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# Eliminating profit from the care of looked after children: Delphi study



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# Eliminating profit from the care of looked after children: Delphi study

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Alma Economics combines unparalleled analytical expertise with the ability to communicate complex ideas clearly.

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Views expressed in this report are those of the researchers and not necessarily those of the Welsh Government.

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# 1. Introduction/Background

## Context

- 1.1 There has been a steady rise in the number of children looked after in Wales since the 1990s, surpassing the rates seen in England. Recent data from [StatsWales](#) shows a 22.9% increase in the number of children looked after in Wales, rising from 5,760 in 2013 to 7,080 in 2022. The [Social Services and Well-being \(Wales\) Act 2014](#) mandates Local Authorities (LAs) to secure sufficient accommodation to meet the needs of children looked after. A range of placement options are offered which include foster care, children's homes, and other residential settings. Thousands of children are placed in foster arrangements across Wales, while children's homes also play a crucial role, providing residential care and support. As of November 2023, there were 23 independent fostering services and 297 children's homes in Wales ([Care Inspectorate Wales, 2023](#)). Most children's homes are operated by limited company providers, with only 17.73% managed by LAs or charitable organisations. Across Wales, for-profit providers play a significant role in fulfilling the demand for placements. Most children's homes are operated by limited company providers, with only 17.73% managed by LAs or charitable organisations. Across Wales, for-profit providers play a significant role in fulfilling the demand for placements.
- 1.2 Despite the existing disparity in social care provision for children looked after, research on the quality of children's social care provision by provider business type is limited. A recent commissioned review by [Ablitt, Jimenez and Holland \(2024\)](#) has begun to address this gap through an evidence review exploring the impact of eliminating profit from children's residential and foster care. Recent research by [Bach-Mortensen, Goodair and Barlow \(2022\)](#) also highlights that inquiries into service quality and provider ownership of children's social care have been primarily documented across journalistic investigations or grey literature reports. The [Howard League for Penal Reform \(2019\)](#) has expressed concerns regarding the sector's overreliance on for-profit providers and limitations across the procurement systems. Investigations have also explored various instances of mismanagement linked to major for-profit children's service companies, revealing lower service quality compared to other provider types ([Holmes & Singer-Vine, 2018](#)).
- 1.3 In addition to numerous journalistic investigations, the UK Government has also initiated numerous extensive inquiries over the past decades, such as the 2016 Narey Independent Review on Residential Care in England ([Narey, 2016](#)), the

Independent Review of Children's Social Care across the UK ([MacAlister, 2022](#)), and the Competition and Markets Authority's (CMA) report on the children's social care market in Great Britain ([CMA, 2022](#)). Combined, these investigations have collectively underscored ongoing deficiencies in service delivery, highlighting the challenges presented by limited research across the Welsh context ([Bach-Mortensen, Goodair, & Barlow, 2023](#)).

- 1.4 Recognising these multi-faceted and complex challenges, the Welsh Government introduced the [Health and Social Care \(Wales\) Bill](#) in 2024 to address the dominance and potential impacts of for-profit children's residential and foster care provision. This came as a result of the (then) Cooperation agreement between the Welsh Government and Plaid Cymru which included a commitment to eliminate profit from the care of children looked after, owing to concerns about the impact of profit-driven motives on service provision and outcomes. As part of this commitment, new providers seeking to register with Care Inspectorate Wales will have to demonstrate not-for-profit status from 1 April 2026, with existing for-profit providers needing to transition by 1 April 2027. These legislative proposals were subject to consultation from August to November 2022 as part of a [wider consultation](#) on improving the quality of experience for people who use social care in Wales.
- 1.5 This commitment aligns with the broader vision of seeking whole system change for children's services to develop services that are locally based, locally designed and locally accountable while promoting social justice, equity and improved outcomes for vulnerable children across Wales. The overall programme intends to ensure greater emphasis on what is needed to meet the needs of children looked after as opposed to what may be the most profitable. These legislative reforms necessitate robust evidence on the benefits and consequences of not-for-profit residential and foster care provision, underscoring the importance of further research and analysis in this area.
- 1.6 Alma Economics has been commissioned by the Welsh Government to explore the potential benefits and adverse consequences associated with eliminating private profit from the care of looked after children in Wales. This research study intends to build on an earlier public consultation as well as initial interviews with experts ([Wales Centre for Public Policy, 2024](#)) to systematically bring together the views of researchers, practitioners and LA representatives, as well as others who work closely in this field. Alma Economics employed the Delphi research method to draw

together the views of experts to assess the extent to which eliminating private profit from the care of looked after children would impact the care these children receive and their subsequent outcomes. The research objectives were to:

- i. Understand the potential impacts of the commitment – identifying how any unintended negative impacts might be mitigated against and positive aspects be secured, and
- ii. Assess how, as part of the wider transformation of children’s social care, well-being outcomes for children and young people might be affected.

1.7 Given the aforementioned limited research on the quality of children’s social care provision by provider business type, this study also investigated the impacts of for-profit provision in children’s social care, particularly with regards to:

- i. children’s residential services and foster care services, and
- ii. well-being outcomes for looked after children and young people.

### **Structure of this report**

1.8 This report contains the following sections:

1.9 Chapter 2 covers our methodological approach. This includes the different stages involved in the implementation of a Delphi study, including two rounds of questionnaires and a final round of virtual focus groups.

1.10 Chapter 3 sets out our findings in line with each research objective, discussing findings from every stage of the Delphi study.

1.11 Chapter 4 summarises all areas of consensus and areas of no consensus resulting from this Delphi study.

1.12 The final section outlines the conclusions and participants’ wider reflections on the commitment.

1.13 References used throughout the report can be found in Chapter 5, while Chapter 6 includes copies of the research materials used as part of this research (questionnaires and discussion guides).

## **2. Methodology**

### **Introduction**

- 2.1 The Delphi survey technique was used to evaluate the potential benefits and adverse consequences associated with the Welsh Government's commitment to eliminate private profit from the care of children looked after. This three-stage consensus-building approach has been widely used to help enhance effective decision-making ([Berger et al., 2023](#); [Brenner et al., 2014](#); [Christian et al., 2020](#)). Through harnessing the collective expertise of experts, the Delphi method provides rapid and reliable findings that can inform policymaking by efficiently aggregating expert knowledge. In this research, experts remained anonymous while receiving summaries of their peers' responses in the first and second rounds. This anonymity allowed them to express their opinions freely and understand different perspectives, facilitating consensus development.
- 2.2 Through a structured process including two rounds of questionnaires and a final stage of focus groups, the Delphi methodology achieved consensus on the current impacts of for-profit provision in children's social care, as well as the potential impacts of the commitment on children's residential and foster care services, along with strategies to address both positive and negative impacts. It also assessed how well-being outcomes might be affected as part of the wider transformation of children's social care. Questionnaire 1 gathered broad ideas and insights resulting from participants' experience and expertise, aligned with the research objectives. In Questionnaire 2, experts were invited to rate their agreement with a series of statements extracted from the responses to Questionnaire 1, facilitating the identification of areas of consensus. The study aimed to not only find consensus but also to highlight different opinions, offering a comprehensive view of the complexities involved. The final stage of this methodological process, the focus groups, enabled experts to further discuss areas where consensus had not been achieved, as well as consider areas of prioritisation where consensus had been reached.

### **Structure of methodological approach**

- 2.3 The methodological approach is further summarised in four phases:
- In Phase 1 (March 2024), a desk-based review was conducted to inform the design of the Delphi study. The research team also created and undertook a multi-pronged strategy to recruit experts.



- Phase 2 (March – April 2024) involved the design, dissemination, and analysis of the first round of the online Delphi questionnaire (in Welsh and English). The aim was to gather broad ideas and insights aligned with the research objectives.
- Phase 3 (April – May 2024) built on insights gathered in Phase 2 and involved a second round of the Delphi questionnaire. Experts were invited to review and rate their agreement to a series of statements that outlined the most significant impacts and strategies identified among the responses to Questionnaire 1.
- Phase 4 (May 2024 – June 2024) culminated in qualitative discussions in the form of virtual focus groups. Experts engaged in a structured process to further explore areas where consensus was not achieved and rank multiple areas of consensus. This enabled the identification of the most crucial impacts and suggestions, forming the foundation for an evidence-based and consensus-derived set of best practices.

#### *Phase 1: Scoping*

- 2.4 Phase 1 involved conducting a **desk-based review of documents** to identify any gaps in current research and inform the Delphi questionnaire. This involved reviewing a document on experts' opinion on the proposal by Wales Centre for Public Policy as well as examining an evidence review on eliminating profit from children's residential and foster care by Cascade ([Ablitt, Jimenez & Holland, 2024](#); [Wales Centre for Public Policy, 2024](#)).
- 2.5 Simultaneously, a comprehensive approach to recruiting experts for the Delphi method was developed. In agreement with the Welsh Government, an eligibility criterion for the expert panel was established. Emphasis was placed on recruiting individuals with significant practical experience and/or a robust research track record in the field. Contacts were obtained from published journal articles identified during our desk-based review as well as through engagement with professional organisations representing practitioners in social care. Additional contacts were identified from relevant government departments and Local Authorities. With the support of the Welsh Government in several cases, potential contacts were then invited to participate in the study. The final panel agreeing to participate included subject experts from Wales and the UK. It also comprised of practitioners in social care, representatives from children's residential services, and representatives from

relevant departments and agencies in Wales. Details about the sample size and its breakdown are provided in the table below.

**Table 2.1: Numbers of participants per sector and type of research activity**

<b>Sector</b>	<b>Questionnaire 1</b>	<b>Questionnaire 2</b>	<b>Focus groups</b>
Academia/research	11	7	2
Children's social care (Wales)	2	2	1
Charity	4	4	2
Local Authority (Wales)	3	3	2
Government organisation	2	2	2
Other <sup>1</sup>	3	1	2
<b>Total</b>	<b>25</b>	<b>19</b>	<b>11</b>

2.6 Participants in this study came from across the UK, primarily Wales, followed by England and Scotland. It is important to note that some participants chose not to disclose their location or were representing organisations that are active in multiple countries. No international experts were recruited for the study. Over the course of the study, there was a change in the number and type of participants. For example, four academics and two 'other' participants were no longer involved in Questionnaire 2 compared to Questionnaire 1.

2.7 Due to the small number of participants from LAs and children's social care in Wales, their Local Authority areas are not reported to avoid accidental disclosure of participants' identities.

#### *Phase 2: Questionnaire 1*

2.8 Phase 2 involved the design and dissemination of the first-round Delphi questionnaire. Participants were given 10 days to respond and received reminders to encourage their participation. The content of these questions was informed by the desk-based review and consideration of the aims of the study. In this first stage, open-ended questions were used to generate broad ideas for exploration in subsequent stages. Open-ended questions facilitated the gathering of diverse opinions on each area of enquiry from individuals with varied professional

<sup>1</sup> Participants under this option represented public bodies and independent organisations.

backgrounds and expertise, with participants prompted to reflect on the latter to answer the questions.

- 2.9 The questionnaire comprised of three parts, providing insights into different facets of the potential implementation and impact of the Welsh Government's commitment to eliminate private profit from the care of children looked after in Wales.
- 2.10 Section 1 of the survey invited participants to explore the impact and significance of business type on the quality and nature of care provision, as well as well-being outcomes for looked after children and young people. In Section 2, questions aimed to examine the positive and negative impacts that may occur from the implementation of the commitment to eliminate for-profit provision. Participants were also encouraged to suggest additional measures to help secure any positive impacts and mitigate any unintended consequences associated with the commitment. Section 3 focused on the impact of the commitment, alongside the broader transformation of children's social care, on the sustainability and stability of children's social care in Wales, as well as well-being outcomes for children and young people. Experts were finally invited to suggest any additional measures to be introduced to enhance the sustainability and stability of care services for looked after children and young people in Wales, as part of the wider transformation programme for children's social care.
- 2.11 Responses from the first round were analysed and informed the second round of the Delphi questionnaire. Thematic analysis was used to determine the key themes for each question in the survey, looking for common viewpoints and highlighting any overarching areas that did not achieve agreement. A copy of the anonymised summary report was sent to each participant, summarising key themes, patterns or trends identified in qualitative responses.

### *Phase 3: Questionnaire 2*

- 2.12 Phase 3 built on the insights gathered in Phase 2 and involved a second round of the Delphi questionnaire. Experts were invited to express their agreement using a 5-point Likert scale (1= strongly agree, 2= agree, 3= neither agree nor disagree, 4= disagree, 5= strongly agree) to a series of statements outlining significant impacts and strategies. These statements were worded strongly to help facilitate consensus-building and lead to clear areas of agreement and disagreement that can be used to inform policymaking. Due to the need to integrate all experts' viewpoints into

succinct statements, it was not possible to incorporate all the nuances provided in experts' answers in Questionnaire 1.

- 2.13 Responses from Questionnaire 2 were then summarised to identify areas of consensus. In line with Delphi study protocol, consensus is defined if 70-80% of the panel rate a statement as 'agree' and 'strongly agree', or 'disagree' and 'strongly disagree' (e.g., Vogel et al, 2019). Any areas that did not achieve consensus were also highlighted.
- 2.14 Respondents also had the option to add comments or clarify their responses using text boxes. Additional insights or considerations raised by participants are also reported in the next chapter.

