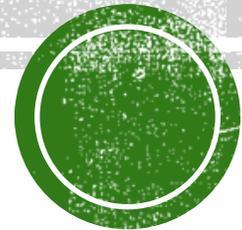


The Story So Far: Commissioning Children's Homes and What Comes Next

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Once upon a time



Stories

Stories help us to Connect, Trust, Learn, Reflect, Adapt and Change.

**For Children in care,
Stories enable stability and stability enables stories**

Knowing a story helps shapes a future.

Commissioning: Children's Homes and what comes next.

The Story so Far..



About me..

- Background and experience
- Working directly in residential care
- Local authority placements and commissioning
- South West Regional role
- Independent Consultant
 - Research / Projects (IPC – sufficiency guidance PO's, consortia & residential, RIP)
 - Regulation 44 / Contracting support / Investigations / complaints / staff welfare reviews etc
 - Work in the fostering sector (Regional Partnership meetings & longitudinal national contracting overview)

Over 25 years working across children's services, with a focus on commissioning, contracting and service development for children in care.



About you...

- Homes in the South West?
- Homes in other regions?
- Fostering? Supported Accommodation?
- Time working within the children's homes sector
- Experience of working in a local authority
 - Experience of working in commissioning or contracting?
- On which contracts
 - Peninsula
 - South West
 - South Central
 - Off Framework



What is Commissioning? (CSP version)

“The strategic, cyclical process of planning, purchasing, and monitoring children’s homes to ensure they effectively meet the needs of children and young people. The ultimate goal is of improving their outcomes and well-being. It is more than just procurement; it involves a whole system approach to design services, whether they are provided in-house or by external partners.”

The What? Where? When? For Whom? How? Make or Buy? To Partner? Expand? Reduce?

- Transactional – ‘DO TO’.
- Relational – ‘DO WITH



The Changing Use of Residential Care in the UK



The Three Eras of Residential Care



- Large care homes
- Over 40% of children in care in group settings

- Focus on family-based foster care
- Few children in group care

- Majority of homes run by private providers
- Rising number of children in small children's homes



Contracting arrangements...

- 1980's & 1990's - Res care declined and foster care grew, A view that children's homes would be a **temporary need** (Fostering started to change)
- Low appetite in investing in residential care
- 1990's - activity re fees and terms.
- Demand for small homes. (Bowlby / one at a time / temporary and no alternative)
- Late 90's property boom
- Prices rapidly increased
- Formal Last Resort Policies. Funding Panels.
- Finding and arranging a placement was an increasing headache.

We certainly couldn't live without this!



Local Authorities started to take control

Late 90's & early 2000's - Regional differences

Late 90's - South West Region – Rumwell Group (first consortia?)

Pan London Contract

CCRAG

2000 – onwards – More consortia terms / contracts began to emerge. Impact on home size.

2003 – National Contracts Steering Group (NCSG) formed.

2005 – SW Terms & Conditions created – available to all LAs

2006 - Public Contracts Regs 2006 – Procured Frameworks

2007 – National Children's Home Contract– SW work was instrumental in this.

2008 – 1st National Fostering Contract.

(By now the full suite existed.. The national contracts or local/regional versions were common)



2007 - Death of Baby Peter – impact on res care.

2008 – 2011 – South West RIEP – CCSU.

2010 – Sufficiency Duty (Largely influenced by NW picture)

2010 – DCSF became the DfE – Significant shift .. ECM went. Education focus

2011 – RIEP ended (and regional support)

2014 – NCSG reformed voluntarily, recognising need for ongoing oversight.

2015 – DfE Funded Project to review national contracts. Unsuccessful (reasons)

2017-2019 – Some SW LAs moved to join South Central

2020 – South West Sufficiency Project & MPS



Spring 2020 –NCSG restarted

Autumn 2020 –Unsuccessful request ADCS, LGA, DFE & Minister for support to review national contracts.

2023 – SW - RCC Pathfinder bid (unsuccessful)

2023 – On behalf of NAFP & LAs, I led a successful joint review of National Fostering Contract. (Even managed an agreed uplift clause!)

2025 – South West Sufficiency Strategy

2026 – Work commences on developing a new South West Framework Contract

2026 – Anticipated bid to become a RCC.

HOWEVER – The ‘Last Resort’ policy has remained throughout.



The impact of 'Last Resort'

The last resort policy results in **sequential sourcing**.

'Last resort' placements – rushed, high cost, A vague purpose

"A temporary solo crisis placement to keep Aaron safe"

"A short term arrangement whilst a permanent plan is agreed"

"A four week placement on a 'rolling' contract"



Significant contributor to High staff turnover: Where is the job satisfaction for staff?

