

# The Independent Review of Children's Social Care (MacAlister Review) – Implementation update

Date: 6 September 2023

Report of: Director of Children and Families

Report to: Children and Families Scrutiny Board

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

## Brief summary

The report summarises the national Independent Review of Children's Social Care, led by Josh MacAlister, and the government response to this review and implementation of its recommendations – the 'Stable Homes Built on Love' strategy and consultation.

The report considers Leeds work to keep and bring Leeds children closer to home, both through preventative and edge of care support and our approach to placements and the residential estate for children looked after. This section of the report also provides an overview of current local and national challenges, particularly in relation to the availability, sufficiency and cost of placements.

## Recommendations

- a) For Scrutiny to note the update given in this report and the work underway to implement the recommendations of the Josh MacAlister review.

## What is this report about?

- 1 The report provides the Board with an overview of the findings of the Independent Review of Children's Social Care<sup>1</sup>, led by Josh MacAlister (hereafter referred to as the Independent Review), and the government's proposals for implementation – this is set out in a strategy and consultation document entitled 'Stable Homes, Built on Love' (hereafter referred to as Stable Homes). The Independent Review was published in May 2022, and Stable Homes was published in February 2023. Leeds was involved with the review process and mentioned in the final publication for our Family Valued Approach. During the process of the review Josh McAllister visited Leeds and spend time with the senior leadership team. The Children's Commissioner also visited Leeds and met with the leadership team. Leeds continues to play a key role in the implementation strategy. Cllr Venner the lead member for Children and Families is a member of the national LGA Board for Children and Families therefore Leeds is well represented at a strategic level. The Children's Minister as Chair of the National Implementation Board visited Leeds and met with staff from across services, care experienced young people and the leadership team. Tom Riordan is a member of the Implementation Board and Sal Tariq of the Implementation Group. The board members also visited Leeds and met with staff from across services and parents to discuss the work across Leeds.
- 2 The report considers the areas of alignment between Leeds Children and Families, the recommendations of the Independent Review, and the work undertaken to keep and bring children closer to their families and communities. The reach of this work is broad, encompassing both supporting those children and young people at risk of care entry to stay safely at home or within their family networks, as well as investing in our services, support and residential estate to ensure that those children who do need to be looked after have more opportunities to remain or return close to home and within Leeds wherever possible. The report locates this work within the context of local and national pressures on placements.
- 3 The Independent Review characterised the current children's social care system as in need of a 'radical reset', noting its increasing focus on crisis intervention, poor outcomes and rising costs. The Independent Review proposed that the solutions to these issues are to be found in loving relationships; currently, the report asserted, the system too often tries to replace organic bonds and relationships with professionals and services, rather than drawing on family and community.
- 4 The Independent Review made a significant number of recommendations about the 'radical reset' that it proposed, including:
  - a) Replacing targeted early help and child in need work with a single category of Family Help. This would be delivered by multi-disciplinary teams of family support workers, domestic abuse workers and mental health practitioners, alongside social workers, and based in community settings such as schools and family hubs.
  - b) Expert child protection practitioners to work alongside the Family Help team, with the responsibility for making key child protection decisions and removing the need for handovers between services.
  - c) Greater recognition and support for kinship carers, through increased efforts to bring wider family and friends into decision making prior to care entry as well as improved support through financial allowances, the extension of legal aid and statutory kinship leave.

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<sup>1</sup> <https://webarchive.nationalarchives.gov.uk/ukgwa/20230308122449/https://childrensocialcare.independent-review.uk/final-report/>

