



ADSS Cymru

Yn arwain Gwasanaethau
Cymdeithasol yng Nghymru
Leading Social Services in Wales

ASSOCIATION OF DIRECTORS OF SOCIAL SERVICES CYMRU

Delivering Transformation Grant Programme 2019-20

Rebalancing social care: A report on Children’s Services

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Executive Summary

1. This report is one of two on rebalancing social care for adults and children prepared by ADSS Cymru as part of a programme of work agreed with the Welsh Government.
2. In partnership with Data Cymru, baseline data was collected on the current balance of provision delivered by local authorities, private and third sector providers. Baseline data on fostering and adoption was provided by the National Fostering Framework and the National Adoption Service for Wales respectively.

Baseline

3. In 2018-19, local authorities commissioned nearly 200,000 nights of care for children. This includes children who fall within the definition of looked after children and children who are not looked after.
4. 85% of children’s residential care commissioned by local authorities was delivered by private sector providers. Local authorities delivered 13% and third sector providers 3%.
5. Local authorities provide approximately half of foster (49%). Kinship foster carers provide 24% and independent commercial agencies 23%. Independent third sector not-for-profit agencies deliver 4%.
6. In adoption, 70% of placements were by local authorities and 30% by the third sector.

Key findings

7. The upward trend on the number of looked after children continues to cause concern, and rightly so. Children’s Services departments are under considerable strain from a variety of factors. At the top is increasing demand and complexity of needs,
8. The existing twin- track approach of developments to manage current demand and working to stem the demand by earlier intervention needs a very significant boost, backed by more investment and other forms of support, better use of existing resources, and more flexible funding arrangements.
9. Prevention and early intervention work continues to develop but needs to be ramped up if there is to be any real prospect of reversing the upward trend in numbers of looked after children. Local authorities acknowledge the importance this and are committed to doing more.
10. While prevention, early intervention and targeted support for individual and families is not, at least yet, reversing the upward trend, it is no doubt helping to dampen the demand and it is reasonable to argue that without it, an even greater increase in looked after children would be experienced.
11. There are some good examples of local and regional commissioning developments. However, a more strategic commissioning approach is required in all areas. Local authorities should reflect on their current provision to ensure it is meeting needs. More engagement with

providers is needed. Well-resourced regional and national options for the specialist commissioning of some services should be considered.

12. Problems in capacity, organisational and/or departmental culture, and skillset is affecting the ability of some Children’s Services to be proactive in developing services and shaping markets.
13. A concerted national effort will be needed to reverse the upward trend in the number of looked after children. Action should build on work which is already in hand or flagged by the Ministerial Advisory Group, the Improving Outcomes for Children Group, and the work of Social Care Wales and Care Inspectorate Wales.
14. Courts are playing an increasingly important part in the care of looked after children. The Commission for Justice in Wales has set out a long-term vision for reform of family justice and associated preventative services. Several local authorities raised issues about the courts system and the way it operates and call for a national dialogue.
15. There is a very significant imbalance of power in the children’s residential care market, which is affecting placements and choice, the ability to make the best match to a child’s needs, the workload and the outcomes for children.
16. The current level of dependency on private residential care provision must be reduced. A small number of local authorities have taken, or are taking, steps to do this but action is needed, locally and / or regionally, in all areas. It will require considerable, and co-ordinated, action and investment.
17. The development of more short-term assessment, emergency and crisis accommodation will help to address one of the major problems supporting private provider dominance i.e. the urgency or desperation to find any placement, which can compromise the ability to find right match for a child’s needs.
18. Despite capacity problems and pressures, it is encouraging to see several local authorities exploring the development of short-term accommodation. A coherent, co-ordinated, national effort is needed to make a real difference in all areas, and without parallel action to improve commissioning, progress will not be made.
19. The broad position on rebalancing across care for looked after children is:
 - **Residential care:** Markets are dominated by private sector providers. A mixed economy will always be needed but a clear need for rebalancing towards in-house provision. Some action already commenced locally and/or regionally but no consistent pattern across Wales.
 - **Domiciliary care:** In terms of volume of provision, a considerably smaller market than residential care. No need or desire identified for action to rebalance current provision.
 - **Foster care:** Clear desire in many local authorities to rebalance towards in-house but no consensus on what the balance should be and what is achievable. The major issue is to increase the overall pool of foster carers. Some rebalancing to increase the very low market share of third sector providers (4%) would contribute to discharging local authorities’ duty under section 16 of the Social Services and Well-being (Wales) Act 2014.

- **Adoption:** A small market comprising local authorities and two third sector providers in Wales with a 70:30 split. No strong messages or desire to rebalance the current pattern of provision. The priority is increasing the number of prospective parents to allow children to exit foster care to enjoy permanency in a family life.
20. There is a strong view that the aim of any re-balancing must be developing stable, resilient markets which offer options and choice, with quality care, fewer placement breakdowns, and good outcomes for children. These are the primary criteria for all consideration of rebalancing between in-house and external provision.
 21. Reducing cost is an acceptable goal of rebalancing. However, driving down costs and ‘cheapest option is best’ must not be the prime objectives. Quality care and good outcomes must come first.
 22. An “optimal balance” of provision is seen as a difficult concept. Local circumstances vary. There is no support for one balance figure to be applied uniformly across all local authority areas. For each area, the “optimal balance” or in other words, the “best” or “ideal” balance, should be driven by core measures e.g. whether children receive what they need when they need it, where they need it, and achieve the right outcomes.
 23. Rebalancing is part of the solution to reverse the upward trend in the number of looked after children but attempting it without also addressing the other matters highlighted in this report would be self-defeating and could have unintended consequences.
 24. Rebalancing can take different forms. For example, rebalancing by type of care from residential to foster placement and family care, rebalancing of funding streams, rebalancing capacity, and resources towards Children’s Services.
 25. There are risks to rebalancing which must be considered but there are also risks in not rebalancing. Children’s residential care is the prime example. Without rebalancing, there will be a continued reliance on private providers with, in some cases, high cost, questionable value for money, greater instability for children and poor outcomes.
 26. The relative cost of local authority in-house provision compared with external provision (private sector or third sector) is a source of tension. It has come to the surface in residential children’s care but is more pronounced in foster care.
 27. It is entirely right some children, for their own safety and welfare, to enter care. That said, local authorities and stakeholders agree much more needs to be done to reverse the current upward trend.
 28. The budget constraints on the Welsh Government in past years are recognised. However, there are calls for better funding of Children’s Services. There are mixed views on how funding should be deployed. There is acknowledgement of the need for local authorities to make better use of existing funding, and improving commissioning practices is needed to achieve that.
 29. The need for sustained programmes of grant funding for 3 years or more, preferably over the whole term of a Government cannot be overemphasised. The work required to deliver many different programmes on an annual basis is seen as a burden by local authorities and stakeholders alike. They are struggling with some of the funding arrangements and the contracting around relatively short-term programmes. The arrangements are causing

recruitment and retention problems, which themselves take time and effort resource to manage.

30. Much more can be done to increase learning to stimulate and spread developments. Knowing what different local authorities have done, what has worked and every bit as important, what has not worked and why, is important but insufficient attention is given to it.

Recommendations

31. Drawing on the findings of the report, the recommendations are:

- (i) A coherent, co-ordinated, national, regional and local effort is needed to pick up the pace on improving the functioning and effectiveness of Children’s Services generally and for looked after children specifically. Rebalancing should play a part for some service areas but only as part of broader action, including strategic commissioning, workforce and skills development, capacity and funding arrangements.
- (ii) The Welsh Government should help local authorities and providers develop a clear sense of direction on rebalancing and other action to improve services, backed up by a commitment to invest more. Accountability and transparency should be used to achieve consistently good services in all areas.
- (iii) Local authorities should continue to reflect on the targeting of their family support services and the extent to which current services reflect assessments of need and are effective. This is particularly important where there are high-end needs and where similar services have been commissioned year-on-year. Engaging providers and service users in such a process is essential.
- (iv) Working with local authorities, ADSS Cymru, the WLGA and SOLACE, the Welsh Government should agree and support a 21st Century Social Care Development Programme, which includes rebalancing for children’s residential care. It should take stock of current and planned developments, locally and regionally, and result in a funded programme (capital and transitional revenue funding) on a scale commensurate with local authorities being able to gain more control of the market and to realise the benefits which would flow from it.
- (v) More short-term care provision, including emergency/crisis provision, is needed to manage demand and to improve placement matching. There are good local examples with providers and / or other local authority departments such as housing. Reviewing these, including costs, would inform similar developments elsewhere. The work should complement and not duplicate the project from the Ministerial Advisory Group, which will seek to develop and implement solutions for safe accommodation for children with complex needs.
- (vi) Local authorities should ensure strategic commissioning is used in Children’s Services and practice reflects it. The merits of, and prospects for, regional and national specialist commissioning of Children’s Services should be considered for some services. Capacity and capability problems at local and regional levels would need to be addressed. Research into current commissioning arrangements and resources would be a logical first step. The National Commissioning Board and its members should oversee the work and should be resourced to do so.
- (vii) In four areas, the rate of looked after children has fallen since 2015, which is against the national trend. Work should be undertaken to identify what circumstances and developments, including local policies and practices, have contributed to this. Drawing

together this learning would help inform a national effort to improve services by identifying action which could be taken up by other local authorities.

- (viii) The other ways of rebalancing identified in this report (Table 9.1 refers) are worthy of further study to define them more precisely, to consider the merits of each, and to consider the extent to which they could be used as part of a concerted national effort to improve service delivery and outcomes. Health boards should play a greater role in delivering the services and support which can help avoid the need for children, particularly those with complex needs, to enter the care system. More integrated commissioning in line with the “whole system” approach set out in “A Healthier Wales” is needed.
- (ix) More action is needed to tackle the sufficiency problems in fostering. Local authorities individually and, to varying degrees, collectively via the National Fostering Framework are active in trying to increase their own carer numbers. A more complementary approach by all providers could ultimately direct more resources to grow the overall pool of carers and reduce movements between providers. The matters of different fee levels and the lack of transparency in cost comparisons are problematic and need to be resolved.
- (x) Local authorities wishing to rebalance provision in foster care should be supported but a mixed economy should be preserved, with action taken to grow the market share of independent not-for-profit foster agencies in line with section 16 of the Social Services and Well-being (Wales) Act 2014. The precise balance should be down to local discretion but improvements in meeting the needs of children should be the foundation for all changes, local, regional and national.
- (xi) The Welsh Government should review arrangements for grant-funded programmes to reduce current administrative burdens and instability caused by short-term funding, and to contribute to more strategic commissioning of care and support. More targeted, ring-fenced, funding for Children’s Services would ensure developments can be supported in all local authority areas thus helping to reduce inequalities in provision and access to services.
- (xii) The Welsh Government should play a greater role in facilitating the identification and sharing of what works, particularly for young people with complex needs, and a stronger role in ensuring it is taken-up and replicated across areas and/or regions. Where necessary, it should be more directive to local authorities, health boards, and other external organisations it supports and to which it delegates key functions and roles in social care to prioritise the needs of children.
- (xiii) ADSS Cymru welcomes the long-term vision for family justice and associated preventative services set out in the Commission for Justice in Wales’ report. An early national dialogue is needed between ADSS Cymru, and representatives of Children’s Services and the courts to explore opportunities for a more constructive relationship in the care of looked after children.
- (xiv) The Welsh Government should work with local authorities to clarify the position on new private providers setting up in Wales and the impact it can have on local services.
- (xv) The Welsh Government should note the new data collection exercise developed to establish the baseline of provision, and engage with ADSS Cymru and Data Cymru on any plans to repeat the exercise.

1. Introduction

- 1.1 In July 2018, the Welsh Government published “A Healthier Wales”¹ as one of its responses to the recommendations of a Parliamentary Review of Health and Social Care². It sets out a broad framework of commitments and action to ensure everyone can have longer, healthier and happier lives and remain active and independent in their own homes for as long as possible. Transforming the way health and social care services are delivered is a major feature of the approach.
- 1.2 The implementation of “A Healthier Wales” is backed up by £100 million of funding. The Association of Directors of Social Services (“ADSS”) Cymru led a significant programme of work in the 2018-19 programme and has done so again in 2019-20.

ADSS Cymru

- 1.3 ADSS Cymru is the professional body representing Directors of Social Services in Wales. Its strategic priorities are:
 - Advising the Welsh Government on social care policy through consultation responses, involvement in working groups, and formal / informal representation.
 - Proposing national strategies and initiatives and engaging with national organisations to promote effective models of service.
 - Supporting national service developments and supporting the work of local government by promoting the use of best practice models.
- 1.4 ADSS Cymru provides a strategic viewpoint on the shape of the social care market in Wales and how and where services are provided and commissioned. It also provides professional advice to the Welsh Government to support the delivery of the strategic vision in “A Healthier Wales”, the manifesto commitments of the First Minister, and other Welsh Government strategic documents.

Work programme 2019-20

- 1.5 The 2019-20 programme of work agreed between ADSS Cymru and the Welsh Government comprises two workstreams:
 1. Rebalancing the care sector.
 2. Mapping co-operative provision.
- 1.6 This report covers Workstream 1. It is one of two reports. Given the significant differences between adult services and children’s services, the workstream was split into two separate projects, adults and children, with separate reports for each.
- 1.7 Workstream 2 of the 2019-20 programme examines the use of co-operative provision in the social care sector and how it can be developed to increase its use. Links between the two workstreams have been made during the programme’s implementation and in reporting.
- 1.8 The foundation for the work on re-balancing social care is the First Minister’s Leadership Manifesto³. It made a commitment to work with local authorities to bring social care services more directly under their control with the aim of achieving more effective integration of health and social care. In doing so, it reflected action since the 1980s, which has seen social care services increasingly move outside the public service and into the private, profit-

making sector. However, it emphasised rebalancing is not about simply replacing one sort of monopoly with another. The Manifesto:

- Recognises future services will continue to be a mixture of local, regional and national provision, and will continue to draw on public, private and voluntary effort.
- Seeks to re-energise efforts to create co-operative suppliers of social care services, rebalancing the sector, and bringing such services back closer to the public realm.
- Supports those local authorities seeking to bring social care services back under their direct control.

1.9 Part 2 of the statutory Code of Practice (General functions) for the Social Services and Well-being (Wales) Act 2014 (the “Act”) also explains the Welsh Government’s public services policy is for greater diversity in the delivery of services through mutual organisations, in-sourcing, joint commissioning and community ownership⁴.

1.10 The Code of Practice and associated Regulations are intended to support local authorities in discharging their duties under the Act. This includes promoting alternative and innovative service models, encouraging the development of new not-for-private profit business models, and supporting the growth of social enterprises, co-operative organisations or arrangements, user-led services and third sector organisations. Local authorities are obliged to assess what is provided by social enterprises, co-operative organisations and arrangements, user-led services and the third sector.

1.11 The findings of this study will not only enhance local authorities’ ability to fulfil their duties under the Act but, most importantly, will help improve the care and support for the children and young people who need it.

Aims and objectives

1.12 The aims of the project, as set out in the programme agreed between ADSS Cymru and the Welsh Government were to:

- (i) Develop an understanding and baseline of the current balance of provision of social care against which to measure progress.
- (ii) Help identify an optimal balance for the future.
- (iii) Help inform the development of regulations and guidance on market stability assessments under the Regulation and Inspection of Social Care Act.
- (iv) Support the Welsh Government in identifying what type of support to local government would be most successful in supporting/incentivising such change, what types of support and at which sectors of provision should support be targeted

1.13 Underpinning the achievement of the above were series of tasks to collate and analyse data. The project methodology is outlined in Chapter 2.

This report

1.14 In considering the theme of rebalancing social care, this report does two things. After setting the scene in **Chapter 3**, baseline information on the current balance of social care by type of provider is provided in **Chapter 4**. The data also examines the balance of provision for certain types of placements.

- 1.15 Chapters 5 to 10 summarise the views of Heads of Children’s Services and key stakeholders, including some providers and provider representatives. **Chapter 5** looks broadly at key issues affecting Children’s Services. **Chapters 6, 7 and 8** focus on residential care, fostering and adoption respectively. **Chapter 9** examines the main theme of this report, rebalancing provision, while **Chapter 10** reflects the action needed to improve services and outcomes, not least reversing the overall upward trend nationally in the numbers of looked after children. Drawing on the rest of the report, **Chapter 11** presents the conclusions and recommendations.

Acknowledgements

- 1.16 The help of Heads of Children’s Services and stakeholders too numerous to mention here individually who responded to requests for information and gave their time for discussion is gratefully acknowledged and appreciated. Thanks also go to members of the project group, and project reference group, to the Welsh Local Government Association for facilitating engagement with political leads, and all who contributed to collection of baseline data: local authorities themselves. Data Cymru, National Fostering Framework / AFA Cymru, and the National Adoption Service.

2. Methodology

- 2.1 Following agreement of the 2019-20 Delivering Transformation Grant programme with the Welsh Government, and as part of the project inception, meetings were held with more than 20 key stakeholders. Some were specific to Adult Services while others were specific to Children’s Services. Some were relevant to both. A desktop review of relevant documents was also undertaken.
- 2.2 The approach needed to fulfil the project’s objectives required both quantitative and qualitative data. Therefore, it was split into two phases. These ran in parallel with one another.
- 2.3 A baseline exercise was required to determine as accurately as possible the current balance of provision i.e. how much care and support was delivered by local authorities via their in-house services and externally by providers in the private and third sectors. For this report covering Children’s Services, the data needed to include residential and domiciliary care and fostering and adoption.
- 2.4 The latest full financial year, 2018-19, was selected as a sensible and convenient means of examining the latest full-year position on the balance of social care.
- 2.5 To minimise the burden on local authorities of collecting data for the baseline, the aim was to use available data wherever possible. On this basis, data on fostering for the 2018-19 financial year was available from the National Fostering framework. Data on adoption was available from the National Adoption Service. Therefore, for Children’s services, the request to local authorities for data covered residential care and domiciliary care only.
- 2.6 Qualitative data was collected via semi-structured telephone interviews with Heads of Children’s Services and key stakeholders, from attendance at an All-Wales Heads of Children’s Services meeting, and meetings of other groups. In total, more than 30 semi-structured interviews and meetings were undertaken. In addition, some telephone interviews and group meetings undertaken for the Adult Services element of the programme e.g. discussions with some Directors of Social Services, National Commissioning Board, also touched on Children’s Services issues.
- 2.7 The baseline exercise required data from all 22 local authorities. It was undertaken in partnership with Data Cymru and covered both Adult and Children’s Services. A bespoke data collection form and guidance was co-produced with the help of four local authorities.
- 2.8 The baseline study commenced in mid-September 2019 and, after all returns had been collated and data validation completed, concluded on 13 December. A list of data requested on Children’s Services is provided in Appendix 2.
- 2.9 Expenditure data was also requested by the Welsh Government. Careful consideration was given to the information needed, the scale of work and resource required to collect and audit the information via a new exercise, and when the information was needed. The use of the official revenue outturn figures, which are typically published in October each year, was determined to be the most appropriate option. While there is not a direct read-across to the structure of the new baseline data collected, the outturn data provide a reasonable financial context and background to the work.

Baseline exercise

- 2.10 Data on fostering and adoption were made available by the National Fostering Framework via AFA Cymru, which manages its data, and the National Adoption Service. Their data,

with some additional analysis in some cases, made an important contribution to this study. For the data on residential and domiciliary care, a bespoke data collection exercise was required. The co-design of the dataset and guidance with four local authorities was helpful and influenced the design of the data collection form, which had in-built validation checks to aid data quality.

- 2.11 Inevitably, some data quality issues were anticipated but these were generally resolved after follow-up. Perhaps more challenging to local authorities was collating the data from their records in the first place and the work involved in doing so. Some local authorities were unable to provide a breakdown for certain data as it was not recorded. Where necessary, notes are provided against the figures.
- 2.12 In line with the requirements of this year’s Delivering Transformation Grant programme agreed with ADSS Cymru, the raw baseline data has been passed to the Welsh Government. Guidance will be produced to accompany the dataset.
- 2.13 The Welsh Government has indicated a desire to repeat the exercise at some point in the future to measure any change in the balance of care. The experience of this first baseline is valuable to inform any future exercises. With this in mind, local authorities were asked for feedback on data collection after the exercise was completed. Four local authorities responded. A summary of the feedback is provided in Appendix 3.
- 2.14 The additional work generated for local authorities by ADSS Cymru’s request for baseline data is recognised, and the effort made by teams to respond to the request is appreciated. Overall, the exercise worked well. It benefitted from the help of four local authorities in its design. The guidance which accompanied the request and the data collection form served their purpose. Inevitably, there is scope to improve any future data collection. Clarification was needed on some data requirements and on some specific circumstances of care provision. Some local authorities also had difficulty in providing a detailed breakdown of certain provision. The experience of this first data collection will inform any repeat exercise.
- 2.15 In the feedback were questions about what the data will show, how the data will be used and the benefits of the exercise to local authorities. This report is a starting point for answering the first two points. The benefits of the baseline work will emerge later as a result of action which will follow this research into the broad theme of rebalancing social care and associated matters. The aim is to improve the quality of care people receive and the outcomes.

