

## SHARING GOOD PRACTICE – Lancashire County Council

### FOCUS:

- Stabilising spiralling agency children's home costs.
- Reducing the number of children in homes that are not registered with Ofsted.
- Supporting more children to live within the local authority.

### THE CHALLENGE

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 HAS BEEN ACHIEVED TO DATE

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

## **HOW HAVE WE DONE THIS?**

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**

This includes children's social care teams, in-house fostering and children's home teams, the Access to Resources Team (who find homes for children in care) and commissioning. Shared objectives include:

- increase in the number of children living in foster homes
- increase in the number of children being cared for by in-house foster carers and children's homes
- reduction in the number of children living in homes not registered with Ofsted
- reduction in the number of children living in high-cost homes
- reduction in the average weekly cost of agency children's homes

Data relating to performance of these objectives is shared monthly with senior leaders and teams. Consistent communication is given about what is required and expected, including the part each team plays in improving performance. Reduced performance is identified in a timely manner, which allows remedial actions to be considered and implemented without delay.

### **➤ Strong relationships, clear processes and shared accountability have been embedded across teams**

Representatives from children's social care teams, in-house fostering and children's home teams, the Access to Resources Team (ART) and commissioning meet on a regular basis and communicate daily. Each team understands their role and the contribution of other teams. This is supported by revised processes that are understood and embedded. For example, changes have been made to decision-making processes to make them more robust and transparent. Children's social care

teams are required to complete a decision-making form to seek approval for a child to move into a new home or to request additional funding, which requires input from the different teams. This includes the need to summarise how the home or additional funding will meet a child's needs and the alternatives that have been explored. This has helped to shift practice and thinking across all teams.

Representatives from children's social care, commissioning and in-house fostering and residential contribute to decision-making and scrutiny meetings about high-cost homes and children who are living in homes not registered with Ofsted. This shared accountability helps reinforce the importance that each team plays and further embeds the shared objectives that all teams are working towards. These meetings are chaired by the Director of Children's Social Care and are held on a very regular basis.

Initially a high-level of challenge was required at a senior level to reshape thinking (for example that care is not always the answer; or higher-cost homes do not necessarily mean that needs are better met). Over time, teams have learnt what answers are required at decision-making stage and this has influenced the questions that teams are now asking themselves prior to bringing a decision for approval. For example, consistent challenge was given by senior leaders at decision-making stage about the difference an extra staff member or bed-block would make to a provider's ability to be able to manage a child's behaviour. Children's social care teams, ART and commissioning now routinely explore this with providers ahead of seeking a decision, pushing back to providers themselves if they do not feel justification is strong enough. The strong, consistent approach has empowered teams to be more confident and creative when exploring what home or support would best meet a child's needs, rather than assuming that what the provider is asking for or offering is what is required.

#### ➤ **Improved practice and planning, including crisis planning**

A strong focus and priority has been given to improving social care practice, particularly care planning and crisis planning. There is now a high level of scrutiny and involvement of senior managers and Heads of Service in care planning discussions and decisions, which has created a greater consistency of approach and encouraged more confidence with managing higher levels of risk, through the adoption of 'we are all in this together' approach. This has led to the workforce feeling more confident to 'hold their nerve' when faced with demands from providers and/ or partners to take action which is not considered to be in a child's best interest, such as demands for a child's home to end, or a child to move from a hospital ward, before a suitable, regulated home has been secured. The workforce is regularly reminded that they have permission to slow things down and avoid making rushed decisions, safe in the knowledge that senior leaders support this approach.

Stability meetings are embedded into processes and there is a clear expectation that all steps must be taken, and all other options exhausted, before notice can be served. This includes children who are living in foster homes who are likely to move into a children's home if the home breakdowns. Fostering providers are encouraged to consider extra support to foster carers, through enhanced foster care commissioning arrangements, which has helped to reduce the number of children who are having to live in a children's home when their plan is one of foster care.

Pause and Reflect in-house foster carers have been introduced in Lancashire, for children who have a plan for fostering but a suitable foster home has not been able to be found in the timescales required. These foster care arrangements are time limited and enable a better understanding of need, evidence that a child can live successfully with foster carers and more time to search to find a suitable foster home.