- d) Regional Care Co-operatives (RCCs) to be established to take on responsibility for the creation and running of all new public sector fostering, residential and secure care in a region, as well as commissioning all not-for-profit and private sector care for children as necessary.
  - e) A new deal for foster carers through support networks and training, which would be supported by placing greater trust in foster carers to make day-to-day decisions. With regards to sufficiency, this should be supported by a new national foster carer recruitment programme to approve 9000 new carers over three years.
  - f) A new five-year Early Career Framework for social workers, linked to national pay scales, that provides progression and rewards expertise with higher pay. Alongside this, the Independent Review proposed a Knowledge and Skills Statement for family support workers, and leadership programme and professional registration for children's home managers. The reliance within the sector on agency staffing should, the Independent Review proposed, be supported by new rules around pay limits.
- 5 Significantly, the whole system reset proposed by the Independent Review was costed as requiring £2.6bn of new funding over four years, with over £1bn of that funding covering the first two years.
- 6 The 'Stable Homes, Built on Love: Implementation Strategy and Consultation' was published in February 2023. Stable Homes responds to the Independent Review, as well as the report of the Child Safeguarding Practice Review Panel into the deaths of Arthur Labinjo-Hughes in Solihull and of Star Hobson in Bradford<sup>2</sup>, and the review of the Competition and Market Authority<sup>3</sup> into the placements market.
- 7 In contrast to the £2.6bn of new funding over four years that the Independent Review cited as necessary to fund its proposed whole system reset, the Stable Homes document committed the Department for Education to providing less than 20% of this total over a shorter timeframe, at £200m to be provided over two years<sup>4</sup>.
- 8 This funding would be allocated to local authorities to act as pathfinders for different aspects of the recommendations over a two-year period, before they are rolled out more widely across the rest of the sector; the Stable Homes document does not commit to a timeframe for this.
- 9 As at the end of July 2023, the following pathfinder local authorities had been announced:
- a) Dorset, Lincolnshire and Wolverhampton to test giving the responsibility for child protection cases to specialist social workers, and trial merging targeted early help with child in need teams within a new Family Help service. This will also include allowing practitioners other than social workers to hold child in need cases, as is currently prohibited under statutory Working Together guidance; there is currently an open consultation on proposed changes to the Working Together guidance<sup>5</sup>.
  - b) Seven local authorities to pilot the use of family network support packages to enable family members to step in and prevent children entering the care system. These local authorities are: Brighton and Hove, Sunderland, Gateshead and Telford and Wrekin, whose pilots were due to start in July 2023, and Staffordshire, Hartlepool and Hammersmith and Fulham, whose pilots are due to start in spring 2024.

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<sup>2</sup> <https://www.gov.uk/government/publications/national-review-into-the-murders-of-arthur-labinjo-hughes-and-star-hobson>

<sup>3</sup> <https://www.gov.uk/government/publications/childrens-social-care-market-study-final-report>

<sup>4</sup> <https://www.communitycare.co.uk/2023/02/02/dfe-provides-20-of-funding-urged-by-care-review-in-response/>

<sup>5</sup> <https://www.gov.uk/government/consultations/working-together-to-safeguard-children-changes-to-statutory-guidance>

- c) It is understood that the DfE is still looking for two regions to test its plan to regionalise the commissioning of care placements within regional care co-operatives (RCCs).
- 10 There are no pathfinders identified from the Yorkshire region.
- 11 The Stable Homes consultation opened on the date of publication of the report, 2<sup>nd</sup> February 2023. It closed on 11<sup>th</sup> May 2023, and the document states that the results of the consultation and the Department's response will be published in September 2023. The consultation questions appear throughout the document and are consolidated on pages 157-162.
- 12 In addition to the changes and proposals outlined above that will be explored by pathfinder local authorities, the Stable Homes document contains the following key points in response to the recommendations of the Independent Review:
- a) A five-year Early Career Framework will be established, replacing the current Assisted and Supported Year in Employment (ASYE) for social workers, as recommended by the review. There is no commitment to tie this to a national pay scale, and this will be tested by a group of early adopter councils with a view to full implementation in 2026.
  - b) With regards to social worker recruitment and addressing staff shortages, the DfE proposes to 'explore ways to support the recruitment of up to 500 additional children and families social work apprentices'. A survey carried out by the Association of Directors of Children's Services (ADCS) found that 19%, almost one in five, children's social work posts were vacant as of June 2022, up from 14.6% in the previous year<sup>6</sup>. Recruitment and retention continue to be a significant challenge is social work within Leeds, locally and nationally with less people entering the profession and more leaving the profession or working joining agencies.
  - c) Introducing new rules around the use of agency staffing, including capping the rates that local authorities pay to ensure that agency staff receive the equivalent of permanent workers in the same role, once benefits have been taken into account. The current challenges around use of agency staffing is linked to recruitment and retention in the sector and local authorities being driven by presenting urgency of need. In Yorkshire and Humber all local authorities committed to a Memorandum of Understanding around agency pay rates however this has not been sustainable with some local authorities such as Bradford having to rely heavily at this time on the use of agency staff. National policy change around this will help stabilise the sector.
  - d) The DfE rejected the proposal in the Independent Review to abolish the role of Independent Reviewing Officers (IROs) in supporting children looked after, proposing instead to review and strengthen the role. IROs are key to improving outcomes for Looked After Children. They make an important contribution to the goal of improving outcomes for Looked After Children by quality assuring the care planning for each child and ensure the voice of the child is central to decision making and their wishes and feelings are given full consideration. The Stable Homes document did not reference the Independent Review proposal to abolish the child protection conference chair role. In Leeds, we have a stable team of three IRO teams, with three team managers and 24 FTE IROs, and all children looked after have an allocated IRO. Our 2022 Ofsted inspection report noted that: *'Care plans address children's needs comprehensively and are effectively reviewed within the required timescales by independent reviewing officers (IROs) who have enduring relationships with children and know them well. IROs visit children in their homes and ensure that children are listened to.'*

