

P rivate companies are charging up to £10,000 a week to look after a single child in care, it can be revealed.

An investigation by *The Times* has found that firms that rushed to set up children's homes during the pandemic were paid tens of millions of pounds of taxpayers' money despite many being deemed "downright dangerous".

About 175 children's homes were registered by the regulator Ofsted during the first wave of the pandemic last year, a third more than in the same period in 2019, at a time when in-person inspections were suspended.

Failings at almost a third of them were discovered. Reports revealed they were cited for unsafe restraint practices or putting children at risk of sexual or criminal exploitation.

Conditions at several were found to be so horrifying that inspectors blocked the owner from admitting more residents.

Owners of the new children's homes arranged lucrative admissions of children with complex problems, which cost councils more than £200,000 per person per year on average. However, Ofsted found they often hired support workers who were ill-equipped to manage, putting the children at risk of harm. Some homes relied on low-paid young recruits working long shifts.

The average fees for privately run children's homes are £4,100 a week, roughly five times the cost of keeping an adult in prison. Local authorities are legally responsible for children in care and rely on private providers because of a shortage of places and budget cuts.

Among Ofsted's findings:

- Children were able to steal knives from one home and take them to school.

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- Staff dropped a young person off at the home of a drug dealer despite being warned by police to avoid the area; at another run by the same company a child was discovered riding a bike on a motorway hard shoulder.

- A young person at a third home was found weaving through traffic and high on drugs. On another occasion inadequately trained staff locked themselves in a car when a resident became violent. One of the three people who set up the home was a scaffolder prosecuted for having an eight-inch knife behind the sun visor of his van.

Dame Rachel de Souza, children's commissioner for England, said the cases showed children and the system "being exploited for profit", adding: "In some cases they're just downright dangerous. That has to stop."

Nearly a quarter of the 176 new children's homes opened between April 1 and August 31 last year have not had inspection reports published, with at least five closing before Ofsted visited.

Councils and providers had anticipated a sharp rise in emergency admissions and demand for residential places during the first wave of the pandemic, with some foster parents fearful of catching the virus and domestic violence expected to increase. In fact, numbers entering care initially fell as a result of a slowdown in family court proceedings and the closure of schools, where many cases are picked up.

During the same period, fees paid by local authorities to private providers rose by 5 per cent to an average of £4,100 per child per week. Children with challenging

behaviour that requires more intense staffing levels can cost as much as £10,000 a week.

Children are taken into care if their parents or caregivers are unable to look after them. Many come from troubled homes and may be victims of neglect, domestic violence or sexual abuse.

Andy Elvin, chief executive of the Adolescent and Children's Trust, said that the number of newly registered homes about which Ofsted reports had raised doubts was "something that is extremely concerning".

He added that it was "very, very difficult to inspect in the middle of a pandemic, particularly in children's homes . . . Unless you are physically there you are going to miss things."

Ofsted suspended routine inspections in mid-March and over the next five and a half months made on-site visits to only 29 homes at which there were urgent concerns. Other checks continued remotely. In-person "assurance" visits began last September and routine inspections resumed in April.

These assurance visits found "serious and widespread concerns" at 16 newly registered homes; at another 38, monitoring visits identified significant problems and changes were demanded for the home to meet the Care Standards Act. This amounts to almost one in three homes; before the pandemic four in five homes were judged to be good or outstanding in full inspections.

The regulator said it was common for the first year of operation of a new home to be "more challenging for providers" and that the lack of in-person visits from local authorities and the "independent visitors" providers are required to appoint may have been a "contributing factor to homes struggling".

Providers wishing to register a home must give details of key staff, provide extensive policy documents and proof of financial viability and be visited by Ofsted. During the pandemic, some registration visits were done remotely. Some of the new homes were set up by first-time owners who were criticised for hiring overworked, underqualified staff without the appropriate training. Several had no registered manager.

Elvin suggested some homes were incentivised to accept children with complex problems, even if staff were ill equipped to manage the risks involved.

“The majority of children’s homes now are owned by three or four private equity houses and they have a business model that’s based on bed nights,” he said.

“Because you can charge . . . upwards of £5,000 a week from the point of view of the people at the top of the tree — the private equity analysts — if you can even get three or four weeks of that fee it was worth it.”

The provision of care has increasingly been put in the hands of the private sector as local authorities closed their own facilities. Ofsted said there had long been a shortage of placements for children and some of the new homes were responding to this lack of supply “which we believe was made more acute due to the pandemic”.

The regulator said that 18 of the newly registered homes had not been inspected, with reports from 12 more not yet made public. It said that “many of the homes were owned by existing providers and we have confidence in their ability to provide good care”.