3. Background and policy context

- 3.1 Every child and young person have the right to be safe whoever they are, wherever they live and whatever their circumstances. Ensuring this happens is a priority for the Welsh Government and all public services.
- 3.2 Children’s Services play a vital role, providing care and support, and ensuring the safety and protection of children and young people at risk. They help those who⁵:
 - Are in danger of being hurt
 - Aren’t cared for as they should be
 - Have family problems
 - Have a disability
 - Are in trouble with the police
 - Are looked after in care
- 3.3 Children’s Services discharge their role through a variety of services, working in partnership with other organisations. They have a duty to ensure children, young people and families get the information, advice and assistance they need. The Welsh Government supports local authorities with programmes such as Flying Start and Families First. In most cases, access to information, advice and assistance at the earliest possible stage meets their needs. Early intervention can make a big difference by preventing problems from getting worse or reaching crisis.
- 3.4 The information, advice and assistance service is the typical access point for services. If assessment determines the child’s identified needs are eligible to be met by the provision of care and support from the local authority, a care and support plan is developed and agreed. For some families and children, particularly where there is a risk to a child’s safety, more intensive support or intervention is necessary. This may involve a child entering care.

Looked after children

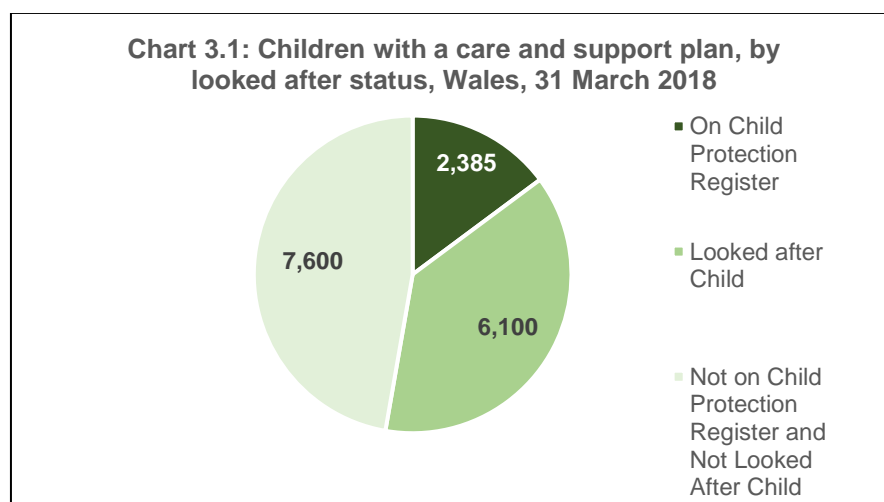
- 3.5 The term “looked after” is defined in Part 6 section 74 of the Social Services and Well-being Act (Wales) 2014 Act (“the Act”). A child is “looked after” by a local authority if he or she has been provided with accommodation for a continuous period of more than 24 hours”. This can happen for a variety of reasons, for example:
 - The child is at significant risk of harm and needs to be protected. In such cases, the child is usually the subject of a court-made legal order.
 - The child’s parents might have agreed to it; for example, if they are too unwell to look after their child or if their child has a disability and needs respite care.
 - The child could be an unaccompanied asylum seeker, with no responsible adult to care for them.
 - No one has parental responsibility for the child; for example, a child having been abandoned or the person who was caring for the child is prevented (for whatever reason) from providing suitable accommodation or care
- 3.6 The Social Services and Well-being (Wales) Act 2014 Act emphasises that, unless it is inconsistent with the child’s well-being, arrangements must be made for the child who needs accommodation to live with a parent or a person with parental responsibility or

residence / child arrangement order. Where this is not possible, preference should be given to placement with a relative, friend or other person connected to the child.

- 3.7 In cases where no one who has parental responsibility, the local authority has a duty to provide the child with accommodation⁶. A child accommodated by a local authority under section 76 of the Act is a “looked after” child.
- 3.8 Looked after children are provided with accommodation by a local authority away from their families, either at the request of their parent or in accordance with a “care order” made under section 31 of the Children Act 1989. Consideration must always be given to a placement close to home.
- 3.9 Local authorities provide various placements to accommodate looked after children:
 - With a relative (a “kinship placement”)
 - With foster parents
 - In a residential children’s home
 - In other residential settings such as, supported lodgings, a school or, for a small number of cases, a secure unit
 - With a prospective adopter (in certain circumstances)
- 3.10 Placements may be provided by the local authority through its in-house services or by providers in the private and third sectors. Local authorities have a duty to provide sufficient accommodation to meet the needs of the children they look after.

The scale of need

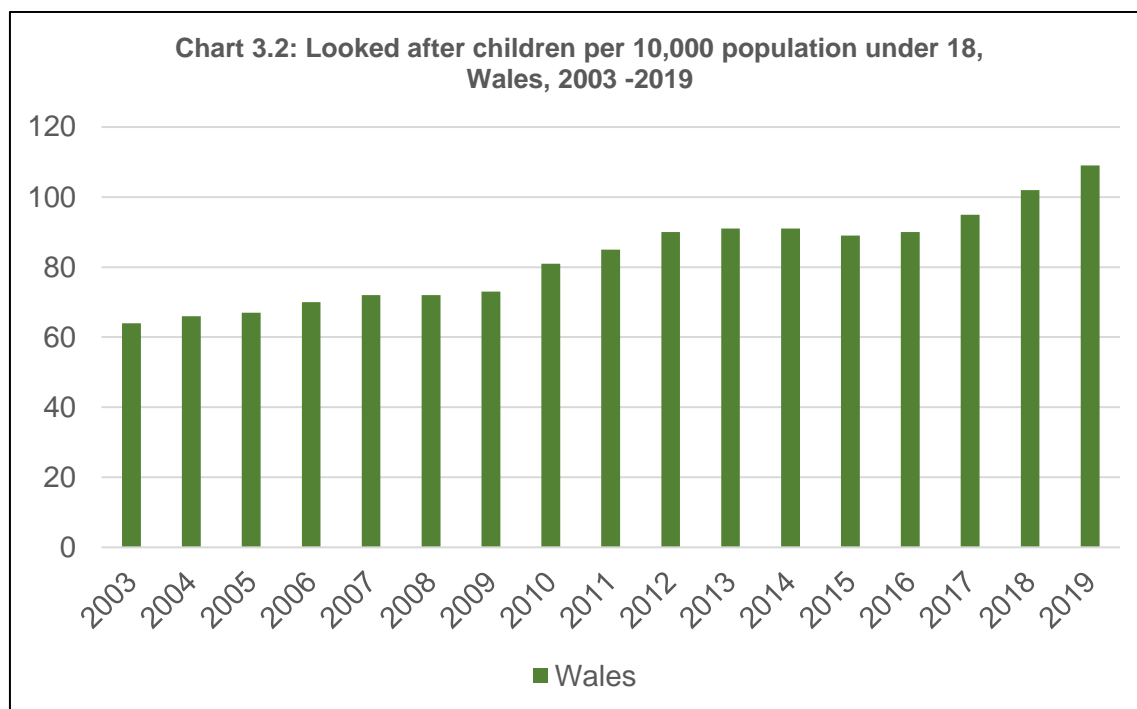
- 3.11 Children with a care and support plan includes children living at home who are receiving additional support themselves and possibly for their parents. Some will receive help with a disability. Others with a care and support plan may be on the Child Protection Register or are looked after children with accommodation provided by their local authority. Chart 3.1 illustrates the scale of need in 2018.
- 3.12 In 2018, 16,085 children were given a care and support plan. Of these, 6,100 were looked after children and 2,385 were on the Child Protection Register. The remaining 7,600 had support needs but were neither looked after nor on the Child Protection Register. Of all children with a plan, 3,435 were helped with a disability⁷.



Source: Stats Wales

3.13 Social care in general, and children’s services specifically, are having to manage increasing demand and complexity of needs. The number of looked after children and the number on the child protection register are increasing. On 31 March 2019, there were 6,845 children being looked after. Children who were receiving respite care are not included in this figure.

3.14 The rate of looked after children per 10,000 population of under 18-year olds has increased from 64 in 2003 to 102 in 2018, with a further increase to 109 in 2019. Aside from a fall in 2015 at the Wales level there has been a continual year on year increase.



Source: Created from data Stats Wales

3.15 The trend at local authority level varies in direction and scale⁸. All local authorities now have a higher rate of looked after children per 10,000 population compared to 2003, in some cases markedly so. Eighteen local authorities have seen an upward trend since 2015, the year in which the Welsh rate dipped for the last time. However, four have seen falls in the rate of looked after children.

3.16 A more precise picture of changes in the actual number of looked after children is provided by the Public Policy Institute for Wales in its briefing and analysis of the factors contributing to the high rate of care in Wales⁹

3.17 The total number of looked after children in Wales on 31 March 2019 was 6,845, This compares with 6,405 a year earlier: an increase of 440 (7%). Of these, 82% had care orders.

3.18 A total of 2,125 children started to be looked after during the year, slightly less than in 2017-18 (2,162). The main reasons for children becoming looked after are summarised in the following table.

Table 3.1: Number of looked after children, Wales, 2018-19, by reason for becoming looked after

Reason for becoming looked after	No.	%
Abuse / neglect	1,395	66
Family dysfunction	305	14
Family in acute stress	190	9
Socially unacceptable behaviour	80	4
Absent parenting including	80	4
Disability	40	2
Parental illness / disability	35	1
Total	2,125	100

Source: Stats Wales

- 3.19 Of 6,845 looked after children on 31 March 2019, nearly three out of every four (73%) had had one placement, 18% had two placements, 9% had 3 or more placements.

A national priority

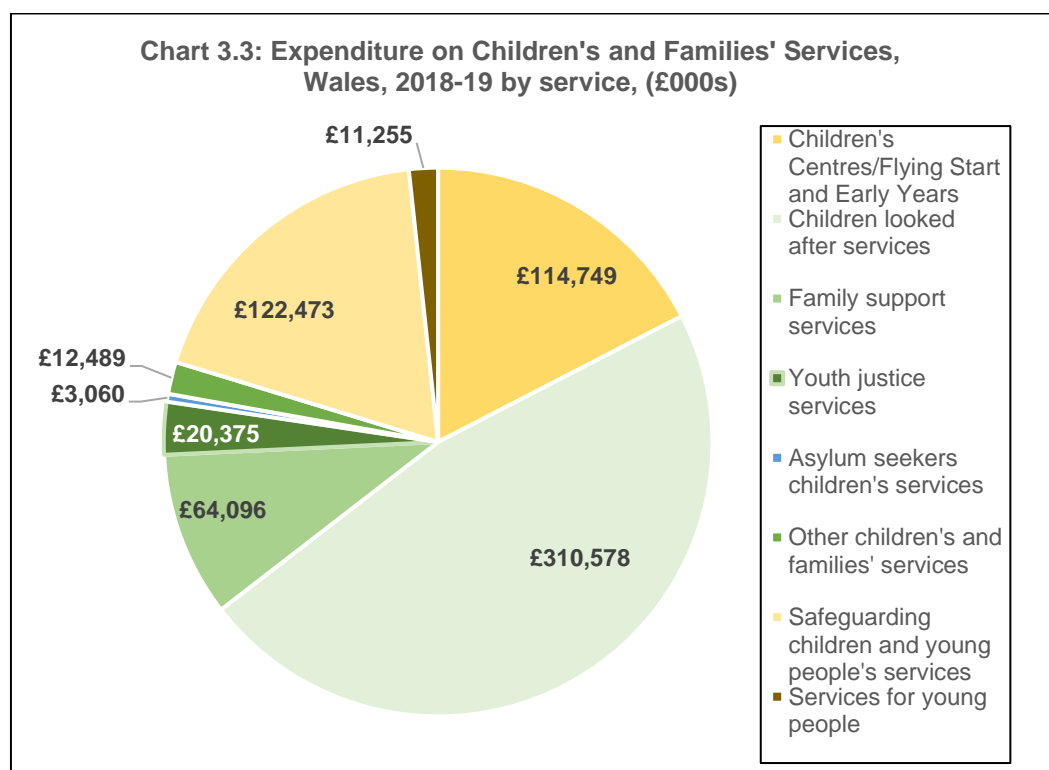
- 3.20 Looked after children and children leaving state care remain one of the most vulnerable groups in our society¹⁰. There is clear cross-party support in the National Assembly for Wales for looked after children to have the same start in life and opportunities as all children¹¹.
- 3.21 The increasing demand for care and support, and more complex needs, present significant challenges for local authorities and impact on looked after children themselves. Stable placements are crucial to feeling a sense of belonging and security. The need to change placements can affect their wellbeing and impact on their ability to form attachments and have secure relationships with their carers and peers¹². The problems and impact of placement instability, placement moves, and staff turnover are also key findings in more recent research by the Wales Centre for Public Policy¹³.
- 3.22 In evidence to the National Assembly for Wales’ Public Accounts Committee¹⁴, children and young people who had experienced care highlighted the number of placements and different social workers they had experienced. Most had been moved more often than they would have liked and had experienced a high turnover in social workers. Care Inspectorate Wales concluded the lack of placements had a significant impact on outcomes, putting it down to a lack of strategic planning and recruitment in fostering services to enable placement choice and stability. Children in care have worse long-term outcomes than the average population. They are significantly over-represented in the criminal justice system and prison, and a significant proportion are not in education, training or employment.
- 3.23 There is strong evidence that matching children with appropriate placements across the range of options such as fostering, adoption and residential care is becoming more difficult. The Welsh Government has emphasised placement choice needs to be improved, as does quality and stability¹⁵. In times of continuing budget pressures, cost can be an issue. However, the Children’s Commissioner for Wales strikes an important note of caution on the impact on a young person if they are told a placement is too expensive to maintain when it has been assessed as the right place for them and they are doing well in it¹⁶.

- 3.24 Care Inspectorate Wales has said better local commissioning arrangements are required to ensure children’s needs are met as close to home as possible¹⁷. It also recognised most local authorities are struggling to meet their sufficiency duties and to find suitable placements to meet needs. This adversely affects placement choice, permanency and stability and consequently, outcomes for children. Local authorities and their partners should do more to commission a greater range of services and choice of placements to address these matters.
- 3.25 In some areas, children’s services are adversely affected by workforce and workload issues caused by problems in staff recruitment and retention. There is concern about the lack of emergency or crisis provision, and high-end needs residential care. The Welsh Government has asked for regional commissioning to be considered to address the shortfall. Effective commissioning and delivery of care depends on the skills of the workforce. The new Workforce Strategy for Health and Social Care in Wales prepared by Social Care Wales is a significant development¹⁸.
- 3.26 The Care Crisis Review¹⁹ confirmed a sense of crisis now felt by many young people, families and those working within the system because of increased use of court proceedings. In Wales and in England, the number of care order applications and the number of looked after children have reached record levels.
- 3.27 Research by the Wales Centre for Public Policy²⁰ into why rates of looked after children are high in Wales identified factors such as deprivation, the effect of domestic abuse, parental substance misuse and parental mental ill health, the distribution of resources, decisions in the courts and differences in policy and practice by local authorities. The latter was estimated to account for around 19% of the variance in the children looked rate across Wales, particularly differences in the interpretation of thresholds for different levels of care and support.
- 3.28 The Welsh Government is intent on delivering a step change in the outcomes for looked after children. The commitment is part of “Taking Wales Forward”²¹ and the national strategy “Prosperity for All”²². The aim is to transform the outcomes of children by providing a greater focus on prevention and early intervention to reduce the numbers of children entering care, to improve the outcomes for those already in care and supporting care leavers towards successful independent living.
- 3.29 The Welsh Government established a Ministerial Advisory Group and an “Improving Outcomes for Children Programme”. A two-year plan was launched to improve services for children and families in need of help and support²³. It had three strands:
- Reducing the need for children to enter care.
 - Improving outcomes for children already in care.
 - Supporting care leavers to independent living and successful futures.
- 3.30 More recently, and in addition to the first of the above, which relates to reducing the numbers of children in care, the following two goals were added:
- Reducing the number of children placed out of county.
 - Reducing the number of children placed out of Wales
- 3.31 A wide range of action has been taken including research, exploring options for care leavers, the development of the National Adoption Service for Wales and the National Fostering Framework. It also includes investment. For example, since 2017-18, £15 million has been provided via the Integrated Care Fund for more intensive therapeutic services,

and £9 million to expand local authority prevention and early intervention services. The results of evaluating these are important to spreading the use of models and practice which work and to making the case for more investment.

Expenditure

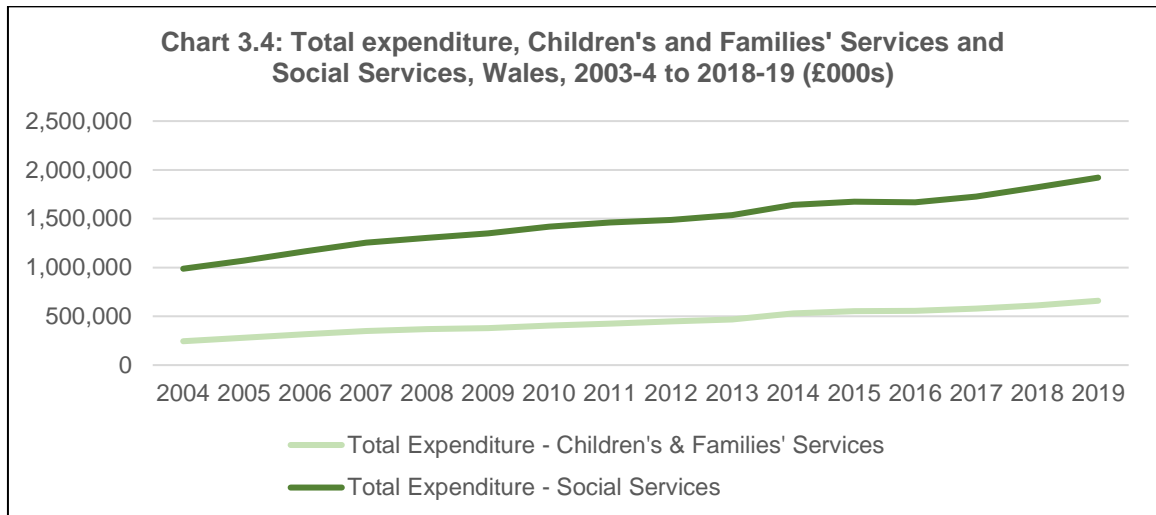
3.32 Expenditure by local authorities on Children and Families’ Support Services in the 2018-19 financial year was £659,074,000.



Source: Stats Wales

3.33 Most of the expenditure - £311 million (47%) - was spend on meeting the needs of looked after children. This was followed by safeguarding (£122 million) and Children’s Centres, Flying Start and Early Years (£114 million).

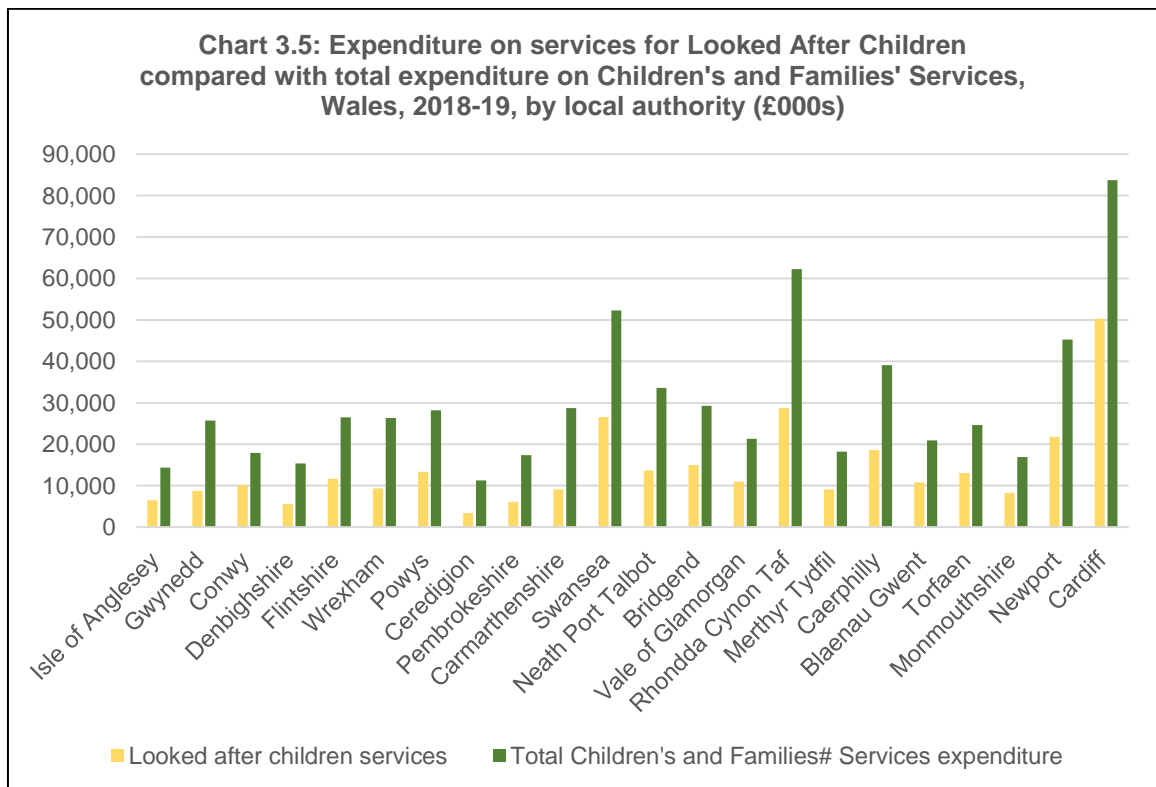
3.34 Expenditure on Children’s and Families’ Services has increased by 169% between 2003-04 to 2018-19. This compares with an increase of 95% in total social services expenditure over the same period.



Source: Stats Wales

3.35 This pattern of higher growth is also evident in the last two full financial years. Expenditure on Children’s and Families’ Services in 2018-19 was 7.5% higher than the previous year 2017-18, compared an increase of 5.5% for social services overall.

