# Turning away from the public sector in children's out-of-home care: An English experiment

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ABSTRACT

This paper reports on the evaluation of an English experiment which, for the first time, moved statutory social work support for children and young people in out-of-home care from the public to the private or independent sector. Five social work practices (SWPs), independent or semi-independent of local government, were established and evaluated using a matched control design with integrated process evaluation. Social work teams in the public sector, selected to correspond to key characteristics of the SWP sites, provided control sites.

While most SWPs were perceived to be accessible and user-friendly organizations, children's and young people's accounts showed no differences between pilots and control sites in terms of workers' accessibility and responsiveness. Perceptions of SWP staff's decision-making were mixed. SWP staff reported spending more time in direct face-to-face work with children and families but this was attributed to reduced caseload size and a tight remit which excluded child protection work rather than to decreased bureaucracy. SWP staff morale was generally found to be high in terms of depersonalization and social support, reflecting an emphasis on staff supervision in these organizations. However, this was offset by slightly higher job insecurity which reflected the precariousness of employment in the independent as opposed to state sector.

Staff retention varied between the SWPs, but although children and young people in the pilots were more likely to retain their key worker than those in control sites, they experienced disruption in the move into SWPs and back to public services when SWP contracts were not renewed. While some SWPs succeeded in reducing placement change rates for children and young people, a policy of switching placement providers to achieve flexibility and savings increased placement change rates in some SWPs. SWPs did not achieve financial independence from the local authority commissioners with only one assuming full responsibility for managing the placement budget. Payment by results was not used consistently. None of the commissioners interviewed considered that the SWP model had resulted in savings.

The study highlighted the interdependence of public and private sectors. As small organizations, most of the SWPs succeeded in offering an accessible and personalized service, and public services should consider reorganizing to achieve similar outcomes. However, this evaluation found that contracted-out organizations struggled to provide children in out-of home care with the consistency and continuity they require.

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## 1. Introduction

This paper reports findings from the independent evaluation of the Social Work Practice (SWP) pilots in England. This was a contentious pilot program initiated by the national government that aimed to move services for children in out-of-home care away from local government (described as 'local authorities' in the UK) and relocate

them in the independent sector (the term independent sector is used here to embrace voluntary (charitable or third sector) organizations, for-profit businesses and social enterprises which may be for-profit or not-for-profit but whose workers own a share in the organization). In England, this policy originated with the New Labour government but it was enthusiastically taken up by the Coalition government which inherited the pilots in 2010. The arguments for this shift of responsibility were articulated first in a government report highlighting the persistence of poor outcomes for children in out-of-home care despite a history of government initiatives (Department for Education and Skills, 2006) and then in the report of the subsequent working party (Le Grand, 2007) which provided the theoretical model to inform the development of the pilots. Both these documents attributed the poor outcomes achieved by

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children in out-of-home care to a lack of continuity. Smaller independent organizations led by social workers themselves would, it was argued, improve the morale of social workers and so increase retention rates, thereby improving consistency and outcomes for children and young people. At the time that the concept of SWPs was first mooted there were high vacancy rates among children's social workers in England and improving the morale of the profession was also seen as a means of addressing wider problems of recruitment and retention. SWPs, it was argued, would also release staff from the high levels of reporting and performance targets, generally termed bureaucracy, required by local and national government procedures and their restricted remit would free workers from the demands of child protection work. It was envisaged that more time would be available for face-to-face practice with children and young people and that delegating more responsibility to staff would facilitate flexible front-line decision-making that reflected the needs of the child rather than those of the organization.

## 2. Theoretical background

The SWP pilots embodied two divergent trends which, although they attracted very different types of support, converged in the Coalition government's thinking about social work and its organization. The first of these trends was a resistance to bureaucracy and a call for a reliance on procedure and targets to be replaced by professional discretion and expertise. In the UK, this trend emerged from critiques of managerialism in social welfare published in the1990s (Clarke & Newman, 1997) and culminated in the Munro Review (2011) which recommended a reduction in central prescription to achieve a shift 'from a compliance culture to a learning culture' (Munro, 2011, p 7). This report was widely welcomed by the social work profession. The second of these trends was a government-led drive towards reducing the size of the public sector by moving public employees into the independent sector which embraced voluntary organizations, commercial businesses and emerging organizational models such as social enterprises, whose workers have some share in or ownership of the business (HM Government, 2010). SWPs were to be autonomous organizations contracted to local authorities and it was envisaged that, while some of these new organizations would be managed by large voluntary or commercial organizations, others, described as 'professional practices', would be created by groups of social workers moving out of the local authority to form independent organizations or businesses (Le Grand, 2007).