Edge of care services have been reviewed and refocused to ensure that they are working with the right children at the right time to prevent entries into care. The edge of care services are used flexibly and often creatively to ensure that the likelihood of coming into care is reduced and unnecessary moves into children's homes are avoided.

Significant investment has been committed into expanding the number of children's homes operated by LCC, with a focus on developing homes for children that agency providers are reluctant to care for. Smarter use is being made of in-house provision, with children in unregistered and high-cost homes routinely considered and prioritised for in-house vacancies, which has contributed to the reduced number of unregistered and high-cost homes over the last twelve months.

### ➤ **Improved Home Finding Processes**

Ensuring children move to the right home that matches need is a high priority and focus throughout the home finding processes. The request for a home - known in Lancashire as the 'My Home My Place' (MHMP) request – has been revised and brings a child's strengths and home requirements to the fore from the outset. Careful consideration is given about what kind of home a child needs, and this is not just communicated in the MHMP request but also in any follow up discussions with providers.

The way the MHMP request is sent to providers has changed to remove any barriers to providers engaging. Previously, the requests were sent via an encrypted email portal which required providers to have to log into the portal to view the requests. Due to the high number of requests received daily, provider feedback was that they sometimes they did not have time to open the portal and consider requests from Lancashire, and some providers reported that they chose to never log onto the portal. Lancashire has now moved to an improved way of sending requests, which is still

encrypted but no longer requires providers to log into a separate portal. Almost immediately the number of expressions of interest and offers increased, including interest from providers that had previously chosen to not engage with requests.

Specialist teams have been created in the ART, which has enabled a greater knowledge of specific markets and better relationships with providers.

➤ **Strategic approval required for same day and dual searches**

There is now more control over what the market is being asked for, to avoid any unintended impacts. For example, in 2019/20, 39% of children's home searches being requested by Lancashire social workers were asking for an emergency/ crisis home (same day home). This was flooding the market and conveying a sense of lack of control, panic and, at times, desperation. Despite the request for a same day home, most of these children did not end up moving on the same day and so a decision was made to add strategic oversight and approval (at Head of Service level) for these searches to take place. The proportion of same day requests has reduced dramatically to 10%.

In the first 4 months of 2024/25, around 20-30 requests a month were being sent to children's home providers for consideration for children for whom a foster home was also being searched for (known as a dual search). Most of these were being requested to be sent to children's homes as a contingency plan by the social worker, with very few ultimately requiring a children's home. Children's Home providers were very interested and offering for these children (and likely not actively considering other children) and were becoming frustrated when they were getting no responses to their offers.

In July 2024, it was agreed that a foster home search could only be extended to a children's home search if approved by the Head of Service. Since August 2024, the number of dual searches has reduced significantly to an average of 3 a month.

➤ **The introduction of Priority Searches and Home Finder Provider Forums**

It was recognised that the ART resource was being spread too thinly. The team were having to find regulated homes for a high number of children who were living in unregistered homes. They were not able to dedicate the amount of resource that was required to find these children the right home.

A decision was made in early 2024 to prioritise a smaller number of children each week that ART could invest more time in. Priority searches are determined by the Children's Social Care Director and Heads of Service each week. Both ART and the relevant

children's social care teams give a high focus to these searches and respond quickly to any requests for conversations or further information from interested providers.

This more targeted, focused approach has resulted in regulated homes being found for more children, in a timelier way, and has contributed significantly to the reduction in the number of children living in unregistered children's homes.

Home Finder Provider Forums were introduced in Lancashire at a similar time and have become an important way of helping to identify a home for a child when the usual home finding processes have not resulted in any offers. Contracted and off-contact providers are invited to attend a virtual meeting that includes a representative from the child's social care team. The purpose of the forum is to bring the child's written MHMP request to life and allows providers to ask questions. The social work teams have become increasingly more creative with how they bring the child to life as part of the forums. Letters and slide show presentations produced by the child have been used. Videos of the child talking about what they want from a home have been shared and on a few occasions the child has wanted to attend the forum themselves to speak directly to providers about their feelings and wishes.

