(1)Plan for paper on “The Inequitable Hand: how private sector markets fail children in care”.

**Background**

* Sufficiency is failing children in care: more out of area and unregistered placements being used.
* The model of an outsourced market of providers isn’t sufficient.
* We answer why it is not working, exploiting regional variation in data.
* And are LA’s the solution?

**Set up/ theory**

* Markets are supposed to respond to need.
* They follow the money, react to consumers, and are better (!) than planned state systems.
* **But for children in care local need is not being satisfied.**
* And others suggest that financial motives do not align with need well enough for the market to respond to need.
* So, either, a) there isn’t enough private investment, or, b) private investment is not working – …do we need more market or less?

**If the market is working, and we just need more… we should see:**

Local need satisfied, just not enough…

Funding made available for Local Authorities

Local need

Services procured by LA.

More placements made available.

LA market shaping/ private sector investment

**If the market is not working and we need to burn it to the ground… we should see:**

Local need exploited.

Funding made available for Local Authorities

Local need

Services procured by LA elsewhere.

Financial determinants

More placements made available away from area.

private sector investment in wrong.

**RQ1: Does private market investment respond to need or costs?  
RQ2: Does the public sector do a better job?  
RQ3: Does this matter for quality of care?**

**Theoretical estimands:**

1. The number of private sector providers opening children’s homes according to the previous’ years need vs house prices.
2. The number of private sector providers opening children’s homes according to the previous’ years need vs house prices.
3. The number of children placed locally according to openings in previous year.

**Descriptives**

A graph with a line

Description automatically generated with medium confidence

**RQ 1: Does private market investment respond to need or costs?**

**Background:**

* RQ: Do markets respond to need or $$$?
  + Answer is obviously “but ‘need’ should equate to $$$ in a functioning market”
    - But what if it doesn’t…
    - And it fucking well doesn’t…
* Context: National market, children sent a long distance, market has been drowning with gross money incentives, austerity.
* Framing: Children are not commodities – here is why it matters.

**Analysis 1:**

* Are the areas with the most ‘need’ also the ones with the biggest problems? Is the market providing? Descriptive stats on need and sufficiency:
  + Variation in proportion of CLA by LA over time.
  + Children homes vs fostering ratio.
    - Or ratio children in need/ LAC

**Suggested analysis 2:**

* How does this relate to:
  + Children placed out of area.
  + Unregulated placement usage.

**Analysis 3 (maybe):**

* Is the market responding to need? Regression analysis of:
  + Providers opening in the right/wrong place.
    - Closure/openings ~ changes in CLA over time.
    - Closure/openings~ Unregulated placement usage (local need)
    - Closure/openings ~ Children placed out of area (local need)
    - Closure/openings ~ House prices
  + Providers offering the right/ wrong types of services.
    - New provider specialisms ~ change in type of need
    - Foster vs children’s homes
  + Providers accepting/ denying children care.
    - Reasons for end in placements by ownership

**Analysis 3:**

* Does the commodity suffer? Regression analysis of:
  + Local sufficiency -> quality of placement -> missing incidents

**Discussion:**

* Why does it matter? We know the market is failing but is the answer just to make the market freer?... maybe not…
* Solution = a) make care pay or b) burn the market to the ground