This turn away from publicly provided social work services for children and families generated substantial controversy with some critics characterizing the pilots as the 'commodification' of children (Cardy, 2010; Garrett, 2008). While certain services such as the provision of residential child care and independent fostering agencies (whose function is restricted to placement finding and support for foster carers) had been outsourced for a number of years in many parts of the UK (Sellick, 2011), SWPs entailed the transfer of statutory powers away from the local authorities to the independent sector. This required legislation to be enacted and the Children and Young Persons Act 2008 enabled local authorities participating in the pilots to transfer responsibilities for children in out-of-home care to social work providers who were not local authorities, with the stipulation that the functions transferred would be undertaken by or supervised by registered social workers, and specifying a five year period for SWPs to be piloted and evaluated.

The privatization picture differs in the US where there has been a substantial move towards contracting out children's services since 2000 when the States of Kansas and Florida initiated this trend by privatizing their entire foster care services (Snell, 2000). Privatization has been accompanied by an increased use of performance measures and the emergence of a payment by results culture (Collins-Camargo, McBeath et al., 2011; Collins-Camargo, Sullivan et al., 2011). However, the sector remains a mixed economy: by 2006 US child welfare

administrators surveyed by Collins-Camargo, Ensign, and Flaherty (2008) reported that the majority of states retained responsibility for case management of child welfare services in the public sector with 11% describing movement of case management to the private sector on a large scale and a further 18% reporting smaller scale initiatives. These figures showed a little change when the survey was repeated in 2008 and when just over half of the 47 States surveyed were using performance-based contracts (Collins-Camargo, McBeath et al., 2011). Steen and Smith's (2012) review of the US evidence on private and public foster care agencies found a mixed picture depicting considerable variation in characteristics and performance within both the private and public sectors as well as conflicting findings in respect of outcomes such as permanence. While the private sector boasted higher staff morale, the public sector tended to employ more experienced staff who had a greater commitment to remaining with their employer. The authors concluded that: 'successful agencies exist in both public and private sectors and that success is not inherently connected to any organizational type' (p. 857).

This paper reports and discusses the results of the evaluation of the English pilots, measuring their achievements against some of the key concepts and drivers which informed their development.

## 3. Methods

The study was commissioned by the UK government and was undertaken between 2009 and 2012. It was designed as a matched control with integral process evaluation; this approach has been used successfully in a number of large-scale evaluations of health and social care initiatives which are not suited to a randomized control trial (Wiggins, Rosato, Austerberry, Sawtell, & Oliver, 2005; Wiggins et al., 2009). Six control or comparison sites[1] were selected by approaching local authorities matched with the pilot local authorities against a set of essential criteria which included demographic information and the key characteristics of the out-of-home care populations. These were supplemented by desirable criteria that included workforce characteristics and child protection figures. Mixed methods were adopted and this allowed for qualitative and quantitative data to be combined and for qualitative data to be used to explain and explore quantitative findings (Greene, 2007). The evaluation captured and compared the perspectives of a wide range of informants, acknowledging the different interests underpinning the pilots as well as their diverse impacts.

Between 2009 and 2011, 225 interviews were completed with 169 children and young people (121 in the pilots (56 were interviewed twice) and 48 in control sites). Pilot children and young people were selected to reflect the demographic profile of the pilots' populations and those interviewed in comparison sites were matched with this sample on key criteria that included age, gender, race, placement type, length of time in care and education/employment status. A further 13 young people who had participated in consultations about the establishment of the pilots were interviewed in the course of the study. Interviews were also completed with birth parents, pilot staff, local authority staff involved in establishing and commissioning the pilots, members of an Expert Advisory Group advising the pilot initiative and the Evaluation, and with local health and social care professionals working alongside the pilots at the local level. The researchers also analyzed and compared 45 care plans for children and young people (25 from pilots and 20 from control sites) (for full details of the study methods see Stanley et al., 2012b).