3.36 Spending on services to support looked after children has increased at a faster rate than total children’s services expenditure in the short and long-term. There was an increase of 191% between 2003-04 and 2018-19, and +9.4% in the last two full financial years. The chart below compares expenditure on looked after children with total expenditure on Children’s and Families’ Services for the 2018-19 financial year.



Source: Stats Wales

3.37 On average, 47% of total expenditure on Children’s and Families Services is spend on services for looked after children. The figure varies between authorities.

Table 3.2: Expenditure on looked after children as a proportion of total Children’s and Families’ Expenditure, 2018-19, by local authority

Less than 30%	Between 30 - 39%	Between 40– 49 %	Between 50 - 59%	Between 60-69%	More than 69%
	Ceredigion (30%) Carmarthenshire (32%) Gwynedd (34%) Pembrokeshire (35%) Denbighshire (36%) Wrexham (36%)	Neath Port Talbot (41%) Flintshire (44%) Ynys Mon/Isle of Anglesey (45%) Rhondda Cynon Taf (46%) Powys (47%) Caerphilly (48%) Newport (48%) Monmouthshire (48%)	Merthyr Tydfil (50%) Bridgend (51%) Vale of Glamorgan (51%) Swansea (51%) Blaenau Gwent (52%) Torfaen (53%) Conwy (57%)	Cardiff (60%)	

Source: Created from data on Stats Wales

4. Baseline data on care and support in 2018-19

- 4.1 Baseline data on residential and domiciliary care was obtained from local authorities in a bespoke data collection exercise. The work was undertaken in partnership with Data Cymru. Fostering data was provided by AFA Cymru on behalf of the National Fostering Framework. Adoption data was provided by the National Adoption Service for Wales. The assistance of all organisations is acknowledged and appreciated.

Residential care

- 4.2 In 2018-19, local authorities commissioned nearly 200,000 nights of care for children. This included children who fall within the definition of looked after children and children who are not looked after. The needs were met by a combination of local authority in-house provision i.e. their own care homes, private and third sector providers.

Table 4.1: Total number of nights of residential care for looked after children and children not looked after commissioned by local authorities, 2018-19, Wales, by local authority

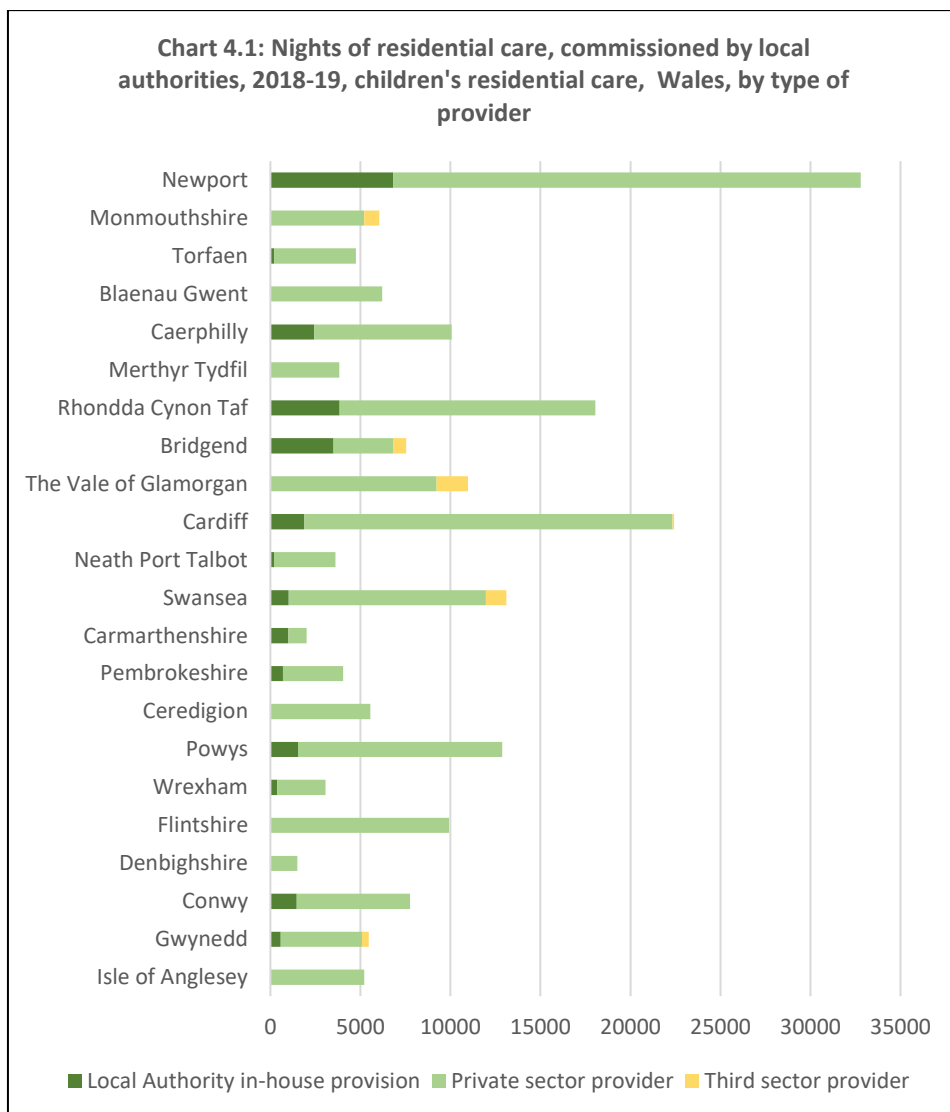
Local Authority	Total number of nights of care delivered in 2018-19
Isle of Anglesey	5,221
Gwynedd	5,457
Conwy	7,756
Denbighshire	1,492
Flintshire	9,926
Wrexham	3,059
Powys	12,880
Ceredigion	5,558
Pembrokeshire	4,039
Carmarthenshire	2,012
Swansea	13,106
Neath Port Talbot	3,605
Cardiff	22,423
The Vale of Glamorgan	10,978
Bridgend	7,541
Rhondda Cynon Taf	18,051
Merthyr Tydfil	3,830
Caerphilly	10,074
Blaenau Gwent	6,206
Torfaen	4,746
Monmouthshire	6,055
Newport	32,800
Wales	196,815

Source: ADSS Cymru / Data Cymru 2019

- 4.3 The figures in the above table include nights of care which were commissioned in 2018-19 and delivered during the same financial year. They also include care which was commissioned before April 2018 but where some or all of the nights of care were delivered during the 2018-19 financial year.

4.4 In 2018-19, 85% of the children’s residential care commissioned by local authorities was delivered by private sector providers. Local authorities delivered 13% using their own care homes. The remaining 2% was delivered by third sector providers.

4.5 The chart below shows the number of nights of children’s residential care commissioned by local authorities by type of provider for each local authority.



Source: ADSS Cymru / Data Cymru 2019

4.6 In 2018-19, seven local authorities did not deliver any residential care of their own and a further three delivered 5% or less themselves. The highest proportion of residential care delivered in-house by local authorities is in Carmarthenshire and Bridgend with 50% and 47% respectively.

4.7 Six local authorities were totally dependent on the private sector for residential care. Five authorities used third sector providers for between 7% and 16% of care delivered.

4.8 The following table provides a detailed breakdown of the percentage of nights of care delivered by type of provider in each of the twenty-two local authority areas.

Table 4.2: Percentage of residential care for looked after children and children not looked after delivered, by type of provider, Wales, 2018-19

Local Authority	Percentage nights residential care by type of provider			Total %
	In House	Private sector	3 rd sector	
	%	%	%	
Isle of Anglesey	0	100	0	100
Gwynedd	10	83	7	100
Conwy	19	81	0	100
Denbighshire	0	100	0	100
Flintshire	0	100	0	100
Wrexham	12	88	0	100
Powys	12	88	0	100
Ceredigion	0	100	0	100
Pembrokeshire	17	83	0	100
Carmarthenshire	50	50	0	100
Swansea	8	84	9	100
Neath Port Talbot	5	95	0	100
Cardiff	8	91	0	100
The Vale of Glamorgan	0	84	16	100
Bridgend	47	44	10	100
Rhondda Cynon Taf	21	79	0	100
Merthyr Tydfil	0	100	0	100
Caerphilly	24	76	0	100
Blaenau Gwent	0	100	0	100
Torfaen	4	96	0	100
Monmouthshire	1	85	14	100
Newport	21	79	0	100
Total	13	85	2	100

Source: ADSS Cymru / Data Cymru 2019

- 4.9 The dependency on private residential care is clear. It accounts for typically more than four out of every five placements. There is currently little use of the third sector.

Characteristics of placements

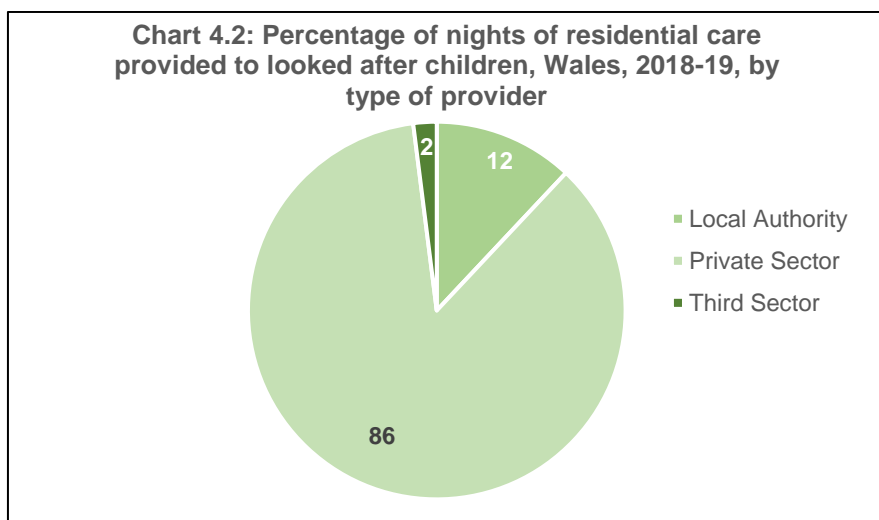
- 4.10 Four out of every five nights of care in 2018-19 (80%) were for looked after children. Provision by type of provider is the same as the overall picture in Table 4.2 above.

Table 4.3: Number of nights of residential care provided for looked after children and children not looked after, by type of provider, Wales, 2018-19

Children	Type of provider						Total	
	In House		Private sector		3 rd sector		No.	%
	No.	%	No.	%	No.	%		
Children looked after	19,631	12	136,410	86	1,896	2	157,937	100
Not looked after	5,931	15	29,910	77	3,037	8	38,878	100
Total	25,562	13	166,320	85	4,933	2	196,815	100

Source: ADSS Cymru / Data Cymru 2019

- 4.11 Of the 157,937 nights of care provided in 2018-19 for looked after children, 136,410 (86%) were provided by providers in the private sector. Of the remainder, 19,361 (12%) were in-house local authority provision and 1,896 (2%) in the third sector. The bulk of provision by third sector providers (62%) is for children not looked after e.g. children with disabilities.
- 4.12 The dominance of the private sector and thus the degree of local authorities’ reliance on it can be seen in the chart below, which is the current baseline for the balance of residential care for looked after children by type of provider.



Source: ADSS Cymru / Data Cymru 2019

- 4.13 The table below summarises the number of nights of care by type of provider in residential homes and in other types of residential setting. This data includes children who are looked after and children who are not looked after.

Table 4.4: Number of nights of care provided for looked after children in residential homes and other types of residential care setting, by type of provider, Wales, 2018-19

	Type of provider						Total	
	In House		Private sector		3 rd sector		No.	%
	No.	%	No.	%	No.	%		
Residential homes	19,801	12	139,539	86	3,361	2	162,701	100
Other types of residential care setting	2,844	9	26,781	86	1,572	5	31,197	100
Total	22,645	12	166,320	86	4,933	2	193,898	100

Source: ADSS Cymru / Data Cymru 2019

- 4.14 More than four out of every five placements (84%) are in residential homes. There is relatively little difference in the split of provision by type of provider. Private sector providers account for 86% of placements.
- 4.15 Table 4.5 overleaf shows approximately one third of placements in 2018-19 were in county i.e. in the local authority’s own area. Just over half (53%) were out of county but in Wales and 16% were outside Wales.

Table 4.5: Nights of residential care provided for looked after children and children not looked after, by type of provider, and area, Wales, 2018-19

	Type of provider						Total	
	In House		Private sector		3 rd sector		No.	%
	No.	%	No.	%	No.	%		
In-county	25,122	98	33,394	20	2,552	52	61,068	31
Out-of-county	157	1	102,069	61	1,501	30	103,727	53
Outside Wales	283	1	30,857	19	880	18	32,020	16
Total	25,562	100	166,320	100	4,933	100	196,815	100

Source: ADSS Cymru / Data Cymru 2019

- 4.16 One in five private sector placements (20%) were within the local authority’s area. The majority (80%) were out of county or outside Wales. Third sector providers deliver most of the care – just over half – locally i.e. within a local authority’s area.

Domiciliary care and support

- 4.17 Local authorities commissioned approximately 67,000 hours of domiciliary care for children in 2018-19.

Table 4.6: Number of hours of domiciliary care for children commissioned by local authorities and delivered in 2018-19, by local authority

Local Authority	Total hours of care delivered in 2018-19
Isle of Anglesey	1,302
Gwynedd	6,343
Conwy	1,860
Denbighshire	0
Flintshire	0
Wrexham	0
Powys	0
Ceredigion	0
Pembrokeshire	24,769
Carmarthenshire	624
Swansea	0
Neath Port Talbot	0
Cardiff	24,859
The Vale of Glamorgan	5,551
Bridgend	1,010
Rhondda Cynon Taf	0
Merthyr Tydfil	0
Caerphilly	670
Blaenau Gwent	49
Torfaen	0
Monmouthshire	0
Newport	0
Total	67,037

Source: ADSS Cymru / Data Cymru 2019

- 4.18 As a broad indication, 83% of the care and support was delivered by private providers and 14% by local authority in-house teams. However, this split is based on approximately 44,000 hours of care. Several local authorities did not provide data by type of provider.

Foster care

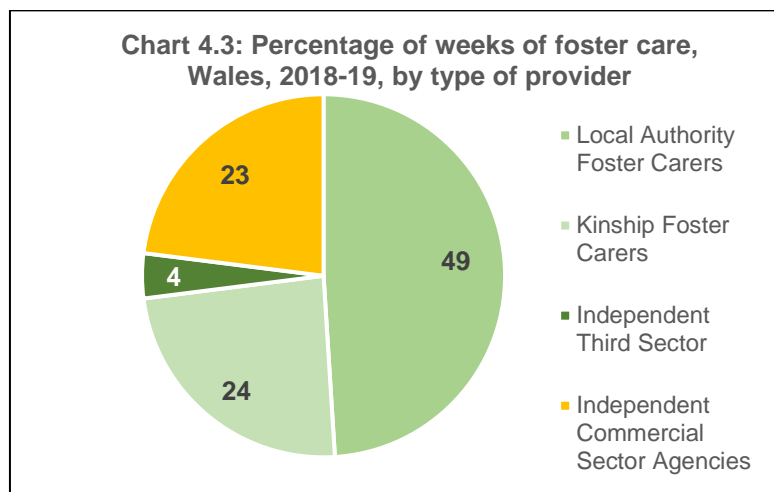
- 4.19 In 2018-19, local authorities commissioned approximately 263,000 weeks of foster care. The authorities commissioning the highest volumes of care were Carmarthenshire (37,857 weeks), Cardiff (30,698), Rhondda Cynon Taf (28,416) and Swansea (20,948).

Table 4.7: Weeks of foster care commissioned by local authorities and delivered in 2018-19, Wales, by local authority

Local Authority	Total weeks of foster care delivered in 2018-19
Blaenau Gwent	8,188
Bridgend	14,552
Caerphilly	15,538
Cardiff	30,698
Carmarthenshire	37,857
Ceredigion	2,545
Conwy	8,593
Denbighshire	3,357
Flintshire	7,786
Gwynedd	8,001
Merthyr Tydfil	7,120
Monmouthshire	5,384
Neath Port Talbot	12,423
Newport	14,623
Pembrokeshire	5,436
Powys	9,029
Rhondda Cynon Taf	28,416
Swansea	20,948
Torfaen	10,921
Vale of Glamorgan	9,279
Wrexham	8,632
Ynys Mon	5,686
Total	275,012

Source: National Fostering Framework / AFA Cymru

- 4.20 All local authorities have their own foster care service. The foster care commissioned was met by their in-house services, by kinship foster carers, and by independent third sector agencies or independent commercial agencies.
- 4.21 The chart overleaf summarises the way in which foster care is delivered by the different providers i.e. the current balance of care.



Source: National Fostering Framework / AFA Cymru

4.22 The table below provides the current balance of care by type of provider.

Table 4.8: Percentage of weeks of foster care commissioned by local authorities and delivered in 2018-19, Wales, by type of provider

	Type of provider				Total %
	Local Authority Foster Carers	Kinship Foster Carers	Independent Third Sector Agencies	Independent Commercial Agencies	
	%	%	%	%	
Blaenau Gwent	51	25	5	18	100
Bridgend	54	23	1	22	100
Caerphilly	50	25	6	19	100
Cardiff	17	14	4	65	100
Carmarthenshire	79	12	2	7	100
Ceredigion	77	18	0	5	100
Conwy	37	37	3	23	100
Denbighshire	62	19	0	19	100
Flintshire	51	38	1	10	100
Gwynedd	54	31	3	11	100
Merthyr Tydfil	43	22	4	31	100
Monmouthshire	24	31	0	45	100
Neath Port Talbot	58	21	5	16	100
Newport	77	5	1	16	100
Pembrokeshire	80	12	0	8	100
Powys	55	20	3	21	100
Rhondda Cynon Taf	33	37	6	24	100
Swansea	47	34	4	14	100
Torfaen	49	41	3	7	100
Vale of Glamorgan	43	37	0	20	100
Wrexham	41	34	0	25	100
Ynys Mon	20	26	41	13	100
Total	49	24	4	23	100

Source: National Fostering Framework / AFA Cymru

- 4.23 There is considerable variation across Wales in the balance of foster care delivered by type of provider. The range of foster care delivered by local authority in-house services ranges from 17% in Cardiff to 80% in Pembrokeshire.
- 4.24 Eleven local authorities provide most of the foster care i.e. more than 50% of all foster care in their area, although several are just over this half way point. Two others are just under the half way point.
- 4.25 On average, kinship foster carers account for one in four placements (24%). The actual figures range from 5% in Newport to 41% in Torfaen.
- 4.26 With one exception, private agencies do not dominate the market in any area. The average is 23% but as low as 7-8% in three areas (Pembrokeshire, Torfaen, Carmarthenshire). Private agencies dominate in Cardiff, delivering two thirds of foster care (65%) in 2018-19.
- 4.27 Third sector foster care agencies are significantly underrepresented in all areas save for Ynys Mon (41%). In four areas, they do not deliver any foster care.

Adoption

- 4.28 Figures from the National Adoption Service show 313 children were placed for adoption in the 2018-19 financial year. Three out of four placements (74%) were for single children. All but 2 of the remainder were for sibling groups of two.
- 4.29 Seven out of ten (70%) were placed by local authorities and 30% by the third sector. The table below shows the current balance of provision by type of provider and by the location of placements.

Table 4.9: Children placed for adoption, 2018-19, by provider and location

Location of placement	Placed by		Total
	Local Authority	Voluntary Agency	
Wales - within own region	185	17	202
Wales - outside own region	9	27	36
England	25	49	74
Northern Ireland	0	0	0
Other	0	0	0
Total (number)	219	94	313
Total (percent)	70	30	100

Source: National Adoption Service for Wales, 2019

Note: (i) Number of children placed in Scotland not shown as less than 5

- 4.30 Most children - approximately 2 out of every 3 (65%) - were placed within their own area. Of these, more than nine out of ten (92%) were placed by local authorities.
- 4.31 Of the 36 children placed in Wales but outside their own region, 75% were placed by voluntary agencies. For children placed outside Wales, two thirds (66%) were placed by voluntary agencies.

5. Commissioning children’s services

- 5.1 This Chapter and Chapters 6-10 which follow summarise the views of Heads of Children’s Services and stakeholders, including providers.
- 5.2 The year-on-year increase in the number of looked after children in Wales shows no sign of abating. There is a strong desire by local authorities, stakeholders and the Welsh Government to reverse the trend.
- 5.3 At the outset, it is important to highlight the common theme which pervaded discussions; that is, the clear commitment to do the right things for all children and particularly for looked after children. Meeting statutory obligations is one goal but outweighing this was the desire to deliver quality care and support which produces good outcomes for all the children involved.
- 5.4 While rebalancing was the central theme of this study, discussions with local authorities and stakeholders at the start of the study emphasised it should not be considered in isolation. There are several themes which must be considered alongside rebalancing. Discussions also probed the meaning of rebalancing and identified different ways in which it can be interpreted and applied in practice.
- 5.5 There was very little mention of domiciliary care in discussions and therefore, it does not appear under a sub-heading. The importance of effective domiciliary care and support was mentioned, occasional changes in providers, and a new respite service in one area which was valued by parents. Rebalancing did not feature suggesting it is not an issue in domiciliary care for children.

