

Welsh plan to ban profit-making children's homes 'should be extended across UK' ^[1]

A proposal put forward by the Welsh government to end profit-making in children's social care should be adopted by the UK government, according to campaigners.

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Excerpts

Under the plans, put forward by the Welsh government's Labour administration and the Plaid Cymru group in the Welsh Senedd, only not-for-profit residential and foster care could be commissioned in Wales.

A consultation on the plans closed this week with the proposals backed by campaign group Article 39, which is urging the UK government "to follow suit".

"There is an overwhelming, child-centred case for local authorities being directly responsible for arranging, running, and managing the vast majority of homes for children in the care of the state," states a policy statement from Article 39.

It adds that profit-making providers across the country should only be used in "rare and exceptional circumstances" where no alternative is available.

"Charitable organisations also play a key role," says the campaign group.

"Profit-making in the children's care system must be proactively and determinedly curtailed, so that it becomes the exception and is only ever justifiable in the interests of children."

In Scotland independent fostering agencies provide three in ten placements but these are all through not-for-profit providers as for-profit provision is unlawful.

Article 39 warns that while "there has always been profit" in the UK children's social care system "this has substantially increased" after councils and large charities withdrew from running children's homes directly in the last 30 years.

As of the end of March this year eight out of 10 of England's 2,873 children's homes were run for profit. Meanwhile, 85 per cent of independent fostering agencies in England are profit-making.

It adds that researchers at the University of Oxford found that profit making providers are "significantly more likely" to receive lower inspection grades than council and charity run homes.

The Children's Homes Association (CHA), which represents independent providers, believes the plans to ban profit making in children's social care in Wales and replacing them with council run and not-for-profit provision will cost the taxpayer at least £150m.

"There is no reported engagement or expansion of a new third sector nor is there any significant movement for local authorities to open provision," said the CHA.

It added that there is "no evidence that Wales' many privately run children's homes organisations will be able to transition to a not-for-profit model" which means profit run homes "will need to be replaced by the Welsh government at a cost to the taxpayer that we estimate will exceed £150m".

Region: Europe ^[3]

Tags: profit-making ^[4]

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