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Licence Loss: Revocations of Residential Care Licences in Four Nordic Countries

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ABSTRACT

With placement in residential care, society assumes overall responsibility for a child's daily care, well-being and development. How public authorities respond to poor care quality is of crucial importance. To guarantee quality care and minimise risks, welfare states increasingly develop different mechanisms and systems to supervise out-of-home care. In this article, we analyse how central inspectorates in Denmark, Finland, Norway and Sweden deal with what can be conceived as the last supervisory measure, namely, the revocation of licences. The aim is to describe and analyse how frequently and why national inspectorates in Denmark, Finland, Norway and Sweden withdraw residential care licences. The findings are based on an analysis of all available documented reports on revocation decisions between 2017 and 2021. The findings reveal that, between 2017 and 2021, there were 53 licence suspensions or revocations across the four countries, albeit with variations among the nations. Furthermore, the study shows that residential care units (RCUs) generally have a documented history of interactions with inspectorates. Revocation decisions were often attributed to several reasons, with safety, staff-related concerns and documentation deficiencies being the primary factors. The findings are discussed based on concepts and theory on regulation and supervision.

1 | Introduction

Residential care is a group-based child welfare service aimed at children and young people facing vulnerable life situations through round-the-clock services. When a child is placed in out-of-home care, society undertakes profound responsibility for the child's well-being. Consequently, the supervision and response of public authorities to substandard care quality are crucial. In the Nordic countries, residential care falls under the purview of local child welfare authorities. However, as in for instance England (Jones 2015), residential care operates within a 'quasi-market', where local authorities have the option to outsource the provision of care to private residential care units (RCUs).

Residential care is a contentious intervention (Giraldi et al. 2022), often characterised as the 'last resort' of child welfare interventions (James et al. 2022). In the Nordic countries, there is recurrent criticism of the substandard quality of residential care, with historical and current instances of care scandals (Lundström et al. 2021). On the one hand, residential care offers potentially favourable conditions for staff to address children's difficulties daily (Whittaker et al. 2023). On the other hand, research indicates risks associated with group-based care of young people, including iatrogenic effects (Dishion, McCord, and Poulin 1999) and issues such as peer bullying and violence (Attar-Schwartz and Khoury-Kassabri 2015; Mazzone, Nocentini, and Menesini 2018). A

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recently published influential book on residential care emphasises the crucial role of high-quality and professional residential care for adolescents with behavioural problems. However, it also underscores that societies often set low ambitions and sometimes fail to invest the necessary resources in practice (Whittaker et al. 2023).

As a means of ensuring care quality and minimising risks, states are increasingly developing different mechanisms and systems to monitor child welfare practices (Biesel et al. 2020; Boel-Studt and Tobia 2016). For residential care, several countries have more regulations concerning staff-youth ratios, unit size, care and leadership quality and so on (UNICEF/Eurochild 2021; see also Council of Europe 2009). Supervision, in particular, is emphasised as vital. Supervision is a policy instrument that is about controlling the operations of welfare services (e.g., Boyne, Day, and Walker 2002) and may be conducted at various levels. At the local level, child welfare authorities and specially assigned social workers are increasingly urged to supervise care and visit the child (Biesel et al. 2020). At the national and regional level, an important strategy is the instalment of central supervision systems, often in the form of public inspectorates, whose purpose is to control that the welfare organisations abide by regulations (Pålsson et al. 2022).

In many countries, there is a greater reliance on national inspectorates tasked with supervising child welfare authorities and out-of-home care settings. This central supervision is usually conducted through licensing (control before establishment) and inspections (control after establishment). In the Nordic countries, licences are needed for private (and public in Denmark) residential care providers (Pålsson et al. 2022). If a licenced RCU is deemed substandard, inspectorates normally have the authority to impose injunctions and, ultimately, employ tougher measures, such as fines, suspensions, and revocations of licences. To understand supervision systems, it is crucial to draw on national legislation and local and national supervision and analyse them in relation to each other. In this article, we specifically analyse how central inspectorates in the four Nordic countries deal with what can be conceived of as the final supervisory measure, namely, the suspension and revocation of licences. How supervision is organised in different countries, how they work to detect malpractice, define 'poor quality' residential care and their strategies to address quality issues is a question that, to our knowledge, has been scarcely investigated. In particular, there are few cross-country comparisons regarding the practical organisation and functioning of national supervision systems. Consequently, this article aims to describe and analyse how frequently and why national inspectorates in Denmark, Finland, Norway and Sweden withdraw residential care licences and how they deal with RCUs whose quality has been identified as poor. The empirical material is based on all available suspension and revocation decisions effectuated in our countries between 2017 and 2021. Analytically, we view inspectorates as 'market agencies' (Ahrne, Aspers, and Brunsson 2015) whose work contributes to structuring the residential care markets, and we apply concepts from regulatory theory to discuss the strategies used. The questions for this research include the following:

- Which inspectorates are mandated to terminate residential care operations, and how frequently do they revoke licences?
- How do the inspectorates identify and investigate the RCUs whose licences were revoked?
- What reasons for licence revocations can be identified?

2 | Background

2.1 | Residential Care in Nordic Countries

In the Nordic countries, residential care as a child welfare measure is primarily employed for adolescents facing various behavioural problems, issues with drug abuse, and mental health challenges, although there is also a smaller proportion of younger children in residential care (Hestbæk et al. 2023; Höjer and Pösö 2023). The RCUs may have different profiles, but typically, they intend to provide therapeutic services. The decision to place an individual can be either compulsory or voluntary. Operating on the border between care and control, residential care in the Nordic countries has varying degrees of authority to impose restrictions on young people (Enell et al. 2022). In Sweden and Denmark, specialised secure institutions have the legal authority to employ restrictive measures, whereas in Norway and Finland, other RCUs are also permitted to do this. The size of the residential care sector relative to foster care differ among the countries (see Table 1).

In Finland, the proportion of children in residential care stands at 50% (778 RCUs, which also encompass so-called professional foster homes). In Denmark, this figure is 33% (1090 RCUs), and in Sweden, it is 22% (501 RCUs) (Shanks et al. 2021). In contrast, Norway exhibits a notably lower rate of placements in residential care, with only 9% of children in care being placed in RCUs (an estimated 425–500 RCUs) (NOU 2023b, 26, 55).

The proportion of private providers also varies. In Finland and Sweden, approximately four out of five RCUs are private,

TABLE 1 | Number of RCUs in Denmark, Finland, Norway and Sweden, and proportion of children in residential care relative to foster care.

	Denmark	Finland	Norway	Sweden
No. of RCUs	1090	778	425–500[a]	501
Proportion of children in RCU relative to foster care	33	50	9	22

Source: Shanks et al. (2021); NOU (2023a, 7).

[a]We do not know the exact distribution of RCUs or clusters of units under an administrative umbrella, as some RCUs may have several units, each of which must be licenced individually.

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whereas Denmark and Norway have lower numbers (Shanks et al. 2021). Furthermore, the type of private organisation providing care differs. In Sweden and Finland, for-profit companies dominate, while Denmark and Norway have larger not-for-profit sectors. Lastly, there are differences in treatment philosophy traditions. Swedish and Finnish residential care has been depicted as a weaker professionalised field due to vaguer educational requirements for staff (Pålsson et al. 2023), compared with Denmark and Norway, which instead holds onto a long tradition of residential care with social pedagogical profiles that aim to uphold the principles of a majority of skilled personnel with a bachelor's degree (Lausten 2023).

In this study, we focus on inspectorates with the mandate to revoke licences (these agencies will be described in the findings). Still, it is important to remember that other bodies may also have supervision duties for residential care. In Finland and Sweden, inspections may also be conducted by the Parliamentary Ombudsman, and in Norway, the National Health Inspectorate and the State Administrator carry out yearly inspections. Furthermore, RCUs in Finland and Norway, in particular, are expected to self-monitor (e.g., Kotkas 2016). Importantly, as in most other countries, local child welfare authorities are responsible for supervising and monitoring the well-being of the children they place in out-of-home care. In our countries, existing legislation[1] stipulates that local authorities are accountable for ensuring that the child's rights and needs are met, and that the child develops positively. This person-oriented supervision is conducted by social workers on a case-by-case basis; each child should have an assigned social worker.