Do providers focus on developing the services needed or the services sought (if different)?

- The planned intentional, healing, therapeutic services that children (including young children) need?
- Short term, emergency, purpose vague, reactive, 'holding' residential services?



The core issue is not residential care itself — it is the commissioning model. The “last resort” approach structurally prevents residential care from doing the job it is designed to do.

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



The 2015 Judicial Review

Section 22c – Most Appropriate Placement.

The High Court rejected the argument that local authorities should search every possible placement address within a specific category to identify the MAP.

The Court confirmed that:

- “Most appropriate placement available” refers to identifying the most appropriate **TYPE** of placement for the child’s needs, not locating a specific physical address.

In practice this means:

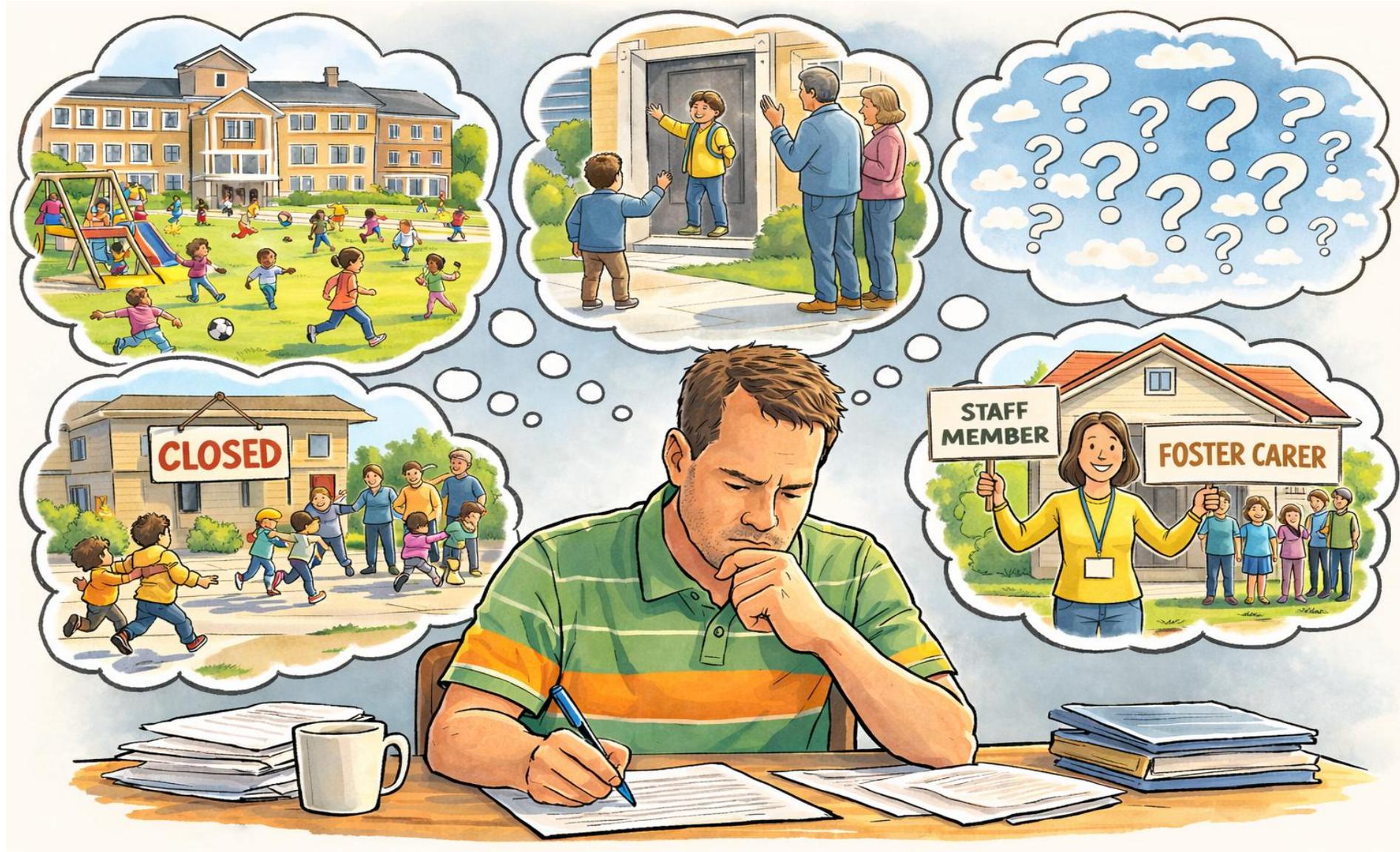
1. The local authority assesses the child’s needs
2. **Determines what type of care best meets the individual child’s needs**
3. Then looks for a placement within that type

- The duty is therefore about intervention choice, not a search exercise.