Commissioning

- 5.6 Effective commissioning underpins, or should underpin, investment in public services. The National Commissioning Board for Health and Social Care in Wales emphasises it is much more than simply organising and buying services, pointing to anticipating change, planning to meet future demands and making effective use of budgets²⁴.
- 5.7 There is a plethora of guidance on commissioning nationally²⁵ and examples of local guidance²⁶. It sets out clearly what is a complex process with many different stages, from engaging stakeholders, identifying needs and desired outcomes, considering options for shaping services, priority setting, and procuring high quality and cost-effective services. It also highlights the importance of effective monitoring and evaluation to ensure outcomes and value for money are achieved. In many areas, current practice does not reflect this.
- 5.8 There is a very mixed picture of commissioning practice. There are clear variations in the way commissioning is viewed in authorities and the importance attached to it. It tends to be considered a “back office” function and the vital role it plays, or should play, in the front-line planning, delivery and development of services is not always recognised as much as it should be. In times when local authorities have had to manage significant budget reductions, commissioning posts have been as an easy target for cuts. Commissioning staff are not always part of Children’s Services. They may be shared with, or borrowed from, other services or the corporate procurement function.
- 5.9 Most commissioning appears to be procurement with a uniform approach i.e. the same approach whatever is being commissioned, a process of specification, tender and contract. “Contracting with a little bit of monitoring” as one respondent put it. Missing in many areas is

the strategic focus, which can deliver short-term gains and medium and long-term benefits. Services and support which have been commissioned in the past are often recommissioned.

- 5.10 With some exceptions, the more traditional procurement approach is common for prevention and early intervention grant-funded programmes such as Flying Start, Families First and advice and support services, including family support. Residential care placements for looked after children are purchased via the 4Cs framework or spot purchasing outside the framework. Spot purchasing can be defined as sporadic or unplanned orders originated in unexpected circumstances²⁷, which seems to fit the picture of what happens when there is a need to find residential placements, often at short notice.
- 5.11 Stakeholders say some authorities continue to issue small single individual tenders for different services with no evidence of join-up e.g. separate services for family support, carers support and families affected by domestic abuse. Engaging providers in configuring or reconfiguring future services is also said to be lacking.
- 5.12 Providers call for longer-term contracts. They acknowledge developments in some areas and suggested some commissioning should be at the regional level, where it could be resourced with the staffing and skills needed to meet children’s needs e.g. high functioning autism cases where there are no learning disabilities. Such cases can be very difficult to manage and if placed in wrong environment, the care doesn’t work. Secure care, with only one establishment in South Wales and none in North Wales, was also mentioned in the context of regional and national commissioning. Some local authorities appear reluctant to let go of local control. This might simply be self-interest or (reasonable) concern a regional commissioning function would not be the specialist children and young people function that’s needed but a generic function spanning adult’s and children’s social care. The possibility of an under-resourced commissioning function is also a concern.
- 5.13 Providers pointed to the difficulties in setting up for, and managing, short-term e.g. annual, contracts, which don’t necessarily produce the best long-term outcomes. Small tenders can prevent third sector providers from entering an area to work as services need to be of certain size to be viable. Longer contracts provide more stability for third sector providers allowing them to recruit, retain and invest in staff skills.
- 5.14 There is a view among stakeholders that, in addition to the apparent reluctances in some areas to change the way they commission, corporate procurement sometimes gets in the way of a strong, more strategic, social care commissioning. Some think otherwise, pointing out the corporate functions have helped them generate good quality tenders and terms and conditions.
- 5.15 While terms and conditions are important means of addressing poor performance if it occurs, poor or wrong terms and conditions can turn away potential providers from tendering and/or can cause problems when delivering a contract, particularly in the third sector where charity laws often apply. Some confusion - perhaps a misunderstanding or misinterpretation – of GDPR was also highlighted by one stakeholder in respect of the way it is set out in some terms and conditions. Knowledge of all such matters should be in the skillset of commissioners so they understand what can affect potential providers.
- 5.16 There is also a call for more flexible framework approaches. If a local authority goes to the trouble of commissioning a provider with the required expertise, the provider should be left to deliver. By all means ask about performance and request outcomes but leave delivery to their expertise and allow them flexibility to do what might be needed. For example, the first

thing is often to stabilise a family’s position e.g. sort out housing if they are at risk of becoming homeless, then sort out substance misuse. It often takes several weeks or longer just to do that before moving on to tackle other problems. A “one size fits all” approach to contracting seldom works. Stakeholders emphasise the need for strategic commissioning to cover (adequately) the spectrum of care for looked after children. Local authorities need teams with the right experience and right skillset. There appears to be some way to go to ensure this is the case across all local authorities.

- 5.17 Respondents from local authorities and stakeholders emphasised while there are some common elements, commissioning for children’s services is very different, and typically more complex and difficult than other services, notably adult social care. Stakeholders say a standard approach covering adults and children’s services doesn’t work yet some authorities have joint posts covering both as they are unable to deploy enough resources to each. There is a feeling among respondents the prime focus is older people i.e. adult services, with children’s services receiving less attention locally and at the regional level.
- 5.18 Despite the pressures, there is a clear desire to change. In some areas, there are already good examples of efforts to reshape commissioning. This was more common to residential and fostering although a couple of authorities reported developing a more strategic approach to prevention and early intervention services after gaining a much better understanding of local needs and market position. Much of it is work in progress or “a journey” as one respondent described it.
- 5.19 Triggers for change include a response to managing pressures, including cuts, a desire to improve quality and outcomes, the views of the regulator, and/or other developments e.g. having to take on more service responsibilities, regional collaboration in some areas, or national developments such as the 4Cs.

Table 5.1: Examples of developments on commissioning

<ul style="list-style-type: none"> • Action to improve organisational culture and approach • Skills development of existing teams • Action to understand needs and markets • Strengthening teams with new skills and experience brought in • A more business-oriented approach • Where possible, extra resources e.g. dedicated commissioning officer for Children’s Services; dedicated placements officer • A small commissioning unit set up with expertise to analyse needs and markets. • Three-year strategy covering placements and prevention with 10 priorities including step-down provision and pop up provision. • Increased dialogue with providers

Source: ADSS Cymru 2019

- 5.20 There is widespread agreement by local authorities and stakeholders on the need for more action and for change, with a good pace for developments. This includes plugging skills gaps and the need for a more business-like approach by Children’s Service. It was emphasised this takes nothing away from the fundamental role, which is to make safeguarding work and to improve the lives of children and young people. It refers to getting a better grip on the work, drawing on business approaches including identifying and meeting needs, responding to changing needs, satisfying customers, and managing resources.

- 5.21 Local authorities and stakeholders also agree that commissioning to meet needs, ensure good outcomes and value for money is good. Commissioning simply to drive down cost as the prime aim is not, particularly for the children and young people who depend on Children’s Services to help them. This has been the focus in past years where cutting cost was the goal. Stakeholders say that some wrap-around support with the skills and disciplines needed to support a child was stripped out because of costs, irrespective of outcomes. Basic care and regulatory compliance took precedence, which might help explain the imbalance in residential provision between areas.
- 5.22 Stakeholders recognise the enormous pressure on local authorities but do not feel it explains the differences in commissioning practice. They consider there is too much reliance on what has been done in past. Many services now reflect the way things have always been done. The pace of change is lacking. They acknowledge this might be down to capacity problems, with progress in some areas being hampered by other priorities and thin resources. However, they also sense a reluctance to change – to do things differently - among some managers at different levels and commissioning, legal and procurement staff. They suggest local authorities should reflect on all their provision, including prevention and early intervention support, which could in some areas be better targeted to ensure it is helping those who really need them.

Capacity

- 5.23 Capacity is clearly a problem in most Children Services. Austerity and budget cuts have impacted on staffing. In some cases, staff resources have reduced at the same time as responsibilities and functions have increased. Over time, considerable commissioning expertise has been lost and some dedicated posts are no longer in the system. There are reports of weak commissioning teams. In one case, instead of what once was a large team for contracting and commissioning, there is now one person in a Business Unit focusing on Children’s Services. Another has only one dedicated commissioning post across adults and children’s services and another has one person who does tenders and specifications for procurement.
- 5.24 Increases in commissioning staff for Children’s Services are rare. The Social Services and Well-being (Wales) Act 2014 was welcomed for bringing focus, structure, and encouragement for service development. However, it has had no influence on resources. Some have seen reductions in staffing or support since the Act came into force.
- 5.25 Some Heads of Service consider themselves fortunate to still have what they can call a commissioning team. Some feel fortunate to have been protected to some degree from job cuts but have no strategic and commissioning support and have had to absorb greater functions and demand without additional resources. Pressures appear widespread. In some cases, commissioning falls on senior managers on top of their day-to-day jobs. As a result of increasing demand and reduced resources, departments are stretched. In one case, this has been exacerbated by taking on other things e.g. mental health and youth justice.
- 5.26 Nearly all areas report they lack capacity to do what they need to do. Children’s Services are managing to function, but many are struggling to cope or as one respondent put it, a bit of “creaking and crisis” along the way. Importantly, their ability to develop the strategic commissioning function, compliance checks and hold providers to account is limited. So too is their ability to engage with providers for negotiation on a micro or macro basis with the aim of improving local provision and shaping local markets. There are also skills gaps, particularly in strategic service improvement, data analysis, and commissioning.

- 5.27 Stakeholders acknowledge Children’s Services teams are stretched across many fronts, highlighting assessments and court work to name but two. Assessments are a bottleneck in the system for meeting children’s needs. Stakeholders also say the caseloads of social workers should be examined with other developments designed to change the currently reactive nature of work and “firefighting”.
- 5.28 From respondents’ comments, there does not appear to be a clear relationship between the size of an authority and the resources available for the strategic commissioning of Children’s Services. It was outside the scope of this study to confirm this and a study of how the function is resourced across all authorities would be the starting point for action to ensure more strategic commissioning in all areas. Realistically, given the challenges of securing more staff resources locally, consideration must be given to dedicated specialist Children’s Services commissioning at regional and national levels.

The 4Cs

- 5.29 The Children’s Commissioning Consortium Cymru, which is more commonly known as the “4Cs”, was established to improve the way local authorities commission care and placement services (residential and fostering) for looked after children²⁸. It has worked to improve management information, the use of consistent collaborative tools and processes across authorities to facilitate placement matching, contract award and monitoring, risk management, and quality assurance of providers. It has also helped to achieve a sustained reduction in prices and an environment of partnership with the independent sector to commission new sustainable care models. From April 2019, a new flexible framework for residential care commissioned from the private sector has been put in place with the aim of encouraging changes in the way services are provided.
- 5.30 All local authorities are signed up to the 4Cs although this has taken time, and local authorities are engaged with it to different degrees. Each local authority has a different ask of 4Cs. This seems down to differences in resourcing, approach and local circumstances, including volumes of placements. For example, a team may be resourced for operations but not resourced (or skilled) to handle disputes with providers, develop solutions, and skills in those actions may also be lacking. Some authorities feel the need to purchase some placements outside the 4Cs framework.
- 5.31 This study did not seek to assess the role or work of the 4Cs but it was mentioned numerous times during the interviews, overwhelmingly in a positive way. Some authorities feel the framework is of more benefit to those areas with higher volumes, and there were individual comments about its further development and pace of development, making some of the processes less bureaucratic. However, its assistance is valued. It is seen as a catalyst for change and a source of practical advice and expertise to facilitate change, skills development, and action to try and shape markets. Several respondents said it helped them to identify needs or resolve problems. As a result, they are taking a different approach, as best as they can within the resources available, and moving towards a more strategic approach to commissioning services for better quality and outcomes.

Engagement

- 5.32 Engagement with service users and providers is essential to good commissioning and improvements in service delivery, including the redesign of care and support or the development of new models. Engagement is currently limited, constrained largely by the

lack of capacity and to some extent, skills but also by organisational and departmental culture and approach.

- 5.33 Good working relationships between commissioners and providers are particularly valuable when a placement is needed at short notice. Providers can be called upon resulting in something being sorted, sometimes locally, without ending up in a position of being completely at the mercy of providers, having to take whatever is available, wherever and for whatever cost.
- 5.34 The use of a dedicated placement officer in the commissioning team has had clear benefits for one authority. The individual has formed personal relationships with selected providers. The authority says it has a track record of supporting those providers and for doing what it said it would do. This overcomes an identified problem. Providers sometimes felt let down when what was promised by the authority was not delivered or the full information about a child is not provided, leading to a lack of trust.
- 5.35 There has been some proactive engagement with providers, although the nature of it and the reasons for it vary. Several authorities reported meeting private residential providers and/or third sector providers. In some areas, the only contact with providers is for contract monitoring, and some local authorities admit they do not have the capacity to do as much as they would like to hold providers to account let alone seek to try and influence local provision. A small number of local authorities have sought to engage providers in the private sector, particularly local ones which are known and considered to be trusted providers.
- 5.36 Some local authorities don’t attempt to engage, which probably reflects providers’ comments about engagement being somewhat “hit and miss”. The purpose of some meetings which providers have been invited to attend have simply been to discuss the future of contracts for services or new services. In other cases, it shows attempts and some success in engaging providers to influence available provision, which is more of a market making or shaping approach.
- 5.37 There are good examples where a local authority is open to early and open discussion on how best to deliver services and solutions to identified problems, prepared to work with third sector providers, and prepared to accept a flexible programme arrangement where support can be added without the need for a separate commissioning exercise. This is welcomed by providers. Having local authority staff and managers with shared visions and shared endeavour is a huge benefit. Providers also acknowledge some good regional working is emerging in some parts of Wales.
- 5.38 There are some not-so-good examples where providers have met with the local authority to discuss future provision only to be told “this is what we want” and “this is the way we want it”. Some providers report a more dynamic experience with local authorities in England with close working to completely redesign placements for children with complex needs and move-on services.
- 5.39 Providers are calling for more engagement before tendering, contracting or as part of developing strategic partnerships. Third sector providers say this would show how they can help design or redesign services, with input from service users, and how outcomes can be met. There is a view not all local commissioning staff fully understand what third sector providers can offer, including expertise on designing services as well as providing them. And there is a feeling the third sector is still not valued as much as it could, or should, be. Providers are finding it difficult to get engagement in many areas. “Pushing boulders uphill” was how one described it.

- 5.40 There is a plea for engagement not to be blocked by procurement rules. Co-design and co-production happen occasionally but overall, is seen as being at a very much embryonic stage. There is a feeling providers’ views are sometimes ignored. It was reported that one local authority, although taking the positive step of engaging with providers, ignored the advice and ending up having to tender three times. Third sector charitable providers say they can often bring more to the table e.g. by investing some extra money (charitable philanthropic funds). This is often ignored and undervalued by commissioning staff because it is not “part of the contract” yet it can enable extra things to be done such as activity days which add value to a child’s care and support.
- 5.41 Engagement should be based on the outcomes needed and problems or issues which need to be resolved. Also, on relative strengths, key questions are: what does the authority do best and what do private and third sector organisations do best?
- 5.42 For balance, it is fair to say some approaches by local authorities to engage have met with reluctance from providers. Residential care is very clearly a provider’s market. One authority said it has been trying to engage with providers for 18 months and has now decided the way forward is by developing its own provision, saying it will strengthen the authority’s hand in the market.
- 5.43 Providers themselves accept not all private providers want to engage in partnership discussions. Overall, there is a need for more trust between local authorities and private providers. The same is true for third sector providers who say operating surplus, which is reinvested in its operations, is sometimes seen by local authorities in the same light as a “profit”, which is typically distributed to shareholders.
- 5.44 There is a feeling many local authorities are struggling with co-design and co-production with providers let alone co-design with the user’s voice. Third sector providers call for more conversations on what authorities want to achieve and how it could be done before going out to tender.
- 5.45 Local authorities highlighted the difficulties of trying to influence the market. These include the size of the area, the number of local providers (against staff resources to be able to cover them) and insufficient weight/power of the authority in relation to the market. This results in little or no leverage on local provision.
- 5.46 Several local authorities reflected on their experience with the third sector and their perspective on the sector as a provider or potential provider. Local authorities said they are prepared to explore longer-term strategic working relationships with third sector providers which, over time, aims to meet local needs and, importantly, provides the right matches.
- 5.47 As mentioned earlier in this chapter, there are examples of new, flexible, contracts with third sector providers. On the surface they appear few and far between, but it must be emphasised that this study could not document all such action, which is needed to spread good practice. For one authority, arranging for a third sector provider to provide support has proved beneficial in dealings with some families and in care proceedings. Court proceedings can be fraught and the opportunity for the family to have a conversation with someone independent and who is not an officer of the local authority has been welcomed.
- 5.48 The approach to the use of not-for-profit provision, notably in residential care for looked after children, is making slow progress and the “jury is out” on whether it can make a difference. Organisations in the sector consider themselves capable of making a difference on quality and outcomes, and creativity. Developments by some authorities back this up.

However, questions were raised on whether they are cheaper than private sector providers. The back-office costs of some not-for-profit organisations were thought to be quite high. If this is the case, there might not be significant costs savings, but it might be better from a principled point of view which fits with section 16 of the Act. The caveat by one local authority is that in future, its focus will be in-house provision first, then not-for-profit providers, then private providers.

Prevention and early intervention

- 5.49 The scale and ambition of local authorities for prevention and early intervention varies considerably. It sometimes takes a lower priority due to other demands and pressures on Children’s Services. There is a range of programmes e.g. Families First, Flying Start, Supporting People. Providers felt there is a lack of cohesion between them. Some providers would like them to be amalgamated to allow more flexibility in delivery, but still with clear outcomes.
- 5.50 The importance of targeting was emphasised by providers. Local authorities say over time there have been marked improvements but people with much higher, more severe and more complex needs are being seen with increasing frequency. There is a risk of not helping the right people i.e. those who really need the help. There are examples of good targeting with one provider of family support services dealing with high-need families up to 70% of which have inter-parental conflict. And there are examples of new developments in response to identified needs.
- 5.51 Care Inspectorate Wales warns of the risk of social services being overwhelmed with too many ‘lower level’ concerns which absorbs significant screening and assessment resources. This creates a further risk with the volume of demand making it difficult to prioritise higher risk referrals. It also expresses concern about the sustainability of future funding arrangements, citing some early intervention services which were subject to waiting lists. This was often attributed to delays in commissioning and recommissioning due to reliance on grant funding.
- 5.52 There is universal agreement on the need for more prevention and early intervention activity. The availability of additional funding from programmes such as the Integrated Care Fund and the delivering Transformation Grant is welcomed but the benefits to Children’s Services have been limited, often losing out in internal “bidding wars”. The ring-fenced allocation of Integrated Care Fund monies to Children’s Services was praised as it overcame some of the disadvantages experienced in local authorities when there are competing priorities for limited funding.
- 5.53 There is some criticism of the funding for existing services and new developments from both local authorities and providers. Grant-funded programmes based on an annual funding cycle require disproportionate resources to manage. The time taken to set up, particularly recruitment and training new staff, eats into a large part of the year. Well before the end of the year, without assurance of renewal or continuation of grant funding, the turnover of trained staff increases as people seek alternative employment to overcome uncertainty and to guarantee future work.
- 5.54 Local authorities call for improvements to grant funding e.g. longer duration of funding (3-4 years) and more flexibility. This will reduce the administrative burden of annual cycles and allow better deployment of resources.

- 5.55 There were differences in opinion on whether future funding should be part of the Revenue Support Grant. On the one hand, there are positive views on the reduced administrative burden and reducing turnover of trained staff, and more control of how funding is deployed. On the other hand, the risk of money for Children’s Services being lost as local authorities try to balance their budgets was a very real concern.
- 5.56 Local authorities acknowledge the importance of prevention and early intervention and are committed to doing more. Stakeholders agree, particularly those in the third sector. They call on local authorities to improve the way the services are commissioned with far more engagement and dialogue well in advance of designing support and commissioning to draw on the experience and expertise of providers.

The imbalance of power

- 5.57 With demand outstripping supply, children’s residential care is a seller’s market, and often high cost. Private sector providers have the upper hand. The availability and choice of placement for children age 11 and over with complex needs is particularly difficult. There is a significant imbalance of power. The provider position is strong and dominant due to demand, which mitigates the impact of any competition. There is more than enough demand to go around.
- 5.58 Some private providers are reported to be capitalising on the situation. This may be seen in the propensity to end a placement, sometimes at very short notice, if challenged on their care. They know they can fill the vacant place relatively quickly or in some cases, immediately. When this happens, it can leave local authorities in the same position as at the start of the placement, having to ring around to find places and often taking whatever is available i.e. “placement or no placement”. This often means compromising on the best match for a child’s needs. It must be emphasised that not all private sector providers behave the same. However, the incidence is too common.
- 5.59 Private providers can also pick and choose, work across borders and set up homes unannounced. This has been seen in parts of Wales where property prices are considerably less than, for example, the south east of England. New providers are setting up in parts of Wales and filling places with children from outside Wales. This was described by one respondent as “pop up” private homes. It is not adding value to the local care markets. Such a development came to the attention of one local authority and Children’s Services lodged a formal objection to the planning application. Providers bringing children into areas to stay in unregistered homes is also a problem, as highlighted in recent media reporting. Such developments can impact on other public services, including the police, health, and education (see also paragraph 6.20).
- 5.60 The provider dominance is such that, even when a local authority has a grip on business, with robust monitoring and providers being challenged about the quality of care, monies claimed for activities not undertaken, and about outcomes, there is a risk of a placement being ended. A child in care might be pushed “closer to the door” by the provider. Providers know demand is such they can always fill a place, selling to other local authorities in England and Wales, often at a higher price.
- 5.61 For existing placements, it means challenges on quality and outcomes are difficult. For new placements, it weakens local authorities’ ability to negotiate. They “have us over a barrel” as more than one respondent put it, saying they promise high quality, therapeutic services but results are variable, and the council sometimes must supplement placements e.g. with

psychological support. Another echoed this, saying the children’s residential care market is very much one controlled by providers who “hold Councils to ransom”. It does not always provide the best quality of care or outcomes for children, but more importantly, there is a human cost to failure.