2.2 | Previous Research and Analytical Considerations

Theory and research on central public monitoring indicate that supervision regimes may vary between countries (May 2007). Research on child welfare inspections primarily originates from an Anglo-Saxon context and examines statutory child welfare investigations (Munro 2004; Wilkins and Antonopoulou 2020). Generally, inspections tend to focus on organisations' activities to manage 'risks' (Munro 2004; Pålsson 2018). Studies suggest formative effects, wherein child welfare agencies adapt monitored standards, such as timelines for investigations, the number of conversations with children and the number of investigations (Hood and Goldacre 2021; Wilkins and Antonopoulou 2020). Simultaneously, research has raised questions about whether these standards adequately reflect 'good quality' in child welfare (Tilbury 2007). For instance, standards often concentrate on compliance with regulations regarding work procedures rather than assessing whether child welfare services contribute to children and families gaining adequate support or ensuring that children are not rereferred (Hood and Goldacre 2021; Hood, Nilsson, and Habibi 2019; Wilkins and Antonopoulou 2020).

Less research exists about the centralised supervision of residential care, but some studies should be mentioned. In a study on the licensing of private residential care providers in Denmark, Finland, Norway and Sweden, the findings revealed different licensing models (Pålsson et al. 2022). For instance, inspectorates could be either centralised/general or regionalised/specialised, their methods more consultative or investigative and the quality standards focused on form (target group delineation and economy) or content (treatment and staff qualities). Finland and Sweden were seen as having formality-oriented licensing practices, whereas Denmark's practice was more content oriented, and Norway's practice included both formality and content orientations. In all countries, the licences granted were permanent. Inspection has also been found to induce reflection and shape administrative practices. Still, inspection standards have difficulties influencing core care aspects (e.g., relations between children and staff, actual treatment) and care dimensions that children consider essential (e.g., social climate) (Pålsson 2018).

In a conceptual paper, Hood, Nilsson, and Habibi (2019) distinguishes between three types of supervision perspectives: (1) performance-based accountability (i.e., monitoring compliance with procedures and standards), (2) evidence-based accountability (i.e., reviewing the use of evidence-based interventions and the outcomes of services) and (3) socio-technical systems design (i.e., focusing on feedback and the strengthening of professional judgement). In practice, it seems most common to have practices similar to performance-based accountability, namely, that supervisory authorities monitor how organisations comply with regulative standards (Levi-Faur 2011). The standards may either concern structural requisites (e.g., premises and staff/youth ratio) or procedural standards (how the organisation works) (cf., Donabedian 1966). The procedural standards, in turn, can focus either on documented systems and routines or on the care and treatment provided to children (cf., Power 1997). Ultimately, inspectorates may issue warnings, give orders to rectify shortcomings and cease operations (Benish, Halevy, and Spiro 2018; Kotkas 2016). An influential model for this is formulated in the theory of 'responsive regulation' (Ayres and Braithwaite 1992). According to this model, inspectors should be adaptive to the regulatory problem at hand and strive to balance securing rule compliance and maintaining a good relationship with the inspected organisation. Typically, inspectors will start with consultation and persuasion and only use requirements and penalties when this no longer works. Whether consultation or deterrence is most effective in promoting the quality of services is debated, however (Boyne, Day, and Walker 2002; May and Winter 2011).

In this article, an analytical assumption is that national inspectorates, viewed as 'market agencies', play a crucial role in structuring markets, and for this purpose, they may employ different organisational elements (Ahrne, Aspers, and Brunsson 2015). They may, for example, decide on the *membership* of markets, such as the type of organisations (for-profit/not-for-profit) eligible to enter a market; provide applicants with market-relevant *information* (regarding the inspection process, requirements); engage in *standard-setting* by establishing quality standards that providers must meet; conduct *surveillance*, such as inspections and other quality reviews; and, finally, issue *sanctions* (e.g., fines and suspending/revoking licences) if rules are violated. In this study, we explore the last element, namely, revocations/suspensions. Revocations are a central task of supervisory systems, and there is a need to know more about their practical

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functions—specifically, how and on which grounds revocations are conducted.

3 | Method and Material

The study is founded on data collected from the national inspectorates responsible for inspecting residential care and possessing the authority to issue sanctions, including revocations or suspensions of the residential units if rules were violated in 2017–2021. Given that Denmark, Finland, Norway and Sweden have different organisational structures and inspection policies (Pålsson et al. 2022), the nature of the material studied varies slightly between the countries. Regarding research ethics, the study relies on documents governed by the publicity principle, which means that they are accessible to the general public. In the four countries, such secondary data do not require ethical approval. Furthermore, the documents we collected were anonymised in advance and hence did not reveal information about individual children.