#### *Phase 4: Discussions in virtual focus groups*

- 2.15 Phase 4 involved the design and facilitation of discussions in the form of virtual focus groups (90 minutes). The purpose of these discussions was to further refine and build on the insights gained from experts. To facilitate that, the research team presented findings from Questionnaire 2 throughout the focus groups, highlighting where consensus had been reached and where it had not. This was followed by a series of discussions where participants were asked to: i) further explore areas of disagreement and nuance, and ii) rank impacts and suggestions where multiple areas of consensus had been achieved. Thematic analysis of the collated qualitative information was conducted to identify key patterns, themes, nuances, and arguments.
- 2.16 In subsequent discussions of focus groups, specific descriptors have been developed to indicate the level of agreement among participants in these settings. Phrases such as 'a few' or 'a couple' have been used to indicate agreement among a small number of participants. The term 'multiple' has been used when there was broader agreement among participants in focus groups. The phrase 'one participant' or 'a participant' has been used to indicate stand-alone statements made by individual participants. This approach ensures clarity and accuracy when representing participant views in the analysis and discussion of focus groups.

### 3. Findings

#### Impacts of for-profit provision on children's social care

- 3.1 This section explores responses to questions in Section 1 which investigated the impact of for-profit provision on children's social care in Wales. Respondents were asked to discuss the impact of business type of provision on the quality and nature of care provision and well-being outcomes along with the significance of business type in comparison to other factors.

#### *Findings from Questionnaire 1*

- 3.2 Respondents were first asked to discuss the impact of business type of provision on the quality and nature of care provision and well-being outcomes for looked after children and young people.
- 3.3 A key theme was the **perceived difference in care quality between for-profit and not-for-profit providers**. Concerns emerged regarding the perceived lower quality of care and potential regulatory breaches in for-profit provision. Conversely, not-for-profit provision was viewed as more child-centred, offering improved support, training, and access to specialist services. This was believed to contribute to improved well-being outcomes for children and young people. Another key theme was the **potential negative impact of for-profit provision on geographical placements**. For-profit providers were criticised for prioritising areas with affordable properties over the needs of children, thus negatively impacting their well-being. Additionally, placements by for-profit provision were more often perceived as geographically distant from children's existing social networks and essential support services. This isolation was understood to detract from the overall well-being and development of children.
- 3.4 **Financial considerations** were also a recurring theme. Some participants supported that not-for-profit provision reinvested profits into service quality, improving outcomes for children and young people, while profits from for-profit provision were said to be removed from services, leading to poorer outcomes for children and young people. In contrast, others argued that for-profit providers also reinvested their profits into service quality and delivery, with resources and flexibility for support, training, and therapeutic services. It was also suggested that financial constraints faced by LAs could lead to reduced services and staff availability in not-for-profit care settings, which may adversely impact the quality of care.

- 3.5 Beyond these three themes, respondents emphasised that there was limited research comparing the quality of care and well-being outcomes across different business types of provision in Wales. Some emphasised that the variation in the quality of care and well-being outcomes for children and young people was not solely attributable to the business type of provision. Others drew attention to the perceived as opposed to the evidenced variation within both not-for-profit provision and for-profit provision in terms of quality of care and well-being outcomes.
- 3.6 Following the first set of questions, respondents were then asked to discuss the relative significance of business type compared to other factors influencing quality of care and well-being outcomes. A key theme that emerged was the **high significance of business type**. Some participants reported negative implications associated with for-profit provision, including increased regulatory breaches and geographically distant placements. These issues were generally linked to worse outcomes at the levels of the child, provider and LA. Conversely, other participants viewed for-profit providers positively, believing they offered more specialised services for specific needs and faced fewer financial constraints compared to not-for-profit providers. This perspective suggested that for-profit providers could potentially improve care quality and wellbeing outcomes.
- 3.7 For other respondents, the **significance of business type was partial**. Opinions varied on whether business type was more, or less, significant for quality-of-care provision than the nature of care provision. It was suggested that a range of factors, including business type, locality of provisions, and staff quality, work together to impact the quality and nature of care provided. Finally, the **significance of other factors** was emphasised. Some participants argued that there was limited or no evidence directly linking business type to care quality or well-being outcomes. Some believed that factors such as staff quality, value for money or other generic 'external influences' played a more significant role in determining care quality and well-being outcomes.

#### *Findings from Questionnaire 2*

- 3.8 The following tables highlight where areas of consensus and areas of no consensus were reached regarding the impacts of for-profit provision in children's social care.<sup>2</sup> The aggregate percentage of agreement or disagreement is also provided under

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<sup>2</sup> Results have been rounded to one decimal place, so numbers do not always add up to 100%.

each statement. The short statements listed in the tables are based on key points identified from the thematic analysis of responses to Questionnaire 1.

**Table 3.1: Areas where consensus was reached on the impacts of for-profit provision in children's social care**

Statement	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree
There is a variation in the quality of care in both not-for-profit provision and for-profit provision.	63.2%	31.6%	5.3%	0%	0%
<b>Aggregate</b>	<b>94.8%</b>				
Financial constraints in Local Authorities may lead to insufficient services and limited staff availability in not-for-profit care.	47.4%	26.3%	10.5%	15.8%	0%
<b>Aggregate</b>	<b>73.7%</b>			<b>15.8%</b>	

**Table 3.2: Areas where consensus was not reached on the impacts of for-profit provision in children's social care**

Statement	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree
For-profit provision provides lower quality care.	10.5%	21.1%	36.8%	15.8%	15.8%
<b>Aggregate</b>	<b>31.6%</b>			<b>31.6%</b>	
For-profit provision can lead to more breaches of regulations.	15.8 %	26.3%	26.3%	26.3%	5.3%
<b>Aggregate</b>	<b>42.1%</b>			<b>31.6%</b>	
Not-for-profit provision is perceived as more child-centred and responsive to individual needs.	26.3%	36.8%	15.8%	21.1%	0%

<b>Aggregate</b>	<b>63.1%</b>			<b>21.1%</b>	
For-profit provision prioritises placements in cost-effective properties and geographical areas over children's needs.	31.6%	31.6%	15.8%	21.1%	0%
<b>Aggregate</b>	<b>63.2%</b>			<b>21.1%</b>	
While profits from for-profit providers are diverted elsewhere, surplus funds from not-for-profit providers are reinvested in improving service quality.	15.8%	36.8%	26.3%	21.1%	0%
<b>Aggregate</b>	<b>52.6%</b>			<b>21.1%</b>	

*Further insights from focus group discussions*

- 3.9 Statements with a clear lack of consensus (highlighted in bold in the table above), were discussed in focus groups. For both statements, multiple participants highlighted the need to **distinguish between perception and reality**. For example, a few participants called for the consideration of inspection outcomes to substantiate claims regarding care quality or breaches in regulation. With limited concrete evidence from inspections, they argued that discussions around the quality of for-profit and not-for-profit provision would remain speculative, leading to more varied views. Concerns about the conflict of interest in studies on quality of care commissioned by for-profit providers were also discussed by a couple of participants. This underscored the importance of more robust objective measures to inform discussions on quality of care and breaches of regulations. Variations in how regulations are enforced and reported were understood to further complicate the assessment of regulatory compliance among different types of providers.
- 3.10 When considering the statements in bold, multiple participants cautioned against **blanket generalisations**, noting examples of both high and poor-quality care across for-profit and not-for-profit settings, and differences between foster care and residential care, suggesting that factors beyond profit contribute to care quality. It was recognised by one participant, however, that these generalisations were necessary to inform policy decisions.



- 3.11 A few participants continued to have **strong positive or negative stances towards for-profit provision** in the focus groups, further explaining varying responses to the proposed statements. One participant remained **critical** of perceived financial motives at the expense of the needs of children. Conversely, another participant discussed the **historical context of care provision in the UK**, highlighting long-standing issues in ensuring regulatory compliance across all types of providers, irrespective of profit status. Additionally, one participant cited instances where children were placed far from their homes, and even outside of Wales (e.g., in England), due to a lack of suitable local options, underscoring systemic issues that transcend profit status.

### **Potential impacts of implementing the commitment to eliminate for-profit provision from the care of looked after children**

- 3.12 This section explores responses to questions in Section 2 which investigated the potential impacts of eliminating for-profit provision. Respondents were asked to discuss the positive impacts, additional measures to secure positive impacts, along with any unintended consequences and measures to mitigate these.

### **Positive impacts**

#### *Findings from Questionnaire 1: Potential positive impacts*

- 3.13 Respondents were asked to discuss the positive impacts that may occur from the implementation of the commitment to eliminate for-profit provision. A key theme across responses was **improved quality of care**. The removal of profit was hoped to incentivise providers to prioritise the quality of care over financial gain. This was described as leading to more investment in internal service promotion and developments, therefore, enhancing service quality. Additionally, the removal of profit was understood to result in more cost-effective care, improving accessibility to services. **More equitable care** also emerged across participants' responses. Universal consistency in providers was hoped to ensure a standardised approach to service delivery, promoting fairness. Furthermore, it was hoped eliminating for-profit provision would encourage cooperation between providers, fostering a more collaborative care environment.
- 3.14 **Closer to home placements** were also discussed. Some participants believed that children would be more likely to remain closer to their homes and communities as a result of eliminating profit. This was described as better facilitating connections to local services and institutions as well as promoting more stable, supportive family

relationships. An additional positive impact frequently mentioned was **improved specialist support provision**. It was highlighted that specialist providers could reinvest profits back into services or adjust business models to ensure the availability of specialised support for children with complex needs, enhancing overall support provision. In addition, participants emphasised that eliminating for-profit provision would improve the **perception of the care sector** among care experienced children, young people, and the wider public. Concerns over for-profit providers' prioritisation of financial gain over care quality would be addressed, enhancing trust and confidence in the sector.

- 3.15 Other respondents noted that there was **no or limited correlation** between business type and the quality and nature of care provision and well-being impacts. Therefore, the elimination of for-profit provision might not significantly alter these impacts.

*Findings from Questionnaire 2: Potential positive impacts*

- 3.16 The following tables highlight where areas of consensus and areas of no consensus were reached regarding the positive impacts of eliminating for-profit provision from the care of looked after children. The aggregate percentage of agreement or disagreement is also provided under each statement. The short statements listed in the tables are based on key points identified from the thematic analysis of responses to Questionnaire 1.

**Table 3.3: Areas where consensus was reached on the potential positive impacts of eliminating for-profit provision**

Statement	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree
The removal of for-profit provision can incentivise providers to prioritise quality of care over financial gain, leading to better quality of services.	26.3%	52.6%	15.8%	5.3%	0%
<b>Aggregate</b>	<b>78.9%</b>			<b>5.3%</b>	

**Table 3.4: Areas where consensus was not reached on the potential positive impacts of eliminating for-profit provision**

Statement	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
The removal of for-profit provision will ensure a more standardised approach to service delivery.	15.8%	52.6%	15.8%	10.5%	5.3%
<b>Aggregate</b>	<b>68.4%</b>			<b>15.8%</b>	
The removal of for-profit provision will allow children to remain closer to their homes and communities.	26.3 %	26.3%	26.3%	21.1%	0%
<b>Aggregate</b>	<b>52.6%</b>			<b>21.1%</b>	
<b>The removal of profit will lead providers to reinvest surplus funds back into services, as such ensuring the availability of specialist support for children with complex needs.</b>	15.8%	21.1%	42.1%	5.3%	15.8%
<b>Aggregate</b>	<b>36.9%</b>			<b>21.1%</b>	
<b>There is no or limited correlation between business type and quality and nature of care provision, as well as wellbeing outcomes.</b>	5.3%	42.1%	15.8%	10.5%	26.3%
<b>Aggregate</b>	<b>47.4%</b>			<b>36.8%</b>	

*Further insights from focus group discussions: Potential positive impacts*

- 3.17 Discussions in the focus group focused on the statement (highlighted in bold in the table above) to eliminate profit from care providers and reinvest these funds into specialist services. The lack of consensus surrounding the proposal was agreed by multiple participants to be due to its **speculative nature**, which allowed for various plausible scenarios, resulting in divergent views.
- 3.18 While one participant expressed strong optimism about the likelihood of reallocating funds towards better planning and enhancing specialist services, a few opposed the

notion, especially those representing **smaller for-profit providers**. Concerns were raised by one participant regarding the transition to a charity-based model as it would necessitate owners to increase the take-home pay, potentially resulting in higher costs for services and less investment in specialist provisions. For example, a small provider with multiple owners who currently take dividends from the business was understood to face significant financial challenges due to tax rules favouring dividends over salaries.

- 3.19 Another participant drew attention to current **LA perspectives and experiences**. It was noted that if the removal of profit guaranteed improved specialist services, LAs would have already adopted these measures<sup>3</sup>. This observation indicates a prevailing belief among participants that existing challenges are multifaceted and cannot be solely addressed by the proposal of eliminating profit.
- 3.20 Despite differing views, there was some agreement on the need for **additional or alternative solutions** to improve access to specialist services. One participant argued that the proposed solution of eliminating profit was too broad and called for a targeted approach to address availability of specialist services. Additionally, there was support among a few participants for innovative strategies to develop specialist support such as ‘pooled budgets’ where LAs collaborate with the health and education sectors, combining their resources. This approach was understood to shift focus away from financial responsibilities towards a unified emphasis on meeting the diverse needs of children.
- 3.21 Discussions surrounding the second statement of interest, “There is no or limited correlation between business type and quality and nature of care provision, as well as wellbeing outcomes”, repeated insights outlined above in Section 1. For example, there were discussions among multiple participants around the need to **distinguish between perception and reality** and the call for a greater evidence base on the impact on the quality and nature of care provision and well-being outcomes.

