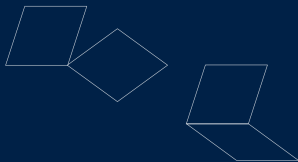




Outsourcing and performance of children's social care services: a longitudinal analysis of English providers and local authorities

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Children's social care provision in England

Background on service provision



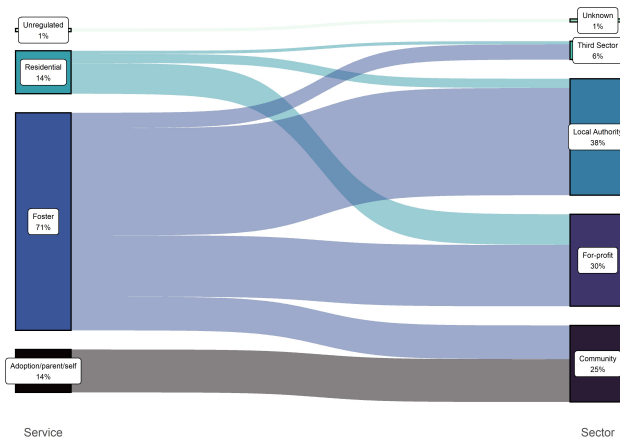
- ▶ Around 80,000 children in care in England;
 - ▶ Research shows an increase in children in need related to austerity cuts and levels of deprivation;
- ▶ 70% children in Foster care, 15% children in Residential care;
- ▶ Residential and foster care services provided in a mixed-market of public, for-profit and non-profit providers;
- ▶ But no previous evidence about the quality differentials in the different sectors.

Make-up of children's social care market

Sankey Diagram



80,000 Children in Care by Service and Sector



"The evidence from regulatory inspections gives us no reason to believe that private provision is of lower quality, on average, than local authority provision." - Competition and Market Authority, 2022

"Social care and early years provision is provided in large part by private companies, operating in a 'market'. The bigger players in these markets are steadily swallowing the smaller ones. While this does not seem to be currently affecting quality, it is clear that in some cases there are not enough places suitable to meet the needs of all vulnerable children in social care." - Ofsted, 2020

Ownership status and quality provision

Why might this matter for service users?

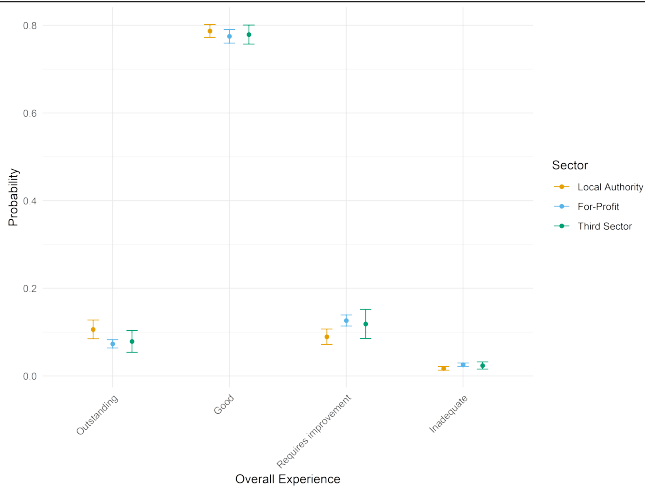


- ▶ Different staffing practices in children's homes in England (DfE, 2015);
 - ▶ For-profit providers staff working longer, being paid less and lower qualified on average.
 - ▶ For-profit homes have fewer staff per available bed
- ▶ Evidence of a 'for-profit gap' in quality from other sectors including adult social care and healthcare in different international contexts;
 - ▶ But is children's social care different? Does it require the access to varied services to best suit the children's needs?;

- ▶ RQ: Do public, for-profit and third-sector providers deliver different quality of children's social care services?;
- ▶ Data: Regulator inspections results (n=14,000, time period = 2014-2021);
 - ▶ Overall Ratings: 'Outstanding', 'Good', 'Requires improvement' or 'Inadequate';
 - ▶ Legal Requirements: ie. 'The protection of children standard is that children are protected from harm and enabled to keep themselves safe.'
 - ▶ Ofsted Recommendations: ie. 'Ensure that a record that the child has talked about their feelings following an incident of restraint is made no longer than five days after the incident...'
- ▶ Methods: Ordinal multivariate regression.