Two large-scale surveys were completed at two time points: Time 1 in 2009–10 before pilot start-up and Time 2 in 2011 when the pilots had been operational for at least 12 months. These comprised firstly, an on-line survey of staff working with children and families in the pilots, in local authorities where the pilots were sited and in control sites (Time 1, n = 1101 responses; Time 2, n = 949). This survey incorporated

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[1] Six control sites were selected since there were originally six pilots planned, one failed to start.

both Karasek's Job Content Questionnaire which measures a number of scales related to decision-making authority, skills' discretion, and support received from supervisor/manager and from colleagues (Karasek et al., 1998) and the Maslach Burnout Inventory (Maslach & Jackson, 1984; Maslach & Leiter, 2008). Secondly, a postal survey of carers was undertaken in the pilots, in local authorities where pilots were sited and in the control sites and was sent to foster carers, managers of residential homes and kin carers (Time 1, n = 1782; Time 2, n = 1676 responses). Response rates of 50% at Time 1 and 43% at Time 2 were achieved for the on-line staff survey and 42% at Time 1 and 43% at Time 2 for the carers' postal survey. Together, these two surveys allowed the perceptions, morale and performance of staff in the pilots to be compared to those of staff in the matched control sites and to those of staff working for the local authority children's services departments in the areas where the pilots were situated (described here as 'host authorities') and elicited a range of views from different carers.

Secondary data collected and analyzed included data supplied by the pilot SWPs on their workforce and the cohorts of children and young people in their care. Some key outcomes such as placement change in the last year were examined using the measures included in the SSDA903 returns which all local authorities in England and Wales complete annually in respect of children in out-of-home care and forward to central government. These data were examined for all children in out-of-home care in the pilots, control sites and host local authorities for the years 2009 to 2011. Although only the last of these years covered the period when the pilots were operational, we were able to identify pilot children and young people and consider their outcomes over time. Statistical models allowing for key differences with children and young people in control sites as well as those in the local authority sites who were not cared for by a SWP pilot were used to compare these outcomes to those of children and young people in local authority care (see Stanley et al., 2012b for a full account of this analysis).

Informed consent procedures were adopted for all interviews which were recorded and transcribed with participants' permission. Transcripts were coded using themes emerging from the data as well as those identified from the literature that informed the interview schedules (Silverman, 2011). Following checking, NVivo software was used to assist data sorting and storing. Research permissions were granted by the University of Central Lancashire and by the Association of Directors of Children's Services.

The data from the carers' survey were double entered on SPSS to ensure a high level of accuracy. An ordinal logistic regressions analysis was used, employing Stata software, to determine intervention effects. Data from the staff survey were imported and analyzed using R software version 2.1 (R Development Core Team, 2007). The analysis involved several stages of descriptive and multi-variate analyses (for full details see Stanley et al., 2012b).

The final analysis involved comparing and combining different types of data. One type of data was used to contextualize or explain another and where informants' perspectives differed or conflicted this is drawn out below. Generally, different groups of informants were consistent in their overall judgements of the individual SWPs, with children, parents and other professionals agreeing as to whether staff in a particular SWP pilot were usually responsive and accessible. However, some variation was found when judging the quality of particular aspects of performance, such as speed of decision-making.

## 4. Results

### 4.1. The SWP pilots

Establishing the SWPs took longer than anticipated; in part because it proved difficult to identify providers who were able to meet some of the key specifications of the SWP model which, in its original form, included the provision of a round-the-clock service for children and young people. The early start-up challenges are described more fully elsewhere (Stanley et al., 2012a). However, four SWPs became operational in the late 2009 and a fifth started up five months after the others; in this case the local authority chose to retain the pilot within the local authority as a discrete unit on the grounds that full financial independence for the SWP was seen to be unsustainable. A planned sixth pilot failed to start as the local authority concerned was diverted by an inspectorate report requiring it to focus on improving its child protection services.