We began by collecting information regarding all formal licence suspensions/revocations during the period from 2017 to 2021. In Denmark, most of the regional statistics on annual revocations are pooled for RCUs for children and adolescents and for adults as a whole. We contacted the five regional Social Supervisory Authorities/Socialtilsyn and asked for all licence revocations of RCUs for children and adolescents during the requested time span. Information on 16 revocations, including letters on the intended recall, the final inspection report and final letters announcing the decision on revocations, were anonymised and sent electronically to us. All decisions but one included a timeline of prior inspections with problematic issues concerning quality.

In Finland, no national or regional statistics about the revocations of RCUs are available; data were collected with the help of the Regional Supervisory Authorities. In the first phase, they collected and provided us with information about the number of suspensions and revocations from 2017 to 2021. There were three suspensions altogether in all regions. In the next phase, we applied for a research permit to access those decisions. A permit was granted, and we received the written material. Two decisions included confidential information that was deleted from the documents for our analysis.

In Norway, the responsibility for inspecting RCUs is the responsibility of Children, Youth and Family Affairs (Bufetat unit for approval of RCUs [BEG]) but is delegated to five regional offices. The Oslo region is excluded from the BEG's responsibility, as it is not part of the national child welfare service organisation. We received answers from three of the five regions, plus Oslo. In total, 11 licences were revoked between 2018 and 2022. No revocations took place in 2017.

In Sweden, we contacted the responsible agency, the Inspectorate of Health and Welfare/IVO and asked for all licence revocations of RCUs (supported housing excluded) during the requested period. Twenty-three revocation decisions were collected from registrars at the six regional offices. The decisions were deidentified and submitted to us.

To approach the decisions analytically, we used a standard research protocol. This was discussed in depth in the research group and aimed at exploring how inspectorates proceed when revoking licences. The protocol included questions about (1) information about the RCUs (target group, location etc.), (2) investigation (how inspectorates were informed of quality issues, their investigation methods etc.), (3) reasons for revocation (formal reasons, role of legislations, the RCUs' point of view) and (4) information about what happened after closure (temporary suspensions or permanent revocations).

The empirical material was then analysed in several steps. We began by mapping the licences revoked in the four countries between 2017 and 2021 (2018 and 2021 in Norway). We then analysed the decisions using qualitative content analysis (Silverman 2013). The decisions varied in length and, in general, accounted for the background of the inspection, reasons for revocations, and the relevant legislation behind them. The written decisions often included information from inspection visits and prior inspections. We coded the decision content based on how the agencies were notified about quality issues, the potential previous actions taken towards the RCUs, and their procedures when investigating them. We also identified the reasons for revocation and established different categories based on their content (economy/owner suitability, safety, staff, licence violation, documentation and premises). The researchers held several meetings to ensure the consistency of coding and categorisation.

Regarding the validity of the data, some limitations should be mentioned. First, the empirical material is composed of written decisions. Such decisions have the merit of presenting facts in terms of how many licences are suspended/revoked, but conversely, they depend on what is actually recorded (cf., Bowen 2009). Second, the decisions are written by agencies with a specific purpose, where they must refer to legislation as a justification for their decision. Actions required by the legislation—for example, arguing that the criteria for revocation are fulfilled—are recorded and possibly other interesting points may be omitted. In terms of representativeness, the number of suspensions/revocations represents our countries during the studied years. However, we cannot rule out the possibility that an unspecified number of revocations were not submitted to us, despite specifying that we wanted all of them. On a fundamental level, there are well-known challenges with multiple-country analysis, as it may be difficult to give a complete account of the context of each country. For example, we specifically focus on the market agencies that have the power to terminate the licence to provide residential care. Still, these agencies operate on a broader supervisory system in different countries. The findings must be understood with this in mind.

4 | Findings

The presentation of the findings begins with a description of responsible inspectorates and their measures in cases of poor quality. Following that, we detail the number of revocations from 2017 to 2021 and explore how the agencies identified the quality issues and proceeded in the cases. Finally, we analyse the reasons for suspensions and revocations.