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<sup>3</sup> This explanation was provided in the focus groups. Since no further details were provided, further explanation is not possible regarding any evidence to support this view.

## Negative impacts

### *Findings from Questionnaire 1: Potential negative impacts*

- 3.22 This section explores responses to questions in Section 2 in Questionnaire 1 which investigated the negative impacts that may occur from the implementation of the commitment to eliminate for-profit provision.
- 3.23 **Shortage of placements and services** was a recurring theme across responses. Respondents expressed concerns about the potential closure and relocation of for-profit providers, resulting in reduced service provision and limited placement options for children and young people<sup>4</sup> Respondents also stressed the possibility of a reduction in services for children with complex needs alongside a reduction in wrap-around services, including on-site education and therapies, which were deemed crucial to support these children. For-profit providers were understood to have the resources and infrastructure to offer comprehensive care for children with complex needs.
- 3.24 Additionally, respondents expressed concerns about **worse outcomes for looked after children and young people**. There were increased concerns that children may be placed in unregistered services or with providers unequipped to meet their specific needs. Furthermore, potential unplanned closures and relocation of providers were understood to disrupt children's lives by separating them from their support networks, including family, friends, and communities. The possibility of temporary cost increases in current placements before the full implementation of the policy was also discussed. Moreover, respondents stressed the possibility of unfilled spaces in locally run care homes, potentially leading to the underutilisation of resources.<sup>5</sup> **Challenges for LAs** in securing suitable placements for children and young people emerged as a key theme. Respondents expressed concerns regarding the decreased choice and flexibility to secure appropriate placements to meet children and young people's needs. Additionally, concerns were raised about rising placement costs which could strain budgets and potentially stall other developmental initiatives such as early intervention schemes due to stretched resources. Existing providers could potentially increase weekly costs to recover or achieve expected returns before the new legislation comes into effect. This was

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<sup>4</sup> These statements were framed separately by respondents in Questionnaire 1 but have been analysed together for clarity.

<sup>5</sup> This statement was identified during the analysis of Questionnaire 1. As no further details were provided, further explanation is not possible.

seen to be due to uncertainties about the costs of converting to new not-for-profit models or plans to withdraw from the market.

- 3.25 An additional recurring theme was **challenges for staff workforce**. Some respondents anticipated potential losses in staff from for-profit provision, especially within independent fostering agencies. Concerns were raised around the potential alienation of current staff and foster carers in for-profit provision by questioning their motives as 'profit-driven'. For additional themes, respondents stressed the importance of accompanying measures to address unintended consequences. They also emphasised the need for more details on the commitment to provide comprehensive responses.

*Findings from Questionnaire 2: Potential negative impacts*

- 3.26 The following tables highlight where areas of no consensus were reached regarding the negative impacts that may occur from the implementation of the commitment to eliminate for-profit provision. There were **no areas of consensus regarding the negative impacts of the commitment**. The aggregate percentage of agreement or disagreement is also provided under each statement. The short statements listed in the table are based on key points identified from the thematic analysis of responses to Questionnaire 1.

**Table 3.5: Areas where consensus was not reached on the potential negative impacts of eliminating for-profit provision**

The implementation of the commitment to eliminate for-profit provision will lead to...

Statement	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree
Closure and relocation of for-profit providers which will result in reduced service provision and placement availability in Wales in the short-term.	31.6%	36.8%	21.1%	10.5%	0%
<b>Aggregate</b>	<b>68.4%</b>			<b>10.5%</b>	
A loss of staff and foster carers currently engaged in for-profit	15.8 %	26.3%	36.8%	15.8%	5.3%

provision in Wales.					
<b>Aggregate</b>	<b>42.1%</b>			<b>21.1%</b>	
A particular reduction in services for children with complex needs.	21.1%	26.3%	15.8%	31.6%	5.3%
<b>Aggregate</b>	<b>47.4%</b>			<b>36.9%</b>	
<b>More children living in services operating without registration with Care Inspectorate Wales.</b>					
	5.3%	26.3%	31.6%	26.3%	10.5%
<b>Aggregate</b>	<b>31.6%</b>			<b>36.8%</b>	
Temporary cost increases in current placements before commitment implementation.	15.8%	31.6%	36.8%	10.5%	5.3%
<b>Aggregate</b>	<b>47.4%</b>			<b>15.8%</b>	
Short-term increases in placement costs, leading to budgetary pressures for Local Authorities.	21.1%	36.8%	21.1%	15.8%	5.3%
<b>Aggregate</b>	<b>57.9%</b>			<b>21.1%</b>	
Long-term increases in placement costs, leading to budgetary pressures for Local Authorities.	5.3%	10.5%	36.8%	26.3%	21.1%
<b>Aggregate</b>	<b>15.8%</b>			<b>47.4%</b>	
Decreased choice and flexibility in securing appropriate placements to meet children and young people's needs.	15.8%	21.1%	15.8%	42.1%	5.3%

<b>Aggregate</b>	<b>36.9%</b>			<b>47.4%</b>	
<b>Potential stalling of other development initiatives (i.e. early intervention services) due to stretched resources.</b>	10.5%	31.6%	15.8%	26.3%	15.8%
<b>Aggregate</b>	<b>42.1%</b>			<b>42.1%</b>	

*Further insights from focus group discussions: Potential negative impacts*

- 3.27 Statements with a clear lack of consensus (highlighted in bold in the table above) were discussed in focus groups. With regard to the potential negative impact of more children living in services operating without registration with Care Inspectorate Wales, respondents expressed different perspectives.
- 3.28 Across multiple focus group participants, there was **widespread uncertainty** about such a potential impact of the commitment given the absence of precedent for this policy change. Multiple respondents emphasised the importance of transition arrangements and support mechanisms in determining the impact of the commitment on the number of children in unregistered placements. In this way, concerns were raised about the likelihood of more children residing in unregistered placements if adequate resources and alternative plans were not put in place by the Welsh Government. For example, there were calls for a sufficiently long transition period to facilitate the integration of the change and potentially mitigate the need for increased unregistered placements.
- 3.29 Conversely, a few participants expressed strong disagreement with the statement. It was argued that **services operating without registration** across Wales were symptomatic of a broader issue beyond the profit agenda. Despite their perceived adequacy of available provision, a couple of participants did highlight that current services often were unable to meet the complex needs of children in care, resulting in children being placed in unregistered or unregulated settings. This perspective underscored the experts' recognition of the significance of addressing the quality and appropriateness of available placements.
- 3.30 Thinking beyond the commitment, discussions in focus groups continued to explore **broader systemic issues**. For example, a couple of participants questioned the necessity and effectiveness of current regulatory frameworks. Concern about over-



regulation was voiced by one participant, with suggestions that stringent rules may inadvertently contribute to the rise in unregistered placements. This participant highlighted examples where homes designated to be registered were deemed inadequate due to regulatory constraints. For example, some homes set aside for registration were found to have insufficient room sizes, leading to questions about the suitability of such homes for accommodating children. This prompted reflections on the unintended consequences of regulatory policies.

- 3.31 A lack of consensus also emerged surrounding the second statement in bold – that eliminating for-profit provision would lead to the potential stalling of other development initiatives within children’s service. In focus groups, a couple of participants expressed firm disagreement with the statement, emphasising **pre-existing issues of underfunding** for other development initiatives, particularly early intervention services. They emphasised that this longstanding problem has worsened over time and was therefore not solely attributable to the potential removal of for-profit providers. A few participants also disagreed with the statement, stressing the importance of viewing the eliminating profit from care provision as part of a **broader strategy**. A couple also stressed the importance of acknowledging the multitude of measures being simultaneously implemented by the Welsh Government to enhance the quality and consistency of care for children across LAs.
- 3.32 A couple of respondents adopted a more neutral stance, with one participant drawing attention to the **individual priorities of LAs** and their long-term plans. They suggested that the impact of eliminating for-profit provision on development initiatives would vary depending on each LA’s specific priorities and resource allocation strategies. While a few acknowledged the potential benefits of transitioning to eliminating profit, they also expressed caution towards the associated costs and complexities involved in the implementation.
- 3.33 A couple of participants agreed with the statement, emphasising the impact of the commitment on their current management capacity and project resources. One participant noted that **significant time and resources** had already been devoted to this initiative, diverting attention and resources away from other important development projects within children’s services. Moreover, concerns were widely raised about the **potential compressing of resources for preventative services within LAs**, which were often the first to be cut during budgetary constraints. A few stressed the importance of protecting investments in preventative services to ensure the overall well-being of children and families.

## **Additional measures**

### *Findings from Questionnaire 1: Additional measures to secure positive and mitigate negative impacts*

- 3.34 Respondents were asked to discuss the potential measures to be taken by the Welsh Government to **secure any positive impacts** associated with the commitment.
- 3.35 The need for **comprehensive guidance and support** during the transition phase was emphasised. This included training programmes and bursaries to facilitate the adaptation process for residential care professionals. Moreover, respondents called for more clarity regarding exemptions from legislation. They also emphasised the need for more transparent communication about the monitoring process of the quality of local authority placement provision under the new arrangements. This was deemed key to fostering understanding and compliance among stakeholders. Additionally, there was an emphasis on the necessity of fostering increased communication and collaboration among all parties involved in the transition to ensure smooth and effective implementation.
- 3.36 **Financial support** also emerged as a key recurring theme. Respondents stressed the importance of allocating sufficient funding for investment in not-for-profit provision, emphasising the need for resources dedicated to staff training and infrastructure development. Furthermore, respondents suggested providing financial incentives, including tax breaks, grants and subsidies to incentivise providers to transition to non-profit models, subsequently promoting widespread adoption of the new arrangements.
- 3.37 In addition to improved communication and financial support, there were calls for the **implementation of additional initiatives** associated with the commitment. These suggestions included conducting regular evaluations to monitor progress and identify areas of improvement, facilitating continuous refinement of the transition process. Moreover, respondents called for the implementation of preventative measures and early intervention services aimed at reducing the strain on future placements and addressing issues proactively. They also emphasised the importance of prioritising provision for children with Special Educational Needs and Disabilities (SEND). Respondents called for commitment to child-centred processes and provisions, emphasising the importance of placing the well-being and best interests of children at the forefront of decision-making. Additionally, they highlighted the need for proactive intervention by the Welsh Government to manage

demand and supply imbalances across LAs. Finally, there were calls to extend the transition period to allow for a smoother and more gradual implementation of the new framework.

- 3.38 Respondents were also asked to identify any additional measures that could be taken by the Welsh Government to **mitigate any unintended consequences**.
- 3.39 **Improved communication** emerged as a recurring suggestion. Respondents highlighted the importance of greater communication with current for-profit providers to clarify the implications of the commitment and ensure a smooth transition process. Additionally, there were calls for improved communication with children and young people to inform them about upcoming changes and provide reassurance on the management of any changes. There were also suggestions for more regular updates to all stakeholders to keep them informed of progress and developments during the transition period.
- 3.40 An additional key theme across responses was **varying views towards timelines for implementation**. While some wanted to avoid delays in the implementation of the commitments, other respondents suggested adjusting implementation timelines to allow for a more gradual transition to minimise disruptions. Furthermore, there were calls for the Welsh Government to consider individualised timelines to prevent forced relocations of children and ensure a tailored approach to implementation.
- 3.41 **Collaboration** was also frequently mentioned across responses. Respondents called for greater collaboration between LAs and third sector organisations to coordinate the delivery of specialised provision and optimise resource allocation. Additionally, they suggested greater collaboration to support providers in transitioning to not-for-profit models, facilitating a smoother transition for all stakeholders involved. **Financial support** was also highlighted as essential, with respondents suggesting the provision of incentives to for-profit providers to help with their transition. There were also calls for increased investment by LAs in in-house not-for-profit provision to ensure the availability of high-quality services for children and young people with complex needs.<sup>6</sup>
- 3.42 In addition, respondents proposed **additional initiatives** to ensure effective oversight and support throughout the transition process. Suggestions included the establishment of a Board of Advisors comprised of individuals with appropriate

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<sup>6</sup> This statement was identified during the analysis of Questionnaire 1. As no further details were provided, further explanation is not possible as to whether this would draw on existing resources or new resources.

expertise and experience to oversee the commitment's implementation and provide guidance. Moreover, there were calls to ensure the provision of advocacy and relevant support services for the affected children and young people in order to safeguard their well-being during the transition period. Respondents also emphasised the importance of reducing the number of children in care through safe reunification with birth families. Finally, there were recommendations to maintain a continued emphasis on reforming the system following the elimination of profit.

*Findings from Questionnaire 2: Additional measures to secure positive and mitigate negative impacts*

- 3.43 The following tables show where areas of consensus and areas of no consensus were reached regarding potential measures to secure positive impacts and mitigate against any unintended consequences associated with the commitment. The aggregate percentage of agreement or disagreement is also provided under each statement. The short statements listed in the tables are based on key points identified from the thematic analysis of responses to Questionnaire 1. Due to significant overlaps in responses, measures to secure positive impacts and mitigate any unintended consequences were merged in the same set of statements in Questionnaire 2.