The intention was for the SWPs to work with children and young people who had been 'looked after' for at least two years; most of children cared for by the pilots were aged over 10 years and were fostered, cared for in residential homes or were being cared for by their relatives. However, SWP C focused on young people who were about to leave or had recently left local authority care, many of whom were living independently; while SWP B worked with children and young people with high levels of need who were mainly in foster care. The pilots' heterogeneity in terms of age and size of population, origins and organizational type is conveyed in Table 1. Table 1 also shows the extent of disruption children experienced in transferring to the pilots; while most of those in SWPs A and D retained their key worker on transfer to the pilots, elsewhere children and young people experienced a change.

As is often the case with pilots, implementation of the SWP model was uneven with significant variation between sites and substantial dilution of the model in practice. Some of the key features of the original model such as autonomy from the local authority, devolution of budgets to front-line staff, a flattened hierarchy and a round-the-clock service for children were implemented only partially (see Stanley et al., 2012a).

The findings described below are structured around the key concepts and drivers which gave rise to the pilots. These were: the aim of creating less bureaucratic social work organizations more responsive to the needs of children and young people; improving retention of staff through the higher morale generated by staff involvement in smaller, 'flatter' (non-hierarchical) organizations; increasing the consistency and continuity experienced by children and young people in out-of-home care; and, subsequent to the change of government in the UK, an aim of reducing the size of the public sector by relocating services to independent or private providers.

**Table 1**
Key characteristics of the five SWP pilots at start-up.

| Pilot | SWP organization | Cohort of children and young people at start | Start-up date |
|---|---|---|---|
| SWP A | In-house SWP: social work team already employed by local authority, already working with some but not all of children and young people in SWP cohort. | c. 180 children and young people (approx. 120 care leavers) Age group: 14–21 | May 2010 |
| SWP B | For profit organization outside the local authority that previously delivered social care training. Children and young people transferred into SWP. | c. 80 children and young people with high levels of need Age group: 8–17 | November 2009 |
| SWP C | Voluntary organization — already providing care leavers' service in this local authority. SWP comprised 4 teams. | 582 young people (176 16 year olds; 406 16 + care leavers) Age group: 16–24 | December 2009 |
| SWP D | Voluntary organization with experience of providing social care services for adults — Children and young people transferred into SWP. | 120 children and young people Age group:0–17 | December 2009 |
| SWP F | Social enterprise established by group of social workers previously employed by host local authority. Most children and staff transferred to SWP together. | 148 children and young people Age group 8 + | November 2009 |

## 4.2. More responsive organizations?

The smaller size of the SWP pilots contributed to perceptions that they were accessible and user friendly. Children, young people and their birth parents valued being known to staff. One birth parent commented: '…*even the receptionist lady, I can phone her up and she knows who I am, I can speak to her about anything.*' Small organizations allowed SWP staff to develop familiarity with one another's cases and staff considered it to facilitate speedy decision-making. Other professionals found it easier to 'know' and collaborate with a small team.

Those SWPs with a tightly-drawn catchment area were able to use the start-up funding provided by central government to locate their offices in user-friendly premises that provided space and resources that young people could drop in to and use, as well as attractive facilities for family visitation sessions. These facilities were appreciated by children, young people and their families and appeared to contribute to a sense of engagement with the service. One 15 year old girl described the SWP office as '*a friendly place, it's nice, really is, like they've got pool tables and sofas and kitchens and things like that there*'.

However, analysis of children's and young people's accounts showed no differences between pilots and control sites in terms of their allocated workers' accessibility and responsiveness. Most children in both arms of the study found it easy to contact their key worker, although there were some evident differences between pilots. At the planning and start-up phases of the SWPs, much emphasis was placed on the capacity of the SWPs to provide a round-the-clock service for children and young people, but children and young people themselves reported making limited use of out-of-hours services. In perceived emergencies, they were more likely to contact their key worker informally via their cell phone and this form of contact was described both in pilot and control sites. Likewise, there were no substantial differences found between SWPs and control sites regarding the quality of children's relationships with allocated workers or their satisfaction with support. Some staff in both pilot and control sites were described as '*going the extra mile*' in the provision of support for both children and birth parents.