What is affecting Children’s services?

5.62 Children’s Services in all areas are subject to a variety of factors, which influence or drive the delivery of care and support and its further development. At the top is increasing demand and complexity of needs, and the number of children having to enter the care system. The table below lists the various influences and drivers (in no specific order).

Table 5.2: Challenges, influences and drivers, Children’s Services

<ul style="list-style-type: none"> • Increasing demand and complexity of needs • Quality of care and meeting needs, and choice • Desire for good / better outcomes • Statutory duties • Importance of corporate parenting responsibility • Professional standards • Children’s views and preferences • Parental expectations and sense of entitlement (which has increased e.g. disabled children’s holiday day provision) • Cost of care • Budgets and financial pressures • Additional funding (e.g. Integrated care Fund; Delivering Transformation Grant) terms • Grant funding (short-term nature; administrative burden) • Deficits in provision supply; lack of placement choice • Provider dominance in residential care • Lack of foster carers and prospective adopters • Resources and capacity (or lack of them) • Geography and location (of local authority) • The courts • Regional working (opportunities but not fully developed) • Language • Need for more control • Location of provision

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5.63 The cost dimension is multi-faceted. A key factor appears to be budget related. Fees and allowances paid to providers and agencies are drawn on cash budgets allocated to Children’s Services. The other running costs are provided corporately and thus are less tangible and transparent. This is part of the “in-house or external” debate, mostly in fostering, less so for residential care. There were mixed views on which one is the ‘cheapest” and disagreements on costs comparisons with criticism of local authorities for not counting full costs. Comparing “apples and pears” as one respondent said.

5.64 While costs comparisons are a clear source of tension, and further work could be done to address this, the common theme to emerge was not looking at something in terms of cost alone but for outcomes and value for money. It should not be simply the notion of “cheap” or “cheapest”. While cost is important in these days of continuing pressure on public services,

at the end of the services and support is a child or young person in need, with their whole life ahead of them.

The courts

- 5.65 Courts are playing an increasingly important part in the care of looked after children. Several local authorities raised issues about the system and the way it operates.
- 5.66 Pressure from the courts to assess for connected persons has led to a significant increase in kinship placements. Assessments are a pull on the capacity of Children’s Services teams. Significant issues are reported on timescales e.g. a Court Order only allowing 16 weeks plus two weeks to report. From a local authority service perspective, the 16-week deadline must be met even though it is often insufficient to work with a family in order to achieve a sustainable placement. The number of Orders has increased substantially. One local authority reported 86 in one year. Because they must be prioritised, they impact on other areas of work. Some cases are also complex. Reports were given of more than one assessment being needed: even as many as seven or eight. Kinship placements can also be difficult to manage, and time needs to be devoted to managing them and providing support.
- 5.67 The Commission on Justice in Wales published its report in October 2019²⁹. ADSS Cymru contributed written evidence³⁰ and evidence on family justice and children was also taken in oral session³¹. The report, which sets out a long-term vision, included eight recommendations including research to underpin reform of Welsh family justice and associated preventative services. It recognises the significant variations between local authorities in the numbers of children taken into care. It also recognises the cost to authorities and to the justice system, stating money could be better spent on support for families and children to prevent problems escalating.
- 5.68 More recently, and as a result of representations from local authorities, the Welsh Government arranged a discussion with the Youth Justice Board. The Board claims there is flexibility in timing as it is at a local authority’s discretion. Local authorities find this is not always the case. They also report feeling increasingly driven to accommodate children in kinship placements due to the expectations of the judiciary. Care Inspectorate Wales has reported a divergence of position between local authorities and the judiciary, and local authorities would welcome more national guidance. Respondents called for more dialogue with the courts to consider Orders and their timescales. There is also a suggestion of the need to investigate the management of cases through the courts and outcomes, and whether different approaches could produce different, and better, outcomes. The role of CAF/CASS plays into this. There is a feeling the courts sometimes act in a way which may not be in the best interests of the family. The process can be adversarial with a lack of constructive dialogue.

6. Residential care

- 6.1 Children’s residential care was described by one respondent as a “time bomb”. There is a constant struggle to find any placements let alone a placement which really meets the needs of the child. It boils down to which provider has a vacancy.
- 6.2 In 2018-19 (as measured at 31 July 2019), Care Inspectorate Wales data shows there were 26 local authority care homes for children. The total number of places in the homes was 133. A year earlier there were 21 homes providing 113 places. Although from a relatively low base, the increase is significant, with 25% more homes and 18% more places.

Table 6.1: Local authority providers of care homes for children and number of places, Wales, 31 July 2018 and 31 July 2019

Local Authority	31 July 2018		31 July 2019	
	Homes	Places	Homes	Places
Wrexham	1	4	1	5
Gwynedd	1	6	1	6
Conwy	2	13	2	13
Powys	1	9	1	9
Pembrokeshire	1	6	1	6
Swansea	1	4	1	3
Carmarthenshire	3	13	3	13
Newport	3	16	5	22
Bridgend	3	15	4	18
Rhondda Cynon Taf	3	16	3	15
Caerphilly	1	5	2	9
Cardiff	1	6	2	14
Total	21	113	26	133

Source: Care Inspectorate Wales 2018, 2019

- 6.3 Baseline data in Chapter 4 shows local authority provision for residential children’s care ranges from none, with complete reliance on external provision, to some provision. The table above shows 12 areas with their own children’s homes.
- 6.4 On 31 July 2018, there were 603 places in all children’s residential care homes in Wales. Of these, 465 were in use on the day of the count³². This includes the local authority homes in the above table and other, notably private sector, provision. The figures excludes places for short breaks.
- 6.5 There were 400 looked after children from Wales in residential placements at 31 March 2018³³ of which 350 were placed in homes subject to Children’s Homes Regulations. This is slightly before the July count of local authority homes and places in the table above but is a reasonable indication of the level of demand for residential care from local authorities during the 2018-19 financial year, which is the focus of this study. By 31 March 2019, this figure has risen to 470, of which 420 were placed in homes subject to Children’s Homes Regulations
- 6.6 On 31st March 2018, there were a total of 435 children placed in care homes in Wales, of which 325 children were placed by Welsh commissioners and 110 by English

commissioners. This means approximately 25% of placements in Wales at 31st March 2018 were commissioned by local authorities in England³⁴.

- 6.7 As far as possible, and based on children’s needs and safety, the need for residential placements particularly in the private sector is avoided. Subject to having their own provision, in-house placements are preferred but are not often possible due to the lack of spaces. Foster placements are preferred as the alternative but with a shortage of foster carers too, there is often a need to turn to private residential care for accommodation. While residential care is not a substitute for placing children with families, it will continue to be needed. Care Inspectorate Wales has said that to avoid placement breakdown, residential care should be considered a positive choice for some children and not as a last resort.
- 6.8 Local authorities report disappointing outcomes from some private providers. One said some residential placements feel it’s just about “containment”, which is entirely wrong. There is also criticism, strong in some cases, of providers “giving up on children” and that without progress and good outcomes, placing a child or young person with a private provider can be a “waste of time”. Local authorities have questions on value for money, with what is sometimes promised by the provider at the outset not materialising over the duration of the placement. The responses are clearly based on experience and are issues which need to be addressed. That said, and as one stakeholder explained, the issue of poor outcomes is complex and not solely the responsibility of providers. Regular contact from placing social workers is essential in tracking progress and outcomes yet achieving this can be challenging when resources are stretched due to other service demands. It can be particularly difficult when children are placed outside Wales as regular contact can take most if not all of a working day.
- 6.9 The stability of some placements can also change from one week to the next. At the time of fieldwork for this study, one local authority cited eight breakdowns in a two-week period. The demand / supply deficit is such that having to make 100 to 150 calls to find a placement is not unusual, and sometimes involved trading off the preciseness of match to the child’s need with simply being able to secure “a roof over their head”. Furthermore, after finding a placement which is available, by the time it sometimes takes for a spot purchasing decision to be made, the bed has gone. And the process starts all over again.
- 6.10 The work in finding first-time placements combined with the need to find new placements where others have broken down presents local authorities with a very significant workload. With limited resources and capacity, the immediacy of this work must take precedence. Inevitably, it diverts resources away from other action including, importantly, market shaping activity, prompt assessments and in some cases, quality monitoring of placements, all of which are developments to try and stem demand or to manage it better. It’s typically a “Catch 22” situation.
- 6.11 The behaviour of some private providers gives great cause for concern. While most give notice (e.g. 7 days) of a placement ending, there are examples of a provider giving same day notice, with the local authority having to call around urgently to find a placement. In these circumstances, the cycle of trying to find a placement can take priority over the right match and the authority is at the mercy of the market, including on the cost of the placement. High cost placements are compromising local authorities’ budgets and the ability to use available funding more flexibly to achieve change.
- 6.12 However, the criticism is not all one-way. Stakeholders also point to questionable behaviour on the part of some local authorities. There are examples of local authorities finding a

cheaper placement which has become available and pulling the young person out regardless of impact.

- 6.13 In a quest to get a placement, some authorities do not always give a full and honest description of children (needs, challenges, problems etc). Information can sometimes be “disguised”. This leaves some providers feeling they are carrying all the risks. It may lead to a lack of trust of commissioners on shared ownership or managing risks. As a result, some providers may be reluctant to take a young person with the highest needs. Placements can also end up breaking down. When it happens, there is disappointment all around, but the main impact is on the child.
- 6.14 If the need to find a placement per se overtakes the need to find the right placement, it might not be a good match, might not suit or meet needs and as a result, disruption occurs can occur. The placement breaks down and the child leaves. The latter can be devastating for the child who may have to move to a different location and building trust and relationships with adults must start again.
- 6.15 Providers say not enough local authorities are making the difference between short-term emergency care and long-term care. Most approach providers seeking same day or next day placement and there’s a feeling the need to find an urgent placement can be avoided by better planning.
- 6.16 Providers advocate use of short-term provision which provides a bed to safeguard the child and allows time to plan to find the right provision. This would help avoid the need to use unregulated or unregistered care, which is a high-risk area for children. It would also allow time for assessment towards a good match for stability and good outcomes. Some examples of this sort of approach were identified in discussions.
- 6.17 The problems in residential care are many and varied. Overall, the lack of in-house provision and suitable, and available, local provision when it is needed means there is a high reliance on private providers out of county and in some cases outside Wales. Local authorities say children’s residential care is seen as a very difficult market to manage and influence. The inability to be able to change a provider-dominated market for children’s residential care is seen as a risk to improving outcomes for children and restricting the time they need to spend in residential care Local authorities are in a weak position. Providers can always go elsewhere, and they know it. Local authorities are competing against another for placements.
- 6.18 No local authority believes it can be self-sufficient in residential care. Local authorities consider their own residential care to be better than that provided by private providers. It gives them more control in providing additional support when needed, including support from its other departments, and children can remain in their own community. That said, the experience and capacity of some private sector providers is recognised, particularly for high-end complex needs.
- 6.19 Demand outstrips local authority provision but is variable across areas. For example, one local authority has their own 3 bed accommodation and reports excellent outcomes, but it has 20 looked after children placed elsewhere. There is a lack of specialist provision locally. In another, the authority has one accommodation of its own with 6 beds. It has 75 looked after children in residential care.
- 6.20 Private providers in Wales are providing placements for children from other areas including as far away as London, where some issues include the gang culture. On 31st March 2018,

there were 110 children placed in Wales by English commissioners. This means 25% of placements in Wales as at 31st March 2018 were commissioned by local authorities in England. Inevitably, local authorities in England are facing the same problems in finding placements as authorities here, and for good safeguarding reasons, seek to place outside their own area. They see parts of Wales as safe, more rural areas. However, this can place demands on local services when things go wrong or if a child absconds.

- 6.21 Despite capacity problems, several local authorities have made efforts to reshape local markets. Some say they are fortunate to have some small, locally owned, providers and have invested time in getting to know them. The aim is to change the nature of the working relationship moving from one of commissioner/provider to introduce more partnership approach seeking win-win situations. Where a local provider hasn’t all the necessary skills for the support needed, the local authority has explored what it can do to help buy in support to help them.
- 6.22 One authority has set up a strategic partnership with a trusted provider for a long-term relationship. There is agreed flexibility e.g. intensive support where there is risk of a placement breaking down and for the provider and liaison to agree changes to the services and support when needed. It was said to have been complicated and very time consuming to set up and to overcome legal and procurement hurdles, but it was achieved. Another had some success in working with two providers to create stable placements which are also more flexible and develop according to children’s current and future needs. Both examples are the result of engagement with providers. These developments are not rebalancing but will have positive impacts on the availability of local provision and outcomes.
- 6.23 Some local authorities are looking to other measures to cope with the need for urgent placements. As demand increases, the availability and choice of provision to match the specific needs of looked after children gets tighter and tighter. Local provision cannot be turned on like a tap, although credit is due to the three or so local authorities that are exploring the use of short-term assessment provision and “pop up” provision, often with other departments such as housing, to meet spikes in demand and unanticipated need.
- 6.24 Other developments include short-term accommodation locally which allows for a full assessment of need and buys time, thus avoiding the need to go to the market at short notice and then having to accept whatever is available, where and at whatever cost. A better understanding of the child’s needs as a result of the assessment can help towards finding the right match. One such development is taking place on a sub-regional basis through joint working by two neighbouring authorities.
- 6.25 Another authority has ruled out short-term assessment provision. They understand the idea but have concerns about whether it works and, safeguarding and risk excepted, concerns about a young person entering the care system. It is proactive in using alternatives to residential care including foster care, supporting families, and intensive wrap around support in people’s homes. The aim is to keep families together and help a family so the young person can live at home or with relatives.
- 6.26 Some examples of work towards more integrated services were evident. These included the development of a multi-agency approach to assess the needs of looked after children. Joint working internally was also cited with co-location with housing and being part of the same department given as a very big “plus”. Examples included work with a housing department on “pop up” provision for unregistered accommodation to be able to respond flexibly to peaks and troughs in need. This can also help in court where there is an accommodation

problem with kinship placements. Another authority is developing a “pop up” (registered) facility using an ex-council house and staffing it when needed for emergencies

- 6.27 Several respondents feel local authorities need to develop or increase their own provision, or support the regional development of provision to achieve better outcomes and quality of support and to reduce reliance on the private sector. However, cost is a real issue. In some areas there is no political appetite to open any new residential care homes for children. In only a few areas is action in hand to increase in-house provision, some of which is supported by funding from the Integrated Care Fund.
- 6.28 Given differing local circumstances, there is, understandably, a mixed picture on developing new accommodation i.e. action to rebalance. Some authorities have developed new provision or are planning to, subject to securing capital funding from the Welsh Government. The need for some revenue funding to cover double running of placements over a transition period was also highlighted. Developments reported also included a short-term unit for children with disabilities to meet respite needs, which is working well. This is a very different area of service to that of looked after children but is equally important in the complete picture of meeting children’s needs.
- 6.29 One authority with a single home is seeking to increase its accommodation more than others. With funding from the Integrated Care Fund, it has developed a 4-bed home developed which will soon be operational. Subject to more funding, it is planning to develop a third home, giving 12 beds total provision. This is currently around its residential care population but typically levels are between 13-18. It may still need to use the independent sector as some children have to be placed out of area for their own good and safeguarding to break links e.g. county lines, abuse etc. However, if another authority has capacity in their home (and working regionally to sort provision) that would be its first choice over a private provider Similarly, the authority expects to be able to offer placements to other authorities in the region. This proactive approach is not only rebalancing but increasing local capacity and sufficiency. The benefits extend beyond the authority itself to the region.
- 6.30 The reasons why some local authorities are not increasing, or planning to increase, their residential care provision are listed in the following table.

Table 6.2: Reasons why local authorities are not increasing, or planning to increase, their own residential care for children

<ul style="list-style-type: none"> • No capacity or expertise to manage it • Difficulties envisaged in staffing and managing accommodation • Not feasible – numbers too low to make it viable • No political support • Lack of funding (capital, and revenue funding for transition stage) • Regional approach - other local authorities prepared to increase their local provision and open it up to others • The registration process - accommodation likely to be developed would not meet needs of all children, particularly those with higher end needs.

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- 6.31 Where local authorities are increasing or planning to increase provision, several reasons were put forward. Over and above increasing local placement opportunities, they said developments were as much driven by quality and outcomes as by savings. Savings are not necessarily that great other than in extreme cases. One respondent said children had also reported feeling safer in its home after coming from a private provider.

7. Foster care

- 7.1 Foster carers play a significant role, providing much-needed care and support in a family environment. They do it for many different reasons. There is a pressing need for more. Some local authorities report having a good pool recruited to their in-house service, but demand is outstripping supply and sufficiency of placements is a problem. Foster parents are needed for children of all ages including short-term and mother and baby placements, and particularly for harder to place cases.
- 7.2 Everyone, local authorities and stakeholders, agrees the need to boost the recruitment of foster carers. A much bigger pool is needed. Action is being taken by both parties to recruit more.
- 7.3 There are four third sector fostering providers currently operating in Wales. They formed a consortium, Charitable Fostering Providers Cymru, to increase the level of interest in fostering. As seen in Chapter 4, they have a small market share of 4%.
- 7.4 Local authorities report some recruitment and retention of foster carers has been successful and is still increasing, albeit in some areas from a low base. At the same time, there is turnover due to retirement and leavers. Some occasionally leave to go to neighbouring local authorities. Others leave for higher fee levels offered by commercial agencies including, in some cases, a “golden handshake”.
- 7.5 Local authorities say the shortage of foster carers means they have a higher reliance on agencies. The majority have a clear desire to increase the number of in-house foster carers. Stakeholders say local authorities should be able to place babies and children under 4 years of age as they are generally much easier to place and if an authority cannot do this, something is wrong. They say the private sector does, and should, cater for a different group of children, with agencies focusing on older children and teenagers, including those with more complex needs. They point to examples of the right care and support being available, the skillset needed, and good outcomes.
- 7.6 Action is being taken to increase the number of foster carers. Some authorities have increased their fees to be more competitive and enhanced the support provided to carers. Added value benefits such as council tax reductions, free access to services such as leisure centres are being considered or have been implemented. Other developments, typically by one or two authorities, including changing the way carers are remunerated so Christmas and holiday allowances are separate, and the option of two weeks respite care or additional pay if child goes on holiday with them. Carers are reported as saying it makes them feel more valued.
- 7.7 The lack of capacity in Children’s Services mentioned earlier in this report is clearly reducing the time which can be devoted to the increasing the number of foster carers. Some authorities admit they are struggling. Recruitment is happening but not to the extent of being able to meet the needs. There is a lot of effort going into recruitment in different ways. One has recruited a dedicated marketing and research officer for fostering.
- 7.8 There appears to have been some success. One authority consulted existing foster carers and received the stark message that remuneration was not good; uncompetitive with agencies and with other councils. It implemented a new package and doubled recruitment as a result. Much of it came as a result of word of mouth as well as a campaign. The conversion rate from enquiries also improved. This has helped to a reduced reliance on agencies with estimated savings of £600,000 - £700,000. The basis for this calculation

could not be explored in the study but the relative cost of in-house and external provision was a common theme in discussions with authorities and stakeholders. The basic distinction between the two is the cost of external provision is paid from an authority’s cash budget. It includes fees, allowances and management costs, support and other overheads. For in-house carers, only the fees and allowances are drawn on the cash budget. There is no cost recharging to Children’s Service for back-office functions, support costs, management and other overheads.

- 7.9 Stakeholders expressed some irritation about the way figures on the relative cost of local authority and agency care are used. They emphasise costs are not being compared on a like-for-like basis, the need for transparency on the full costs of each, and the need to look at value for money. Some providers say they do not recognise certain figures being quoted by the National Fostering Framework. They say some are receiving significantly less, which is leading to financial pressures and difficulties.
- 7.10 There is a view among local authorities in-house foster care is better than external providers. They feel they can offer more support to foster carers and easier access to social workers. They cite examples of foster carers coming to join the in-house services as a result. Examples of the support being offered include follow-up visits on placements, out-of-hours support so there is always someone to call on, mentoring and peer support, social and support groups, and training programme.
- 7.11 Stakeholders disagree, asking if local authority in-house foster care is better, why do agencies need to step in to help children and young people local authorities are unable to help. Providers feel that rather than looking at them in a competition sense, local authorities should look more at the relative strengths of their own in-house service and capability and those of agencies. They say local authorities should place much greater emphasis on placing with the best match, not just after 3 months but from the start. Care Inspectorate Wales also report foster carers saying better sharing of information by local authorities before a placement starts would reduce the impact of any placement changes and enable more effective matching.
- 7.12 There are huge sufficiency problems in fostering. Stakeholders say no one has a clear picture and more work is needed. They support wholeheartedly the Welsh Government’s desire to reduce the numbers of looked after children and emphasise the need to reducing the number of children who end up in long-term foster care.
- 7.13 One authority is exploring the potential use of the Mockingbird model of delivering foster care. The aim is to avoid the need for some children to have to enter residential care and to reduce the authority’s reliance on independent foster agencies. This model is based on one foster home acting as a hub, offering planned and emergency sleepovers and short breaks, advice, training and support, to six to 10 satellite households³⁵.
- 7.14 With reports of some placements with agencies not working out well, there is feeling among local authorities they need to take more control. The lack of local placements with agencies also has a bearing on this although it is recognised where young people have had very bad experiences in an area (e.g. drugs, abuse), out-of-county placements are appropriate and better. In this context, some of the messages from the Welsh Government about out-of-county placements were considered unhelpful.
- 7.15 There is a desire to keep children in or as close as possible to their communities for residential care placements and for foster placements, and to minimise the number of out of county placements. Local authorities are working to achieve this. Given this, the direction of

travel for most local authorities is to increase in-house provision and therefore, rebalancing is a topical theme.