**Table 3.6: Areas where consensus was reached on the measures to secure any positive impacts or mitigate against any unintended consequences associated with the commitment**

The Welsh Government should...

Statement	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree
Ensure on-going transparent communication, guidance and support for stakeholders involved in the transition (e.g., on exemptions from legislation).	68.4%	26.3%	5.3%	0%	0%
<b>Aggregate</b>	<b>94.7%</b>				
Allocate funding for investment in not-for-profit provision including	78.9 %	15.8%	5.3%	0%	0%

staff training and infrastructure development.					
<b>Aggregate</b>	<b>94.7%</b>				
Support the development of early intervention and prevention services to reduce the need for future placements (incl. edge of care and holistic family support to children and families).	84.2%	15.8%	0%	0%	0%
<b>Aggregate</b>	<b>100%</b>				
Focus on reducing the number of looked after children through safe reunification with their birth families.	42.1%	57.9%	0%	0%	0%
<b>Aggregate</b>	<b>100%</b>				
Ensure the provision of advocacy and relevant support services for affected children and young people.	68.4%	26.3%	5.3%	0%	0%
<b>Aggregate</b>	<b>94.7%</b>				
Ensure oversight of the commitment to eliminate profit through the creation of a multidisciplinary Board of Advisors (those with appropriate expertise and experience).	36.8%	42.1%	15.8%	5.3%	0%
<b>Aggregate</b>	<b>78.9%</b>			<b>5.3%</b>	

**Table 3.7: Areas where consensus was not reached on the measures to secure any positive impacts or mitigate against any unintended consequences associated with the commitment**

The Welsh Government should...

<b>Statement</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neither Agree Nor Disagree</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
Prioritise funding provision for children with Special Educational Needs and Disabilities (SEND).	31.6%	26.3%	36.8%	5.3%	0%
<b>Aggregate</b>	<b>57.9%</b>			<b>5.3%</b>	
Offer financial incentives to encourage for-profit providers to transition to a not-for-profit entity (tax breaks, grants, subsidies).	15.8 %	36.8%	31.6%	10.5%	5.3%
<b>Aggregate</b>	<b>52.6%</b>			<b>15.8%</b>	
Intervene to manage the supply and demand imbalances of placements across Local Authorities.	42.1%	21.1%	31.6%	5.3%	0%
<b>Aggregate</b>	<b>63.2%</b>			<b>5.3%</b>	
<b>Avoid any delays in implementation of the commitment to eliminate profit from the care of children looked after.</b>	31.6%	26.3%	21.1%	15.8%	5.3%
<b>Aggregate</b>	<b>57.9%</b>			<b>21.1%</b>	

- 3.44 Using the text boxes, respondents further commented on whether the Welsh Government should offer financial incentives to encourage for-profit providers to transition to a not-for-profit entity. Some participants argued that decisions should be made on specific circumstances, including the reasons for needing encouragement, the type of profit organisations involved<sup>7</sup>, and potential adverse consequences if financial incentives are not provided. Others were more sceptical about the necessity, questioning why the government should financially compensate the transition of any for-profit providers. Concerns were also raised about the possibility of companies becoming not-for-profit in name only or accepting financial incentives and then exiting the market shortly afterwards.

*Further insights from focus group discussions: Additional measures to secure positive and mitigate negative impacts*

- 3.45 The statement (highlighted in bold) on avoiding delays in the implementation of the commitment prompted a diverse range of views, resulting in a lack of consensus among participants. When discussing this statement in the focus groups, those in agreement with the statement cautioned against idealising the current system and stressed that **prolonged delays in implementation would only increase confusion and uncertainty among stakeholders**. A couple of participants further argued that while amendments may be necessary, the establishment of a clear cutoff date was essential to ensure progress.
- 3.46 Conversely, a couple of participants who opposed the statement emphasised the **importance of taking the necessary time** to ensure that the replacement model is robust and capable of addressing unforeseen consequences. A few participants also underscored the need to prioritise outcomes over rigid adherence to a predetermined timeline. Concerns about potential disruptions to young people prompted multiple calls for monitoring the transition and adapting as needed.
- 3.47 A few participants recognised the **nuanced implications of delays for different stakeholders**. One participant recognised that delays may have varying impacts depending on individual circumstances, such as children in for-profit residential or foster care providers not planning to transition, where longer delays may be more desirable. Furthermore, there was agreement among a couple of participants on the **need for a separate conversation about provision for children with**

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<sup>7</sup> This explanation was provided in the open text boxes in Questionnaire 2. Since no further details were provided, further explanation is not possible regarding which organisations were understood to qualify for financial incentives.

**disabilities**, acknowledging the growing demand and the complexities surrounding meeting those needs within the current system.

- 3.48 Following discussions in focus groups, multiple participants **agreed on the need for a balanced approach**, supportive of progress at a reasonable pace without compromising outcomes for children. There was consensus on the importance of a safe managed transition, acknowledging the complexities involved and the need for careful consideration of all stakeholders' perspectives.
- 3.49 Additionally, participants were asked **which, among the additional measures that reached consensus, they would prioritise**. Prompted by the statement on on-going transparent communication, guidance and support for stakeholders involved in the transition, a few respondents highlighted the importance of transparency regarding efforts to improve the supply of placements, especially for LAs. To serve the best interests of children, one participant emphasised the importance of providing more insights into supply and demand dynamics. There was also support from one participant for increasing provision in the third sector as a strategy to address existing challenges, given the potential for innovative and localised solutions.

### **Exploring the broader transformation of children's social care**

- 3.50 This section explores responses to questions in Section 3 which investigated the broader transformation of children's social care. Respondents were asked to discuss the impacts on the sustainability and stability of children's social care, well-being outcomes for children and young people, as well as suggest any measures to enhance the sustainability and stability of care services for looked after children and young people in Wales.

#### **Impact on sustainability and stability**

*Findings from Questionnaire 1: Impact of the commitment, along with the broader transformation of children's social care, on the sustainability and stability of children's social care in Wales*

- 3.51 Respondents were asked to discuss the potential impacts of the commitment, along with the broader transformation of children's social care, on the sustainability and stability of children's social care in Wales.
- 3.52 **Short-term negative impacts on stability and sustainability** during the transition were a key consideration raised by respondents. In particular, they expressed concerns towards the potential shortage of placements and services, resulting from



the closure of for-profit providers. Additionally, the potential relocation of for-profit providers to England was perceived to further diminish service provision and placements. This potential shortage was understood to present an increased risk to children and young people who may be forced to remain in unsafe environments due to the lack of available placements. Moreover, challenges in recruiting and retaining social care workers across Wales were discussed, further compounding placement issues. Respondents also raised concerns about the placement of children in services at a greater distance from family, friends, and communities. There were also apprehensions about increased safety risks for children and young people due to more inappropriate family placements and unregulated placements. Conversely, **short-term positive impacts on stability and sustainability** during the transition were also discussed. Responses highlighted the potential for improvements through increased planning and collaboration between LAs and third sector organisations.

- 3.53 Discussions extended to **long-term negative impacts on stability and sustainability**. Respondents expressed concerns about the diversion of resources away from broader transformation priorities. However, they also recognised the **long-term positive impacts on stability and sustainability**. For example, respondents emphasised the enhanced ability to regulate prices of placements and ensure funding is allocated to children's needs. There was also acknowledgement of the potential for the transformation of provision to better address the specific needs of children and young people, fostering a more localised approach to care delivery. Nonetheless, respondents expressed overarching concerns that the commitment may not be achieved and would not be implemented consistently across different regions.<sup>8</sup> They also suggested exploring a mixed model of for-profit and not-for-profit provision as a potential solution to ensure the sustainability and stability of children's social care in Wales.
- 3.54 In addition, respondents were also asked in Questionnaire 1 to consider the implications of not implementing the commitment. One key theme was **continued financial challenges**. Without the implementation of the commitment, concerns were raised about the continued financial challenges faced by LAs, including cuts to essential support services such as edge of care and a rise in the number of looked after children and young people. There were also concerns regarding potential

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<sup>8</sup> This statement was identified during the analysis of Questionnaire 1. As no further details were provided, further explanation is not possible to further explains the reasons why there were concerns that the commitment would not be consistently implemented.

increases in the cost of placements due to ongoing infrastructure, budget, and staffing challenges. Respondents also expressed apprehension about the possible waste of resources that had already been invested in planning for the commitment.

- 3.55 In the absence of the commitment, respondents emphasised the importance of exploring **alternative measures**. This included taxation or regulatory mechanisms to address excessive profits extracted by providers. There was also a call for increased monitoring of for-profit organisations engaged in profiteering practice, along with greater investment by LAs in in-house provision to reduce reliance on for-profit providers.<sup>9</sup> **Dysfunctional market provision** was also a recurring theme, such as potential unplanned closures of homes due to debts of private companies. There were also concerns that provision would continue to fail to meet children's needs and lack quality assurance, ultimately leading to poorer outcomes for children and young people.
- 3.56 Some respondents noted that not implementing the commitment could enable a greater focus on the **broader transformation agenda** in children's social care. This included strategic commissioning and marketing efforts to ensure children have access to the appropriate provision when needed. On the contrary, other respondents highlighted the **importance of implementing the commitment**. There was an emphasis on the importance of not questioning whether the commitment is to be implemented but, instead, focusing efforts and consideration on how it should be implemented.

*Findings from Questionnaire 2: Impact of the commitment, along with the broader transformation of children's social care, on the sustainability and stability of children's social care in Wales*

- 3.57 The following tables highlight where areas of consensus and areas of no consensus were reached regarding the impact of the commitment, along with the broader transformation of children's social care, on the sustainability and stability of children's social care in Wales. The aggregate percentage of agreement or disagreement is also provided under each statement. The short statements listed in the tables are based on key points identified from the thematic analysis of responses to Questionnaire 1.

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<sup>9</sup> This statement was identified during the analysis of Questionnaire 1. As no further details were provided, further explanation is not possible of whether LAs would require additional resources or use existing resources differently.

**Table 3.8: Areas where consensus was reached on the impact of the commitment, along with the broader transformation of children's social care, on the sustainability and stability of children's social care in Wales**

The commitment, along with the broader transformation of children's social care, will...

Statement	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree
Have a short-term and long-term positive impact on the sustainability and stability of children's social care, due to better planning and collaboration between Local Authorities and third sector organisations.	10.5%	68.4%	10.5%	10.5%	0%
<b>Aggregate</b>	<b>78.9%</b>			<b>10.5%</b>	
Have a long-term positive impact on the sustainability and stability of children's social care, due to the enhanced ability to regulate prices of placements.	26.3%	57.9%	10.5%	5.3%	0%
<b>Aggregate</b>	<b>84.2%</b>			<b>5.3%</b>	
Have a long-term positive impact on the sustainability and stability of children's social care, due to the enhanced ability to ensure that public money invested in the care of children looked after is spent on children's services.	36.8%	52.6%	10.5%	0%	0%
<b>Aggregate</b>	<b>89.4%</b>				
Have a long-term positive impact on the sustainability and stability of children's social care, due to the overall transformation of provision to promote local, more appropriate provision that better responds to needs	36.8%	47.4%	15.8%	0%	0%

of children and young people.

**Aggregate 84.2%**

There are concerns that the commitment to eliminate profit, along with the broader transformation of children's social care, may not be achieved and implemented consistently across different regions.

26.3% 57.9% 15.8% 0% 0%

**Aggregate 84.2%**

**Table 3.9: Areas where consensus was not reached on the impact of the commitment, along with the broader transformation of children's social care, on the sustainability and stability of children's social care in Wales**

The commitment, along with the broader transformation of children's social care, will...

Statement	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree
Have a short-term negative impact on the sustainability and stability of children's social care as the closure and potential relocation of for-profit providers may lead to reduced service provision and placement availability.	26.3%	36.8%	26.3%	10.5%	0%
<b>Aggregate</b>	<b>63.1%</b>			<b>10.5%</b>	
Have a short-term negative impact on the sustainability and stability of children's social care and staff wellbeing due to the impact on recruitment and retention of the social care workforce across Wales.	15.8 %	42.1%	10.5%	26.3%	5.3%
<b>Aggregate</b>	<b>57.9%</b>			<b>31.6%</b>	

Have a long-term negative impact on the sustainability and stability of children's social care, due to the diversion of capacity and resources from the wider transformation priorities.	0%	31.6%	26.3%	15.8%	26.3%
<b>Aggregate</b>		<b>31.6%</b>		<b>42.1%</b>	

*Further insights from focus group discussions: Impact of the commitment, along with the broader transformation of children's social care, on the sustainability and stability of children's social care in Wales*

- 3.58 The statement (highlighted in bold in Table 3.9) on the **short-term negative impact on recruitment and retention of the social care workforce**, resulted in a lack of consensus among experts in Questionnaire 2. In focus groups, a few participants arguing against the statement questioned why transitioning to a not-for-profit model would worsen existing workforce challenges. This was particularly the case in foster care where staff retention was already an issue. They further suggested that LAs were generally perceived as better employers than the private sector, offering more advantageous terms and conditions. A couple of participants agreed, emphasising that LAs provide better pay, working conditions, and training opportunities. A couple were hopeful that increased state investment in residential care would attract more individuals to the social care field, ultimately contributing to long-term growth and sustainability.
- 3.59 Conversely, a couple of participants in agreement with the statement expressed concerns about the uncertainty surrounding the commitment to eliminate profit. One participant highlighted concerns about the viability of children's homes as stable places of employment in the future, leading individuals to seek alternative job options for greater stability. Additionally, another participant proposed a broader approach to strengthening the workforce, recognising the significance of qualifications and graduate-level training. They believed more positive outcomes for the social care workforce could be achieved by addressing workforce quality and stability through improved qualifications.
- 3.60 Varying viewpoints were also expressed towards **long-term negative impact due to diversion of capacity and resources from wider transformation priorities**

(highlighted in bold in Table 3.9). A few participants emphasised that the outcome was dependent on effective management, planning and prioritisation. It was recognised that if executed effectively, it would be possible to eliminate profit from the provision of care without consuming excessive time and energy. Poor implementation, however, may detract from other transformation agendas. In response, one participant called for proper governance by the Welsh Government and separation of different agendas to ensure accountability and transparency in resource allocation.<sup>10</sup>

- 3.61 Discussions surrounding the aforementioned statements prompted broader considerations. A few participants argued that transitioning to a not-for-profit model may not effectively address underlying issues unless accompanied by concurrent investment in staff and facilities. Another participant took a firmer stance, suggesting that policy itself may not be the most appropriate way to achieve positive outcomes. They proposed that the primary objective should instead be to allocate resources to ensure high-quality services and adequate support for staff.

