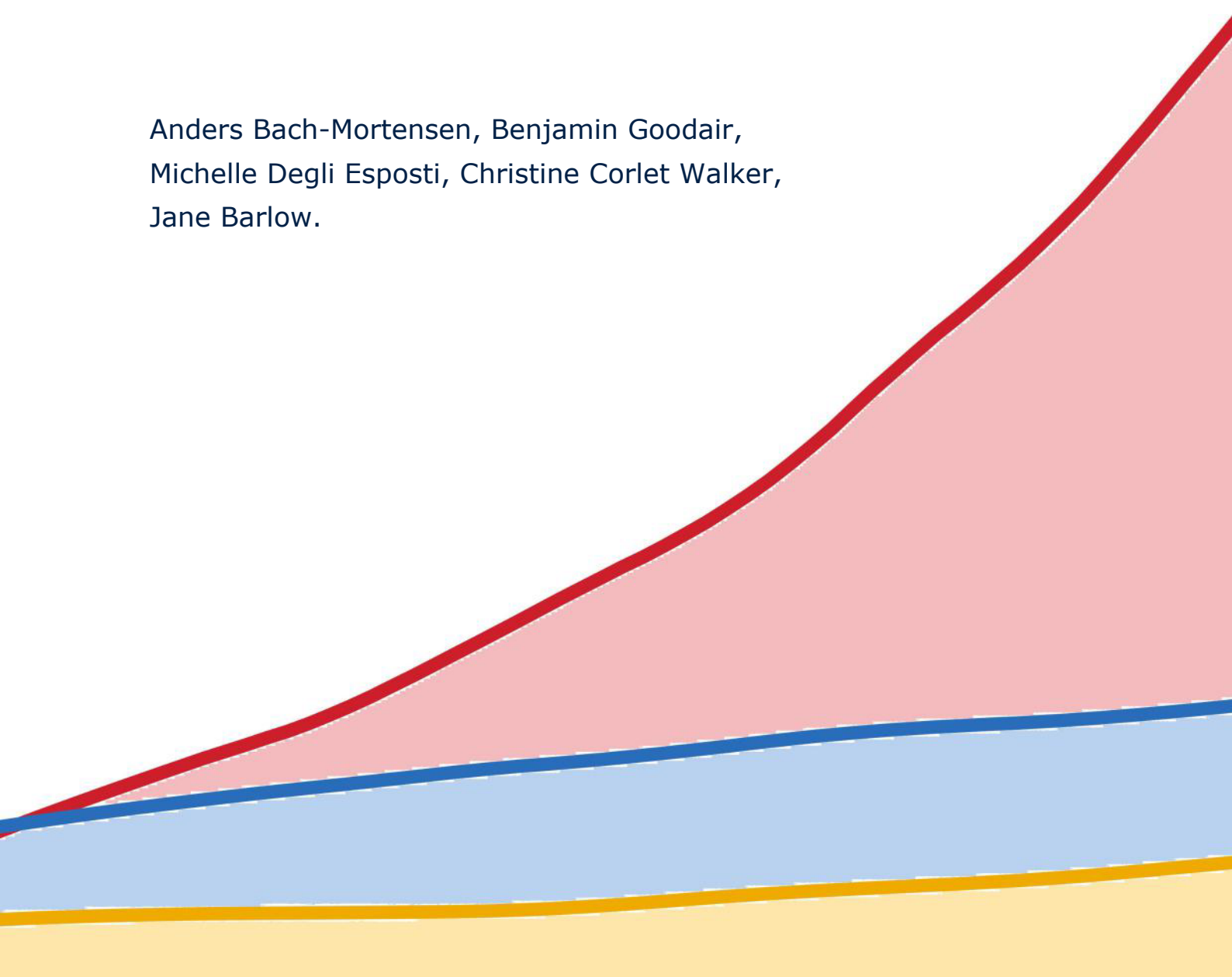




Evidencing the outsourcing of social care provision in England

Final Project Report – Executive Summary

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Executive summary

Social care services for children and adults in England have been increasingly outsourced to private (for-profit and third sector) providers over the last 30 years. However, the extent and impact of this marketisation are unclear, even to regulators and commissioners tasked with ensuring sufficient and quality provision. This lack of evidence has been cited as a major barrier to meaningful regulation and reform efforts aimed at addressing the perpetual crises facing both adult and children's social care sectors in England.

