

# Opportunities for private children's services to engage with Regional Care Cooperatives

27 November 2024

There has been a lot of unhelpful publicity in November 2024 following announcement of government plans to bring in measures to prevent companies making “excessive profits”.

The last 30 years have seen a significant shift away from local authority management in children's homes to an extent driven by a series of abuse scandals and by a positive desire to enable children to be brought up in family (if necessary extended family) settings.

In that context, local authorities could not continue to invest in their own provision and instead turned to privately run children's homes. The change in approach was so sharp that the number of places in council run children's homes in England has fallen by one-third since 2012.

On 18 November 2024, the Education Secretary, Bridget Phillipson, introduced the biggest overhaul of children's social care in a generation. That overhaul will include seeking a level of financial transparency with key providers. There has also been an announcement of further funding including investment in preventative services and new powers for Ofsted to investigate multiple homes being run by the same company.

These announcements run parallel to the setting up of pathfinder Regional Care Cooperatives (RCCs). Bids were invited and two successful regions were Greater Manchester and the South East.

As part of pathfinder processes, it is likely these regions will be wanting to engage with private and third sector organisations to explore:

- A feasibility study exploring the potential for developing a resource to support an increase in registered managers and skilled residential staff.
- Finding (and planning for) suitable affordable property in the locations where children's placements are needed.
- Procuring block (and soft block) contracts for private local residential and fostering services.

Just as these pathfinder Regional Care Cooperatives will look to shape the market, so opportunities arise for the market to front up to the challenges that are common to all sectors. These include the risk of potential provider collapse within the largest providers and the fact that there simply is an undersupply of the services that are needed for children and young people with the most complex needs.

We are always impressed by the generally held belief amongst our clients that care businesses can be founded on ethical principles working in partnership with central and local government on society's biggest issues serving all stakeholders including service users, employees and the wider society. Pathfinder RCCs are a great opportunity for that partnership working and service design.

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## Related expertise

### Services

Children's services

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