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4.1 | 'The Context': Responsible Inspectorates and Their Escalatory Measures in Cases of Poor Quality

According to the law,[2] all countries have inspectorates with the mandate to revoke RCU licences. Sweden and Denmark have single central authorities (divided into regional offices) for this task (in Denmark, the Social Supervisory Authority/Socialtilsyn; in Sweden, the National Inspectorate of Health and Welfare/IVO). In Norway, the Office for Children, Youth and Family (Bufetat) is responsible for revoking licences. In Finland, the national bodies mandated to shut down RCUs are the National Supervisory Authority for Welfare and Health/Valvira and the Regional State Administrative Agencies/AVI.

The national inspectorates resemble each other concerning the formal measures that may be employed in cases of poor quality and policy. Their practices exhibit similarities with the model outlined in the theory of 'responsive regulation' (Ayres and Braithwaite 1992). All countries have regulations enabling licence revocations if there is a danger to children. However, if the deviations from regulations are not serious, agencies in all countries should initially work with guidance and efforts to increase compliance. If guidance does not work (i.e., if the RCU does not abide by regulations at follow-up), there are escalatory measures. In all countries, there are possibilities to issue legally binding 'orders', often targeting a specific quality issue, which must be remedied within a certain period. In Sweden and Finland, orders can be combined with fines. In Denmark, the inspectorate must decide on 'increased supervision' in cases where specific conditions cause concern for the safety or health of the children, which can last for 3 months.

As a final measure, inspectorates in all countries have the option to terminate licences. Apart from revoking licences, some countries may use what is called suspension. In the Finnish system, an RCU can be denied the authority to operate without formally losing its licence. In Denmark, Norway and Sweden, if a shutdown cannot wait, there are possibilities to temporarily shut down RCUs. In all countries, appeals against sanction measures can be made by the RCUs. In Finland and Sweden, appeals are handled by administrative courts, whereas in Denmark and Norway, they are primarily and at first hand handled by the inspectorates. In Denmark, if the parties still disagree, the appeal is handed over to the National Social Appeals Board.

4.2 | How Frequently Are Residential Care Operations Terminated?

The findings reveal variations among the Nordic countries regarding the frequency with which inspectorates suspend or revoke licences. However, the overall impression is that the use of these more extreme sanctions is infrequent (Figure 1).

In Denmark, from 2017 to 2021, there were 16 decisions to revoke licences for treatment RCUs catering to children and adolescents. The numbers varied among the five regional offices, ranging from zero to nine. Following a slightly elevated proportion of revocations in 2014–2016, attributed to new legislation on the inspectorates in 2014 and the subsequent renewal of the licences for all RCUs, there is no significant time trend within the period in question.

In Finland, there were no licence revocations between 2017 and 2021. Three licences were suspended, with two instances attributed to the same regional authority. The RCUs catered to 7–14 children. In 2023, none of these RCUs operated as residential child welfare institutions, suggesting that suspension decisions significantly impacted those units.

In Norway, between 2018 and 2021, licences were revoked for 11 RCUs. Some closed due to a lack of applications from child welfare services. Others were closed because they were unwilling to