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<sup>6</sup> <https://www.communitycare.co.uk/2022/12/16/one-in-five-childrens-social-work-posts-vacant-in-wake-of-rising-stress-and-workloads-finds-research/>

- e) A kinship care strategy will be published in 2023, with £9m spent on improving training and support for kinship carers. The DfE will also explore the case for financial allowances and the extension of legal aid for some kinship carers. Leeds's support for kinship carers is strong and well established. Kinship Carers that have been approved at Fostering Panel can access the same training and enrichment opportunities as our mainstream foster carer population. Financial support to carers is made up of two parts, a weekly allowance based on the age of the child and a weekly professional fee based on the skills and experience of the carer. All kinship carers receive the Maintenance Allowance at a minimum but are provided with the opportunity to achieve progression and therefore access to professional fees. There is a specific Family Group Conference offer for kinship carers as part of the assessment and placement support process, and an informal buddying scheme where new carers are matched to more experienced carers for support. Leeds also have Mockingbird hubs specific to kinship care through our Mockingbird Family Model of support for foster carers; each hub is led by an experienced level 4 mainstream carer. The purpose of the scheme is to provide a network, consisting of other carers, which can replicate the support that they may otherwise receive from their own extended family. We commission Kinship Connected to provide independent support to carers where this would be of benefit to them. Kinship Connected are an independent charity with a national focus on issues related to Kinship Care, they provide advice, support and advocacy to carers who may be struggling in their role. Kinship carers also have access to placement support via the fostering service and there is an early help offer to kinship families through the Early Help Hub practitioners, youth service and MST (multi-systemic therapy). This offer works on the premise that many kinship carers would prefer to access support through local services that they can more easily access and are familiar with. There are a number of Kinship Support Groups and an annual kinship specific activity weekend, which kinship carers can access in addition to the wider support offer available to the mainstream fostering population in Leeds.
- f) £27m to be spent over two years on a recruitment and retention programme for foster carers, focused on shortage areas – for sibling groups, teenagers, unaccompanied asylum-seeking children (UASC), parent and child placements and children who have suffered complex trauma. It is not clear how this £27m investment aligns with the Independent Review recommendation to recruit 9000 new carers. Leeds development plan for the fostering service consists of three strands; expand the service, develop a reunification tier of service; develop the placement support provision. The expansion is focused on the recruitment of foster carers ensuring there is support in place to grow the service. The foster carers role is also vital in reunification work for children with their families and will be a core part of the reunification service. This will include placement support, Life Long Links work to connect children with family and build networks, Family Group Conferencing and Therapeutic social work support. The placement support provision will build on the work of the placement support team and bring together services to provide intensive support with a team around the child approach. This is a multi-disciplinary approach with ICB and education colleagues looking at the holistic needs of the child. Part of placement support is reviewing the training offer for foster carers. Leeds have begun some work with the Foundations for Attachment group programme pilot in fostering. This will provide a practice framework for foster carers.
- g) An increase in financial support for care leavers, with the suggested care leaver grant to increase and the bursary for apprenticeships to increase, which is broadly in line with the recommendations of the Independent Review.