### **Impact on wellbeing outcomes**

*Findings from Questionnaire 1: Impact of the commitment, along with the broader transformation of children's social care, on the well-being outcomes for children and young people in Wales*

- 3.62 Respondents were asked to discuss the potential impacts of the commitment, along with the broader transformation of children's social care, on well-being outcomes for children and young people in Wales. Respondents perceived there to be a **positive impact on well-being outcomes for children and young people**. The shift towards not-for-profit models was hoped to lead to the delivery of more localised and needs-based services of higher quality. Additionally, respondents anticipated that it would ensure that profits are directed towards improving children and family support services, enhancing overall well-being outcomes.
- 3.63 Nonetheless, concerns were also raised towards any **unintended consequences and challenges**. Respondents emphasised that not-for-profit provision did not guarantee positive outcomes given the inherent challenges in the sector. Respondents also noted that the success of the commitment and broader transformation to positively impact outcomes was dependent on the management of

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<sup>10</sup> This explanation was provided in the focus groups. Since no further details were provided, further explanation is not possible regarding the separation of different agendas.

any negative impacts that could adversely influence well-being outcomes. These negative impacts included delays in finding suitable placements, forced relocation and reduced capacity. The success of the commitment and broader transformation was also thought to be dependent on the extent of planning and support offered to care providers and professionals during the implementation period. Furthermore, respondents suggested it would be dependent on the adoption of a more realistic timescale for implementation to avoid any disruptions that could compromise well-being outcomes. It was finally emphasised that despite the significance of the commitment, it should be recognised that well-being outcomes should remain a priority across all initiatives within the care sector.

*Findings from Questionnaire 2: Impact of the commitment, along with the broader transformation of children's social care, on the well-being outcomes for children and young people in Wales*

- 3.64 The following tables highlight where areas of consensus and areas of no consensus were reached regarding the impacts of the commitment, along with the broader transformation of children's social care, on the well-being outcomes for children and young people in Wales. The aggregate percentage of agreement or disagreement is also provided under each statement. The short statements listed in the tables are based on key points identified from the thematic analysis of responses to Questionnaire 1.

**Table 3.10: Areas where consensus was reached on the impact of the commitment, along with the broader transformation of children's social care, on the well-being outcomes for children and young people in Wales**

Statement	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree
Eliminating profit, along with the broader transformation of children's social care, does not guarantee positive outcomes as there remain inherent challenges within the not-for-profit sector.	31.6%	52.6%	5.3%	10.5%	0%
<b>Aggregate</b>	<b>84.2%</b>			<b>10.5%</b>	
Eliminating profit, along with the broader transformation of	47.4%	36.8%	15.8%	0%	0%

children's social care, will only have a positive impact on well-being outcomes for children and young people if transition planning and support are offered to care providers and professionals during the implementation period.

**Aggregate 84.2%**

**Table 3.11: Areas where consensus was not reached on the impact of the commitment, along with the broader transformation of children's social care, on the well-being outcomes for children and young people in Wales**

Statement	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree
Eliminating profit, along with the broader transformation of children's social care, will have a positive impact on well-being outcomes for children and young people.	21.1%	36.8%	42.1%	0%	0%
<b>Aggregate</b>	<b>57.9%</b>				
Eliminating profit, along with the broader transformation of children's social care, will only have a positive impact on well-being outcomes for children and young people if a more realistic timescale for implementation is adopted to avoid any disruptions that could compromise well-being outcomes.	26.3 %	15.8%	42.1%	10.5%	5.3%
<b>Aggregate</b>	<b>42.1%</b>			<b>15.8%</b>	



*Further insights from focus group discussions: Impact of the commitment, along with the broader transformation of children's social care, on the well-being outcomes for children and young people in Wales*

- 3.65 Discussions in the focus groups addressed the following statement, 'eliminating profit, along with the broader transformation of children's social care, will have a positive impact on well-being outcomes for children and young people' (highlighted in bold in Table 3.11). Multiple participants were in agreement that the commitment to eliminate profit **could have positive impacts on well-being outcomes**, particularly if private providers continue to deliver quality services despite structural changes.
- 3.66 While there was cautious optimism about the potential positive impacts of the commitment and broader transformation, multiple participants emphasised – as in previous discussion of areas of no consensus – the need for **effective implementation and adequate financial support for the commitment**. There was a clear emphasis on addressing practical challenges to ensure success, such as ongoing monitoring to ensure the commitment's effectiveness in securing positive well-being outcomes. Concerns were also expressed by one participant about the Welsh Government's ability to handle a substantial transformation in order to achieve positive well-being outcomes.
- 3.67 In fact, a few participants viewed **the broader transformation of children's social care as having a greater role in enhancing well-being outcomes compared to solely eliminating profit**. This included investments in family services and early help services. A couple of participants also questioned whether the distinction between for-profit and not-for-profit provision would significantly affect well-being outcomes, highlighting the need for a holistic approach to services.
- 3.68 More broadly, another participant used the opportunity to reiterate the principle that **care should not be driven by profit**, considering it ethically wrong to exploit vulnerable children for economic gain. This agreement reflected a child-centred perspective, where multiple participants sought to prioritise the best outcomes for children and young people.

### **Impact on sustainability and stability of care services**

*Findings from Questionnaire 1: Additional measures to enhance the sustainability and stability of care services for looked after children and young people in Wales*

- 3.69 Respondents were asked to discuss the **potential measures** to be taken by the Welsh Government to enhance the sustainability and stability of care services for looked after children and young people in Wales, as part of the wider transformation programme for children's social care.
- 3.70 A recurring suggestion was **improved communication and monitoring**. This included regular progress reports on current investments in the sector to inform future investments and reform plans. There were also calls for increased transparency around provision for regulations and how this is to be implemented and monitored. Respondents suggested enhancing data collection on children's social care to facilitate evaluations of changes. They also highlighted the importance of developing a stronger public narrative to promote care as beneficial, considering that engaging the public in supporting these efforts is crucial, particularly in workforce recruitment and promoting care as a worthwhile career
- 3.71 **Collaboration** also emerged as an important theme. There were calls for greater collaboration between the Welsh Government and LAs. They also recommended aligning efforts with the goals of the [Youth Justice Blueprint](#) to establish smaller regional provisions as the standard. Joint planning, commissioning and delivery of health, social care, accommodation, and educational services were recommended to meet children's complex needs.
- 3.72 **Financial considerations** included the establishment of a more efficient funding allocation system directly targeting children's services. They also recommended increased investment in training and development for residential care professionals and leaders, including continued funding for training bursaries. There were suggestions to invest in both in-house and third sector residential care provisions, and further invest in LA fostering. Respondents also called for disparities in foster care fees to be addressed and for allowances to ensure consistency across services.
- 3.73 Respondents called for **further initiatives** associated with the wider transformation. This included the implementation of preventative measures and early intervention services to reduce the need for future placements, including edge of care and holistic family support to children and families. They recommended aligning legal requirements for service registration with commissioning strategies<sup>11</sup>. This was hoped to ensure the right services were registered in the right place to meet

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<sup>11</sup>This statement was identified during the analysis of Questionnaire 1. As no further details were provided, further explanation is not possible regarding the alignment with legal requirements.

children's needs. Respondents also suggested advancing commitments to provide accommodation for complex needs in every region. Additionally, suggestions were made to consider family reunification options where safe and appropriate. There were further calls to consider extending the transition period to facilitate smoother implementation of changes.

*Findings from Questionnaire 2: Additional measures to enhance the sustainability and stability of care services for looked after children and young people in Wales*

- 3.74 The following tables highlight where areas of consensus and areas of no consensus were reached in the additional measures to be introduced to enhance the sustainability and stability of care services for looked after children and young people in Wales, as part of the wider transformation programme for children's social care. The aggregate percentage of agreement or disagreement is also provided under each statement. The short statements listed in the tables are based on key points identified from the thematic analysis of responses to Questionnaire 1.

**Table 3.12: Areas where consensus was reached on the additional measures to enhance the sustainability and stability of care services for looked after children and young people in Wales**

The Welsh Government should...

Statement	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree
Provide regular progress updates on what investments they are making to support the not-for-profit sector.	68.4%	26.3%	5.3%	0%	0%
<b>Aggregate</b>	<b>94.7%</b>				
Develop a stronger public narrative, promoting care as beneficial, showcasing its impact, and engaging the public in supporting these efforts.	52.6 %	42.1%	0%	5.3%	0%
<b>Aggregate</b>	<b>94.7%</b>			<b>5.3%</b>	
Develop joint planning, commissioning, and delivery of health, social care, accommodation, and education services	78.9%	21.1%	0%	0%	0%

to meet children's  
diverse needs.

**Aggregate 100%**

Align efforts with the  
goals of the Youth  
Justice Blueprint to  
establish smaller  
regional provisions as  
the standard.

31.6% 57.9% 10.5% 0% 0%

**Aggregate 89.5%**

Establish a more efficient  
funding allocation system  
directly targeting  
children's services rather  
than broader Local  
Authority settlements.

42.1% 47.4% 10.5% 0% 0%

**Aggregate 89.5%**

Increase investment in  
training and development  
for residential care  
professionals and  
leaders, including  
continued funding for  
training bursaries.

47.4% 47.4% 5.3% 0% 0%

**Aggregate 94.8%**

Address disparities in  
foster care fees and  
allowances to ensure  
consistency across  
services.

47.4% 36.8% 10.5% 0% 5.3%

**Aggregate 84.2%**

**5.3%**

Implement preventative  
measures and early  
intervention services to  
reduce the need for  
future placements  
(including edge of care  
and holistic family  
support to children and  
families).

57.9% 36.8% 5.3% 0% 0%

**Aggregate 94.7%**

Advance commitments to  
provide accommodation  
for complex needs in  
every region.

63.2% 21.1% 15.8% 0% 0%

**Aggregate 84.3%**

**Table 3.13: Areas where consensus was not reached on the additional measures to enhance the sustainability and stability of care services for looked after children and young people in Wales**

Statement	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree
Instead of the commitment to eliminate profit, the Welsh Government should instead plan and implement a more long-term policy approach (e.g., development of new provision through direct public investment to gradually phase out profit-driven models).	15.8%	10.5%	31.6%	31.6%	10.5%
<b>Aggregate</b>	<b>26.3%</b>			<b>42.1%</b>	

- 3.75 Using the text boxes, respondents further commented on whether the Welsh Government should adopt a more long-term policy approach. Some participants emphasised that the elimination of profit should be part of a more gradual phase-out process instead of the current proposal. Other participants expressed concerns about the difficulties with avoiding unregulated or for-profit placements until a sustainable range of not-for-profit options was established in every region.

*Further insights from focus group discussions: Additional measures to enhance the sustainability and stability of care services for looked after children and young people in Wales*

- 3.76 The discussions in focus groups prioritised the single statement from this section (see Table 3.13) that achieved no consensus and split Questionnaire 2 respondents ('Instead of the commitment to eliminate profit, the Welsh Government should instead plan and implement a more long-term policy approach, e.g., development of new provision through direct public investment to gradually phase out profit-driven models').
- 3.77 In focus groups, a few participants agreed with the statement, highlighting its emphasis on the **need for a 'long-term policy approach'**. They underscored the need for clear timelines and transitions to prevent delays or inconsistencies in

implementation. They broadly argued for a cautious, gradual approach to minimise negative impacts.

