteria in order to reflect the data included in strategies. Third, our findings were produced based on a thorough thematic analysis undertaken iteratively by several researchers. Lastly, the breadth of our analysis means we have insights into both the wide range of perceived challenges (for example changing needs in the cohort) and how LAs aim to address these via commissioning.
CONCLUSION

Having the right placement in the right place, at the right time, is a vital factor in improving placement stability, which in turn is a critical success factor in relation to better outcomes for children in care. Sufficiency strategies are a key tool for LAs to document how they plan to achieve this through commissioning and to communicate their needs to providers. It is thus noteworthy that 44% of these are not up-to-date or publicly available. Based on our analysis of the available and up-to-date 81 strategies (covering 84 LAs), it seems that most LAs are experiencing an increasing demand for children’s residential care accompanied with rising costs for these provisions. LAs also commonly described challenges around placing children locally, even after joining commissioning consortia or frameworks. The ability of LAs to alleviate these challenges through market shaping and commissioning is likely obstructed by the fact that LAs do not appear, based on this analysis of utilised forecasting models, to have the capacity to reliably forecast (and thus communicate) their need to providers. LAs nonetheless described a number of actions designed to improve their access to high quality and value-for-money residential care provisions. Going forward, more work is needed to evidence the effectiveness of these efforts.
REFERENCES