Leeds has developed the care leavers service by establishing a care leavers hub based at Archway co located with Our Way Leeds. The Hub is a safe place and space for Leeds care leavers to have access to services, build connections and engage with support. Leeds has also been successful in the bid to DfE to deliver the Staying Close Pilot. The staying close pilot will provide the most vulnerable care leavers support through their transition to interdependence by providing targeted earlier engagement of support, a consistent extended community of support and reduce the cliff edge from care. The Staying Close staffing and community hub will provide care experienced young people with a longer and more planned progression to leaving care and earlier established relationships with their personal advisor and the care leavers service, as well as a continuing safety net up to the age of 25 years and potentially beyond the statutory support age of 25 years. The hub will co-locate essential services such as housing services, community and universal services in one community hub space. It will provide direct access to universal and partner services on site such as health and therapeutic services, housing and accommodation support and employment, education and training services. be staffed to offer Leeds care leavers preparation for adulthood training, through providing a practical skills-based learning programme to support young people to learn essential skills such as cooking, budgeting, financial management alongside social activities, support groups and peer mentoring. This targeted work will also provide support for young people with SEND.

### **What impact will this proposal have?**

- 13 As noted above, there are no new proposals put forward in this report. Therefore, this section will focus on what the Children and Families directorate is already doing to safely and appropriately reduce the need for children to become looked after, highlighting where our own approaches already align well with the recommendations of the Independent Review. The risks section below outlines the current acute local and national pressures on placements for children and young people who need to be looked after, and the efforts that Leeds is making to respond to these pressures by expanding its own capacity and thus reducing our exposure to the market for external residential and fostering placements; national reviews have highlighted this as too costly, profit-driven and offering placements of insufficient quality.
- 14 A number of the recommendations in the Independent Review which have been subsequently supported through the Stable Homes strategy and/ or which are being explored through pathfinder work align with work that is already taking place in Leeds. Indeed, Leeds's Family Valued programme, which was initially funded by the Department for Education's Innovation fund in 2015 and then rolled out to other local authorities through the Strengthening Families, Protecting Children (SFPC) programme of sector-led improvement, is cited twice in the Independent Review. The work to implement Family Valued in Darlington is noted in informing changes to the way Darlington's front door arrangements work, with a focus on conversation rather than thresholds, as well as Leeds being cited in its own right for the expansion of Family Group Conferences and family decision making that Family Valued pioneered and funded.
- 15 The concept of Family Help services is also similar to the way Leeds has used its Families First Earned Autonomy funding to establish three Early Help hubs across the city, which bring together family support workers with police officers, domestic abuse workers, substance misuse practitioners and mental health practitioners. Our hubs are already based within community settings, and under our Early Help review proposals the number of established Early Help hubs

will increase to seven across the city, bringing together social workers and family support workers with police and specialist workers as is already the case in the three hubs that are currently in operation. Leeds has also been successful in a bid to the Department of Levelling Up, Housing and Communities in delivering a SEND pilot and will employ SEND navigators who will provide specialist knowledge and work closely with the Hubs in delivering Early Help support. This will strengthen Leeds's locality offer for children and families in their own communities and builds on the success of the Restorative Early Support (RES) teams where social workers and family support workers work together.

- 16 Leeds's Hub model is part of an evaluation of Family Hubs commissioned by the Department for Education and carried out by Ecorys UK, where the model is considered alongside similar models in Bristol, Essex, Sefton and Suffolk. We have received a copy of the final evaluation report, but this has not yet been published. The interim evaluation report did note, however, that the family hub models in Leeds, Essex and Sefton were more mature than in the other local authorities.
- 17 There is also some crossover between the concept of Family Help teams and our Restorative Early Support teams (RES). The RES Teams were first established under the Family Valued programme in areas of high social work demand across the city, with the aim of bringing together social workers and family support workers into the same team to support families in the targeted early help/ child in need space that the Independent Review sees a Family Help service operating. The primary focus of the RES team was bridging the space between early help and statutory intervention and allowing for de - escalating, avoiding multiple referrals for children into statutory service in the event of a child protection incident as social workers work in teams with family support workers. The evaluation of the Family Valued model - which included the development of RES teams - carried out by the University of Bedfordshire<sup>7</sup> and published in 2020 highlighted the effectiveness of RES teams in reducing the number of children looked after in high demand areas of the city, resulting in a significant level of cost avoidance. Leeds is therefore in a good position to respond positively to any changes suggested by the experiences of pathfinder local authorities in implementing Family Help, as we already have a significant infrastructure in place, supported by our cluster model which aligns well with the ethos of the Independent Review of delivering services within the communities where families live.
- 18 The revised Children and Young Peoples Plan sets out Leeds vision which sets out our obsessions. These align with Family Help and incorporate the strong partnerships working both cross directorate but also with the third sector, and statutory partners.
- 19 Leeds also has a strong track record of involvement in innovation with local and national partners. Leeds has been working with the Nesta innovation agency on an Early Years innovation project over the last two years to drill down and use Nesta expertise to further understand and reimagine the Early Years system in Leeds, with the aim of helping to trial, adapt and improve services to support children in their earliest years, particularly those with additional needs.

