1 The Guardian view on privatised children's services: deregulation failures

Editorial
The failings uncovered in a Bolton children's home were extreme. But the weak oversight that enabled them were an everyday occurrence

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Who will stand up for the children in care who are being let down, as evidenced by repeated scandals? The home owned by Robert McGuinness in Bolton, and closed in January after Ofsted discovered a child who had not changed his clothes or bathed for months, is an egregious example of the casual neglect that has spread like a stain across the sector.

Mr McGuinness, the Guardian revealed last week, spent thousands from a community interest company set up for educational purposes on bars and holidays. The company claimed that the spending was a legitimate form of salary sacrifice. But while his behaviour was extreme, the official neglect of vulnerable children that made it possible is far from isolated. Alternative provision settings that educate pupils excluded from mainstream schools in England do not all have to register with Ofsted. Business owners do not even undergo basic checks.

Mr McGuinness's company already has planning permission for eight studio flats for care leavers aged 16 to 18. This is the type of accommodation where, between 2018 and 2020, 22 children died. The former children's commissioner for England Anne Longfield described the government's attitude to the most vulnerable young people in our society as "deep-rooted institutional ambivalence". The Howard League for Penal Reform has warned that moving children long distances can "play into the hands of abusers".

A ruling against the callous practice of placing children in non-care settings, including lightly supervised bedsits, in the judicial review brought by Article 39 would help. But the problems in the children's social care sector are wider than this. Funding cuts, and record numbers of children in care, have left councils desperate to shift the burden of responsibility. Increasingly, foster placements as well as children's homes are delivered by private providers, many of which have opaque ownership structures and extract huge profits. CareTech Group, for example, made nearly £70m in pre-tax profits last year and awarded a £12,000-a-month "relocation allowance" to its chief executive, Haroon Sheikh, for his move to the United Arab Emirates.

This is the wrong model. While councils may initially reduce overheads by outsourcing difficult work, cutting corners by relying on low-paid, private-sector workers will do nothing to improve the prospects of a demographic who already face obstacles. The kinds of "high-quality life story work" called for recently by MPs, because it helps young people to make sense of complex experiences, is impossible if placements and social workers are constantly changing.

Care standards must be raised. Every setting and provider should be subject to rigorous regulation, with moves disallowed unless they are in a child's best interests. A review by Josh MacAlister, ordered by ministers, is expected soon. But while Mr MacAlister has criticised operator profits, he has so far declined to support the campaign to lift the care-leaving age, and the signs that he will demand the kind of overhaul that would place children's interests first, with a strengthened national framework for councils to adhere to, are not good. Campaigners, charities, MPs and everyone who thinks these children matter should prepare a robust response.