As small organizations, the pilots were able to utilize flatter management structures and to involve staff more in decision-making both in respect of management decisions and regarding professional decisions on cases. The extent to which decision-making was delegated to front-line staff varied considerably between the pilots; for example, in one SWP allocation was undertaken by the team whereas elsewhere the pilot manager allocated cases. There was also variation in the degree of control frontline staff exercised over budgets for items such as holidays and activities for the children and young people. SWP staff considered that shared responsibility for decision-making in the pilots made for speedier decisions and foster carers looking after SWP children were more likely than other carers to consider that the social worker had often been able to take key decisions in the previous six months. However, children's perceptions of SWP staff's decision-making were mixed, with SWP children being not only more likely than those in comparison sites to describe speedier decision-making but also more likely to identify delays in decision-making. Birth parents' perceptions of accessibility and responsiveness were also mixed and varied between pilots; parents were particularly critical of the performance of SWP B in this respect and many of their comments about the inaccessibility of staff in this SWP were consistent with those of other professionals interviewed.

## 4.3. Staff morale and retention

Table 2 shows findings from the staff survey completed at Time 1 in 2009 before the SWPs had started and at Time 2 in 2011 when the five pilots had been established for at least a year. SWP staff were more likely to report having sufficient time for direct work with children, families and carers and this finding was supported by findings from interviews with other professionals, parents and SWP staff who described

**Table 2**
Staff's perceived time allocation of different elements of work by host, comparison and pilot sites.

| Time expenditure elements | Host local authorities | | Control sites | | SWP* pilots |
|---|---|---|---|---|---|
| | Time 1 | Time 2 | Time 1 | Time 2 | Time 2 |
| *Direct work with children and young people* | | | | | |
| Not enough | 61% | 64% | 63% | 61% | 41% |
| Just right | 33% | 31% | 32% | 36% | 50% |
| Too much | 6% | 5% | 5% | 3% | 9% |
| n = | 385 | 339 | 312 | 256 | 56 |
| *Direct work with birth parents* | | | | | |
| Not enough | 55% | 58% | 50% | 57% | 39% |
| Just right | 40% | 38% | 46% | 39% | 51% |
| Too much | 5% | 4% | 4% | 4% | 10% |
| n = | 356 | 298 | 280 | 226 | 51 |
| *Direct work with carers* | | | | | |
| Not enough | 46% | 49% | 50% | 47% | 35% |
| Just right | 47% | 45% | 46% | 48% | 53% |
| Too much | 7% | 6% | 4% | 5% | 12% |
| n = | 382 | 356 | 322 | 265 | 51 |
| *Completing forms* | | | | | |
| Not enough | 7% | 7% | 4% | 5% | 11% |
| Just right | 16% | 17% | 13% | 20% | 19% |
| Too much | 77% | 76% | 83% | 75% | 70% |
| n = | 466 | 448 | 433 | 352 | 57 |
| *Meetings and reviews* | | | | | |
| Not enough | 7% | 7% | 4% | 5% | 11% |
| Just right | 16% | 17% | 13% | 20% | 19% |
| Too much | 77% | 76% | 83% | 75% | 70% |
| n = | 466 | 448 | 433 | 352 | 57 |

Time 1 = 2009; Time 2 = 2011. *SWP = social work practices.

pilot staff as having more time to devote to direct work with children and families. However, Table 2 also shows that there were no clear differences between pilot staff and local authority staff (those in the host local authorities and control sites) in terms of the time allocated to tasks such as form filling and meetings and reviews. Pilot staff were more likely than practitioners in the control sites and host sites to agree with positive statements about their workplace culture and were also more likely to feel that they were encouraged to undertake innovative practice and that mistakes were viewed as learning opportunities.

The standardized measures incorporated into the staff survey produced mixed findings. On the Maslach Burn-Out Inventory, SWP staff had significantly lower depersonalization scores but there were no significant differences found on emotional exhaustion or personal accomplishment scores. The Karasek Job Content Questionnaire (JCQ) indicated no significant differences in decision latitude scores between SWP staff and staff in host local authorities. However, social support scores were significantly higher among SWP participants. The overall social support score for all participants at Time 2 was 24.9 (slightly lower than the norm for other social workers in the Karasek model) while for pilot staff, it was identical to the norm (26.3; Karasek, 1985). These findings were supported by SWP staff's significantly higher ratings of the priority given to supervision in their organizations. Job insecurity scores as measured by the JCQ were high across all sites. When confidence intervals were examined, job insecurity mean scores for SWP staff (5.98; CI: 5.62–6.34) were slightly but not significantly higher than those observed in the host (5.94; CI: 5.70–6.18) and control sites (5.69; CI: 5.45–5.93). However, they were significantly higher than those found at baseline in the host sites.

