KEY MESSAGES

- Unregulated provision is accommodation for young people aged 16 and over who need support to live independently, but do not need full time care. Where unregulated provision is of high quality, it can provide important flexibility and support young people towards independence. Unregulated provision must not be confused with unregistered provision, which is illegal.

- Councils, as corporate parents, have a responsibility to ensure that any placement is safe and suited to the needs of the individual young person. Councils will use a variety of methods to ensure the quality of unregulated provision, including putting in place support plans for young people.

- We are concerned by recent reports around some unregulated provision, in particular increasing issues about the vulnerability of young people in unregulated accommodation to organised crime, including county lines. Where a child is considered particularly vulnerable, support plans should balance any risks posed to the young person with the need to ensure they are able to live a ‘normal’ life. This is especially true of older children.

- Year-on-year increases in the number of children entering the care system means services are under significant and increasing pressure. While unregulated settings are the right accommodation for some young people, rising use is partly driven by shortfalls in places in registered children’s homes, often for young people with more complex needs.

- Financial pressures on children services are limiting council’s efforts to develop and maintain the right provision locally. It can mean they are forced to place children out of area or in placements that are not best suited to their needs.

- Providers of unregulated accommodation should work with councils, the police and other partners to ensure the safety and wellbeing of young people in their setting. We welcome calls for increased expectations around the delivery of provider services. While full regulation could limit flexibility, clear standards and transparency would support councils and providers to work together to meet the needs of young people.
BACKGROUND INFORMATION

Unregulated settings

Unregulated provision is accommodation for young people aged 16 and over who need support to live independently, but do not need full time care. These settings, unlike children’s homes, are not inspected by Ofsted, but as corporate parents, councils have a responsibility to ensure that these settings are safe and suitable for the young person being placed there.

Unregulated settings should not be confused with unregistered settings, which are operating illegally. Unregistered settings are those which provide full time care and as a result should be registered with Ofsted.

Most unregulated provision is supported accommodation, where young people are visited regularly as they move towards independence. Unregulated provision is appropriate to meet the needs of some young people where a suitable support plan is in place to ensure they get the help needed, even where full time care is not required. Where unregulated provision is of high quality, this can provide important flexibility and allow local authorities to meet the needs of young people as they support them towards independence.

Ofsted guidance¹ suggests the following situations in which premises do not need to be registered:

- A provider has a registered children’s home and operates an outreach service at different premises. This is provided solely for the children living in the children’s home. The premises used for the outreach service does not require a separate registration. This is because the children have a permanent bed in the children’s home. They stay in the outreach premises for a fixed amount of time for focused work, for example to help move to independence or to work through specific issues.
- A provider owns a number of establishments, all of which apart from one are registered as children’s homes. The unregistered establishment is used solely for holiday accommodation for children on a rotational basis. If the provider then chooses to use the holiday accommodation for care and accommodation other than a holiday, this establishment may require registration.
- A local authority is providing care and accommodation for refugees and asylum seekers. The primary purpose of this is to assess their ages to determine what service the child/adult is entitled to. This will ensure that adults posing as children are not placed with children, and so registration is not required.

Concerns about unregulated provision

Councils will use a variety of methods to ensure the quality of unregulated provision and its suitability for individual young people, including audits of staff DBS checks, conducting unannounced visits and putting in place support plans around children in consultation with providers and partners.

We are concerned by recent reports around some unregulated provision, in
particular increasing issues about the vulnerability of young people in unregulated accommodation to organised crime, including county lines.

Where a child is considered particularly vulnerable to exploitation, their care plan will outline support needed to minimise these risks. This support will need to balance the risks posed to the child or young person with the need to ensure they are able to live a “normal” life. This is particularly the case for older children, where increasing independence is an important part of the transition to adulthood.

It is vital that providers take their responsibilities towards young people seriously. We welcome calls for increased expectations around the delivery of their services. While full regulation could limit the flexibility of provision, clear standards and transparency would support councils and providers to work together to meet the needs of young people.

It is also essential that all partners are fully engaged in work to ensure the safety and wellbeing of young people in unregulated settings. Councils, the police and health bodies have joint responsibilities under the Children and Social Work Act 2017 to work together to safeguard and promote the wellbeing of children in their area. These new arrangements came into operation in September 2019, replacing Local Safeguarding Children Boards.

We would encourage close monitoring of these by government to ensure that all they are working effectively. This includes ensuring that all partners are playing a full part, from seniority of representation to equitable financial contributions, alongside the engagement of non-statutory partners such as schools, to ensure a holistic approach to safeguarding all young people. These bodies also need to work with unregulated settings in their areas to safeguard young people staying in these.

