

Competition and Markets Authority review of children's services

The Competition and Markets Authority (CMA) launched an investigation into the children's social care market in England, Scotland and Wales to determine whether any matters in relation to the supply of those services has or may have effects adverse to the interests of children in care.

22 March 2021

The Competition and Markets Authority (CMA) launched an investigation on 12th March into the children's social care market (accommodation for looked-after children and associated care and support and fostering services for looked-after services) in England, Scotland and Wales to determine whether any matters in relation to the supply of those services has or may have effects adverse to the interests of children in care. The study will not cover secure children's homes or residential schools. The study will examine the lack of availability and increasing costs in children's social care provision which could be putting pressure on the ability of local authorities to provide the appropriate care. This is a similar process to the one that led to the introduction of guidance for care homes and, imminently, for fertility services although those reviews focussed on the patient as a consumer and therefore provided guidance on the application of consumer law.

Andrea Coscelli, CEO of the CMA said *"The CMA is in a unique position to use its powers to look into this. But children's care is not a market like any other - our clear and overriding priority will be about identifying ways children can get better care. This will include examining the concerns raised about the role of private sector providers, which has grown in the last few years, as well as the role of public and third sector providers."*

It seems to arise out of a concern that the growing involvement of private investors in the sector is negatively affecting availability of places and prices, apparently following concerns raised by the Local Government Association, who have also highlighted a lack of diversity in providers, partly due to barriers to entry and partly due to commissioning practices. Recent consolidation of the market is also perceived to have impacted the sector.

The CMA will look at how well the current system of provision is working across England, Scotland and Wales and explore how it could be made to work better. In particular, it will look into:

1. the supply of placements, including whether the current balance of local authority, private sector and third sector provision is working well for children and local authorities;
2. prices charged by providers and variation between prices paid for similar types of placement, with increasing prices potentially putting pressure on local authority budgets;
3. the way commissioning of places is carried out, and whether local authorities could be more effective in securing appropriate placements for children; and
4. the environment for investing in the system to ensure sufficient appropriate places are available for all children who need them in the future, and whether any measures should be taken to improve this

The CMA is inviting comments by 14 April 2021 from interested parties including local authorities, looked-after children and providers. The invitation to comment can be found [here](#). If the CMA proposes to make a market investigation reference or if a representation has been made to the CMA that such a reference should be made but the CMA proposes not to make one, the CMA will publish a notice of that proposal and begin the process of consultation no later than 11 September 2021. The CMA will publish its market study report setting out its findings and any action it proposes to take no later than 22 March 2022.

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