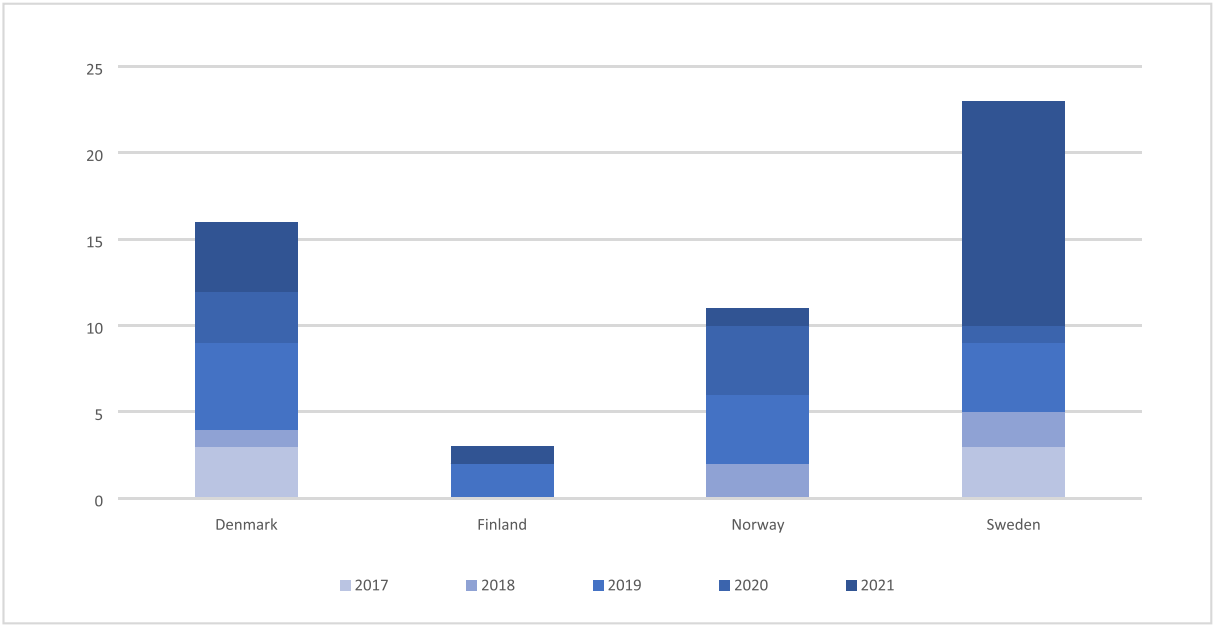


FIGURE 1 | Number of revocations/suspensions in Denmark, Finland, Norway and Sweden during the period 2017–2021.

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address criticism from Bufdir found during inspections, and two institutions ceased operations as they had burned down, with the owners choosing not to restart.

In Sweden, there were 23 revocations or suspensions during the period 2017–2021. There are variations in numbers across the six regional offices, ranging from one to eight. Over time, it appears more common for the IVO to decide on revocation, as more than half of the revocations were carried out in 2021. This appears to primarily result from stronger legislation concerning owners' finances and reliability. However, there had also been public criticism,[3] suggesting that the IVO has been too lenient.

In conclusion, it is challenging to determine definitively whether the number of revocations is low or high. However, revocations seem relatively infrequent, especially considering the number of RCUs in these countries. The estimated total number of RCUs in Denmark, Finland, Norway and Sweden is approximately 2795–2870 (Shanks et al. 2021; NOU 2023a, 7). On average, this results in approximately four revocations per 1000 RCUs per year across the countries. When rounded and calculated by country, there are three in Denmark, zero revocations (one suspension) in Finland, five in Norway and nine in Sweden. Proportionally, Norway and Sweden experience the highest fraction of revocations, followed by Denmark, which has the most units, and Finland.

4.3 | Identification of Residential Care Units to be Investigated

The 53 decisions reveal various ways agencies were alerted to quality issues, partly linked to whether they proactively or reactively conducted inspections. In Denmark, Norway and Sweden, the responsible inspectorates must conduct yearly inspections. In Denmark and Sweden, several cases were identified through this process, while in Norway, many revocation decisions were prompted by documentation that RCUs must complete and submit annually, displaying violations of regulations. However, there are also instances in these countries where initial notifications came from whistle-blower schemes, referrals from private individuals, local child welfare authorities, county regions, and the police, or from staff working or having worked in the RCU in question. In Finland, inspectorates do not conduct regular yearly inspections. Here, the regional inspectorate inspections commenced due to referrals and, in one case, an inspection by the Parliamentary Ombudsman.

Once quality issues are identified, the approach to investigating RCUs shows many similarities but also some differences. The inspections involve both unannounced and announced visits, and methods typically include interviews with managers and staff and a review of documentation. However, an exception is revocations from Sweden concerning finances and owner suitability, which only review documents. In Denmark, Finland and Sweden, children must be interviewed during inspections if they consent. In Denmark and Finland, child interviews were part of the information base in all revocation decisions but not in Norway and Sweden. In Finland, the three decisions included interviews and documents collected from staff in the local child welfare authorities. However, this was only occasionally included in the decisions in other countries. Relevant to many decisions was also the role of previous knowledge about the RCU, and many revocations include information that shortcomings identified in previous inspections have not been sufficiently corrected.

In conclusion, the findings suggest that inspectorates in the Nordic countries rely on various sources to identify substandard RCUs. However, the countries with mandatory yearly inspections (Denmark, Norway and Sweden) appear to identify several quality issues through this process. Furthermore, many of the RCUs that had their licence revoked exhibited a history of deficiencies, with previous and continuous interactions with the inspectorates.

4.4 | Reasons for Revocations

In all countries, a revocation decision typically encompasses several suspension or revocation arguments. Table 2 illustrates the arguments by category.