From January 2024 to 31 March 2025, 36 Home Finder Provider Forums have been held. Twenty-five of these forums resulted in an offer(s) being made. This is an encouraging number considering that the Provider Forums were being held as no offers had been received via the usual home finding processes. Not all the offers translated into a move for a child. Some children's plans changed and they either returned home or remained in their current home. Some offers were not progressed as they were not felt to be appropriate, or the provider withdrew the offer after further discussions. However, as a direct result of the Provider Forums, six children to date have been found much-needed homes, including five children who had previously been living in an unregistered children's home.

➤ **Clear provider expectations and market shaping**

The strong leadership and strategic scrutiny about where children live, that has become embedded in Lancashire, has enabled children's social care, ART and commissioning to be confident and clear with providers about expectations and requirements.

These expectations and requirements are discussed at many different stages with providers. This includes when providers are seeking to open new homes in Lancashire. The Senior Commissioning Manager endeavours to respond to all planning applications to create a new children's home in Lancashire. Responses are clear and consistent in the need for new homes to meet local gaps in provision and provide good quality and good value homes for Lancashire children. Local planning

departments encourage providers to speak to Lancashire's commissioning team before submitting a planning application, which has proven to be very useful in helping to set expectations and requirements from the outset, including in relation to ensuring a fair cost of care. This approach has led to some providers choosing to only offer their Lancashire homes for Lancashire children and advice and support is given to these providers to help them achieve this.

Lancashire has its own children's home commissioning arrangements which includes two tiers. Tier 2 is open to any interested and eligible provider. Tier 1 has been designed to support like-minded providers to work in a close and collaborative way with LCC to maximise the chances of using their Lancashire homes for Lancashire children. There is a clear, agreed target relating to this which is closely monitored and discussed. This approach has proved to be very successful. For example, since joining in 2022, one provider has increased the number of Lancashire children being cared for in local homes from 1 child to 9 children, and another provider has increased their number of children from 15 to 23 children. Interested and eligible providers can apply for Tier 1, but due to the amount of commitment given to these providers by LCC's commissioning team, the number of Tier 1 providers is restricted to 10. Tier 1 providers are selected via a competitive tender process.

This approach, alongside holding regular discussions with local off contract providers to encourage the use of local homes for Lancashire children, has led to a significant increase in the proportion of Lancashire children in agency children's homes who are living in Lancashire (*an increase from 63% in March 2024 to 73% by March 2025*).

➤ **Better understanding of and confidence to challenge agency children's home fees**

Lancashire County Council was an early adopter of a nationally recognised benchmarking tool, CareCubed, that is now embedded into processes and practices. CareCubed has been used as a transparent basis for understanding and negotiating agency children's home weekly fees since 2022. A Market Analyst has been appointed whose role it is to undertake the CareCubed analysis with providers. Initially the focus was on offers of high-cost homes (those costing £7,500+ per week) but its use has now been widened to cover mid-range homes (those costing between £5k to £7,500 per week).

A clear expectation has been set with providers that any offers of homes that cost £5k+ per week will need to be analysed using CareCubed. Providers are asked to break down their weekly fee under specific headings and these figures are then compared to the CareCubed benchmark. CareCubed is used as a starting point for discussions. For example, where a particular element of the cost breakdown is determined to be higher than the benchmark, a discussion is held with provider to try to understand why

this may be, such as 'help us understand why your rent is higher than we would expect, or why your food bill is so high'. Sometimes the reason can be justified and the CareCubed calculation is adjusted accordingly. Sometimes the reason cannot be justified, and the provider is asked to consider bringing this element of the fee more in line with the benchmark. A summary of the findings from CareCubed and a provider's response to this is included on decision-making forms for all homes costing £5k+ and is an important consideration about whether an offer will be accepted or not.

CareCubed is also used to support new providers to understand the fees they will charge and how these fit with Lancashire's expectations. The fees that a new home plans to charge and how it aligns to CareCubed is one of the factors that informs Lancashire Children's Services response to a planning application for a new children's home in Lancashire. There are already a high number of agency children's homes in Lancashire that do not care for local children and therefore the fees that a provider plans to charge is a relevant consideration.

Savings of £1.58m have been achieved through CareCubed between November 2022 and April 2025. Projected savings of at least £1.65m are anticipated for 2025/26 alone, based on fee negotiations on current agency children's homes.

**FURTHER INFORMATION:**

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 [artenquiries@lancashire.gov.uk](mailto:artenquiries@lancashire.gov.uk).