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<sup>7</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/932340/Leeds\\_Partners\\_in\\_Practice.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/932340/Leeds_Partners_in_Practice.pdf)

- 20 The Nesta project priority for the 2023/24 financial year is to focus on speech, language and communications to respond to the need in this area and to strengthen early identification and support for children with additional needs. This includes working with practitioners to explore the current referral process for assessments, reviewing the letter that families receive from health services while they are on the waiting list for assessments to establish whether this can offer better information about interim support and looking at further opportunities for support through children's centre and library pathways. Leeds has also used some of its funding through the Nesta partnership for PEEP (Peer Early Education Partnership) training, an evidence-based programme about how practitioners can help families to support speech, language and communication in the home. Leeds has to date trained 45 practitioners across children's centres, third sector and libraries in PEEP, and all children's centre teams are now able to offer PEEP within their existing sessions or as separate standalone sessions.
- 21 The Independent Review has a strong focus on recognising and supporting kinship care as an option for children and young people who otherwise may need to become looked after. Respect for kinship care has an established history within Leeds, in conjunction with the development of our Family Group Conference (FGC) offer. FGC Service is one of the largest and longest running one in the country and is a national exemplar for practice with many other local authorities visiting Leeds to replica Leeds offer. We have a Service Delivery Manager with oversight of both the Kinship teams and the Family Group Conference service, with dedicated kinship assessment and support teams. We have three FGC teams in Leeds, with 2.5FTE team managers and 23 FTE FGC co-ordinators.
- 22 In January 2022, figures obtained from the Department for Education by local authority of children in fostering placements with family and friends showed that Leeds ranked 7th highest nationally and our proportion of children in kinship placements was 50% higher than the national average. Figures from June 2023 indicate a total of 401 approved kinship placements, and 315 children being cared for in those placements, which equates to roughly 21% of the total June 2023 child looked after population. This work is driven by a relentless commitment to supporting children to remain within their families and a practice model that puts relationships and strength-based practice at the heart of all decision making,
- 23 Leeds's support for kinship carers is strong and well established. All our approved Kinship Carers can access the same training and enrichment opportunities as our mainstream foster carer population – this includes the opportunity to achieve progression and therefore access to professional fees. All kinship carers receive the Maintenance Allowance (equivalent to Level 1 fostering) at a minimum. There is a specific FGC offer for kinship carers as part of the assessment and placement support process, and an informal buddying scheme where new carers are matched to more experienced carers for support. We also have hubs specific to kinship care through our Mockingbird Family Model of support for foster carers; each hub is led by an experienced level 4 mainstream carer. We commission Kinship Connected to provide independent support to carers where this would be of benefit to them, as well as giving kinship carers access to placement support via the fostering service and an early help offer to kinship families through the Early Help hub practitioners, youth service and MST (multi-systemic therapy). There are specific established Kinship Support Groups and an annual kinship specific activity weekend, as well as kinship carers being able to access similar support available for the wider population of foster carers in Leeds.

The voice of people with lived experience was a central part of the Care Review and has remained a central focus for the work off all the services in Leeds. We have an experienced Voice and Influence team who ensure the voices of children and young people informs all we do. In consultation with children and young people the 12 Wishes were produced sharing their



priorities for services. Leeds also has an active parents' forum called Our Voice where parents who have experienced or are experiencing services are helping inform next steps. They have been involved in recruitment, training for social workers and development of a peer advocacy service for parents currently in the child protection process.

- 24 In conclusion, Leeds is not currently involved in any of the pathfinder work that has arisen from the Independent Review or the government response through the Stable Homes, Built on Love strategy and consultation, and we must await the outcome of both the consultation and the pathfinder work to know what the impact of the proposals and their implementation will be for Leeds. However, with the work that we already have in place to support families to be able to keep children at home safely or to explore and support kinship options, we are confident that there is already a good alignment with many of the principles of the review, and that the infrastructure and services we have built during our improvement journey will provide us with strong foundations on which to build.
- 25 Please see the risks section of this report for an overview of the current local and national pressures in relation to placements, and the action Leeds is taking to try and insulate the local authority from the impact of some of the concerns raised at a national level about the market for placements.