- 3.78 However, a few participants disagreed with the use of '*instead*' in the framing of the question as they **opposed the proposal to replace the commitment** to eliminate profit. Alternatively, a couple of participants presented additional *supplementary* solutions. For example, they called for a more comprehensive and inclusive approach including a combination of for-profit and not-for-profit investments. Collaborative efforts among LAs were also suggested, intended to address issues such as runaway costs in fostering and residential care.
- 3.79 Another participant emphasised the broader goal of the commitment to eliminate profit to gain **greater control over resources**. They accordingly proposed initiatives such as the creation of a register for foster care providers to improve data and planning. Additionally, there were suggestions to rethink the concept of eliminating profit as the sole driver, instead focusing on improving outcomes, quality, and governance.
- 3.80 One participant **drew comparisons with other contexts**, such as Northern Ireland's minimal for-profit fostering and residential care. They acknowledged the unique situation in Wales, transitioning from a high proportion of for-profit to not-for-profit provision, which requires a different approach compared to Northern Ireland. These comparisons highlighted the need for strategies and solutions to address the specific challenges faced by Wales in this transition.
- 3.81 Finally, focus group participants were asked to **prioritise among the numerous additional measures that achieved consensus**. A couple expressed frustration regarding the negative portrayal of the care system in media and public discourse, highlighting its potential to deter potential foster carers. From this perspective, the suggestion of a stronger public narrative was seen as a priority. Several participants also pointed to perceived importance of implementing preventative measures and early intervention services. There were also calls to focus on the development of joint planning, commissioning and delivery of health, social care, accommodation, and education services to meet children's diverse needs. In addition to the statements that had achieved consensus, the discussion returned once more to creating a register for foster care providers, integrating them into a social care register alongside other transformative measures being considered. This was also suggested for prioritisation, with one participant underscoring the significance of this

proposal by citing examples of foster carers who had not been used despite living in areas where there was high demand for services.

## 4. Conclusions

- 4.1 This Delphi study aimed to identify areas of consensus and non-consensus surrounding the Welsh Government's commitment to eliminate profit from care of looked after children and young people. The structured process of the applied methodology, including three consecutive stages of data collection where the latter was informed by the former, allowed for clearly and transparently identifying areas of consensus and further investigating key areas where consensus had not been reached.
- 4.2 In line with the Delphi study protocol (Vogel et al, 2019), consensus was deemed reached when a suggestion from Questionnaire 1 responses that had been brought into Questionnaire 2 was rated by at least 70-80% of participants as either 'agree' or 'strongly agree', or 'disagree' or 'strongly disagree'. Statements that reached an aggregate percentage of agreement or disagreement below 70% in Questionnaire 2 were deemed to lack consensus.
- 4.3 It was noticeable that there was less consensus in Section 1 and Section 2, which considered the impacts of for-profit provision in children's social care along with eliminating for-profit provision, while consensus was frequently achieved in Section 3 which explored the broader transformation of children's social care, reflecting findings of previous studies ([Wales Centre for Public Policy, 2024](#)). This chapter summarises the areas that reached consensus and those that did not across the Delphi study.
- 4.4 Results also confirm participants' initial stance towards the commitment. At the end of Questionnaire 1, experts were also invited to reflect on whether they agreed **in principle** with the commitment to eliminate profit from the care of looked after children in Wales. Overall, experts' responses showed there was **general agreement with the commitment**, but this was accompanied by **concerns about the practical challenges and complexities involved in the implementation of this change**.

### Strengths and limitations

- 4.5 Harnessing the collective expertise of experts in Wales and the UK, the Delphi method lends itself to obtaining rapid and dependable findings that can inform policymaking. This is because it enables the rapid aggregation of experts' knowledge in an efficient process. During the research, experts at each round received an overview of other experts' responses while remaining anonymous,



allowing experts to express their opinions freely and understand the perspectives of their peers to support the development of consensus. However, it is important to note that the process is time-consuming for participants, requiring several rounds of surveys and analysis to reach a consensus. While strongly worded statements in Questionnaire 2 were necessary to elicit opinions to derive consensus, the nature of these statements was occasionally understood to lead participants to select 'neither agree nor disagree' as their response. A further potential limitation of the Delphi study is that it does not provide a clear mechanism for analysing whether divergence follows a particular pattern. Where views diverged, there may be the need for additional analytical frameworks to enable the identification and interpretation of patterns of divergence. In this report, the approach of using specific descriptors to indicate agreement levels in focus groups provides a clear and transparent way to report the levels of agreement among participants. It is important to emphasise however, the use of these descriptors should not be taken as quantitative indicators.

### **Areas of consensus**

- 4.6 **Section 1** sought to explore the impact of for-profit provision in children's social care. There was consensus among participants that the quality of care varies in both not-for-profit and for-profit social care settings. Additionally, it was agreed that financial constraints within LAs can lead to insufficient services and limited staff availability in not-for-profit care settings.
- 4.7 In **Section 2**, participants were asked to discuss the potential impacts of eliminating for-profit provision. For potential positive impacts, participants reached consensus that removing for-profit provision could incentivise providers to prioritise quality of care over financial gain, potentially leading to better service quality. No consensus was reached on the potential negative impacts of eliminating for-profit provision. To secure positive outcomes and mitigate any unintended consequences, participants agreed on numerous suggested measures, including: i) ongoing transparent communication, guidance and support for stakeholders involved in the transition; ii) adequate funding for not-for-profit investment; iii) the development of early intervention and prevention services; iv) safe reunification with birth families to reduce the number of looked after children; v) provision of advocacy and relevant support services for affected children and young people; and vi) the establishment of a multidisciplinary Board of Advisors to oversee the implementation of the commitment.

- 4.8 **Section 3** explored the broader transformation of children's social care. Regarding the impact of the commitment, along with the broader transformation of children's social care, on the sustainability and stability of children's social care in Wales, consensus was reached on both short-term and long-term positive impacts. Such impacts included: improved planning and collaboration between LAs and third sector organisations; better regulation of placement prices; and more effective use of public funds. Additionally, transforming provision to be more local and responsive to children's needs was expected to result in a long-term positive impact. There was also consensus regarding the consistency of implementing these changes across different regions.
- 4.9 Focusing on the impact of the commitment and the broader transformation of children's social care on well-being outcomes for children and young people in Wales, there was consensus that eliminating profit does not guarantee positive well-being outcomes due to inherent challenges within the not-for-profit sector. There was also agreement that the achievement of positive well-being outcomes would require effective transition planning and support for care providers and professionals during the implementation period.
- 4.10 The majority of measures emerging from the study to enhance the sustainability and stability of care services for looked after children and young people reached consensus and furthermore achieved notably high percentages of agreement. These measures included: i) regular progress updates on available investments for supporting the not-for-profit sector; ii) a stronger public narrative that promotes care as beneficial, showcases its impact and engages the public; iii) joint planning, commissioning, and delivery of relevant services to meet children's diverse needs; iv) alignment with the goals of the Youth Justice Blueprint; v) a more efficient funding allocation system that targets children's services directly; vi) investment in training and development for residential care professionals and leaders; vii) addressing disparities in foster care fees and allowances; viii) implementing preventative measures and early intervention services; and ix) advancing commitments to provide accommodation for complex needs in every region.

#### **Areas with no consensus**

- 4.11 **For Section 1**, participants shared different views on the impacts of for-profit provision in children's social care. Views diverged on whether for-profit provision leads to lower quality care and more breaches of regulation compared to not-for-profit services. Opinions also differed on whether not-for-profit providers are more

child-centred and responsive to individual needs, and whether for-profit providers prioritise cost-effectiveness over children's needs. Additionally, there were contrasting views on the reinvestment of surplus funds by not-for-profit providers.

- 4.12 In **Section 2**, participants held differing opinions regarding the potential positive impacts of eliminating for-profit provision, including whether for-profit provision would standardise service delivery and allow children to remain closer to their homes and communities. Echoing the contrasting views on the reinvestment of surplus funds by not-for-profit providers recorded in Section 1, opinions also varied on whether removing profit would lead providers to reinvest surplus funds back into services, ensuring the availability of specialist support for children with complex needs. Some also questioned the correlation between business type and the quality and nature of care provision, and well-being outcomes.
- 4.13 The potential negative impacts of eliminating for-profit elicited considerable debate, with no consensus reached throughout. Experts remained uncertain about the potential of loss of staff and foster carers currently engaged in for-profit provision, reduction in services for children with complex needs, as well as decreased choice and flexibility in securing appropriate placements to meet children and young people's needs. No consensus was reached on potential closure and relocation of for-profit providers and the impact on short-term service availability, or the potential of children living in services operating without registration with Care Inspectorate Wales. Potential cost implications such as temporary cost increases in current placements, short-term and long-term increases in placement costs that can lead to budgetary pressures for LAs, and stalling of other development initiatives due to stretched resources were also areas of contention.
- 4.14 On the other hand, the suggested measures to secure positive and mitigate negative impacts were less of a topic for debate, with only four of these not achieving consensus. These concerned prioritising funding provision for children with SEND, offering financial incentives to encourage the transition of for-profit providers, and interventions to manage the supply and demand imbalances of placements across LAs and avoid delays in the implementation of the commitment.
- 4.15 Impacts and suggested measures in **Section 3** generated substantially higher consensus among participants, as previously summarised. A few areas that did not achieve consensus included potential negative impacts of the commitment, along with the broader transformation of children's social care, on the sustainability and stability of children's social care in Wales. Opinions diverged on whether this would

have a short-term negative impact due to the closure and potential relocation of for-profit providers, in addition to a short-term negative impact on the sustainability and stability of children's social care and staff wellbeing due to changes in recruitment and retention, or a long-term negative impact due to resource diversion from the wider transformation agenda. Participants remained sceptical about whether the commitment and the broader transformation of children's social care can directly lead to positive impacts on well-being outcomes for children and young people, whereas no consensus was reached on whether positive impacts can be secured with a more realistic timescale for implementation that can avoid disruptions compromising well-being outcomes. Finally, the suggestion for a more long-term policy approach replacing the commitment to eliminate profit was the sole measure not to achieve consensus.

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## **Annex A – Research materials**

### **Delphi Questionnaire 1**

#### *Background information*

Alma Economics has been commissioned by the Welsh Government to explore the potential benefits and adverse consequences associated with eliminating private profit from the care of looked after children in Wales. The commitment to eliminate all private profit from the care of looked after children was made in the [Co-operation Agreement between the Welsh Government and Plaid Cymru](#) with the intention that public money invested in the care of children – starting with residential homes and fostering services – does not profit individuals or corporate entities but is invested back into services.

This research study intends to build on an earlier public consultation to systemically bring together the views of researchers, practitioners and Local Authority representatives, as well as others who work closely in this field. Alma Economics is using the Delphi research method to draw together the views of experts to assess the extent to which eliminating private profit from the care of looked after children would impact on the care these children receive and their subsequent outcomes. The aim of the study is to gain consensus across the experts on these areas, although where no consensus is reached, the study will report a range of opinions.

Footnote: A looked after child is someone who has been in the care of their Local authority (responsible for public services in the local area) for more than 24 hours, for more information see [this briefing](#).

#### *Further information on the study*

Your participation in this research is completely voluntary. However, your views and experiences are crucial to helping inform Welsh Government policies. It is important to note your views will be kept anonymous.

This survey consists of both multiple-choice and open-ended questions and will take you approximately 20 minutes to complete. Firstly, there is a series of questions related to your background or expertise in children's social care. Sharing this information with us is important because it will help us understand any possible correlation between your area of work/expertise and views expressed to further contextualise the analysis and findings. Then the remaining three sections will consist of between 2-4 questions each on:

- i. Current impacts of for-profit provision in children's social care

- ii. Potential impacts of implementing the commitment to eliminate for-profit provision from the care of looked after children
- iii. Exploring the broader transformation of children's social care in Wales.

A final reflective question, optional to answer, is asked at the end of the questionnaire.

The survey will close on the 10th April at 11.59pm.

There is a progress bar at the bottom of each page showing you what proportion of the survey you have covered. Please note that there is no option to save your progress and resume later, so please make sure you go through all questions and pages, and you select 'Submit' before closing your browser.

If you have any questions or you would like more information about this research, please contact the Lead Researcher for this project, Dr Eleni Kotsira, at [eleni.kotsira@almaeconomics.com](mailto:eleni.kotsira@almaeconomics.com).

**1. I have read and understand the terms of participation as these are outlined above, and I agree to proceed with the survey.**

**Yes [proceeds to next section]**

#### *Participant information*

The following information helps us understand possible correlation between your area of work/expertise and views expressed. We will only be asking information about your job/ relevant experience and the region/country in which you work. We understand that your experience may span multiple sectors so please answer where your experience best lies.

- 2. What sector do you work in?
  - Academia/ research
    - What country are you based in?
      - Wales
      - England
      - Scotland
      - Northern Ireland
      - Outside the UK
        - Name of country you are based in:  
(text box)



- How long have you conducted research relevant to children's social care?  
(text box)
- Children's social care (Wales only)
  - Which Local Authority in Wales do you operate in?
    - Blaenau Gwent
    - Bridgend
    - Caerphilly
    - Cardiff
    - Carmarthenshire
    - Ceredigion
    - Conwy
    - Denbighshire
    - Flintshire
    - Gwynedd
    - Isle of Anglesey
    - Merthyr Tydfil
    - Monmouthshire
    - Neath Port Talbot
    - Newport
    - Pembrokeshire
    - Powys
    - Rhondda Cynon Taf
    - Swansea
    - Torfaen
    - Vale of Glamorgan
    - Wrexham
  - What type of care do you provide?
    - Foster care
    - Residential care
  - What business type is your organisation?
    - For-profit / private sector organisation

- Not-for-profit / public sector organisation (e.g., Local Authority)
- What is your job title?  
(text box)
- How long have you worked in the sector?  
(text box)
- Charities
  - Which country do you work in?
    - Wales
    - England
    - Scotland
    - Northern Ireland
    - Outside of the UK
  - What is your job title?  
(text box)
  - How long have you worked in the sector?  
(text box)
- Local Authorities (Wales only)
  - Which Local Authority in Wales do you work in?
    - Blaenau Gwent
    - Bridgend
    - Caerphilly
    - Cardiff
    - Carmarthenshire
    - Ceredigion
    - Conwy
    - Denbighshire
    - Flintshire
    - Gwynedd
    - Isle of Anglesey
    - Merthyr Tydfil
    - Monmouthshire
    - Neath Port Talbot

- Newport
- Pembrokeshire
- Powys
- Rhondda Cynon Taf
- Swansea
- Torfaen
- Vale of Glamorgan
- Wrexham
- What is your job title?  
(text box)
- How long have you worked in the sector?  
(text box)
- Government organisation
  - What country are you based in?
    - Wales
    - England
    - Scotland
    - Northern Ireland
    - Outside the UK
      - Name of country you are based in:  
(text box)
  - What is your job title?  
(text box)
  - How long have you worked in the sector?  
(text box)
- Other (text box)
  - What country are you based in?
    - Wales
    - England
    - Scotland
    - Northern Ireland
    - Outside the UK

- Name of country you are based in:

(text box)

- What sector do you work in?

