



Children in illegal homes: The Government must act now

This briefing was jointly developed by the **Together Trust charity**, **Anglia Ruskin University**, with thanks to **Commonweal Housing charity** for input.

The briefing is **supported by 53 individuals** from across academia, probation and criminal justice, local government, children's social care, health, and the voluntary sector. A full list of supporters is provided in the attached annex.

The continued use of illegal (unregistered) accommodation for children in care is one of the most serious and least visible scandals affecting children in the UK. Hundreds of children are being placed in illegal settings, which are operating outside of Ofsted-led regulation and inspection, with no guarantee of care, safeguarding, staffing standards or oversight ([Public Accounts Committee, 2026](#)).

Some are placed far from home, isolated from trusted adults, education and support networks. There are already reports of children being exposed to significant harm, exploitation and criminality within these settings ([LBC, 2026](#)), ([Caluori, 2020](#)).

What we are calling for

The Government must:

- 1) Commit to a clear, time-bound plan to end illegal placements.
- 2) Deliver a national sufficiency and workforce strategy to ensure enough safe, regulated homes, that meet the needs of all children in care.
- 3) End the data blind spot and strengthen safeguarding oversight

The scale of the problem is growing fast

This is not a new problem. The Children's Commissioner has repeatedly described the growth of unregistered accommodation as a "national scandal" ([2024](#)). **89%** of illegal placements now delivered by private providers ([Children's Commissioner, 2026](#)). The underlying issue is the limitations of a market-based approach to children's care. A lack of sufficient, planned provision can create conditions in which poor practice and instability emerge.

Rising need requires public investment and support, rather than market responses designed to generate profit or growth. The Department for Education has repeatedly stated that children should be living in suitable, regulated settings ([DfE, 2023](#)).

Between 2020 and 2024, there was a reported **546% increase** in illegal settings in England ([Ofsted, 2024](#)), and it is widely suspected that real numbers are higher because not every council reports its use of such placements.

Children of pre-school age have been placed in illegal provision, while English local authorities are estimated to spend nearly **£440 million per annum** on illegal placements([Children's Commissioner, 2024](#)).

Why illegal placements persist

The sharp increase in illegal placements is not simply a compliance issue but a symptom of wider failures in sufficiency. Rising numbers of children with complex needs, combined with a shortage of appropriate registered homes and market incentives that discourage providers from accepting high-risk placements, have left local authorities increasingly reliant on illegal provision ([CWH, 2026](#)).

The Government has taken welcome steps through the Children's Wellbeing and Schools Act 2026, including giving Ofsted new powers to issue financial penalties to operators of illegal children's homes ([Ofsted, 2026](#)). However, financial penalties alone will not end the use of unregistered settings. A time-bound plan to phase out illegal children's homes is needed, alongside stronger commissioning arrangements, improved cross-agency cooperation and greater transparency to identify gaps in provision and ensure that sufficient safe, regulated placements are available.

This aligns with the Children's Homes Association's "[End illegal placements by 2030](#)" campaign, which calls for a national plan to eliminate illegal placements by addressing shortages in suitable, regulated provision and ensuring sustainable alternatives for children.

Children at risk, providers profiting

Children placed in illegal homes are often those with the highest levels of need. Around a third (32%) of children in illegal homes are subject to a Deprivation of Liberty order ([Children's Commissioner, 2026](#)), and require intensive, therapeutic and consistent care.

Many of these settings are completely inappropriate for housing at-risk children, and illegal 'care homes' have included hotel rooms, caravans, and Airbnb properties. Sir Martyn Oliver, His Majesty's Chief Inspector of Education, Children's Services and Skills in England, said: "*As a society, we are failing these children*" ([Ofsted, 2025](#)).

There is deep sector concern about the entry of malicious or criminal providers, who may use placements to groom or recruit children and young people while charging councils £200,000 - £1 million or more per child each year ([Commonweal Housing, 2026](#)).