### **How does this proposal impact the three pillars of the Best City Ambition?**

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 26 Leeds City Council has statutory responsibilities relating to the health and wellbeing of its children looked after population (please see legal implications section), which include ensuring that looked after children, young people and care leavers are in suitable placements which meet their needs and promote their health and wellbeing. The efforts described in the paper to improve the sufficiency and quality of in-house provision contributes to this. There is also an argument that the efforts of the directorate to keep children at risk of being looked after with their families and communities and to return looked after young people to Leeds from external placements contributes to Zero Carbon, in reducing the amount of travelling that families and practitioners have to do to visit children and young people in their placements. A core principle of Child Friendly Leeds has been that we strengthen families to strengthen communities which strengthen the city. Investing in children and young people in preventative services helping them to reach their full potential supports them to be active citizens and contribute the Leeds economy as adults therefore is an essential part of inclusive growth for Leeds.

### **What consultation and engagement has taken place?**

Wards affected: All – paper considers the city-wide position of the directorate.

Have ward members been consulted?

Yes

No

- 27 N/A – this is an overview report, with no new proposals.

### **What are the resource implications?**

- 28 National resource implications are outlined above in relation to the funding committed by the Department for Education through their Stable Homes proposals, and the risks section outlines

some of the resource implications of exposure to the pressures of the placements market. Until the results of the Stable Homes consultation and the pathfinder work in local authorities are announced, we do not know the specific resource implications of the Independent Review and Stable Homes response for Leeds.

### **What are the key risks and how are they being managed?**

- 29 Placement sufficiency is a significant and growing challenge nationally. In April 2023, the children in care and care leavers charity 'Become' published findings from research<sup>8</sup> carried out on figures obtained through Freedom of Information requests to the Department of Education. These findings highlighted that:
- a) Both the number and the percentage of children in care in England placed more than 20 miles from home increased every year from 2012-21, while numbers also increased from 2021-22.
  - b) As of 31 March 2022, 16,970 children (20.7% of the care population) were placed more than 20 miles from home, compared with 10,540 (15.7%) a decade earlier.
  - c) Children experiencing multiple moves were at greater risk of a distant placement, with 29.9% of those in their third or subsequent placement living more than 20 miles from home, compared with 20.6% of those in their first.
- 30 In the Community Care article which summarised the Become research, the chair of the Association of Directors of Children's Services (ADCS) Health, Care and Additional Needs Policy Committee noted that: *'Any increase in the number of out of area placements must be viewed in the context of a 35% increase in the number of children in our care since 2008, a shortage of foster carers and placements in residential children's homes, as well as a mismatch between the location of these placements and need. Local authorities are working hard to overcome the sufficiency challenges they face by investing in their own children's homes and in campaigns aimed at recruiting and retaining more foster carers, but this alone cannot solve the problem, nor will a response that looks at commissioning practice only. The placements we need simply do not exist. We urgently need a comprehensive placement strategy which addresses shortages across all types of placements to meet the needs of children and young people. We also need the government's support in addressing the increasing costs of placements and profiteering on the backs of vulnerable children.'*
- 31 Despite the challenges of the increases in the CLA population in Leeds and the national challenges around placement sufficiency, Leeds continues to perform well with regards to placing children close to home. As at March 2022, in the latest date for which national comparator data is available, Leeds is in the top quartile on the number of children looked after placed more than 20 miles from their home; our March 2022 figure was 12% of children placed more than 20 miles from home, which is four percentage points lower than the England average and three percentage points lower than the Yorkshire and the Humber average<sup>9</sup>.
- 32 Sufficiency pressures in relation to placements have forced local authorities to make increasing use of costly independent fostering agency placements and external residential care. The increased competition for placements between local authorities has given some providers the opportunity to decline to take children and young people with complex needs or challenging behaviours, in the knowledge that they could fill that placement by offering it to a child with less complex needs. There are also regulatory pressures to refuse young people exhibiting

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<sup>8</sup> <https://www.communitycare.co.uk/2023/04/25/more-children-in-care-placed-far-from-home-increasing-risk-of-lower-wellbeing-finds-research/>

<sup>9</sup> Source – [Local Authority Interactive Tool \(LAIT\)](#)

challenging behaviours such as absconding, as the inspection framework for residential care penalises homes for not managing these behaviours effectively.