This Nuffield Foundation funded project aimed to overcome these knowledge gaps by creating a comprehensive, longitudinal data resource on outsourcing trends and their associations with key outcomes in adult and children's social care provision across England. By harmonising fragmented publicly available administrative data from multiple sources, the report provides unprecedented insights into three areas:

1. The degree to which adult and children's social care services have been outsourced to private sector providers over time.
2. Differences in quality outcomes between public, for-profit and third sector social care providers as measured by regulator inspection ratings and enforcement actions.
3. Equity impacts of outsourcing on accessibility and quality by geographical area.

Provisional analysis of the data resource reveals that outsourcing of residential services like care homes and children's homes to private providers, especially for-profit companies, has increased dramatically over the last 20 years in both sectors. For adult social care, public provision has virtually disappeared, with 96% of residential services now outsourced, an increase of over 20 percentage points since 2001. In children's social care, over 80% of children's homes are operated by for-profit companies, up over 20 percentage points since 2010.

Despite the growth of private provision, the inspection ratings from regulators consistently show that public and third sector adult care homes and children's homes outperform those run by for-profit providers on measures of quality. Involuntary closures and cancellations enforced by CQC and Ofsted are also concentrated among for-profit providers.

Moreover, for-profit adult care homes appear increasingly focused on self-funded residents in affluent areas, potentially leaving those in deprived localities with fewer options. In children's care, for-profit children's homes concentrate in disadvantaged areas with lower property prices, exacerbating existing issues such as children being placed far outside their local authority areas.

Overall, the findings reveal a paradox – despite private for-profit provision consistently underperforming public and third sector operators on inspection metrics, outsourcing to for-profit providers has accelerated, especially in residential care settings such as nursing homes and children's homes. Moreover, the evidence raises concerns about whether the current outsourcing landscape is achieving sufficient quality, equity, and access for adult and children's social care across England – despite stated intentions to achieve the opposite regardless of cost.

The findings presented in this report highlight the value of using existing data to inform research and policy decisions related to the ongoing "care crisis" in both sectors. However, significant data gaps remain on key issues such as provider profits, resident characteristics, and contract details between commissioners and providers. Addressing these gaps in the evidence is crucial for effective regulation and reform.

Key findings

1. Adult and children's social care is run via competitive markets of public and private providers.
2. Outsourcing to private for-profit providers has consistently increased in adult and children's social care services since 2010.
3. Public provision has become displaced and is either substantially reduced or virtually eliminated for residential care settings.
4. Outsourcing has primarily led to increased for-profit provision.
5. Outsourcing has not led to increased third sector provision in adult and children's social care, even though this was highlighted as a policy objective of outsourcing reform.
6. Despite the growth of private provision, inspection ratings from regulators consistently show that public and third sector adult care homes and children's homes outperform those run by for-profit providers.
7. Involuntary closures and enforcement actions by regulators are concentrated among for-profit operators in both adult and children's social care.
8. Outsourcing is associated with inequalities in provision as for-profit adult care homes attract self-funded residents in affluent areas, potentially leaving those in deprived localities with fewer options and for-profit children's homes are concentrated in disadvantaged areas with lower property prices, exacerbating issues like children being placed far from their home areas.
9. Significant data gaps remain on provider profits, detailed resident characteristics, and the specifics of contracts between commissioners and providers, hindering effective regulation and reform efforts.
10. The data resource will be publicly released to enable further analysis and research. This report and accompanying data lay the empirical foundation to guide meaningful reform efforts and identify remaining data gaps that must be filled to effectively regulate and improve both sectors.

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Credit

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