

Practice guide

Family Help & Children's Social Care

Reduction of unregistered, high cost and out of borough placements

Background, purpose & rationale

Between March 2020 and December 2023, Lancashire County Council (LCC), like most other local authorities in the country, was finding it increasingly difficult to find good quality, good value agency Ofsted registered children's homes for all children in care who needed one. More children were having to live in agency children's homes (*43% more in December 2023, compared to March 2020 – 204 children, compared to 143 in March 2020*) and costs charged by agency children's homes providers were spiralling (*average weekly cost paid by LCC increased by 44% between March 2020 to December 2023*). By December 2023, thirty-four children were living in a high-cost home (costing £7,500+ per week) and twenty of these homes were very high-cost (£9k+ per week). This resulted in the LCC spend on agency children's homes more than doubling (*from £29.9m to £62.7m*) between March 2020 to December 2023.

Alongside spiralling costs, it was proving difficult to find agency Ofsted registered homes prepared to care for all Lancashire children who required one, particularly those whose needs and behaviours were very complex. By December 2023, despite best efforts, a concerning number of Lancashire children were having to live in a children's home that was not registered with Ofsted.

Despite having significantly more children's homes in Lancashire than in any other local authority in England, too many children were needing to live outside of Lancashire as it had not been possible to find a suitable, local Ofsted registered home. In March 2023, 37% of Lancashire children who were living in an agency children home were living outside of Lancashire.

What we did to improve children's outcomes

As is so often the case, there has not been one single action that has led to this improvement. Instead, it has been a series of actions, described below.

- The establishment of clear, shared objectives across teams
- Strong relationships, clear processes and shared accountability have been embedded across teams
- Improved practice and planning, including crisis planning
- Improved Home Finding Processes
- Strategic approval required for same day and dual searches
- The introduction of Priority Searches and Home Finder Provider Forums
- Clear provider expectations and market shaping
- Better understanding of and confidence to challenge agency children's home fees

More detail on these activities is provided in this Good Practice Article produced by Lancashire, on the webpage of this guide.

What is the impact?

By 31 March 2025, LCC had halved the number of children who were living in a home that was not registered with Ofsted. The number of children living in a high-cost agency home (£7,500+ per week) had reduced by 45% and of those, the number living in very high-cost homes (£9k+) had reduced by 47%.

The average weekly cost of agency Ofsted registered children's home has been stabilised. Lancashire experienced only a 1.8% increase in the average weekly cost from December 2023 to March 2025, compared to a 13.9% increase across the North West region. Lancashire's average weekly costs have previously been largely in line with or slightly higher than the regional average. Had LCC not acted, and average costs had remained at regional levels, the spend on agency children's homes would have been £4m higher in 2024/25.

More Lancashire children in agency children's homes are now living in Lancashire (*73% in March 2025, up from 63% in March 2024*).

Resources

Sharing Good Practice Document (see webpage)

Find out more

If you would like to find out more about Lancashire's approach to stabilising spiralling agency children's home costs; reducing the number of children living in homes that are not registered with Ofsted; and supporting more children to live within the local authority, please contact annette.mcneil@lancashire.gov.uk.