- 33 The demand for placements also means that providers are unlikely to suffer a penalty from increasing their prices. As early in the pandemic as December 2020<sup>10</sup>, the ADCS were warning that placement costs had increased sharply, particularly from March 2020 onwards, and they warned that these heightened costs during the pandemic may not reduce in the way we would expect other pandemic-related cost pressures to do. There was some support for this prediction in the December 2022 ADCS safeguarding pressures report, which noted that the average weekly cost for residential placement increased by 26% between 2017/18 and 2021/22<sup>11</sup>.
- 34 The issue of costs and profits within the independent fostering and private residential home market has been a significant concern within the social work sector for some time. Figures published in 2020 by the National Centre for Excellent in Residential Child Care (NCERCC) and Revolution Consulting identified a 40% rise in independent children's home prices from 2013-19<sup>12</sup>. Private operators now control around 75% of the residential home estate in England and Wales, and the top 20 providers make of £250m in profit annually. These price rises have occurred as in-house local authority residential capacity has been reduced across the country, increasing the national reliance on the private sector.
- 35 A review of the private residential children's homes market was carried out by the Competition and Markets Authority. Its interim report in October 2021<sup>13</sup> noted that the largest children's home providers charged an average weekly price of £3,830, with an average operating profit margin of 23%. For independent fostering agencies, the average weekly price for fostering was around £820 per week, with an average operating profit margin of 19%. The CMA also raised concerns about the level of private equity ownership of providers due to the high and increasing levels of debt they were carrying, which could lead to providers failing and exiting the market. This could, in turn, lead to instability for children placed with these providers. The Stable Homes proposals include introducing a financial oversight regime for the largest children's home providers and IFAs, similar to that operating in adult social care, to reduce the risks of providers exiting the market suddenly.
- 36 The issues of supply and demand across the sector, and the ability of IFA and external residential providers to turn away children and young people presenting with complex needs or challenging behaviour, has an impact on in-house residential provision. This situation creates a driver for keeping more complex and challenging young people within the Leeds residential estate. However, for some young people with particularly complex behaviours and needs, it is not possible for safety reasons to fill all of the remaining beds in the homes they are placed in. Where a Leeds-run home is under capacity, this results in both an increased unit cost for running the home, and an increased pressure on placements through the need to find alternative placements for children and young people whose needs could otherwise be met within that home, if it was considered safe to do so.
- 37 Given the current nature of the market for external residential and IFA placements, senior leaders in Children and Families have sought to invest in and expand our own LCC-run residential estate, in an effort to try and insulate Leeds from the impact of excessive profits and

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<sup>10</sup> <https://adcs.org.uk/safeguarding/article/safeguarding-pressure-phase-7-interim-report>

<sup>11</sup> <https://adcs.org.uk/safeguarding/article/safeguarding-pressure>

<sup>12</sup> <https://www.communitycare.co.uk/2021/06/11/cut-profits-fees-care-review-lead-implores-childrens-home-providers/>

<sup>13</sup> <https://www.gov.uk/government/publications/childrens-social-care-market-study-interim-report>

the market position of private providers. We have opened a second home for children and young people with complex needs, modelled on the success of the Acorn Lodge complex needs residential home. The purpose of building this new residential home was to bring a group of children and young people back to Leeds from expensive external residential placements. At the time the proposals for the home were approved, Leeds had ten children with complex needs in external provision at a combined predicted annual cost in excess of £2.5m.

