**Has the market failed children in care? A longitudinal analysis of unregulated placements for children in care in England.**

Benjamin Goodair, Anders Bach-Mortensen, Adrienne McManus

**Abstract:**

**Background**

Children in care in England are increasingly subjected to unregulated placements without protected standards or availability of care – with asylum seeking children largely affected. A mixed market of majorly private sector provision is supposed to deliver sufficient placements to avoid these often-illegal practices – ultimately protecting children from potential harm. We aim to examine whether variation in market provision impacts levels of unregulated care experienced by children in care.

**Methods**

In this observational study of 152 local authorities in England, we analyse novel data shared by the Department for Education on the number of unregulated placements for children in care between 2019-2023 (n = 32,105). We combine this with two key measures of market availability: the number of children’s home places, and the percent of children able to be placed locally. Using pooled regression models and controlling for a range of confounding factors including the number of children in care, we estimated the association of levels of provider availability with the number of children placed in unregulated care. Our primary outcome was the annual number of children in care placed in unregulated settings at the Local Authority level.

**Findings**

We find that, for areas with low levels of asylum-seeking children in care, better placement availability does correspond with fewer children in unregulated placements. For areas with high levels of asylum-seeking children we see the opposite relationship.

**Interpretation**

Our results highlight two distinctly important conclusions. First, where the free market is not providing adequate services, children can be more likely to be placed in unregulated care. Second, the transfer of unaccompanied asylum-seeking children to local authorities

**Introduction**

Children’s social services have the vital job of protecting children from exploitation, abuse and criminalisation – experiences which are substantially more common for children in care than children without care experience (cite). One-way children in care are intended to be protected by social services is by giving them a residence with a registered caregiver. Children are placed, often without their input, with children’s homes, foster families, or community settings (often family members). However, over the last decade, the number of children who have not had access to such settings in England has risen year on year (cite). Raising the crucial question of why the system is failing to provide regulated care settings for children – risking their health, safety, and wellbeing in the process.

What happens to children in these situations? Qualitative accounts inform us of children sent to caravan parks, hostels, bedsits, campsites – without access to regular care and living in precarious situations. Indeed, reports include children xxx. It is for these reasons that the practice of using unregulated services has been incrementally outlawed in England for children in care over the last 5 years. And so it is against the legal requirement that unregulated placements are rising. An investigation as to why they are increasing is then of vital importance for the wellbeing of children in care.

Meanwhile, the means of providing children’s social care settings has drastically changed in England over the last 30 years. Local Authorities’ responsibility has shifted from being primarily responsible for providing care services - to acting as a commissioner, purchasing services from a competing pool of privately and publicly owned providers (self-cite). Children’s homes are now largely run by for-profit companies, while (privately owned) Independent Fostering Agencies deliver xx% of foster placements (cite). The outsourcing of services to the private sector has displaced public provision – which is declining year on year.

Previous studies have found this transition to for-profit provision has resulted in worse quality services and worse placement outcomes – with children increasingly sent long distances from their home to receive care. However, little is known about the impact on the most dramatic result from insufficient levels of services – when there are no registered providers available at all. This gap in evidence is what we aim to fill – to answer if the shit to for-profit provision has worsened the extent of unregulated care, and whether areas which have maintained publicly owned services have protected children from risks associated with unregulated care.

**Methods**

We show A) locally available provision is key to keeping unregulated placements down. B) that it’s still… and even especially important in areas with lots of asylum seeking children.

**Findings**

**Figure 1: the rise of unregulated placements for children in care**

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**Table 1: Relationship between placement availability and unregulated placements**

|  | **Unregulated Placements [.95 ci]** | **p-value** | **Unregulated Placements [.95 ci]** | **p-value** | **Unregulated Placements [.95 ci]** | **p-value** | **Unregulated Placements [.95 ci]** | **p-value** | **Unregulated Placements [.95 ci]** | **p-value** | **Unregulated Placements [.95 ci]** | **p-value** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Children's homes places (n) |  |  |  |  |  |  | 0.0252 [-0.1106, 0.1610] | 0.7232 | -0.1126 [-0.1664, -0.0588] | 0.0062 | -0.1297 [-0.1950, -0.0643] | 0.0092 |
| Inside area placements (%) | -0.3406 [-0.5050, -0.1763] | 0.0003 | -0.3974 [-0.7555, -0.0394] | 0.0391 | -0.5657 [-0.8483, -0.2831] | 0.0003 |  |  |  |  |  |  |
| Asylum-seeking children (%) |  |  | -0.4096 [-2.4011, 1.5819] | 0.7045 | -2.7315 [-3.9770, -1.4861] | 0.0019 |  |  | 1.2418 [0.5438, 1.9397] | 0.0018 | 0.4426 [-0.3695, 1.2547] | 0.2950 |
| Children in care (n) | 0.0955 [0.0690, 0.1221] | <1e-04 | 0.0932 [0.0765, 0.1099] | <1e-04 | 0.0935 [0.0815, 0.1056] | <1e-04 | 0.0852 [0.0684, 0.1020] | <1e-04 | 0.0803 [0.0668, 0.0938] | <1e-04 | 0.0848 [0.0736, 0.0961] | <1e-04 |
| Residential placements (%) |  |  |  |  | 1.1953 [0.5114, 1.8791] | 0.0015 |  |  |  |  | 0.9466 [0.3970, 1.4962] | 0.0018 |
| In area:Asylum interaction |  |  | 0.0754 [0.0195, 0.1313] | 0.0355 | 0.1034 [0.0657, 0.1412] | 0.0003 |  |  |  |  |  |  |
| Home places:Asylum interaction |  |  |  |  |  |  |  |  | 0.0282 [0.0239, 0.0325] | 0.0002 | 0.0289 [0.0241, 0.0338] | 0.0002 |
| Num.Obs. | 667 | 667 | 592 | 592 | 587 | 587 | 664 | 664 | 588 | 588 | 588 | 588 |
| R2 | 0.576 | 0.576 | 0.794 | 0.794 | 0.845 | 0.845 | 0.570 | 0.570 | 0.861 | 0.861 | 0.895 | 0.895 |
| R2 Adj. | 0.575 | 0.575 | 0.793 | 0.793 | 0.842 | 0.842 | 0.569 | 0.569 | 0.860 | 0.860 | 0.893 | 0.893 |
| AIC | 6314.6 | 6314.6 | 5211.5 | 5211.5 | 5023.7 | 5023.7 | 6300.8 | 6300.8 | 4950.2 | 4950.2 | 4801.8 | 4801.8 |
| BIC | 6332.6 | 6332.6 | 5237.8 | 5237.8 | 5089.3 | 5089.3 | 6318.8 | 6318.8 | 4976.4 | 4976.4 | 4867.5 | 4867.5 |
| RMSE | 27.35 | 27.35 | 19.54 | 19.54 | 17.02 | 17.02 | 27.65 | 27.65 | 16.12 | 16.12 | 14.00 | 14.00 |
| Regional Fixed Effects | No | No | No | No | Yes | Yes | No | No | No | No | Yes | Yes |
| Clustered Standard Errors | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Table reports results from multivariate pooled regression models. | | | | | | | | | | | | |
| Robust SEs are clustered at LA level and use a bias-reduced linearization estimator (CR2) | | | | | | | | | | | | |