The picture on staff morale is therefore complex. SWP staff (not all of whom were trained social workers) appreciated the opportunity to spend more time in direct face-to-face work with children and their families but did not report spending less time on 'bureaucratic' or administrative tasks than staff in the control arm of the study. In interviews,

pilot staff attributed the increased time available to spend in direct work to their reduced caseload size rather than to decreased bureaucracy. Overall, SWP staff perceptions of their workplace culture were positive; they produced lower depersonalization scores and scored higher than other staff on social support measures, reflecting the resources and attention the pilots gave to staff supervision. However, their job insecurity scores were slightly higher than those for staff in comparison and host sites and staff interviews confirmed that the precariousness of employment in the independent sector was a factor here.

The effects of these workforce characteristics on staff turnover varied between the pilots. Table 3 shows that turnover was low in three pilots (SWPs A, D, and F) with no leavers in two of these SWPs in the second year of operation and no leavers among managers or front line staff in the third. In SWP C, which was a larger pilot comprising three offices, six (11%) staff left during the second year, including two case-holding staff who were replaced. Two teams in this SWP merged and lost two administrators in the process, one permanently. In SWP B, where the majority of staff were social work qualified, turnover was high: in the course of this pilot's second year, three social workers left out of seven case holding staff, and the business manager also left after a long period of absence. This high level of turnover reflected ongoing difficulties within this pilot which was judged by local commissioners and other professionals to have struggled to establish itself and achieve a responsive service for children and families. However, interviews with staff also attributed this instability to staff anticipating (correctly) that this SWP would not have its contract renewed and, in this respect, high staff turnover was linked to the contracted-out status of the pilots. SWPs B and D both closed in 2012 when the commissioning local authorities decided not to renew their contracts.

## 4.4. Continuity and consistency for children and young people

The lack of continuity and consistency experienced by children in out-of-home care was one of the arguments for introducing a new approach to delivering services for this group (Le Grand, 2007). As noted above, some of the SWPs did succeed in keeping staff turnover at low levels thus reducing the amount of change children and young people experienced with regard to their key worker. Interviews with children and young people showed that SWP children and young people were more likely than similar children and young people in the comparison sites to have kept the same allocated worker in the past year. In the interviews held in 2011, at least three-quarters of children and young people interviewed from all pilot sites reported retaining the same worker in contrast to just one quarter in one control site. However, this continuity of staff was offset by the fact that most children and young people experienced a change of key worker when they moved into the SWP. Furthermore, those children and young people cared for by SWPs B and D faced further changes when those pilots did not have their contracts renewed; children were then transferred back to the care of the commissioning local authority.

**Table 3**
SWP staff turnover.

| SWP | Total staff numbers Summer 2010 | Total staff numbers Winter 2011 | Total staff leavers | Total case holding staff leavers |
|---|---|---|---|---|
| SWP A | 16[a] | 14 | Not known | 0 |
| SWP B | 12 | 11 | 7[b] | 4 |
| SWP C | 57 | 56[c] | 13 | 5 |
| SWP D | 14 | 17 | 1 | 0 |
| SWP F | 13 | 15 | 1 | 0 |

[a] Does not included administrative staff, as numbers were unavailable at that time.
[b] Includes two apprentices, who left prematurely.
[c] Includes one agency (temporary) social worker.

Placement change is another way in which children in out-of-home care traditionally experience disruption. Both the analysis of the administrative SSDA903 data on children in out-of-home care and interviews with children and young people indicated that age was closely associated with the rate of placement change. Teenagers and older young people reported more changes of placement in the last year and analysis of the SSDA903 data found a two percent increase in placement changes for every year of age. The interviews also highlighted that placement change could be precipitated by a range of factors in both the young person's and the carer's circumstances, such as a young person becoming pregnant, the mental health of a young person, the onset of adolescence and challenging behaviors, changes in the carer's family and relationship breakdowns.

