

Council 30th January 2024

Administration motion in the name of Councillor Pauline Coakley-Webb Banning profiteering in children's social care and education placements

Council notes that:

- In 2022 the Competition and Markets Authority's (CMA) final report on children's social care reiterated several important issues that Barnet Council has been raising with the Conservative government for many years, specifically access to and costs of suitable placements for children in care, all while the largest providers make "materially higher profits".
- Their report shares our concern that "children are not consistently getting access to care and accommodation that meet their needs".
- Local authorities, as the sole purchasers of placements, pay thousands of pounds a week for placements for children in their care. Yet providers can pick and choose which referrals to accept and at what cost due to demand outstripping supply.
- The report rightly highlights the important role national government needs to play in contributing to these challenges being addressed.
- With concern regarding levels of risk in the system due to rapid changes in ownership and considerable levels of borrowing and debts held by some private companies. Should any of these providers fail, no single local authority could step in, and it would be children who suffer the greatest consequence. As the CMA notes, the current level of risk of disruption to children's accommodation and care is unacceptable.
- Children's services have long operated in a mixed economy with a range of providers involved in the delivery of services locally. However, multi-million pound mergers between providers are becoming increasingly common as is the use of private equity.
- Since the publication of the CMA no tangible action has been taken by Government to address profiteering in the children's sector.

Council agree:

- Profiteering using public money based on meeting children's needs is unacceptable.
- To the aspiration of a not-for-profit model for children's placements
- To call on all political parties to, nationally, within their manifestos for the upcoming general election, commit to the introduction of legislation which prevents for-profit operations or as a minimum, caps the level of fees chargeable in fostering and residential services.

Under Council Procedure Rule 15.5 this motion is to stand referred to the Executive as it refers to matters within the powers of the executive