(text box)

- What is your job title?

(text box)

- How long have you worked in the sector?

(text box)

### *Section 1: Impacts of for-profit provision in children's social care*

Across Wales, the majority of children's residential care is provided by for-profit services – approximately 87%. For foster care, the figure is approximately 35%.

The following section will explore the **impacts of for-profit provision** in children's social care. We seek to understand your perspectives on the impacts of for-profit vs not-for-profit provision within children's residential services or foster care services on the **quality and nature of care provision** for children. We are also interested in the impact on **well-being outcomes** for looked after children and young people (including further life outcomes such as education, safety, and engagement with the criminal justice system, for example).

Please answer the following questions in this section drawing on your experience whether this is specific to Wales or not. Where you think it is appropriate to use examples within your answer, please feel free to do so.

3. How does the business type of provision (for-profit or not-for-profit) of children's residential care or foster care impact the following?
  - a. The quality and nature of care provision for children
  - b. Well-being outcomes for looked after children and young people
4. Compared to other factors, how **significant is business type** (for-profit or not-for-profit) in impacting the quality and nature of care provision and well-being outcomes for looked after children and young people?

Footnote: This refers to models of ownership and/or constitution which are, generally:

- for-profit (including limited companies, corporate bodies and others whose constitution enables the extraction of surplus/profit in, for example, fees, wages, salaries, bonuses, dividends, or other similar benefits);
- not-for-profit (including charitable, where any surplus is reinvested in the business or used for charitable means); and

- Local Authority (i.e. publicly-run) provision.

## *Section 2: Potential impacts of implementing the commitment to eliminate for-profit provision from the care of looked after children*

The following section will explore the **potential impacts of implementing the commitment** to eliminate private profit from the residential and foster care of looked after children in Wales. We seek to understand your perspectives on the **potential positive impacts** that may arise and potential strategies to secure these. Additionally, we are interested in identifying any **unintended consequences** along with important strategies to mitigate against these.

Please answer the following questions in this section drawing on your experience whether this is specific to Wales or not. Where you think it is appropriate to use examples within your answer, please feel free to do so.

5. What **positive impacts** might occur from implementing the commitment to eliminate for-profit provision?
  - a. In what ways might these impacts differ across different groups of children and young people with protected characteristics or complex needs?
6. Which additional **measures** could the Welsh Government introduce to help secure any positive impacts associated with the commitment?
7. What potential **unintended consequences** might occur from implementing the commitment?
  - a. In what ways might these impacts differ across different groups of children and young people with protected characteristics or complex needs?
8. What additional **measures** could the Welsh Government take to mitigate any unintended consequences of the commitment?

Footnote: In the UK, it is against the law to discriminate against anyone because of age; gender reassignment; being married or in a civil partnership; being pregnant or on maternity leave; disability; race including colour, nationality, ethnic or national origin; religion or belief; sex and sexual orientation. These are called 'protected characteristics'.

## *Section 3: Exploring the broader transformation of children's social care*

The commitment to eliminate private profit from the care of looked after children is part of a broader vision to transform children's social care in Wales. It seeks **to achieve whole system change** to deliver services that are locally based, locally

designed and locally accountable while promoting social justice, equity, and improved outcomes for vulnerable children across Wales.

The following section will assess the impact of the commitment along with the broader transformation of children's social care. We seek to understand your perspectives on the **potential impacts of the wider transformation** of children's social care on the **sustainability and stability** of children's social care in Wales as well as **well-being outcomes** for children and young people.

Please answer the following questions in this section drawing on your experience whether this is specific to Wales or not. Where you think it is appropriate to use examples within your answer, please feel free to do so.

9. Do you think the commitment to eliminate profit, along with the broader transformation of children's social care by the Welsh Government, will impact on the **sustainability and stability** of children's social care in Wales? If so, in what way? If not, why is that the case?
  - a. Alternatively, what would happen if the commitment was not implemented?
10. Do you think the commitment to eliminate profit, along with the broader transformation of children's social care by the Welsh Government, will impact on the **well-being outcomes for children and young people**? If so, in what way? If not, why is that the case?
11. As part of the wider transformation programme for children's social care, what additional **measures** could the Welsh Government introduce to enhance the **sustainability and stability of care services** for looked after children and young people in Wales?

### *Reflection*

12. In principle, do you agree with the commitment to eliminate profit from the care of looked after children in Wales? Why yes, or why not?

## **Delphi Questionnaire 2**

### *Background information*

Alma Economics has been commissioned by the Welsh Government to explore the potential benefits and adverse consequences associated with eliminating private profit from the care of looked after children in Wales. The commitment to eliminate all private profit from the care of looked after children was made in the [Co-operation Agreement between the Welsh Government and Plaid Cymru](#) with the intention that public money invested in the care of children – starting with residential homes and fostering services – does not profit individuals or corporate entities but is invested back into services.

This research study intends to build on an earlier public consultation and initial interviews with experts ([Wales Centre for Public Policy, 2024](#)) to systemically bring together the views of researchers, practitioners and Local Authority representatives, as well as others who work closely in this field. Alma Economics is using the Delphi research method to draw together the views of experts to assess the extent to which eliminating private profit from the care of looked after children would impact on the care these children receive and their subsequent outcomes. The aim of the study is to gain consensus across the experts on these areas, although where no consensus is reached, the study will report a range of opinions.

Footnote: A looked after child is someone who has been in the care of their Local Authority (responsible for public services in the local area) for more than 24 hours.

### *Further information on the study*

Your participation in this research is completely voluntary. However, your views and experiences are crucial to helping inform Welsh Government policies. It is important to note your views will be kept anonymous.

This survey consists of predominantly multiple-choice questions and will take you approximately 15-20 minutes to complete. You will be asked to rate your agreement to a series of statements (e.g., Strongly Agree, Agree, Disagree, Strongly Disagree, Neither Agree or Disagree). At the end of each section there is an optional open text box for you to clarify any points if you feel your answer does not capture your perspective adequately. Firstly, there is a series of questions related to your background or expertise in children's social care. Sharing this information with us is important because it will help us understand any possible correlation between your area of work/expertise and views expressed to further contextualise the analysis

and findings. Then the remaining three sections will consist of a series of short statements to rate your agreement on:

- i. Current impacts of for-profit provision in children's social care
- ii. Potential impacts of implementing the commitment to eliminate for-profit provision from the care of looked after children
- iii. Exploring the broader transformation of children's social care in Wales.

The statements were generated from the findings from the first questionnaire, with your responses helping us to quantify where exactly there is consensus on this topic and where views differ. The survey will close on the 8<sup>th</sup> May at 11.59pm.

After you have submitted the questionnaire, there will be an opportunity to follow a link to sign up to the final stage of this study which involves focus groups held over Microsoft Teams. Although this is optional, your participation would be highly appreciated to further refine learnings from this study.

There is a progress bar at the bottom of each page showing you what proportion of the survey you have covered. Please note that there is no option to save your progress and resume later, so please make sure you go through all questions and pages, and you select 'Submit' before closing your browser.

If you have any questions or you would like more information about this research, please contact the Lead Researcher for this project, Dr Eleni Kotsira, at [eleni.kotsira@almaeconomics.com](mailto:eleni.kotsira@almaeconomics.com).

**1. I have read and understand the terms of participation as these are outlined above, and I agree to proceed with the survey.**

**Yes [proceeds to next section]**

### *Participant information*

The following information helps us understand possible correlation between your area of work/expertise and views expressed. We will only be asking information about your job/ relevant experience and the region/country in which you work. We understand that your experience may span multiple sectors so please answer where your experience best lies.

2. What sector do you work in?
  - Academia/ research
    - What country are you based in?



- Wales
- England
- Scotland
- Northern Ireland
- Outside the UK
  - Name of country you are based in:  
(text box)
- How long have you conducted research relevant to children's social care?  
(text box)
- Children's social care (Wales only)
  - Which Local Authority in Wales do you operate in?
    - Blaenau Gwent
    - Bridgend
    - Caerphilly
    - Cardiff
    - Carmarthenshire
    - Ceredigion
    - Conwy
    - Denbighshire
    - Flintshire
    - Gwynedd
    - Isle of Anglesey
    - Merthyr Tydfil
    - Monmouthshire
    - Neath Port Talbot
    - Newport
    - Pembrokeshire
    - Powys
    - Rhondda Cynon Taf
    - Swansea
    - Torfaen

- Vale of Glamorgan
  - Wrexham
- What type of care do you provide?
  - Foster care
  - Residential care
- What business type is your organisation?
  - For-profit / private sector organisation
  - Not-for-profit / public sector organisation (e.g., Local Authority)
- What is your job title?  
(text box)
- How long have you worked in the sector?  
(text box)
- Charities
  - Which country do you work in?
    - Wales
    - England
    - Scotland
    - Northern Ireland
    - Outside of the UK
  - What is your job title?  
(text box)
  - How long have you worked in the sector?  
(text box)
- Local Authorities (Wales only)
  - Which Local Authority in Wales do you work in?
    - Blaenau Gwent
    - Bridgend
    - Caerphilly
    - Cardiff
    - Carmarthenshire
    - Ceredigion
    - Conwy

- Denbighshire
- Flintshire
- Gwynedd
- Isle of Anglesey
- Merthyr Tydfil
- Monmouthshire
- Neath Port Talbot
- Newport
- Pembrokeshire
- Powys
- Rhondda Cynon Taf
- Swansea
- Torfaen
- Vale of Glamorgan
- Wrexham
- What is your job title?  
(text box)
- How long have you worked in the sector?  
(text box)
- Government organisation
  - What country are you based in?
    - Wales
    - England
    - Scotland
    - Northern Ireland
    - Outside the UK
      - Name of country you are based in:  
(text box)
  - What is your job title?  
(text box)
  - How long have you worked in the sector?  
(text box)

- Other (text box)
  - What country are you based in?
    - Wales
    - England
    - Scotland
    - Northern Ireland
    - Outside the UK
      - Name of country you are based in:  
(text box)
  - What sector do you work in?  
(text box)
  - What is your job title?  
(text box)
  - How long have you worked in the sector?  
(text box)

*Section 1: Impacts of for-profit provision in children's social care*

- 3. To what extent do you agree with the following statements which explore the impact of business type on the quality and nature of care provision and well-being outcomes for looked after children and young people?**
- A. There is a variation in the quality of care in both not-for-profit provision and for-profit provision.
  - B. For-profit provision provides lower quality care.
  - C. For-profit provision can lead to more breaches of regulations.
  - D. Not-for-profit provision is perceived as more child-centred and responsive to individual needs.
  - E. For-profit provision prioritises placements in cost-effective properties and geographical areas over children's needs.
  - F. While profits from for-profit providers are diverted elsewhere, surplus funds from not-for-profit providers are reinvested in improving service quality.

- G. Financial constraints in Local Authorities may lead to insufficient services and limited staff availability in not-for-profit care.
4. If you wish to clarify your responses to any of the questions, please feel free to do so below noting the question number you are responding to.

[Text box]

*Section 2: Potential impacts of eliminating for-profit provision*

**5. To what extent do you agree with the following statements which outline the positive impacts that may occur from the implementation of the commitment to eliminate for-profit provision?**

- A. The removal of for-profit provision can incentivise providers to prioritise quality of care over financial gain, leading to better quality of services.
- B. The removal of for-profit provision will ensure a more standardised approach to service delivery.
- C. The removal of for-profit provision will allow children to remain closer to their homes and communities.
- D. The removal of profit will lead providers to reinvest surplus funds back into services, as such ensuring the availability of specialist support for children with complex needs.
- E. There is no or limited correlation between business type and quality and nature of care provision, as well as wellbeing outcomes.
6. If you wish to clarify your responses to any of the questions, please feel free to do so below noting the question number you are responding to.

[Text box]

**7. To what extent do you agree with the following statements which outline the negative impacts that may occur from the implementation of the commitment?**

- A. Eliminating for-profit provision will lead to the closure and relocation of for-profit providers which will result in reduced service provision and placement availability in Wales in the short-term.
- B. Eliminating for-profit provision will lead to a loss of staff and foster carers currently engaged in for-profit provision in Wales.