Analysis of the SSDA903 data using statistical methods to control for key differences allowed for the rate of placement change over the last three years for children and young people in the pilots to be compared to that of children and young people in both the control sites and the host local authorities. Three of the pilots (SWPs B, C and D) were found to have achieved significantly lower rates of placement change for children and young people in their care than were reported for similar children and young people in the control and host sites. However, the placement change rates achieved by the other two pilots (SWPs A and F) were no different from those in the relevant host and control sites. In SWP F, this finding appeared to be explained by a greater use of private placement providers.

## 4.5. The public–private shift

Only one of the five pilots (SWP F) took staff out of the public sector and into the independent or private sector. Interestingly, this move was not final and complete since the local authority protected the employment rights of staff in this pilot by allowing them a career break with the right to return to the local authority if the SWP's contract was not renewed. One of the pilots (SWP C) already held the contract to provide services to the local authority's care leavers, while SWP A remained within the local authority. SWPs B and D were set up as services additional to local authority children's services teams and were designed to relieve the pressure on mainstream services. The process of competitive tendering was challenging for social workers who lacked the expertise and resources required for this and had been a disincentive for some social work teams who expressed an early interest in becoming independent organizations.

The architects of SWPs had envisaged that incentives would play a role in ensuring service quality (Le Grand, 2007). However, the mechanisms needed to achieve this were unevenly implemented and commissioners took a systematic approach to monitoring outcomes in only three of the five pilots. Payment by results featured in just two of the SWP contracts where a 'managed care' model (McBeath & Meezan, 2009) was utilized with financial rewards contingent on savings achieved on placement budgets. These financial rewards were used in one SWP to appoint an additional administrator and to provide staff with a bonus payment; in the other, they were used to offset budget cuts and to fund additional services for children and young people. Analysis of the administrative SSDA903 data on placement change showed that SWP F, one of the pilots to benefit from the rewards linked to such savings, had adopted a strategy of shifting children and young people to private sector placements, which were described by staff as more cost-effective than placements in other sectors. However, this approach appeared to have contributed to higher rates of placement disruption for children and young people in this SWP as compared to those rates achieved by other pilots.

Only one pilot (SWP C which worked solely with care leavers) assumed control of the large budget allocated to purchasing placements, although control of the placement budgets had been envisaged as a key aspect of the pilots' independence from local authorities (Le Grand, 2007). Local authority commissioners and pilot managers were generally

agreed that it was too risky for SWPs to wield full control of the budgets covering foster care and residential placements since it was anticipated that one expensive placement had the potential to overwhelm a small organization.

None of the 10 commissioners or finance officers interviewed in the local authorities contracting with SWPs considered that the SWP model had resulted in savings for the local authority. Views differed as to whether the pilots had proved costly. In two local authorities, commissioners were clear that the pilots had cost more than the standard service, with one saying, '*we could have done it cheaper ourselves unfortunately*'. Elsewhere, commissioners saw the SWP as cost neutral although this was in the context of the cushioning afforded by central government funding.

There was clearly reluctance on the part of local government officers and politicians to transfer resources out of the public sector at a time when public spending was severely restricted. This was seen most clearly in the case of SWP A which never achieved the intended independence from local government. At a time of budget restrictions, local authorities were unwilling to cede control of their shrinking resources to other sectors. However, a reluctance to assume control of budgets that were vulnerable to unpredictable fluctuations consequent on crises in children's lives was also apparent among the SWP managers.

## 5. Discussion

### 5.1. Limitations of the study

This study had a number of limitations: the variability between the pilots and their populations meant that findings had to be interpreted in the light of a range of confounding variables. Implementation of the original SWP concept was uneven and this also had to be taken into account. However, the range of data collected enables us to draw some clear conclusions about the extent to which the pilots achieved the aims established for them in their first two years of operation.

The use of 'hard' more easily measured outcomes for the evaluation was limited by its three year time-scale and the lengthy start-up period which the pilots required. In particular, only one year's worth of SSDA903 data covering the period when the pilots were fully operational was available to the researchers. Given the long-standing and deep-seated nature of the needs of children in out-of-home care, it was unlikely that the pilots would be able to make any measurable impact on issues such as educational attainment and rates of teenage pregnancy and this was confirmed in the analysis of the data. We have therefore limited the discussion of this data set to considering the figures on placement change and triangulated these data with information collected from children and young people themselves.