- 7.16 There isn’t a common view on there being an optimal balance. The current balance on in-house and external provision varies across Wales and has changed over the years. For one authority which had at one time 70% in-house, it is now roughly split into thirds - connected persons, in house, agencies. Kinship placements have increased but still need as much support as others; sometimes wrap-around support but there are reports of difficulties in securing therapeutic services.
- 7.17 There was also one report of Specific Guardianship Orders increasing and Care Orders decreasing, which is seen to be good. Where a child is made subject to a Care Order, the local authority is given Parental Responsibility, which it shares with, for example, the child’s parents. A Special Guardianship Order is an order appointing one or more individuals to be a child's 'special guardian'. It is a private law order made under the Children Act 1989 and intended for those children who cannot live with their birth parents and who would benefit from a legally secure placement.
- 7.18 One local authority said its long-term aim was to have all foster care provision in house but had doubts whether it could be achieved. Another wanted most of the provision to be in-house but could not see a position where it would be totally self-sufficient. Most see the need for a mixed economy. The pecking order appears to be in-house then not-for-profit then private agencies
- 7.19 Some providers call for a distinction to be drawn between private and third sector not-for-profit and charitable organisations. They say without support, the third sector will never get to the position where they can take a bigger share from the private / profit-making sector. Charitable organisations have less to spend than profit making organisations e.g. on marketing. They argue rebalancing should favour not-for-profit providers and not private agencies, some of which are reported to be making considerable sums.
- 7.20 Overall, local authorities see the development of the National Fostering Framework as a positive. It has been a significant journey. That said, some authorities do not see it as the complete answer to fostering as areas differ in size and population, which can pose additional challenges to recruiting more foster carers. They know more developments are in hand. They will engage to use the framework and to drive further developments but there were calls for refocusing with no more scoping work and a concentration on operational effectiveness. One or two local authorities also queried the continual emphasis on driving down costs.
- 7.21 Stakeholders are less positive. They expressed some concerns about the Framework, seeing the dominant theme as bringing all foster care in-house on the basis it will be cheaper and “internal is good and external is bad”. They sense more hostility between some local authorities and providers since its launch. They say that if a local authority is taking a truly strategic approach, it would recognise not everything can be done in-house. Stakeholders point to some authorities who seem intent on putting all agencies out of business yet do not necessarily have the capacity, skills and in some cases, mindset, to be able to do everything in-house. The baseline data shows fostering is heavily reliant on a mixed economy and needs to be in future, a point which is supported by several local authorities.
- 7.22 New developments by the National Fostering Framework are in hand to spearhead a huge effort to recruit foster carers, which is needed in all areas. It is subject to funding being

available from the Welsh Government to implement it. The stated direction of travel is reported to be to move from profit making organisations to in-house.

- 7.23 Stakeholders have expressed concern at what appears to be goal of a local authority monopoly on foster care provision. If correct, this is perhaps the clearest indication of rebalancing intention to emerge from this study. However, it appears to be at odds with the views in some local authorities who do not consider this achievable or desirable and see the need for a mixed economy, with preference given to not-for-profit organisations in the third sector. The more moderate view is that there will never be a time when local authorities don’t need agencies. It may mean reduced use of agencies, but agency provision will still be needed.

8. Adoption

- 8.1 While the aim is for children to be parented by their birth family, it isn’t always possible. Where a child in the care system cannot live with their parents, adoption provides the all-important opportunity to be part of a loving, safe family who will nurture them as they grow. It provides the solid foundation for them to flourish and fulfil their potential.
- 8.2 The adoption process is facilitated by social workers and staff in a local authority or adoption agency. After a match has been made between prospective adoptive parents and a child (or children), an application is made to the courts for an order. Once an adoption order is made, the child is placed for adoption and becomes a legal member of the family. After this point, the child’s birth parents have no further legal rights, parental responsibility, over the child.
- 8.3 Adoption agencies in Wales are one of two types: a local authority or voluntary adoption agency. There are no private sector providers. The services are organised in three tiers with local, regional, and national levels:
- **National:** The National Adoption Service for Wales is a collaborative body for adoption services. The service is hosted by the Cardiff Council on behalf of all local authorities.
 - **Regional:** Five regional groupings of local authorities collaborate to provide a range of adoption services. Each has links with voluntary adoption agencies, health and education.
 - **Local:** Local authorities each provide service and support to looked after children. They identify and work with those children for whom a plan for adoption is appropriate.
- 8.4 The National Adoption Service for Wales was established to ensure there is equity across the country in terms of the assessment process for adopters and the assessment/ provision of post-adoption support. Its development is underpinned by the Social Services and Well-being (Wales) Act 2014. It drives improvement, consistency, and co-ordination.
- 8.5 The five regional groupings are as follows:
- The North: Isle of Anglesey, Gwynedd, Conwy, Denbighshire, Flintshire, Wrexham
 - Mid & West Wales: Ceredigion, Powys, Carmarthenshire, Pembrokeshire
 - Western Bay: Swansea, Neath Port Talbot, Bridgend
 - Vale, Valleys and Cardiff: Merthyr Tydfil, Rhondda Cynon Taf, Cardiff, Vale of Glamorgan
 - South East Wales: Monmouthshire, Blaenau Gwent, Torfaen, Caerphilly, Newport
- 8.6 The regional footprint does not match exactly the footprint of regional partnership boards. It was outside the scope of this study to consider how, or if, the boards consider the strategic development of adoption services as part of the continuum of care.
- 8.7 Children’s Services in local authorities are responsible for finding homes for children in care. Both voluntary adoption agencies and local authorities search for prospective adopters to become new parents. They recruit and assess prospective adopters and work to create a match with children in the care of a local authority.
- 8.8 There are two voluntary adoption agencies operating in Wales who recruit and assess adopters - Barnardo’s and the St David’s Children’s Society. The agencies have their costs

covered by the relevant local authority. No profit is permitted. The same pricing formula applies equally to local authority placements.

- 8.9 Adoption is the potential end point of the continuum of care for looked after children, enabling some children to avoid being with foster carers for long time and instead, being part of a permanent family arrangement. It was only an occasional feature of discussion during fieldwork for the study. This does not in any way take anything away from its importance. It was simply that other themes, such as children’s residential care and fostering featured more prominently.
- 8.10 Like fostering, there is a shortage of prospective adoptive parents and there is ongoing action to recruit more. However, adoption is very different and is therefore a different ask. Consequently, local authorities are looking for all kinds of people to match with all kinds of children. The plan is for the “Foster Wales” development to build in a link to recruiting more adoptive parents as well as more foster carers.
- 8.11 Relatively few comments were made about adoption. Aside from the shortage of prospective adoptive parents, the most common issue raised was a capacity issue. The lack of capacity referred to earlier in this chapter is affecting the ability to do assessments. The constraints imposed by budgets and the overall financial position constrains the ability to develop more assessment capacity.
- 8.12 There was praise for Welsh Government’s funding of the “Adopting Together” approach, which is now nearly three years old and finding adoption placements (13 in last 12 months). This helps prevent a child staying in foster care long-term. Stakeholders feel most local authorities consider referrals to voluntary adoption agencies to be an issue yet there is a set process with children registered on the Wales Adoption Register and if not placed after three months, their details are shared with agencies.
- 8.13 Increasing the capacity for adoption is the goal of both local authorities and providers. Without it, children are pushed back into the system. Without increased capacity, children are likely to be a long time with foster carers, which clogs the system for other children coming behind. Comments on more action to increase the capacity for adoption were far more common than rebalancing. There is no appetite for rebalancing in the adoption market. Whether increasing capacity includes drawing in another provider to supplement the two third sector currently who operate here is a matter of some debate.

9. Rebalancing care and support

- 9.1 The focus on rebalancing has triggered considerable interest. The caveat is that in considering it, other matters should not be overlooked. It is not seen as “the only game in town”. Examples of local authorities rebalancing e.g. increasing their residential provision, are primarily responses to cope with demand, pressures and the ability to meet children’s needs. Some say rebalancing is seeking to put right the damage done by past decisions, where savings needed to be made, and cheaper, more standardised, provision was preferred to more expensive specialist provision, and cost took precedence over outcomes for children.
- 9.2 An “optimal balance” of provision is seen as difficult to define by local authorities and stakeholders alike. Local circumstances differ. Both local authorities and stakeholders’ question whether one balance figure can, or should, be applied uniformly across all areas.
- 9.3 For each area, the “optimal balance” or in other words, the “best” or “ideal” balance, should be driven by core measures e.g. whether children received the care and support they need when they need it and where they need it, with a distinct preference to keeping children in their own community wherever possible and safe to do so. In practice, the optimum balance may be similar in some areas but could be markedly different in others.
- 9.4 Stakeholders say no local authority should aim to be self-sufficient as a provider. Aside from the risk of having generic services which can’t meet all children’s needs, they also point to viability. In some areas, there are not enough numbers to warrant the development of a service e.g. for high and more complex needs. They would have the bed but not what the child needs around it.
- 9.5 While rebalancing is the theme of this study and the direction of travel in many areas, the clear message is the focus must firmly be on improving the quality of care and outcomes. If any changes are to be made to the balance of care, there must be better care, including fewer placement breakdowns, and better outcomes as a result. Given the pressure on budgets and the need to do more with less, reducing cost is an acceptable goal, notably by avoiding the very high costs which can be charged by private providers. However, driving down cost and “the cheapest option is best” should not be the prime objectives. Better outcomes for children can last a lifetime and over the long-term, can reduce costs to the public purse. It should be accepted that quality care costs more than basic care.
- 9.6 A mixed economy is the dominant view but should be geared to a local authority’s needs and preferences. Authorities recognise they do not have the expertise in-house to be able to meet the needs of some looked after children and accept the need to utilise external provision, including the third sector. The skills and expertise are not always available locally. In some areas there is regional provision but not in others, resulting in provision outside Wales being used.
- 9.7 On the positive side, external providers can offer skills and expertise which local authorities do not have in-house., and the capacity to deliver care and offer placements at short notice. They can also be more flexible to respond to needs. Some third sector organisations point out they can bring added value from charitable status, although this is often said to be ignored in a straight purchasing / procurement-based approach.
- 9.8 On the downside, there are concerns about some private providers on cost, quality of care and outcomes, and stability of placements. Some practices too, such as high retainer fees

for some placements to hold a placement opportunity until it becomes available, are also of concern. Once again, this reflects a providers’ market.

- 9.9 There is strong support for more work to rebalance provision for residential care, with regional solutions if not local ones, and more in-house provision of foster carers. However, there is also a strong message that it would be naïve to think local authorities can become completely non-dependant on external provision whether residential, domiciliary fostering or adoption. The precise mix will vary area by area. If the Welsh Government issued a directive on the balance required, and there is no suggestion that it will, a few local authorities may feel the need to follow it even if this went against professional opinion. However, the strong professional view is that rebalancing should not be mandated and there should be no percentage target for the balance of any types of provision.
- 9.10 Local authorities should be free to determine their own pattern of care and support. That said, more should be done to:
- Address identified needs by earlier intervention, with effective targeting of support.
 - Reduce the number of children coming into the care system.
 - Prevent the need for entry into residential care as far as possible with (while ensuring a child is safeguarded) intensive family support where needed and the use of fostering.
 - Improve the quality of care and outcomes but unlike now, no over-reliance on private providers unless they are best placed to meet the needs of a child.
- 9.11 Of those acting akin to rebalancing, some have figures in mind, typically over the long-term, of 70:30; 80:20, for internal/external provision. Other do not know. Most sense they will know when they have reached their optimal balance. A monopoly or over-reliance on one or a small number of providers should be avoided. There is widespread agreement by local authorities and stakeholders on the need for more capacity and choice for placements.
- 9.12 While the views of individual local authorities vary, as do local circumstances, the overall view is that some rebalancing is needed in residential care and foster care. The direction of travel is from private to public (in-house) but with potentially more opportunities for the third sector along the way. However, the need to retain a mixed economy is also clear. Stakeholders support the need for a mixed economy. They say extreme caution is needed if any approach is designed to cut out some provision completely. There is a place for the private sector and the not-for-profit sector, particularly to meet the needs of more challenging children where more support and specialist skills are available.
- 9.13 All types of provider should play to their strengths. It is for all local authorities, as commissioners, to know the relative strengths. A complementary approach between providers in a specialist, limited, market such as children’s care, can usually work better than a competitive approach.
- 9.14 In residential care, the rebalancing may be achieved in different ways e.g. by a local regional approach. Respondents also highlighted different interpretations of rebalancing. This study was commissioned to explore rebalancing by type of provider, other potential forms of rebalancing were mentioned, and which would be achieved in different ways. These are not necessarily mutually exclusive and, in the table, are presented in no specific order of priority:

Table 9.1: Respondent’s interpretations of re-balancing and ways in which it could be done

<ul style="list-style-type: none"> • Rebalancing by type of care i.e. from residential to foster placement and family care and towards support for complex care and particularly “edge-of-care”. • Rebalancing provision based on better quality and outcomes. • Rebalancing by achieving a much greater flow of strategic commissioning and developments. • Rebalancing of funding streams to reduce the burden of annual grant funding arrangements and in some cases to reduce ring-fencing (although ring fencing to Children’s Services part of the Integrated Care Fund in one year was praised by several authorities). • Rebalancing based on volumes e.g. if 1-2 per year, develop stronger working relationship (partnership) with an existing trusted provider or a new provider. • Rebalancing of capacity and resources in Children’s Services across Wales. • Rebalancing to expand services (with more Health Board input) which can be used to support children in care but wherever possible to prevent them from having to enter care e.g. CAHMS, therapeutic services.
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Source: ADSS Cymru 2019

- 9.15 Rebalancing needs to be achieved by managing the immediate demand in the short-term and, in parallel, thinking long-term and taking robust action which leads to developments in the medium term and realises benefits in the long-term.
- 9.16 Some rebalancing is already happening independently of this study. This includes new residential care in some areas mentioned earlier in this chapter. It also reflects action by many local authorities to increase in-house foster care services. Reasons for this include perceived better quality of in-house provision, better support for foster carers, and more control of the provision, able to respond to changing needs – or problems – more quickly than private sector providers. In some cases, more commitment to achieving good outcomes for a child in care.
- 9.17 In one or two areas, there are other developments which fit the theme of rebalancing. For example, after looking at outcomes, one authority brought part of its Family Support services back in-house. Support workers are now employed by the council and sit with its Children’s Services teams. Results reported include better targeting, particularly at children with high needs. There is also said to be more control of deploying resources because they are managed directly. The results of any formal evaluation were not discussed.
- 9.18 The main need for rebalancing is on residential care to reduce reliance on providers, give better options, choice of placements and cost, and improved outcomes. The preferred approach would be to have more in-house provision and always as close to home as possible. The latter is especially true where a child has more complex needs. They should have an exit strategy to foster care but that is a disincentive for private providers to pursue.

- 9.19 Stakeholders acknowledge the need for some rebalancing in residential care. They say if an authority is going to do it, it must do it well and shouldn’t be rushed.
- 9.20 Rebalancing provision in fostering was covered in depth in Chapter 7. Rebalancing in adoption did not feature prominently in discussions. Mention was made of the option to keep things in house and where possible, move more in-house. However, this is not easily achieved in the current climate even though some invest-to-save cases have been made. The idea of increasing capacity in adoption as opposed to rebalancing was raised by two respondents from the local authorities and stakeholders interviewed. Whether bringing another provider into Wales would achieve this or would simply take provision off existing organisations and move it elsewhere is open to debate.

Risk

- 9.21 Given that some local authorities have already taken, or are taking, action to rebalance some types of provision, namely residential care and fostering, there is no evidence of a risk-averse culture. Local authorities are, quite reasonably however, mindful of potential risks of taking rebalancing action for its own sake or taking it without fully understanding and assessing whether it is sensible and possible to do in local circumstances. The need for rebalancing i.e. what will be better as a result, is also an essential consideration.
- 9.22 The risks of rebalancing also vary according to type of care, with residential care being the most complex. Rebalancing to set up own in-house residential care provision as a registered provider is seen as a risk from the need to ensure adequate staffing and staff safety. With in-house provision, there is also a risk of carrying voids. A Head of Children’s Service would have to justify any vacancies even though the needs of looked after children differ and the provision may not be suitable in all cases.
- 9.23 The main risks from rebalancing are seen to be the impact on providers and markets. The effects would be different in residential, domiciliary care, fostering and adoption. There is a risk of shrinking the provision, and choice, available to local authorities locally and regionally. In theory, squeezing private providers (businesses) could result in them closing or withdrawing from the area. In practice however and unlike adult care, the excess demand over supply across the UK means this is unlikely. There is the risk of having no standby or contingency provision and increased costs. It is less of a risk for the local authorities that don’t (can’t) find local placements now.
- 9.24 There are also risks of attempting to rebalance without the skills and capacity to manage new provision as is the inability to recruit sufficiently trained staff. Any rebalancing would need to be managed very carefully by way of a gradual approach to ensure it does not prejudice or risk instability for existing children in placements. The scenario might be to gradually reduce external and grow internal provision over a 5-year period.
- 9.25 There are also risks from not rebalancing. Again, children’s residential care is the prime example. Without rebalancing, there will be a continued reliance on private providers with, in some cases, questionable value for money, poor outcomes, and risk of instability. The lack of enough provision locally or regionally available when needed means out of Wales placements will continue with all the disadvantages they bring, and the current imbalance of power will remain.

Working criteria for rebalancing

9.26 One of the requirements of the project was to identify a set of working criteria which could inform local consideration of rebalancing provision. Based on respondents’ comments, the criteria against which any action to change the balance of provision in an area should be judged are summarised in the table below.

Table 9.2: Respondents’ views on working criteria to apply in any consideration of rebalancing

<p>Primary</p> <ul style="list-style-type: none"> • Improvements in ability to meet children’s needs • Impact on quality of care and support, and choice • Fewer placement breakdowns and better outcomes <p>Secondary</p> <ul style="list-style-type: none"> • Capacity to deliver and manage, and in house-support infrastructure • Workforce - skills and professional expertise required and ability to deploy them internally • Need - numbers/volumes and viability of provision • Ability to draw in required support locally e.g. CAHMS and the commitment of the Health Board to provide it • Funding (capital investment to set up, revenue costs for dual running in transition phase) • Sustainability of the change(s) • Cost (investment needed – capital and/or revenue, net savings and timescale) • Regulatory requirements and ability to meet them • Impact on local and regional markets and market stability, and effect on provision • Alternative approaches such as regional solutions or long-term partnership working with providers • Best/most appropriate location / geography / rurality • Language • Direction of travel in relation to Section 16 of the Social Services and Well-being (Wales) Act and use of not-for-profit organisations, co-operatives, social enterprise etc.
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9.27 The primary criteria are those which featured in virtually all interviews. These are considered most important; the ability to meet children’s needs, the quality of care and support, fewer placement breakdowns and better outcomes. The secondary criteria are those which were mentioned by several respondents or in some cases, by one respondent. The secondary group is not in priority order.

10. Action

- 10.1 There is a strong desire among local authorities and stakeholders to do more to help children in need and to reduce the number of looked after children. Previous chapters in this report show there are problems which need to be addressed but also opportunities. Over and above the action needed to overcome these hurdles, this chapter captures respondents’ views on the broader action which would help.
- 10.2 Action is needed on all fronts. It can be grouped into three broad categories:
- What individual local authorities can do (on their own and with other organisations / partners).
 - What local authorities do together regionally (and with other organisations).
 - What the Welsh Government can do (and in some cases, only it can do).
- 10.3 The above are not necessarily mutually exclusive. Local action on residential care for example needs to be driven by the local authority but supported by funding from the Welsh Government. The position for prevention and early intervention is similar, with local authorities ensuring the right organisational structure and effective commissioning to deploy local and Welsh Government funding to best effect to reduce need for statutory services and in parallel with any rebalancing.
- 10.4 There is acceptance of the need for more user-experience input, not just about decisions and what was provided but the whole user experience from turning up at a family’s home through to the care and support provided to outcome. There is a need to consider what worked well and what didn’t, and what could have been better. While accepting it is not possible to do this for everyone, more opportunities need to be created to have conversations with those with whom services have engaged to document the whole story. Capacity problems get in the way of this.
- 10.5 Regional approaches are being developed with several comments supporting its further development, particularly due to the way markets work and the ability of some individual authorities to respond to the need for strategic developments. The nature and pace of developments vary. Developments appear more advanced in areas which have some history of joint working and are more tentative in others. Experience, skills, capacity, openness to regional developments were all issues to address. There is a risk of different interpretations by the constituent authorities of what’s needed and what’s expected, and there still appears to be a preference in some local authorities to “do their own thing”. Local solutions will be appropriate in some circumstances, but sub-regional or regional approaches should always be given due consideration. The Integrated Care Fund and Delivering Transformation Grant support regional approaches but have also supported developments in individual areas.
- 10.6 There is more which could potentially be done on a regional basis. Over and above some commissioning, this includes far more joint working with health boards on commissioning and with the police on more integrated services delivery. There is a call for all to have a greater understanding of how constraints to getting the right placement can be overcome. Regional partnership boards are central to achieving this. There is feeling Children’s Services could feature more prominently in the work of the boards.
- 10.7 The support of the Welsh Government and its officials is welcome. This includes funding such as the Delivering Transformation Grant and the Integrated Care Fund, the commitment

to joint working and interaction in many ways e.g. the Ministerial Advisory Group. However, there are more asks from respondents to this study.