- 38 Leeds is also investing in a model of Small Group Living homes. Smaller homes offer several advantages, including a lower void level when the complex or challenging needs of a particular young person require us to offer a single occupancy placement - a block on three beds in a four bed home costs an additional £13,500 per week on external placement costs, whereas in a two-bed home the equivalent block costs £4,500. This is significant, in the context of external providers experiencing such high levels of demand that they can afford to turn down young people with more challenging needs, as outlined above. The matching process itself is also more straightforward, considering the strengths, needs and challenging behaviour and potential dynamics between only two young people instead of four. In terms of the experiences of the young people, those with complex attachment and trauma related needs can build more manageable and predictable relationships with fewer children to interact with, and smaller homes have more of a family feel, offering the opportunity to grow up in a more typical environment.
- 39 We currently have a cohort of young people aged 15-18 in high-cost external placements (currently placed in either care settings or semi-independent settings), with a weekly average cost of £5,423. A review of this cohort suggests that there are a number whose needs could be met in a small group living provision. We anticipate an ongoing demand for placements for children with complex high needs, and are working towards establishing four Small Group Living Hubs to care for them. We have identified and purchased the first of these homes, in the Middleton area of the city, and the necessary work to develop it for Small Group Living will begin shortly. The homes will focus on providing therapeutic care for our most vulnerable young people working in partnership with health colleagues and other partners. They will enable Leeds children to access Leeds services and be supported in their home city.
- 40 With our focus on expanding the Leeds residential estate, Leeds is investing in our own capacity to manage the needs of children and young people and to secure positive outcomes for some of our most vulnerable citizens. The findings of national reviews, as set out above, indicate that the greater costs inherent in the private and for-profit market for placements do not translate to improved outcomes. On this basis, we believe that the approach to invest in our own provision and make concerted efforts to insulate ourselves from this 'broken' market is a prudent financial approach, as well as supporting Leeds to fulfil our moral and legislative corporate parenting duties to the best of our abilities within the ongoing context of severe financial constraints for local authorities.

### **What are the legal implications?**

- 41 Working Together to Safeguard Children is statutory guidance on inter-agency working to safeguard and promote the welfare of children. It was last revised in 2018, with a limited factual update in 2020. There is currently an open consultation on proposed changes to the document, which will close in September 2023. Once the consultation feedback has been taken into account and an update to Working Together is published, Leeds will make any necessary changes to its safeguarding policies and practice to ensure that statutory requirements are met,

in conjunction with safeguarding partners through the Leeds Safeguarding Children Partnership (LSCP).

- 42 Section 22 of the Children Act 1989 sets out the general duty of a local authority looking after a child to safeguard and promote their welfare, which underpins all activity by local authorities in relation to looked after children. This duty is known as 'corporate parenting', the collective responsibility to provide the best possible care and safeguarding for children looked after. The principal regulations in relation to these duties are the Care Planning, Placement and Case Review Regulations of 2010. The Children Act 1989 also introduced a 'sufficiency duty' on local authorities, requiring them to take steps to secure sufficient accommodation within the local authority area to meet the needs of its children looked after.
- 43 Section 22C of the Children Act considers the types of placements local authorities should use for children looked after, with the expectation that the authority will place the child in 'the most appropriate placement available'; i.e. the one that they consider will best promote and safeguard the child's welfare. This section states that, as far as reasonably practicable, the placement should: allow the child to live near his/ her home; not disrupt their education; enable the child to live with their sibling(s) if they are also looked after; provide accommodation suitable for the needs of disabled children, where relevant; and be within the local authority area.
- 44 It is clear from the Children Act and the 2010 regulations that the primary focus for local authorities must be safeguarding and promoting the welfare of looked after children and young people. In this way, the legislative framework sets an expectation that the provision of accommodation and care for children and young people who cannot remain at home should be needs-led, and there is a duty on the local authority to ensure they have or commission sufficient accommodation to meet these needs.
- 45 Over the last decade, Leeds Children and Families have never set 'targets' in relation to reducing the looked after population, even during the peak of looked after numbers in 2012. The intention has always been to safely and appropriately reduce the need for children and young people to be looked after, with a recognition that the local authority must always be in a position to accommodate those for whom living at home or with family is not safe. In response to the post pandemic challenges work streams driving change are managed under the work of a cross directorate Delivery Board with representation from ICB and police. The work streams focus on Turning the Curve by; reducing external placements, reunification, edge of care support, reviewing early help services/implementation of Family Help and expansion of residential and fostering services.

## **Options, timescales and measuring success**

### **What other options were considered?**

- 46 Leeds is not a Path Finder however will continue to build on the Family Valued approach and investment in support services. The work under the Delivery Board has a clear action plan for each work stream that is be supported by the newly formed Transformation Team with oversight and monitoring provided by the board.

### **How will success be measured?**

- 47 Success is measured through performance management and quality assurance including feedback from children and families.

**What is the timetable and who will be responsible for implementation?**

48 Ongoing – Delivery Board. Children and Families Leadership Team

**Appendices**

- None

**Background papers**

- None