Consider the implications for Sufficiency plans and placement procedures.



What will the future look like?



Government..	What IS happening	What could happen
<p>Currently an unclear policy on children's homes. (Due to respond to the PAC report on children's homes.)</p> <p>Sees early intervention and fostering as the main solution</p> <p>Anticipate sufficient foster care will significantly reduce the use of residential care</p> <p>Aims to rebalance the market – with fewer for profit providers and more LA or not for profit providers.</p>	<p>SS policies - Increase in last resort / crisis / unregistered placements</p> <p>Consequence - Rapid growth of small homes</p> <p>Inexperienced new providers (poor stability, low quality)</p> <p>Escalating spend.</p> <p>Pressures putting relationships under greater strain</p> <p>Unrecognised impact of plans for Staying Put.</p> <p>Greater investment in 'procurement' approaches – A counter productive impact.</p> <p>Narrative – (Res vs Fost)</p>	<p>RCCs struggle to secure sufficient & specific foster carers.</p> <p>Early intervention strategies have limited impact.</p> <p>The UK starts to review its use of residential care. (looking at models in other countries)</p> <p>Risks associated with some small homes – lead to intentional commissioning of larger homes for children with lower needs.</p> <p>Will we see the return of Therapeutic communities?</p> <p>Hybrid fostering & residential care models?</p> <p>Could LAs become the dominant provider?</p> <p>Ongoing lack of clarity results in more emergency care with unknown risk. Current situation - left unaddressed – stability and spend worsens.</p> <p>Trust and relationships suffer – more scrutiny</p>

Increased cost scrutiny – The Drivers

- Duty to secure Best Value
- Rising & unmet need, constrained commissioning capacity **& know how**, leading to higher cost.
- Budget pressures
- To properly inform commissioning decisions / procurement design
- Concerns about profit levels and/or ‘profiteering’
- A lack of understanding regarding the true & increasing cost of care
- Confusion and assumption arising from using weekly ‘averages’
- Flawed cost comparisons contributing to distrust of external providers
- Influence of a negative narrative



Stages for submitting / negotiating fees*.

1. When bidding to join a framework contract.
2. Confirming the fee at point of placement (on a framework)
3. Negotiating a fee outside of a framework contract.
4. Reviewing a fee due to a change in need or circumstance
5. Determining a fair annual fee uplift.

(Not covered – but to be aware of.. other arrangements such as block arrangements, cost & volume – potential to see a greater focus on these as RCCs develop)

**Each of these stages are worth investing time in understanding and planning for.*



Fee Breakdowns

Expectation

Left brain expression (Academic)

- detail oriented (Looks at parts)
- Logical
- Sequential
- Rational
- math and science can comprehend
- Analytical
- Objective
- uses logic
- facts rule
- words and language
- present and past
- knowing
- acknowledges
- knows object name
- reality based
- forms strategies
- order/pattern perception
- practical/planned
- safe
- cautious

Right brain expression (Creative)

- 'big picture' oriented (Looks at wholes)
- Random
- Intuitive
- Holistic
- philosophy & spiritualism can 'get it' (the meaning)
- Synthesizing
- Subjective
- uses feeling
- imagination rules
- symbols and images
- present and future
- believes
- appreciates
- knows object function
- fantasy based
- presents possibilities
- spatial perception
- impetuous/spontaneous
- adventurous
- carefree/risk taking

Illustration by: VaXzine

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Reality



The proposed South West Framework

ENGAGE AND CONTRIBUTE

- Be bold in asking for high quality, well organised consultation & communication. Know the full project plan.
- Provider representation at board level - can share what works well and ensure vital messages are heard
- Needs to be wider than Lots and Specifications - Ask for a focus on ALL TERMS (including call off arrangements).
- Promote a culture of coproduced contracts. (See the TT example)
- Help local authorities understand what creates risk and how this impacts on fees
- Offer constructive feedback – suggest reasonable, fair and workable alternatives.
 - How would YOU design the framework? Can SW providers take a proposal forward?
- Challenge the vague.
- Use any clarification process for BOTH questions and for submitting observations (drawing attention to risk)
- Know the plans for commissioning foster care and views from independent IFAs- consider the impact.
- **Of most importance: HOW will each local authority determine the most appropriate TYPE of placement for each child?**



Table Discussions

- 1. What chapters / version of the story would you add?
- 2. The Future - What picture would you put in the blue sky bubble?
- 3. What were your key 'take aways' from the presentation
- 4. What support do you think SW providers may need over the coming year?