10.8 The incentives and support required from the Welsh Government are summarised in the table below. As rebalancing is just one of the ways forward, the asks of the Welsh Government, in addition to continuing its current support, are wide-ranging. They can be grouped into three main categories: leadership, facilitation and funding.

Table 10.1: Respondents’ asks of the Welsh Government

<p>Leadership</p> <ul style="list-style-type: none"> • A continued focus and national drive backed up by a commitment to invest more to achieve better outcomes and more permanent solutions for looked after children and a more coherent and consistent approach across local authorities. • Ensure health boards deliver more provision and better availability of CAHMS and therapeutic services. • Reinforce the right messages, emphasising the importance of keeping families together and the vital support provided by Children’s Services and providers instead of terms such as “reducing numbers”. The latter will come as a result of improvements in support and provision. • Work with local authorities to clarify the position on new private providers taking advantage of lower property prices to accommodate children from other parts of the UK and the impact of such developments on local services. <p>Facilitation</p> <ul style="list-style-type: none"> • Stronger role in identifying and sharing what works and what doesn’t, ensuring what works is taken up by local authorities and Regional Partnership Boards. • Support local authorities to develop skills to achieve a significant increase in the co-design of care and support. • Continue to support workforce development initiatives. <p>Funding</p> <ul style="list-style-type: none"> • Continue to prioritise investment in early intervention to prevent children from having to enter the care system. • Review grant-funding arrangements for longer-term (e.g. 3-4 year) programmes with flexibility to deliver but clear outcomes to achieve. • More investment ring-fenced to Children’s Services, including help to solve capacity problems which are hampering strategic commissioning and developments. • Incentivise the right developments and ways of working. • Dedicated capital investment to support rebalancing and short-term revenue funding for dual running during a transition phase via a 21st Century Social Care Development Programme.
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10.9 Only the Welsh Government can respond to calls for more longer-term grant-funding arrangements and flexibility.

10.10 Providers would like to see the development of larger framework programmes with less rigidity in how funding is used but still with robust (and stretching) outcomes which must be achieved and on which local authority’s performance is held to account. One stakeholder suggested a small set of goals which might include, for example, safe reductions year-on-

year in the number of looked after children, reductions in parenting court orders, better outcomes for early years.

- 10.11 On expectations, respondents felt it would be helpful for the Welsh Government to make a clear statement on what good provision looks like. From this could flow work to identify where things currently fall short, what needs to be done and how this can be supported.
- 10.12 The message around Children’s Services and particularly looked after children is seen as important by local authorities and stakeholders alike. Everyone wants to see a reduction in the numbers of looked after children, but this is not a “numbers game”. There is concern about the impact on some young people of some of the media coverage seen last year about the private sector with terms such as “bidding wars”, “providers grabbing children” and “sky high prices”. There is a need to reinforce the right messages, emphasising the importance of early help and support to address problems, keeping families together and meeting children’s needs by matching the right care and support.
- 10.13 There are leadership challenges at local, regional and national levels. Stakeholders say messages often get diluted as they pass down through local authorities. Comments were also made that unless the Welsh Government is more directive to authorities on certain matters, there will always be inconsistencies and in some cases, poor practices. The Welsh Community Care Information System was cited as an example.
- 10.14 More action is needed and, in some cases, more resources too, but there is also a need for Children’s Services to make better use of existing resources, reviewing what they currently do and how they do it. This is recognised by local authorities and stakeholders. Some authorities have already done this or are currently doing it.
- 10.15 Local authorities can also do more themselves or in partnership with others sub-regionally or regionally. Respondents in local authorities and stakeholders believe Children’s Services need to be much better at sharing practice and harnessing the experience and expertise which exists across Wales. Some things are done piecemeal. Some areas do things better than others. Some people tried things but failed, but it can still provide valuable learning.
- 10.16 Stakeholders point to the importance of local authorities being more proactive in taking up examples which have worked in other areas instead of always seeking to create their own local solutions from scratch. This message is relevant well beyond Children’s Services. Wales has a continuing problem with spreading good practice. It doesn’t mean imposing something in an area but identifying what others have tried, learning from it, and then considering how something similar could work in another area, and be tailored to the needs and circumstances of that area service-user involvement and coproduction with local providers.
- 10.17 There was praise for the “When I am Ready Scheme”, which gives all young people living with foster families in Wales the right to stay with their foster carers once they reach 18 years of age. However, it was said to be underfunded and as a result, puts pressure on the resources available to support other services and support and developments. The situation is described by one respondent as “robbing Peter to pay Paul”.
- 10.18 Helping young people making the transition from care is another area for more attention as a priority. Some form of step-down arrangement for young people who are ready to leave foster care but who are not ready to live independently on their own is essential. There are examples of a proactive approach in several local authorities, developing links with the housing department and in some cases, with housing associations. Examples include

training flats for young care leavers and accommodation with individual units and wrap around support from the Supporting People programme.

- 10.19 Stakeholders also pointed to the importance of transition for care leavers. They are concerned the system is not working as it should and it is not the priority it should be. They say some young people, a cohort of 18-21-year olds and some of whom are vulnerable, can end up being exploited and/or becoming homeless. The system can be fragmented with gaps in services sometimes simply because the young person doesn’t meet certain “criteria”. They ask where is the whole system approach with accommodation/housing, health services for treatment, and social services all working together? There are some good examples but more needs to be done. Sometimes, it is the adviser in the leaving care service who ends up holding the ring and trying to pull everything together.

11. Conclusions

- 11.1 The upward trend in the number of looked after children continues to cause concern, and rightly so. With one exception in 2015, the national rate has increased year-on-year since 2003. That said, it is important not to miss the fact in four local authority areas, the rate has fallen since 2015. In one area, significant changes were made to the way Children’s Services operated, including organisation culture and workforce development. These changes and any changes made in the other three areas where the rate fell should be studied to try and identify what caused or contributed to reducing the rate of looked after children.
- 11.2 Two sorts of pressures are putting Children’s Services under considerable strain. The demand for children’s social care, and in many cases the complexity of needs, is rising. The capacity of departments – staff resources and cash budgets - is limited due to the squeeze on public finances and reductions in local authority budgets.

Reversing the trend

- 11.3 For many reasons, not least the welfare and future of children and young people who need help, a far more concerted effort is needed to reverse the current trend, based on a twin-track approach. There are two broad needs. First, managing the current demand; responding to families and children and helping them to manage and resolve difficulties in their lives, and ensuring good care for children who become looked after. Second, working to stem the demand by earlier intervention to prevent problems from escalating and thus becoming more difficult to address and, safeguarding and risk aside, reducing the number of children who need to enter the care system.
- 11.4 This twin track approach is not new. It is already in place, but to make a real difference it needs a very significant boost, backed by more investment and other forms of support, better use of existing resources, and more flexible funding arrangements. In some cases, it will require a quite different mindset and approach in most local authorities. Better, more strategic commissioning and engagement with providers is the foundation. The extent to which Regional Partnership Board provider forums are being used to assist engagement with children’s care providers has been questioned.
- 11.5 Rebalancing is part of the solution but attempting it without also addressing the other matters highlighted in this report would be self-defeating and could have unintended consequences. The action, which is already being taken by some authorities, notably in children’s residential care, is rebalancing. However, it is driven by the need to address local problems in meeting needs and to provide better care and good outcomes not because of any policy or policy intention on rebalancing.
- 11.6 Considerably more needs to be done in children’s residential care provision locally and/or regionally. Children’s Services cannot do it alone. National and local leadership and support, including political support, will be needed. Support from the Welsh Government will help overcome local authorities’ problems in achieving strategic developments while managing the demands and pressures of day-to-day business.
- 11.7 Recent years have seen a greater emphasis on earlier intervention support. While some success is reported, and it is reasonable to conclude that without such action, the numbers of looked after children could be much higher. However, the statistics show it is not enough.

- 11.8 Despite best efforts, local authorities report they cannot keep pace with demand. They are also having to address needs which are becoming increasingly challenging and complex. The more the numbers increase, the more pressure on Children’s Services. Staff resources are already stretched in managing the current demand. Budgets too are tight and overspends are common.
- 11.9 Children’s Services are under immense pressure. They face numerous challenges in discharging their duties and in managing resources to meet demand. Budgets are under increasing pressure. Much work is governed by the need to discharge statutory duties, and is also influenced by others, such as the courts, which means they cannot control all spending. Reducing the number of children who need to enter care will help reduce the pressure.
- 11.10 The current situation is reactive and to some extent, firefighting. Problems in capacity, organisational and departmental culture and skillset is affecting the ability of some Children’s Services to be proactive in developing services and shaping markets. This is particularly true for strategic developments which address the root cause of problems in delivering care and not just the symptoms.
- 11.11 While in Children’s Services there is pride in the role and passionate commitment to help all children who find themselves in very difficult circumstances, there is also frustration in being unable to achieve all they want to achieve.
- 11.12 While there are many issues to be addressed and improvements needed, there are positives. These should not be lost amongst the pressures and focus on what is not working as well as it could. There are good developments in several areas which should be examined in more detail with a view to being replicated elsewhere. The tendency for some areas to consider only “home grown” solutions must be overcome.
- 11.13 The opportunities to enhance services and reduce the number of looked after children are recognised. The findings of this study by ADSS Cymru can provide a springboard for a more robust, co-ordinated Wales-wide programme of local, regional sub-regional and regional action. However, investment is needed to back it up.

Making commissioning more strategic

- 11.14 Effective commissioning underpins, or should underpin, public services. In Children’s Services, commissioning appears to have lost its identity and meaning. There are clear variations in how it is viewed by authorities, its importance and therefore the resourcing of the function. There are also skills gaps. It is fair to say the weaknesses are recognised. Doing something about them is clearly proving difficult in some areas but there have been efforts to enhance, for example, commissioning to make it more strategic. Much of it is work in progress. The 4Cs has helped. There is desire and commitment to change. Help and facilitation is needed to make this happen.
- 11.15 Stakeholders are critical of the same services and support being commissioned year or year with relatively little redesign or reconfiguration. Care Inspectorate Wales has been critical too, emphasising the need for responsive, tailored, support to divert children away from having to enter the care system. The recommissioning of existing services is perhaps no surprise given the capacity problems reported by many local authorities. It is the easy option. However, reversing the trend will not become a reality without a fundamental shift

towards change and development, working far more closely with providers. The right mindset and organisational culture which embraces this is vital.

- 11.16 Commissioning must become more strategic; a front-facing role which is the prime interface with providers and markets. Whether rebalancing or not, commissioning is central to achieving better care and outcomes. The answer is not more guidance. There is a plethora of guidance on commissioning and some “toolkits”. There is also information in the “CASCADE What works for Children’s Social Care Centre”³⁶. It hasn’t had the desired effect. Commissioning in Children’s Services is falling well short of what’s needed. Only by strategic commissioning will local authorities overcome their struggles in meeting their sufficiency duty and address the current deficit in placement options and choice. To meet the needs of some children, particularly those with complex needs, local authorities will also need more help from Health Boards to ensure the necessary provision and specialist services are available when needed. More joint commissioning is needed if this is to deliver what is needed.
- 11.17 Without a determined effort, and robust support to make it happen, nothing will improve. Care Inspectorate Wales has also called for action. While an audit of the scale and composition of commissioning resources was outside the scope of this study, that would be one of the logical first steps. It could establish the facts, identify what needs to be done and where, and determine how best to do it.

Addressing the imbalance of power

- 11.18 There are many issues to address but one major strategic problem dominates the findings of this study. There is a very significant imbalance of power in the children’s residential care market, which is affecting placements and choice, the ability to make the best match to needs and outcomes for children. This is a priority. The current level of dependency on private provision should be reduced. It will require considerable (and co-ordinated) action and investment. There is no “quick fix”.
- 11.19 With demand continuing to outstrip supply, children’s residential care is a seller’s market. It can be very expensive and doesn’t always produce the best outcomes for children. There are clearly many good, trusted, providers but local authorities have concerns about the quality, outcomes and value for money of some private care. The practices of some providers are also cause for concern. However, for balance, so too are the practices of some local authorities, including transparency of information about a child, which suggest weaknesses in managing cases and planning.
- 11.20 Private sector residential care providers currently have the upper hand and local authorities are in a weak negotiating position. There is no dispute a mixed market will always be needed but it needs to be a more level playing field, and reducing local authorities’ reliance on private sector providers is required for them to gain more control.
- 11.21 Securing enough care and support to meet current and future needs is common to both adult and children’s social care, as are funding issues and the financial pressure on local authorities. Increasing complexity of needs are also seen in both markets although for different reasons. However, whereas the key features of adult social care are fragile markets, narrow margins and providers leaving the market, the key features of the children’s residential care market are high costs, stable markets, competition for placements, and new providers entering.

- 11.22 To reduce its reliance on the private sector, a local authority with no care of its own either needs to develop some or rely on a regional solution. For those without their own residential care, perhaps having stepped out of such provision years ago when outsourcing was the trend, moving back to it can be a daunting prospect. If there is no intention to develop any (or more) local provision or any scope for regional solutions, the reliance on the private sector will continue. Local authorities with residential care provision which are expanding it, or planning to do so, will over time reduce their reliance on the private sector.
- 11.23 Local authorities need to achieve a greater degree of self-sufficiency. While the ways and means of doing this will vary, if it does not happen in all areas, inconsistency and inequality in public service provision will increase. The key questions are how, how much provision and what will it cost?
- 11.24 In the twelve months to 31 July 2019, the number of local authority homes increased by 5 and the total number of places by 20. This might not seem much but is 25% more homes and 18% more in-house places. This is a good development. The local authorities concerned should be applauded. It isn’t enough to have sufficiency and influence on the market, but it is a clear step in the right direction. This, together with more homes which are planned or being developed, is a foundation for further action.
- 11.25 In the 2018-19 financial year, the demand for places in children’s homes subject to Children’s Homes Regulations was running between 350 and 420. These figures and the 133 places now provided by local authority homes provide the backdrop for more detailed consideration of how much additional capacity would be sensible to develop.
- 11.26 Action will help local authorities address the current imbalance of power, gain more control and influence to shape the children’s residential care market. Local authorities will always need private and third sector provision. There is no desire for, or realistic prospect of, becoming totally self-sufficient. There is agreement on all sides on the need for a mixed economy. However, with greater influence and a more level playing field, it opens the prospect of not more competition but opportunities for better commissioner-provider relationships and strategic partnerships.

Taking a multi-faceted approach

- 11.27 The prime need is not simply to increase the number of places of local authority in-house residential care per se. It is about increasing choice and options as well as local (and/or regional) capacity. In one of its national overview reports, Care Inspectorate Wales said outcomes have suffered due to the lack of enough range and choice of placements. Local authorities and stakeholders alike recognise this. Care Inspectorate Wales has concluded local authorities which used their own residential provision and commissioned placements had shown some greater resilience in promoting choice.
- 11.28 There are at least three strands of action needed:
- (i) Increasing in-house residential care provision via local or regional solutions.
 - (ii) The development of long-term partnerships with local private or third sector providers.
 - (iii) Short-term care provision (including emergency/crisis provision)
- 11.29 The first two items - increasing in-house residential care locally, or in the case of regional working, access to other authorities’ in-house care, and the development of more long-term partnerships with selected, trusted, local private providers - will aid placement choice and

matching. Such developments will also help to better use of existing local provision where it exists. Engaging the third sector for partnership discussions is equally important. It will require a meeting of minds between commissioner and provider to find the “win-win” position – quality care, value for money and good outcome for Children’s Services, good market position, more stability and a steadier income stream for providers. It is possible although attempts to date to engage with some private providers have met with varying degrees of success and some reluctance on the part of providers. With current pressures and capacity problems, this will not be easy. Messages of the “private sector bad, public sector good” type will not encourage good providers to engage.

- 11.30 The development and use of more short-term accommodation, including emergency “pop-up” accommodation solutions, will help to address one of the major problems supporting private provider dominance in markets i.e. the urgency or desperation on the part of local authorities to find a placement. This is where finding a bed takes priority over everything else, over knowing and matching needs, over location, and at whatever price. Local authorities recognise this. Care Inspectorate Wales does too.
- 11.31 Despite capacity problems and pressures, it is encouraging to see several local authorities active on one or more of the three courses of action listed above. However, a coherent, co-ordinated, national effort (not another strategy) is needed to make a real difference in all areas, and without parallel action to improve commissioning, progress will not be made.

Balance of care and rebalancing

- 11.32 An “optimal balance” is seen as a difficult concept. Local circumstances vary. There is no support for one balance figure to be applied uniformly to all local authorities. For each area, the “optimal balance” or in other words, the “best” or “ideal” balance, should be driven by core measures e.g. whether children receive what they need, where and when they need it, and achieve the right outcomes. The goal of keeping children in their own community wherever possible and safe to do so also applies.
- 11.33 Inevitably, some local authorities are more dependent on external provision than others. Some can access regional provision while others cannot, and the latter are more exposed to problems in finding placements. Regional working has developed, and is developing, at a markedly different pace across Wales.
- 11.34 The broad position on rebalancing across care for looked after children is:
- (i) **Residential care:** Market is dominated by private sector providers (average 85%) and clear need for rebalancing towards in-house provision; some action has already commenced locally and/or regionally but there is no consistent pattern across Wales.;
 - (ii) **Domiciliary care:** Featured rarely in discussion suggesting local authorities providing such care have no major problems with the current balance (83% based on authorities which provided data); no need or desire identified for action to rebalance provision.
 - (iii) **Foster care:** Clear desire in many local authorities to rebalance towards in-house but no consensus on what the balance should be and what is achievable. The priority is to increase the overall pool of foster carers. Some rebalancing to increase the very low market share of third sector providers (4%) would contribute to discharging local authorities’ duty under section 16 of the Social Services and Well-being (Wales) Act 2014.

- (iv) **Adoption:** A small market comprising local authorities and two third sector providers in Wales with a 70:30 split. The prime need across both is to recruit more prospective adopters. Suggestions include bringing in another provider to operate in Wales but questions whether this would increase capacity – and thus the number of adoptions - or simply divide up the current level of placements.
- 11.35 There is a strong view common to local authorities and stakeholders that the aim of any re-balancing must be developing stable, resilient markets which offer options and choice, with quality care, fewer placement breakdowns, and good outcomes for children.
- 11.36 Self-sufficiency in fostering is a subject of debate. As seen in Chapter 7, the current balance in fostering is markedly different to that for residential care. The extremely low market share of the independent not-for-profit foster care agencies (4%) stands out. Nine of the 20 authorities which provided data show their market share is below the half-way mark. Increasing this share to even the 80% share of the leading authority would take considerable effort.
- 11.37 There are mixed views on what the balance should be between in-house foster care provision and that of agencies. Some believe the goal is all provision in-house while others, not just providers, maintain a mixed economy is best, with providers playing to their strengths, complementing one another to ensure choice and best match take precedence over which type of organisation delivers. Some authorities prefer in-house first then not-for-profit then private agencies in that order.
- 11.38 Irrespective of rebalancing and common to all types of provider. there is a pressing need for more foster carers. The current the lack of placements is a problem, particularly for harder to place cases.
- 11.39 Local authorities are doing more to attract carers and so are agencies. There is a lot of effort on both sides. However, some of it appears to be moving existing carers from one type of provider to another as opposed to increasing overall capacity. Competition can be healthy, but so too can strategic partnerships and co-operation where increasing the total size of the pool of carers is the mutual goal.
- 11.40 As said at the outset, domiciliary care for children did not really feature in discussions, not because it isn’t important but simply because other themes and issues dominated. As such, there is nothing to say on rebalancing the provision.
- 11.41 Adoption featured more but without any strong messages or desire to rebalance the current pattern of provision. The priority in adoption is increasing the number of prospective parents to allow children to exit residential and foster care to enjoy permanency in a family life.
- 11.42 While rebalancing is the theme of this study, the clear message is the focus must be on improving the quality of care and outcomes. If any changes are to be made to the balance of provision, there must be:
 - (i) Better quality care.
 - (ii) Fewer placement breakdowns.
 - (iii) Better outcomes for children.
- 11.43 As set out in Chapter 9, rebalancing can take different forms. For example, rebalancing by type of care from residential to foster placement and family care, rebalancing of funding streams, rebalancing capacity and resources towards Children’s Services. The other means

of rebalancing put forward are worthy of further study to define them more precisely, to consider the merits of each, to consider how such forms of rebalancing would work in practice, and the potential benefits to service delivery and outcomes.