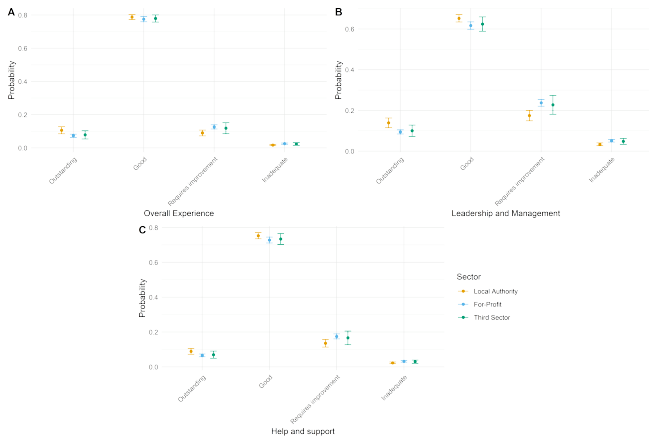
Findings

Regression results



Findings

Regression results



Findings

Regression results



| | <i>Dependent variable:</i> | | | | | | | |
|------------------------------|-----------------------------|----------------------|---|--------------------|-----------------------------|----------------------|---|----------------------|
| | Number of Requirements | | Requirement Binary | | Number of Recommendations | | Recommendation Binary | |
| | <i>linear mixed-effects</i> | | <i>generalized linear mixed-effects</i> | | <i>linear mixed-effects</i> | | <i>generalized linear mixed-effects</i> | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| For-Profit [Local Authority] | 0.353*** (0.072) | 0.380*** (0.099) | 1.305*** (0.095) | 1.442** (0.166) | 0.286** (0.110) | 0.391*** (0.076) | 1.197** (0.079) | 1.529*** (0.001) |
| Voluntary [Local Authority] | 0.156 (0.119) | 0.270 (0.161) | 0.998 (0.119) | 1.069 (0.199) | 0.579** (0.182) | 0.382** (0.123) | 1.339** (0.148) | 1.455*** (0.001) |
| Age (months) | | -0.002*** (0.001) | | 0.999* (0.001) | | 0.001*** (0.0004) | | 1.001*** (0.0002) |
| Chain size | | -0.003** (0.001) | | 0.999 (0.001) | | -0.001 (0.001) | | 0.997*** (0.0004) |
| Places (n) | | 0.054*** (0.015) | | 1.019 (0.018) | | 0.024* (0.012) | | 1.023*** (0.0005) |
| Year Fixed Effects | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Provider Random Effects | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Observations | 14,397 | 7,410 | 14,397 | 7,410 | 14,397 | 7,410 | 14,397 | 7,410 |
| Log Likelihood | -34,044.160 | -17,107.440 | -6,895.233 | -3,785.300 | -40,912.020 | -15,760.940 | -7,064.801 | -4,044.506 |
| Akaike Inf. Crit. | 68,112.310 | 34,238.870 | 13,812.470 | 7,592.601 | 81,848.040 | 31,545.880 | 14,151.600 | 8,111.012 |
| Bayesian Inf. Crit. | 68,203.210 | 34,321.800 | 13,895.790 | 7,668.617 | 81,938.940 | 31,628.800 | 14,234.920 | 8,187.029 |

Note:

. p|0.1; * p|0.05; ** p|0.01; *** p|0.001

Table reports results from random effects regressions.

Models 1, 3, 5 and 7 include Children's homes and fostering agencies; Models 2, 4, 6 and 8 include only children's homes

Providers run by Health Authorities have been recategorised as 'Local Authority' run

Analysis is of 'full inspection' results only.

- ▶ Evidence across a number of domains that for-profit, and sometimes third sector, children's social care providers deliver a worse quality service;
- ▶ Challenges some of the policy actors claiming otherwise
- ▶ Limitations are that we do not know that the children's homes are delivering comparable services or serving comparable users. So we cannot be sure, with this evidence, that an alternative provision make-up would provide better services.

▶ Aggregate effects of commissioning services



| | (1) | (2) | (3) | (4) |
|----------------------------|--------------------|--------------------|-------------------|--------------------|
| For-profit Outsourcing (%) | 0.947** (0.019) | 0.943** (0.018) | 0.956* (0.020) | 0.944** (0.020) |
| Num.Obs. | 126 | 126 | 126 | 126 |
| AIC | 301.2 | 298.9 | 269.7 | 267.2 |
| BIC | 352.3 | 350.0 | 320.8 | 318.2 |
| RMSE | 2.21 | 2.36 | 2.00 | 2.17 |
| Controls | Yes | Yes | Yes | Yes |

+ p < 0.1, * p < 0.05, ** p < 0.01, *** p < 0.001

▶ Other measures for quality/ mechanistic data

- ▶ Understanding roles of workforce, regulation and organisational behaviour in mediating our findings
- ▶ How do these findings play out given the context of austerity and increase numbers of children in care?

- ▶ England's marketised children's social care services has resulted in a largely for-profit provision of residential care.
- ▶ For-profit providers are reported by the independent regulator to deliver a worse quality of service for children in care.
- ▶ There is some evidence to suggest that this is true at an aggregate commissioner level too.