- C. Eliminating for-profit provision will lead to a particular reduction in services for children with complex needs.
  - D. Eliminating for-profit provision will lead to more children living in services operating without registration with Care Inspectorate Wales.
  - E. Eliminating for-profit provision will lead to *temporary* cost increases in current placements before commitment implementation.
  - F. Eliminating for-profit provision will lead to *short-term* increases in placement costs, leading to budgetary pressures for Local Authorities.
  - G. Eliminating for-profit provision will lead to *long-term* increases in placement costs, leading to budgetary pressures for Local Authorities.
  - H. Eliminating for-profit provision will lead to decreased choice and flexibility in securing appropriate placements to meet children and young people's needs.
  - I. Eliminating for-profit provision will lead to potential stalling of other development initiatives (i.e. early intervention services) due to stretched resources.
8. If you wish to clarify your responses to any of the questions, please feel free to do so below noting the question number you are responding to.

[Text box]

9. **To what extent do you agree with the following statements which outline additional measures to be introduced by the Welsh Government to help secure any positive impacts and mitigate against any unintended consequences associated with the commitment?**
- A. The Welsh Government should ensure on-going transparent communication, guidance and support for stakeholders involved in the transition (e.g., on exemptions from legislation).
  - B. The Welsh Government should allocate funding for investment in not-for-profit provision including staff training and infrastructure development.
  - C. The Welsh Government should prioritise funding provision for children with Special Educational Needs and Disabilities (SEND).

- D. The Welsh Government should offer financial incentives to encourage for-profit providers to transition to a not-for-profit entity (tax breaks, grants, subsidies).
  - E. The Welsh Government should support the development of early intervention and prevention services to reduce the need for future placements (including edge of care and holistic family support to children and families).
  - F. The Welsh Government should focus on reducing the number of looked after children through safe reunification with their birth families.
  - G. The Welsh Government should ensure the provision of advocacy and relevant support services for affected children and young people.
  - H. The Welsh Government should intervene to manage the supply and demand imbalances of placements across Local Authorities.
  - I. The Welsh Government should avoid any delays in implementation of the commitment to eliminate profit from the care of children looked after.
  - J. The Welsh Government should ensure oversight of the commitment to eliminate profit through the creation of a multidisciplinary Board of Advisors (those with appropriate expertise and experience).
10. If you wish to clarify your responses to any of the questions, please feel free to do so below noting the question number you are responding to.

[Text box]

### *Section 3: Broader transformation of children's social care*

**11. To what extent do you agree with the following statements which explore the impact of the commitment to eliminate profit, along with the broader transformation of children's social care by the Welsh Government, on the sustainability and stability of children's social care in Wales?**

- A. The commitment to eliminate profit, along with the broader transformation of children's social care, will have a **short-term and long-term positive impact** on the sustainability and stability of children's social care, due to better planning and collaboration between Local Authorities and third sector organisations.

- B. The commitment to eliminate profit, along with the broader transformation of children's social care, will have a **long-term positive impact** on the sustainability and stability of children's social care, due to the enhanced ability to regulate prices of placements.
  - C. The commitment to eliminate profit, along with the broader transformation of children's social care, will have a **long-term positive impact** on the sustainability and stability of children's social care, due to the enhanced ability to ensure that public money invested in the care of children looked after is spent on children's services.
  - D. The commitment to eliminate profit, along with the broader transformation of children's social care, will have a **long-term positive impact** on the sustainability and stability of children's social care, due to the overall transformation of provision to promote local, more appropriate provision that better responds to needs of children and young people.
  - E. There are concerns that the commitment to eliminate profit, along with the broader transformation of children's social care, may not be achieved and implemented consistently across different regions.
  - F. The commitment to eliminate profit, along with the broader transformation of children's social care, will have a **short-term negative impact** on the sustainability and stability of children's social care as the closure and potential relocation of for-profit providers may lead to reduced service provision and placement availability.
  - G. The commitment to eliminate profit, along with the broader transformation of children's social care, will have a **short-term negative impact** on the sustainability and stability of children's social care and staff wellbeing due to the impact on recruitment and retention of the social care workforce across Wales.
  - H. The commitment to eliminate profit, along with the broader transformation of children's social care, will have a **long-term negative impact** on the sustainability and stability of children's social care, due to the diversion of capacity and resources from the wider transformation priorities.
12. If you wish to clarify your responses to any of the questions, please feel free to do so below noting the question number you are responding to.

[Text box]



**13. To what extent do you agree with the following statements which explore the impact of the commitment to eliminate profit, along with the broader transformation of children's social care by the Welsh Government, on the well-being outcomes for children and young people in Wales?**

- A. Eliminating profit, along with the broader transformation of children's social care, will have a positive impact on well-being outcomes for children and young people.
- B. Eliminating profit, along with the broader transformation of children's social care, does not guarantee positive outcomes as there remain inherent challenges within the not-for-profit sector.
- C. Eliminating profit, along with the broader transformation of children's social care, will only have a positive impact on well-being outcomes for children and young people if transition planning and support are offered to care providers and professionals during the implementation period.
- D. Eliminating profit, along with the broader transformation of children's social care, will only have a positive impact on well-being outcomes for children and young people if a more realistic timescale for implementation is adopted to avoid any disruptions that could compromise well-being outcomes.

14. If you wish to clarify your responses to any of the questions, please feel free to do so below noting the question number you are responding to.

[Text box]

**15. As part of the wider transformation programme for children's social care, what additional measures could the Welsh Government introduce to enhance the sustainability and stability of care services for looked after children and young people in Wales?**

- A. The Welsh Government should provide regular progress updates on what investments they are making to support the not-for-profit sector.
- B. The Welsh Government should develop a stronger public narrative, promoting care as beneficial, showcasing its impact, and engaging the public in supporting these efforts.

- C. The Welsh Government should develop joint planning, commissioning, and delivery of health, social care, accommodation, and education services to meet children's diverse needs.
- D. The Welsh Government should align efforts with the goals of the Youth Justics Blueprint to establish smaller regional provisions as the standard.
- E. The Welsh Government should establish a more efficient funding allocation system directly targeting children's services rather than broader Local Authority settlements.
- F. The Welsh Government should increase investment in training and development for residential care professionals and leaders, including continued funding for training bursaries.
- G. The Welsh Government should address disparities in foster care fees and allowances to ensure consistency across services.
- H. The Welsh Government should implement preventative measures and early intervention services to reduce the need for future placements (including edge of care and holistic family support to children and families).
- I. The Welsh Government should advance commitments to provide accommodation for complex needs in every region.
- J. Instead of the commitment to eliminate profit, the Welsh Government should instead plan and implement a more long-term policy approach (e.g., development of new provision through direct public investment to gradually phase out profit-driven models).

16. If you wish to clarify your responses to any of the questions, please feel free to do so below noting the question number you are responding to.

[Text box]

## **Focus groups discussion guide**

### *Introduction*

In today's focus group we are going to revisit findings from the second questionnaire you had to complete as part of this Delphi study, going section by section as these appeared in the questionnaire. We will first share the results from each section's

questions before undertaking a discussion on areas where consensus could not be reached, alongside more specific questions related to the topic. We will then move onto the next section and so on and so forth. We will discuss how consensus is calculated in our brief introduction shortly.

### *Warm-up*

1. [All] Firstly, can you briefly introduce yourself and share what motivated you to participate in this discussion?

***Note to facilitator: Start sharing presentation of findings from Questionnaire 2, and begin with providing a summary of the policy context, the key objectives of this study, and the methodological approach adopted.***

### *Discussion*

We would like to firstly discuss the following statements that did not achieve consensus on the **impact of business type on the quality and nature of care provision and well-being outcomes for looked after children and young people.**

2. What are your views on the statement 'for-profit provision provides lower quality care'?

*Follow-up: Why do you think it did not reach consensus?*

3. What are your views on the statement 'for-profit provision can lead to more breaches of regulations'?

*Follow-up: [If in agreement] What specific details can be provided regarding potential breaches of regulations?*

### *Additional questions:*

4. Can you elaborate on any evidence or provide specific instances of for-profit placements in cost-effective properties and geographical areas?

Moving on to the **positive impacts that may occur from the implementation of the commitment to eliminate for-profit provision.**

5. What are your views on the statement 'the removal of profit will lead providers to reinvest surplus funds back into services, as such ensuring the availability of specialist support for children with complex needs'?

*Follow-up: Why do you think it did not reach consensus?*

6. What are your views on the statement ‘there is no or limited correlation between business type and (i) quality and nature of care provision and (ii) wellbeing outcomes’?

*Follow-up: Why do you think it did not reach consensus?*

*Additional questions:*

7. Do you view the positive impacts discussed in the questionnaire as realistic expectations?
8. How do you think these positive impacts vary across different groups of children and young people with protected characteristics?

*Prompt (covering remaining questions of this section): positives with limited consensus noted included a more standardised approach to service delivery and allowing children to remain closer to their homes and communities, whereas the positive of for-profit provision incentivising providers to prioritise quality of care over financial gain thus leading to better quality of services captured clear consensus among responses.*

Now, moving onto the **negative impacts** that may occur from the implementation of the commitment to eliminate for-profit provision.

9. What are your views on ‘eliminating for-profit provision will lead to more children living in services operating without registration with Care Inspectorate Wales’?

*Follow-up: Do you think there is a realistic risk that more services will operate without registration with Care Inspectorate Wales as a result of the eliminating for-profit provision?*

10. What are your views on ‘eliminating for-profit provision will lead to potential stalling of other development initiatives (i.e. early intervention services) due to stretched resources’?

*Follow-up: Why do you think it did not reach consensus?*

*Additional questions:*

11. How do you think these impacts vary across different groups of children and young people with protected characteristics?

12. Do you expect some of these consequences to be felt more in one sector than the other, such as residential care rather than foster care?

We would now like to discuss the following statement that did not achieve consensus on the **additional measures to be introduced by the Welsh Government to help secure any positive impacts and mitigate against any unintended consequences associated with the commitment.**

13. What are your views on 'the Welsh Government should avoid any delays in implementation of the commitment to eliminate profit from the care of children looked after'?

*Follow-up: Why do you think it did not reach consensus?*

*Additional questions:*

14. Which of the strategies that reached consensus should be prioritised?

- a. The Welsh Government should ensure on-going transparent communication, guidance and support for stakeholders involved in the transition (e.g., on exemptions from legislation).
- b. The Welsh Government should allocate funding for investment in not-for-profit provision including staff training and infrastructure development.
- c. The Welsh Government should support the development of early intervention and prevention services to reduce the need for future placements (including edge of care and holistic family support to children and families).
- d. The Welsh Government should focus on reducing the number of looked after children through safe reunification with their birth families.
- e. The Welsh Government should ensure the provision of advocacy and relevant support services for affected children and young people.
- f. The Welsh Government should ensure oversight of the commitment to eliminate profit through the creation of a multidisciplinary Board of Advisors (those with appropriate expertise and experience).

15. Regarding the first statement, what comprehensive guidance and support should be provided during the transition phase?

Moving onto the **impact of the commitment, along with the broader transformation of children's social care, on the sustainability and stability of children's social care in Wales.**

16. What are your views on 'the commitment and the broader transformation having a **short-term negative impact** on the sustainability and stability of children's social care due to the impact on recruitment and retention of the social care workforce across Wales?

*Follow-up: Why do you think it did not reach consensus?*

17. Similarly, what are your thoughts on a possible **long-term negative impact** of eliminating profit on the sustainability and stability of children's social care due to the diversion of capacity and resources from the wider transformation priorities?

*Follow-up: Why do you think it did not reach consensus?*

Next, we would like to discuss the following statements that did not achieve consensus on the **impact of the commitment to eliminate profit, alongside the broader transformation on the well-being outcomes for children and young people in Wales.**

18. What are your views on 'eliminating profit, along with the broader transformation of children's social care, will have a positive impact on well-being outcomes for children and young people'?

*Follow-up: Why do you think it did not reach consensus?*

We would like to discuss the following statement that did not achieve consensus on what **additional measures the Welsh Government could introduce to enhance the sustainability and stability of care services for looked after children and young people in Wales, as part of the wider transformation programme for children's social care.**

19. What are your views on 'instead of the commitment to eliminate profit, the Welsh Government should instead plan and implement a more long-term policy approach (e.g., development of new provision through direct public investment to gradually phase out profit-driven models)'?

*Additional questions:*

20. Which of the strategies that reached consensus should be prioritised?

- a. The Welsh Government should provide regular progress updates on what investments they are making to support the not-for-profit sector.
- b. The Welsh Government should develop a stronger public narrative, promoting care as beneficial, showcasing its impact, and engaging the public in supporting these efforts.
- c. The Welsh Government should develop joint planning, commissioning, and delivery of health, social care, accommodation, and education services to meet children's diverse needs.
- d. The Welsh Government should align efforts with the goals of the Youth Justice Blueprint to establish smaller regional provisions as the standard.
- e. The Welsh Government should establish a more efficient funding allocation system directly targeting children's services rather than broader Local Authority settlements.
- f. The Welsh Government should increase investment in training and development for residential care professionals and leaders, including continued funding for training bursaries.
- g. The Welsh Government should address disparities in foster care fees and allowances to ensure consistency across services.
- h. The Welsh Government should implement preventative measures and early intervention services to reduce the need for future placements (including edge of care and holistic family support to children and families).
- i. The Welsh Government should advance commitments to provide accommodation for complex needs in every region.

### *Wrap-up*

- 21. Any statements that we didn't include in our conversation today which you would like to briefly comment on?
- 22. Any final comments or reflections on the commitment to eliminating private profit from the care of looked after children?