- 11.44 There are risks to rebalancing which must be considered but there are also risks in not rebalancing. Children’s residential care is the prime example. Without rebalancing, there will be a continued reliance on private providers with, in some cases, high cost, questionable value for money, greater instability for children and poor outcomes.
- 11.45 Local responses to the need for more in-house residential care will depend on the numbers of looked after children entering care and their needs. The goal is to reduce number of children entering the care system. Numbers are important to determine the feasibility of operating in-house provision as a cost-effective option. If supply in-house exceeds local demand, questions are asked about the cost of unused provision.
- 11.46 There is agreement self-sufficiency on residential provision is neither feasible nor sensible. Some private specialist providers are seen as the best option for the care and support needed and, particularly for safeguarding and risk, out of county placements can also be appropriate. Such provision needs to be used in a planned way not as the result of a last-minute search for a placement.
- 11.47 The current pressure on Children’s Services means local authorities need help. Furthermore, rebalancing towards in house provision without increasing the capacity to manage and deliver services would be self-defeating. It would divert time from the pressure and preventing market shaping activity and engagement.
- 11.48 Reducing cost is an acceptable goal. However, driving down costs and ‘cheapest option is best’ must not be the prime objectives. Quality care and good outcomes must come first.
- 11.49 The relative cost of local authority in-house provision compared with external provision (private sector or third sector) is a source of tension. It has come to the surface in residential children’s care but is more pronounced in foster care, where various figures are being quoted by providers to justify rebalancing and/or defend their own provision. Some work on comparing costs has been done, sometimes rough estimates, but there is no consensus; in fact, far from it. “Apples and pears” was a frequent comment. There is a lack of robust comparative data and there are calls from stakeholders for local authorities to demonstrate greater transparency and full costing when seeking to compare the costs of external provision. To be fair, this is acknowledged by some respondents from local authorities. It is fair to say the jury is out on the difference between in-house provision and external provision. The full cost of external provision including back office, support and overheads is typically the contract price. Calculating the appropriate cost of such functions in a local authority is considerably more challenging. However, as a matter which is used by both sides to justify preferences and/or decisions, some work to develop a clearer picture would be sensible.
- 11.50 One thing is common to all provision whether internal or external and that is the quality of the workforce. The national workforce strategy developed by Social Care Wales provides a solid foundation for robust action to address the myriad of skills needs highlighted in this report.

A concerted effort

- 11.51 Clearly, it is entirely right that some children, for their own safety and welfare, to enter care. Local authorities and stakeholders agree much more needs to be done to reverse the current upward trend. As stated earlier, the trend in looked after children in four areas is downward and this is worthy of further study.
- 11.52 The need for considerably more developmental action is an inevitable conclusion of any consideration of the situation in Children’s Services. It has unanimous agreement. What is less clear is the precise action needed, although this report has identified several needs. All local authorities are committed to doing more. So are stakeholders who are pressing to be more engaged.
- 11.53 A concerted and co-ordinated national drive is needed. A framework for action which:
- (i) Delivers more, well-targeted, early intervention care and support to reduce the need for children to enter care.
 - (ii) Provides care which matches a child’s needs and, where possible and safe to do so, does it locally.
 - (iii) Has permanency as the goal – for children to return to their family or to exit what should be short or medium-term arrangements, such as foster care, to adoption.
 - (iv) Embraces issues raised in this report and its recommendations.
- 11.54 In considering what more needs to be done, due consideration must be given to building on the extensive programme of action currently underway or flagged by the Ministerial Advisory Group, the Improving Outcomes for Children Group, Social Care Wales and Care Inspectorate Wales. Avoiding duplication of effort and avoiding confusion is important. So too is learning from the evaluation of, for example, additional therapeutic services funded by the Integrated Care Fund or Delivering Transformation Grant. Action will vary in scale and complexity and priority. There is groundwork to be done by Children’s Services departments, the Welsh Government and stakeholders.
- 11.55 Much of the action will be by local authorities working locally or regionally, and with other organisations but the Welsh Government has an important role to play and can do more. Over and above its continuing support, it can facilitate drive change and development by making clear its expectations, facilitating and supporting action and developments and, in some cases, being more directive.
- 11.56 Prevention and early intervention work continues to develop but needs to be ramped up if there is to be any real prospect of reversing the upward trend in numbers of looked after children. Local authorities and the Welsh Government acknowledge the importance of this and are committed to doing more.
- 11.57 In some areas, there are good examples of prevention and early intervention activity and targeted support for individual and families. Some areas are also seeking to enhance their information, advice and assistance service, what they provide for children on the edge of care and the targeting of prevention and family support services. While this is not, at least yet, reversing the upward trend, it is no doubt helping to dampen the demand and it is reasonable to argue that without it, an even greater increase in looked after children would be experienced. There are questions on how such services can be strengthened, including

new service and support models developed with others, notably health boards, and the scope for local, regional and sub-regional joint working

- 11.58 The budget constraints on the Welsh Government in past years are recognised. However, there are calls for better funding for children’s services, and adequate investment will be necessary if local authorities are to gain more control of the residential care market. However, in addition to more funding, there is acknowledgement of the need for local authorities to make better use of existing funding, and improving commissioning practices is needed to achieve that.
- 11.59 The need for sustained programmes of grant funding for 3 years or more, preferably over the whole term of a Government cannot be overemphasised. The work required to deliver many different programmes on an annual basis is seen as a burden by local authorities and stakeholders alike. Providers too are said to “fatigued”. They are struggling with some of the funding arrangements and contracting around relatively short-term programmes. The arrangements are causing recruitment and retention problems, which themselves take time and effort resource to manage.
- 11.60 Current grant-funding arrangements are diverting some of the limited resources available to Children’s Services, which could be used to strengthen, for example, the monitoring of performance and outcomes of providers, and moves towards more strategic commissioning. In any change however, respondents say requirements should not be any less robust in terms of the need to generate evidence of impacts and outcomes. Aside from longer-term programmes of 3-5 years and greater flexibility in deploying budgets, there are mixed views on how funding should be deployed, and advantages and disadvantages of options which could be considered.
- 11.61 There is no single solution across Wales but there is a pressing need to move away from what for some care is a provider-driven market and dependency on it to allow councils more control and choice. There are no “quick fixes” and not everything is scalable.
- 11.62 Much more can be done to increase learning to stimulate and spread developments. Knowing what different local authorities have done, what has worked and every bit as important, what hasn’t worked and why, is important but insufficient attention is given to it. This may be down to pressures, lack of capacity and firefighting to manage the current demands. However, some of it appears to be down to the long-standing problems with spreading good practice across Wales, either at all or at far too slow a pace. This is by no means unique to Children’s Services or to local authorities. While there are exceptions, there appears to be common preference to generate “new” local solutions rather than adopting tried and tested ideas from other areas and tailoring them where necessary to work in local circumstances.

12. Recommendations

12.1 Drawing on the findings of this study, the recommendations are as follows:

- (i) A coherent, co-ordinated, national, regional, and local effort is needed to pick up the pace on improving the functioning and effectiveness of Children’s Services generally and for looked after children specifically. Rebalancing should play a part for some service areas but only as part of broader action, including strategic commissioning, workforce and skills development, capacity, and funding arrangements.
- (ii) The Welsh Government should help local authorities and providers develop a clear sense of direction on rebalancing and other action to improve services, backed up by a commitment to invest more. Accountability and transparency should be used to achieve consistently good services in all areas.
- (iii) Local authorities should continue to reflect on the targeting of their family support services and the extent to which current services reflect assessments of need and are effective. This is particularly important where there are high-end needs and where similar services have been commissioned year-on-year. Engaging providers and service users in such a process is essential.
- (iv) Working with local authorities, ADSS Cymru, the WLGA and SOLACE, the Welsh Government should agree and support a 21st Century Social Care Development Programme, which includes rebalancing for children’s residential care. It should take stock of current and planned developments, locally and regionally, and result in a funded programme (capital and transitional revenue funding) on a scale commensurate with local authorities being able to gain more control of the market and to realise the benefits which would flow from it.
- (v) More short-term care provision, including emergency/crisis provision, is needed to manage demand and to improve placement matching. There are good local examples with providers and / or other local authority departments such as housing. Reviewing these, including costs, would inform similar developments elsewhere. The work should complement and not duplicate the project from the Ministerial Advisory Group, which will seek to develop and implement solutions for safe accommodation for children with complex needs.
- (vi) Local authorities should ensure strategic commissioning is used in Children’s Services and practice reflects it. The merits of, and prospects for, regional and national specialist commissioning of Children’s Services should be considered for some services. Capacity and capability problems at local and regional levels would need to be addressed. Research into current commissioning arrangements and resources would be a logical first step. The National Commissioning Board and its members should oversee the work and should be resourced to do so.
- (vii) In four areas, the rate of looked after children has fallen since 2015, which is against the national trend. Work should be undertaken to identify what circumstances and developments, including local policies and practices, have contributed to this. Drawing together this learning would help inform a national effort to improve services by identifying action which could be taken up by other local authorities.
- (viii) The other ways of rebalancing identified in this report (Table 9.1 refers) are worthy of further study to define them more precisely, to consider the merits of each, and to

consider the extent to which they could be used as part of a concerted national effort to improve service delivery and outcomes. Health boards should play a greater role in delivering the services and support which can help avoid the need for children, particularly those with complex needs, to enter the care system. More integrated commissioning in line with the “whole system” approach set out in “A Healthier Wales” is needed.

- (ix) More action is needed to tackle the sufficiency problems in fostering. Local authorities individually and, to varying degrees, collectively via the National Fostering Framework are active in trying to increase their own carer numbers. A more complementary approach by all providers could ultimately direct more resources to grow the overall pool of carers and reduce movements between providers. The matters of different fee levels and the lack of transparency in cost comparisons are problematic and need to be resolved.
- (x) Local authorities wishing to rebalance provision in foster care should be supported but a mixed economy should be preserved, with action taken to grow the market share of independent not-for-profit foster agencies in line with section 16 of the Social Services and Well-being (Wales) Act 2014. The precise balance should be down to local discretion but improvements in meeting the needs of children should be the foundation for all changes, local, regional and national.
- (xi) The Welsh Government should review arrangements for grant-funded programmes to reduce current administrative burdens and instability caused by short-term funding, and to contribute to more strategic commissioning of care and support. More targeted, ring-fenced, funding for Children’s Services would ensure developments can be supported in all local authority areas thus helping to reduce inequalities in provision and access to services.
- (xii) The Welsh Government should play a greater role in facilitating the identification and sharing of what works, particularly for young people with complex needs, and a stronger role in ensuring it is taken-up and replicated across areas and/or regions. Where necessary, it should be more directive to local authorities, health boards, and other external organisations it supports and to which it delegates key functions and roles in social care to prioritise the needs of children.
- (xiii) ADSS Cymru welcomes the long-term vision for family justice and associated preventative services set out in the Commission for Justice in Wales’ report. An early national dialogue is needed between ADSS Cymru, and representatives of Children’s Services and the courts to explore opportunities for a more constructive relationship in the care of looked after children.
- (xiv) The Welsh Government should work with local authorities to clarify the position on new private providers setting up in Wales and the impact it can have on local services.
- (xv) The Welsh Government should note the new data collection exercise developed to establish the baseline of provision, and engage with ADSS Cymru and Data Cymru on any plans to repeat the exercise.

Appendix 1: ADSS Cymru work programme 2019-20 - Workstream 1 Rebalancing the care market

Workstream 1 of the Delivering Transformation Grant programme for 2019-20 agreed with the Welsh Government considered the feasibility of re-balancing the social care provision. The aims and activities of the programme were:

- (i) Develop an understanding and baseline of the current balance of provision of social care against which to measure progress.
 - Map the current balance of in-house and externally commissioned social care services, nationally, regionally and locally (local authority level), drawing on available data to establish the current baseline.
- (ii) Help identify an optimal balance of provision of social care for the future
 - Identify the ‘system conditions’ (at national, regional and local level) relevant to the purpose of this work stream that have driven, and continue to drive, commissioning decisions. This should take account of what considerations local authorities currently go through when reviewing their commissioned and other services, including processes when a provider fails and should lead to an explanation of why and how the current pattern of provision has arisen.
 - Identify risks and opportunities within the current pattern, including matters around resilience/fragility of the private sector (and third sector, if relevant).
 - Seek to develop working criteria for whether services are best located in house or commissioned having regard to such factors as risk, cost, the nature of the services, specialist services and the state of the market.
 - Take account of the emerging health and social care workforce strategy (p.32 “A Healthier Wales”), including work on a developing a skilled commissioning workforce.
 - Seek to establish a local government view on the optimal balance between in-house and externally commissioned level of provision, recognising that this may vary according to local conditions, and bring forward with a formal endorsement from the Welsh Local Government Association.
- (iii) Help inform development of regulations and guidance on market stability assessments under the Regulation and Inspection of Social Care Act.
 - Engage with the Welsh Government to ensure this workstream is linked to development of market stability provisions, including:
 - a) engaging with technical groups on market stability in summer/autumn 2019 and consultation exercise in 2020
 - b) Reports and recommendations under this workstream should take account of market stability provisions.
- (iv) Support the Welsh Government in identifying what type of support to local government would be most successful in supporting/incentivising such change, what types of support/at which sectors of provision should support be targeted

- In the context of the earlier analysis of ‘system conditions’, identify what approaches and incentives would assist local government in moving towards an optimal balance (e.g. support for local/regional partnerships), supported by evidence-based costings where possible
- Provide a report with recommendations for moving forward

Appendix 2: Baseline data and guidance

The following tables list the elements of the data request to local authorities for the baseline exercise. They include the accompanying guidance notes. The guidance notes were also included in the data collection form designed for the exercise.

Residential care: Children	
<p>1. Number of nights of care delivered in residential care settings in the 2018-19 financial year:</p> <p>a. that were:</p> <p style="padding-left: 20px;">i. commissioned and delivered in 2018-19</p> <p style="padding-left: 20px;">ii. commissioned before April 2018 but delivered in 2018-19</p> <p>2. Number of nights of care delivered in Local Authority residential care settings in the 2018-19 financial year:</p> <p>a. that were for:</p> <p style="padding-left: 20px;">i. children looked after</p> <p style="padding-left: 20px;">ii. children not looked after</p> <p>b. that were:</p> <p style="padding-left: 20px;">i. in-county placements</p> <p style="padding-left: 20px;">ii. out-of-county placements</p> <p style="padding-left: 20px;">iii. out-of-country placements</p> <p>c. that were:</p> <p style="padding-left: 20px;">i. short-term/respite placements</p> <p>d. in:</p> <p style="padding-left: 20px;">i. residential care homes</p> <p style="padding-left: 20px;">ii. other types of residential care setting</p> <p>3. Number of nights of care delivered in private sector residential care settings in the 2018-19 financial year:</p> <p>a. that were for:</p> <p style="padding-left: 20px;">i. children looked after</p> <p style="padding-left: 20px;">ii. children not looked after</p> <p>b. that were:</p> <p style="padding-left: 20px;">i. in-county placements</p> <p style="padding-left: 20px;">ii. out-of-county placements</p> <p style="padding-left: 20px;">iii. out-of-country placements</p> <p>c. that were:</p> <p style="padding-left: 20px;">i. short-term/respite placements</p>	<p>Nights of care delivered: for local authority homes, this is the number of nights of care delivered in a residential care setting owned by a local authority.</p> <p>For private or third sector care homes, this is the number of nights of care paid for by the local authority and delivered in the 2018-19 financial year.</p> <p>This includes nights of care delivered in the 2018-19 financial year which were commissioned in the previous year or years, as well as care commissioned in the 2018-19 year.</p> <p>Local authority residential care settings: residential care settings owned and managed by a local authority.</p> <p>Private sector residential care settings: residential care settings owned and managed by a private/independent organisation.</p> <p>Third sector residential care settings: residential care settings owned and managed by voluntary or community organisations, charities, social enterprises, co-operatives and housing associations.</p> <p>Note: Please see the provider list tab for a list of private and third sector residential settings.</p> <p>Children looked after: a child who has been subject to an order (Interim Care Order, Care Order, Placement Order) or has been in the care of their local authority for more than 24 hours.</p> <p>Children not looked after: all other children who do not fit into the category of “children looked after”.</p> <p>In-county placement: a residential care placement within your local authority’s area/boundary.</p> <p>Out-of-county placement: a residential care placement within another local authority area in Wales.</p> <p>Out-of-country placement: a residential care placement outside of Wales.</p>

<p>d. in:</p> <ul style="list-style-type: none"> i. residential care homes ii. other types of residential care setting <p>4. Number of nights of care delivered in third sector residential care settings in the 2018-19 financial year:</p> <p>a. that were for:</p> <ul style="list-style-type: none"> i. children looked after ii. children not looked after <p>b. that were:</p> <ul style="list-style-type: none"> i. in-county placements ii. out-of-county placements iii. out-of-country placements <p>c. that were:</p> <ul style="list-style-type: none"> i. short-term/respite placements <p>d. in:</p> <ul style="list-style-type: none"> i. residential care homes ii. other types of residential care setting <p>e. in accommodation provided by:</p> <ul style="list-style-type: none"> i. co-operatives ii. social enterprise iii. housing associations 	<p>Short-term/respite placements: placements for a period not exceeding 8 weeks.</p> <p>Other types of residential care setting: residential care settings used to accommodate people with physical or mental health issues, learning disabilities or complex needs. It does not include hospice accommodation.</p> <p>Co-operative: a jointly owned and democratically controlled enterprise e.g. a care co-operative owned by care givers and receivers (and other stakeholders) or a worker co-operative.</p> <p>Social enterprise: a for-profit or not-for-profit organisation. A business created to further a social purpose in a financially sustainable way.</p> <p>Housing association: a Registered Social Landlord.</p>
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<p>Domiciliary support: Children</p>	
<p>1. Number of hours of domiciliary support delivered in the 2018-19 financial year:</p> <p>a. that were:</p> <ul style="list-style-type: none"> i. commissioned and delivered in 2018-19 ii. commissioned before April 2018 but delivered in 2018-19 <p>b. by:</p> <ul style="list-style-type: none"> i. local authority domiciliary support providers ii. private sector domiciliary support providers iii. third sector domiciliary support providers 	<p>Include domiciliary support delivered to all children aged under 25.</p> <p>Hours delivered: for local authority domiciliary support providers, provide the number of hours of support delivered in the 2018-19 financial year.</p> <p>For private and third sector domiciliary support providers, provide the number of hours of support paid for by the local authority and delivered in the 2018-19 financial year.</p> <p>This includes the number of hours of domiciliary support provided in the 2018-19 financial year which were commissioned in the previous year or years, as well as new provision commissioned in the year.</p>

	<p>Local authority domiciliary support providers: domiciliary support providers owned and managed by the local authority.</p> <p>Private sector domiciliary support providers: domiciliary support providers owned and managed by a private/independent organisation.</p> <p>Third sector domiciliary support providers: domiciliary support providers owned and managed by a third sector/voluntary organisation.</p>
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Appendix 3: Feedback on baseline data collection

The Welsh Government has indicated it may repeat the baseline data exercise at some point in the future to measure any change in the balance of provision. The experience of this first baseline is valuable to inform any future exercises. Local authorities were asked for feedback on the data collection after the exercise had been completed.

Four local authorities responded. The following summarises the key points:

- Difficulties experienced in completing the return and the time needed to do it. The way data on commissioned services is recorded by some authorities meant it was not easy to extract the required data. Cutbacks in resources limit the ability of local authorities to respond to such requests.
- Much of the information is not necessarily recorded on a single IT system, which meant data had to be combined from manual records, spreadsheets and from the Welsh Community Care Information System. There were challenges in avoiding double counting and ensuring accuracy.
- There was a call for consideration to have been given to what data is already collected by local authorities e.g. for performance indicators, and for that to be reused rather than the data requested, which was similar but not the same.
- Data collection should be aligned to other returns e.g. children and adult data for Welsh Government returns is split by aged 17 and under and aged 18 and over, whereas the baseline exercise used a split of under 25 and 25 and over. This meant data previously produced could not be used.
- There was a view that information requirements should be part of the performance framework and based on information local authorities are already required to collect. Deviating from current local and national collection to focus on one-off exercises caused difficulty for some local authorities.
- One authority expressed concern about different interpretations of the guidance and the potential impact on the quality of data. Adult reablement was quoted as an example.
- Questions were asked about what the data will show, how the data will be used, and the benefits of the exercise to local authorities. One respondent questioned the value of the exercise. Another said there is never any problem doing analysis that adds value to the service.

Appendix 4: Participants

Project Leadership Group

- Chair – Giovanni Isingrini, ADSS Cymru
- Neil Ayling, ADSS Cymru
- Jake Morgan, ADSS Cymru
- Alison Ward, Chair SOLACE
- Naomi Alleyne, WLGA

Project Reference Group

- Sue Evans Chief Executive, Social Care Wales
- Dave Street, Chair National Commissioning Board
- Vicky Poole, Deputy Chief Inspector, CSSIW
- Gill Partlet, Chair All Wales Heads of Adult Services Group

Interviews and meetings (including project inception meetings)

- Naomi Alleyne Welsh Local Government Association
- Sue Evans, Social Care Wales
- Dave Street, National Commissioning Board
- Vicky Poole, Care Inspectorate Wales
- Bruce McLernon National Providers Forum
- Mary Wimbury, Care Forum Wales
- Nesta Lloyd-Jones NHS Confederation Wales
- Isle of Anglesey – Fon Roberts
- Gwynedd – Marian Parry Hughes
- Conwy – Kate Devonport
- Denbighshire – Karen Evans
- Flintshire – Craig Macloed
- Powys – Jan Coles
- Wrexham – Alison Povey / Sue Evans
- Carmarthenshire – Stefan Smith
- Newport – Sally Jenkins
- Cardiff – Deborah Driffield
- Vale of Glamorgan – Rachel Evans
- Merthyr Tydfil – Annabel Lloyd
- Caerphilly – Gareth Jenkins
- Blaenau Gwent – Tanya Evans
- Neath Port Talbot – Keri Warren
- Monmouthshire – Jane Rodgers
- Ceredigion – Donna Pritchard / Sian Howys
- All Wales Heads of Children’s Services Group (meeting)
- Calon Cymru - Joe Rhys Jones
- Barnardo’s – Sarah Crawley
- National Adoption Service – Suzanne Griffiths
- 4Cs – Karen Benjamin
- St David’s Children Society – Jason Baker
- National Commissioning Board (meeting)
- Bruce McLernon, Chair, National Providers Forum
- Third sector organisations (meeting) (hosted by Age Alliance Wales)

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