**Pressures on placements**

We are also concerned about the use of unregulated provision where this is used in a crisis because no other accommodation is available, rather than as part of a considered, planned move. Year-on-year increases in the number of children entering the care system is making it increasingly difficult for councils to find appropriate placements for children, particularly within residential care and in their own areas.

The total number of looked after children reached a new high of 75,420 in 2017/18, representing the biggest annual rise of children in care in eight years. An average of 88 children are now entering the care of local authorities every day.ii

Councils are particularly seeing this rise amongst older children. 20 per cent (13,730) were aged 16 or over in 2016, compared to 23 per cent (17,330) in 2018. Older children are more likely to be placed in children’s homes, with just over three quarters of children in children’s homes aged between 14 and 17iii. This rise in the proportion of older children may be one driver of rising need for residential accommodation. The proportion of looked-after children overall in residential accommodation rose by two per cent between 2013 and 2018, from 9 to 11 per cent.iv
The vast majority of children’s homes are now run by private sector providers. While the number of children’s homes in England has increased by 135 over the last three years, the number of local authority-run homes decreased by 50 over the same period. Only around 28 per cent of children living in children’s homes now live in local authority accommodation, with 67 per cent in private sector homes and 5 per cent in voluntary sector accommodation. These private sector homes tend to be clustered in areas of cheaper accommodation. For example, London has only 6 per cent of all homes, while almost a quarter (24 per cent) are in the North East.

Young people placed in accommodation out of their own area, including unregulated, may face additional risks. Where children do not have family or other support networks in the area, they may be more susceptible to attention from other people of similar age as they try to establish new networks. They may also be less resilient to pressure from others to take part in activities such as drug taking or petty crime. This is often the gateway into more serious exploitation by gangs.

Some councils are attempting to address the disproportionate distribution of children’s homes by re-establishing their own provision within their boundaries, including Richmond, Hampshire and Hull. However, funding pressures, along with high property prices and housing shortages in many areas, make this very difficult.

Councils report particular difficulties placing young people with complex needs, which can result in unregulated accommodation being used in emergencies until a suitable registered placement is found. This is partially due to a significant shortfall in specialist inpatient mental health facilities for young people, and a lack of spaces in secure children’s homes.

In addition, some registered providers report concerns that supporting young people with complex needs could impact upon their Ofsted ratings, leading to them refusing to offer places, though we understand that Ofsted is working to tackle this.

**Funding Pressures**

Overall council spending on children’s social care amounted to almost £8.8 billion in 2017/18, an increase of 4.3 per cent (nearly £370 million) in one year. This increase is primarily driven by large increases in the number of children and young people in receipt of children’s social care services, and particularly those in receipt of targeted, statutory, child protection support.

This significant increase in demand for statutory child protection support has coincided with a reduction in government funding for councils, often forcing local authorities to make cuts to other services in order to continue providing support for the most vulnerable. LGA analysis demonstrates that children’s services will continue to face cost pressures to provide services at existing levels.

This pressure severely constrains the ability of councils to provide the levels of support for children in care that they would like to, or to invest in new provision including more registered children’s homes.
Government should use next year’s Spending Review to invest in children’s services, to ensure that young people are not only safe, but getting the best outcomes and living the lives they deserve to lead.

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iii Narey (2016) Independent review of children’s residential care

iv National statistics: Children looked after in England including adoption: 2017 to 2018

v Ofsted: Children’s social care data in England 2017 to 2018

vi Narey (2016) Independent review of children’s residential care

vii Ibid

viii https://www.richmond.gov.uk/services/children_and_family_care/new_childrens_home


x https://cmis.hullcc.gov.uk/CMIS/Document.ashx?czJKcaAi5tUFL1DTL2UE4zNRBoShgo=w2sUd4ThuEzTAlrdZ8jK2cz%27LG4gRbphLnzqzU%27brazqVhJe19tQ%3d%3d&UzwRPl%27bZzd4E7kn8Ly%3d%3d=pwRE6AGjFLDNih225F5QMqWQc8PHwdhuUZI%27LiUQZqA2uL39RG4dQ%3d%3d&mCTibCubSFJXsDG90VxLiqg%3d%3d=hFIIudN3100%3d&kCz1AnS9%27pWZQ4oDXFvdEw%3d%3d&hFIIudN3100%3d&wJovDwxw6MPoY%2bAjaV1y%3d%3d-ctNJFI55vVA%3d&FqPleIYlofS%27bYGoB5olA%3d%3d=NHdURQbhuA%3d&d9Qi0ao1Fz99jyOqFvmyB7X0CSQK=ctNJFI55vVA%3d&WGewmoAfeNR9xqBu01Q8Za60IayYmz=ctNJFI55vVA%3d

xi Local authority revenue expenditure and financing statistics: https://www.gov.uk/government/collections/local-authority-revenue-expenditure-and-financing