Cutting costs was not an explicit argument for introducing SWPs but the costs of the pilots became more germane as further restrictions on public expenditure were introduced subsequent to the change of UK government in 2010. This evaluation did not include a cost–benefit analysis but local authority commissioners' views about the comparative costs of the pilots were elicited and fed into the analysis.

### 5.2. Changing sectors?

Much of the hostility to public sector provision of children's services in England has taken the form of a reaction against a perceived heavy-handed bureaucracy and performance management culture in local government which is depicted as yoking social workers to their computer screens and locating decision-making at a distance from those it is meant to serve. However, it is notable that the SWPs' success in increasing opportunities for direct work with children and young people appeared to rest less on reducing bureaucracy and rather more on restricting caseload size and organizational remit. Caseload size and weight are difficult to calculate (Baginsky, Moriarty,

Manthorpe, Stevens, & MacInnes, 2010) and because remits differed between the pilot teams and those in the control sites (which retained responsibility for child protection cases) we were not able to compare the size and weight of SWP staff's caseloads with those of staff in control or comparison sites. However, in all pilots but one (SWP C which worked with large numbers of older care leavers), individual staff caseloads were below 18. This can be compared with the findings of a recent survey of 600 UK social workers that found that 66% of children's social workers had caseloads over 20 (Smith, 2010). Furthermore, with the exception of the in-house SWP (SWP A), pilot staff did not carry responsibility for complex child protection cases involving large amounts of court work. This exclusive remit on children and young people in out-of-home care was another way in which time and resources were freed up for direct work with children, carers and birth parents.

Small organizations are often attractive to those who use services. Small organizations with accessible user-friendly premises gave children and families a sense of being known to the organization and contributed to a perception of most of the pilots as offering accessible, personalized services; this view was shared by other participants including carers and local professionals. Small organizations can also offer staff more involvement in decision-making although the extent of such involvement and the flatness of the hierarchy varied considerably between the SWP pilots. Relationships are more personalized within smaller organizations and this may have contributed to an emphasis on regular supervision and a generally supportive environment. However, small organizations that are reliant on a single contract are also more vulnerable, particularly in the context of local government spending cuts, and this was reflected in the high levels of perceived job insecurity found among SWP staff.

A policy of contracting children's services out to small independent organizations does not appear to be consistent with the goal of increasing continuity for children in out-of-home care. Staff in these organizations are likely to experience insecurity which may contribute to high turnover and children experience transfer of their care from one provider to another. Moreover, incentives to reduce placement costs can result in more disruption for children. While placement change may not always be negative or avoidable, when asked, children and young people in out-of-home care repeatedly highlight the damaging effects of repeated changes of carers and social workers (Dickson, Sutcliffe, & Gough, 2009; Stanley, 2007).

In respect of the aim of moving services out of the public into the private or independent sector, the pilots did not achieve full independence from local authorities. They remained dependent on the local authorities for a number of services (see Stanley et al., 2012a) and most pilots were intrinsically linked to the commissioning local authority by the fact that the local authority continued to control expenditure on placements. Some of the mechanisms that characterize a contract culture, such as systematic measurement of outcomes and incentives to cut costs, were not fully implemented. Nor was there evidence of the pilots producing savings.

## 6. Conclusions

This evaluation of a government-funded pilot found limited evidence to support arguments for relocating public services for children in out-of-home care in the independent or private sector. While most of the pilots appeared to offer a service that children and families found accessible and personalized, there seems no reason other than resource shortfalls why public welfare services should not be organized into small accessible teams where staff are informed about one another's cases, where supervision is of a high standard and where children and families receive a personalized service that makes them feel 'known' and valued. Indeed, there is evidence from the evaluation of the 'Reclaiming Social Work' systemic initiative in the London Borough of Hackney (Goodman & Trowler, 2012) that these changes can be achieved within local government.

Rather, this study confirmed the continuing interdependence of public and private sectors in England which was evident even in the context of an initiative designed to shift resources from the public to the independent or private sector. While the independent sector is often the setting for innovation, the public sector continues to function as a repository for a wide range of expertise and resources. It is also more likely to offer continuity of knowledge, skills and care and, in this respect, it may be better placed to respond to the uncertainty that characterizes the needs of children in out-of-home care.

## Acknowledgments

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