Public money is being channelled into a market operating largely outside public scrutiny, creating opportunities for excessive profiteering([Committee of Public Accounts, 2026](#)), and in the worst cases, exploitation by providers who cannot be relied upon to put children's welfare first ([Wall, 2026](#)).

No child should be treated this way

No reasonable parent would place their child in an illegal home without guaranteed care, oversight or safeguarding. A child who experienced abuse while living in an illegal children's home shared:

"I was in care to be looked after, taken care of and protected from harm. These men [residential care home staff in an illegal home] have done the exact opposite to that. They have sexually abused me for hours and have caused me so much pain and destruction" ([Wall, 2026](#)).

Children's Minister Josh MacAlister has stated that *"too often the state weakens or blocks the very relationships children need"* ([Hansard, 2026](#)).

Illegal provision represents one of the clearest examples of this failure, placing children in environments that cannot guarantee consistent care, trusted adults or lasting relationships.

What Government must do next

1) Commit to a clear, time-bound plan to phase out illegal provision

- Guarantee that every child in care up to at least age 18 has access to safe, therapeutic and regulated care.
- Monitor and review the effectiveness of Ofsted's new financial penalties, ensuring they are robust enough to deter illegal homes and drive compliance across the residential sector.

2) Deliver a national sufficiency and workforce strategy

- Develop a national sufficiency strategy to expand high-quality provision, including not-for-profit and local authority provision in the right places.
- Develop a workforce strategy focused on recruitment, retention, trauma-informed practice, safeguarding and exploitation.
- Commissioning and placement decisions must prioritise suitability, stability and contextual risk over cost and bed availability.
- Matching should consider peer dynamics, local exploitation ecology, and children's protective networks.
- Regional Care Cooperatives to lead the commissioning of specialist, complex-needs and emergency placements, using joint commissioning, pooled resources and regional planning. RCCs could improve planning and coordination, but they should be accompanied by action to ensure sufficient planned provision organised around children's needs and rights, so that children can access appropriate placements when they need them.

- Deprivation of Liberty placements must be lawfully deliverable; otherwise, orders simply expose unmet capacity and cannot guarantee protection.

3) End the data blind spot and strengthen safeguarding oversight

- Government should introduce a standardised national reporting framework for unregistered placements and unmet need, enabling national and regional bodies to understand where suitable provision is unavailable and plan future capacity accordingly.
- Safeguarding responses must reflect contemporary exploitation tactics, including online recruitment, trafficking and organised crime group activity.
- Government should recognise and respond to the heightened risk of criminal exploitation associated with illegal children's homes.
- Directors of Children's Services should be required to submit a written justification to Ofsted when authorising an unregistered placement, setting out the circumstances, risks, safeguarding arrangements, efforts to find registered provision, expected duration and monitoring arrangements.
- Government must empower Ofsted to streamline the registration of high-quality children's care provision, removing unnecessary barriers that delay the development of safe, regulated placements.

Illegal placements must end

The continued placement of children in illegal homes represents a failure of sufficiency, regulation and safeguarding. The Independent Review of Children's Social Care was clear that the purpose of the care system is to help children build enduring, loving relationships ([DfE, 2022](#)), ([MacAlister, 2026](#)). Illegal homes do the opposite. They leave children isolated, disconnected from community, education, trusted adults, and exposed to unacceptable levels of risk.

Children in care deserve the same care, protection and stability that any reasonable parent would expect for their own child. Illegal homes fall far short of that standard. The Government must listen to the voices of children who have experienced these homes, confront what remains hidden from view, and commit to a clear, time-bound plan to end the use of illegal provision and ensure that every child in care has access to safe, regulated and therapeutic care.

For further information about this briefing, please contact:

Styliana Pasiardi

Charity Policy and Campaigns Manager, Together Trust Charity

styliana.pasiardi@togethertrust.org.uk