A primary reason for revocation involves the *safety* of the children and adolescents placed at the RCUs. This concerns the perceived riskiness of the care milieu due to issues like violence, harmful upbringing practices, unethical treatment methods or staff not ensuring the safety of the children, among other concerns. Safety-related issues are, unsurprisingly, present as arguments in revocation and suspension decisions across all countries.

Furthermore, *staffing* issues are recurrent concerns in all countries. These encompass issues such as a lack of staff with correct competence, inadequate shift structures that compromise continuity and stability for children, and inadequate leadership. In Sweden, staff-related concerns primarily revolve around owners failing to check criminal records, with only a few cases addressing manager/staff competence and staffing levels. The opposite is true in Denmark, where lack of qualified staff and poor management of the RCU is a dominating concern. Another set of reasons involves *documentation* deficiencies, including insufficient care plans, internal control or enrolment decisions. In Sweden, this is often cited in conjunction with other arguments.

Finances/owner suitability issues constitute a further basis for rejection in some countries. This pertains to the reliability of the owners and target, for instance, bankruptcy and economic mismanagement (e.g., failures to pay taxes on time). This argument is frequently invoked in Sweden, to some extent in Denmark, while it is rarely or never used in Finland and Norway. Furthermore, some revocation decisions include arguments related to *violations of licences*. This involves instances where the conditions specified in the licence regarding the target group, premises, etc. are not adhered to. This reason is mainly applied in Denmark and Sweden. Lastly, certain revocation decisions include arguments concerning substandard *premises* encompassing the physical design of the RCUs, material requisites or home comfort.

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TABLE 2 | Revocation arguments in revocation decisions ($n = 53$).

	Denmark	Finland	Norway	Sweden
Safety	Lack of safeguarding the youth.	Threats towards client safety due to upbringing practices.	Lack of routines, not ensuring an acceptable level of care and treatment.	The milieu poses a danger to life, health and safety.
Staff	Lack of qualified staff. Poor management.	Shortages of staff: qualifications and numbers.	Managers have not secured staff qualifications, staff numbers or continuity.	Not checked criminal records for employees. Manager/staff competence and numbers.
Documentation	Documentation deficiencies.	Insufficient documentation of practice.	Lack of satisfactory internal control and documentation.	Documentation deficiencies (e.g., enrolment and care plans).
Finances/owner suitability	Economic mismanagement.		Economic irregularities.	Economic mismanagement/ owner suitability.
Licence violation	Exceeded licence (target group and methods). Lack of informing the Inspectorate about vital changes.			Exceeded licence (e.g., target group and premises).
Premises	Lack of suitable location.		Localisation and material requirements are not fulfilled.	Substandard premises.

Note: A revocation decision can contain several arguments.

In summary, drawing on Hood (2019) typology of different ways of assessing quality in child welfare, the reasons for terminating licences focus primarily on performance-based criteria (i.e., monitoring compliance with procedures and standards). Some standards concern structural requisites (such as substandard premises, finances and not checking criminal records), while others pertain to procedural standards, such as internal control systems and documentation practices. There are also standards related to interpersonal relations in the care milieu, particularly safety standards, where the milieu is deemed dangerous to children due to factors such as violence. Some differences between the countries should be noted, which partly align with variations in quality regulations between the countries and reflect that supervision in the Nordic countries primarily follows a legal logic that emphasises compliance with national regulations (Pålsson et al. 2022). For instance, in Sweden and Denmark, structural requisites, such as owner suitability and economic mismanagement, are applied. In contrast, arguments concerning staff competence and treatment content are used to a higher extent in Denmark and Norway than in Sweden.

5 | Discussion

Over the past few decades, welfare states have increasingly implemented various mechanisms and systems to regulate child welfare practices. This includes increased requirements on local child welfare authorities to oversee children and a greater reliance on national inspectorates tasked with supervising child welfare authorities and out-of-home care settings. At the same time, surprisingly little research exists regarding the practical organisation and functioning of national supervision systems, and there are few cross-country comparisons.

This article has focused on what is often described as the final measure and element in supervision systems when supervisory bodies terminate residential care operations. The aim has been to describe and analyse the frequency and reasons behind withdrawing residential care licences in Denmark, Finland, Norway and Sweden. The available findings show that there were 53 instances of licence revocations or suspensions across the four countries between 2017 and 2021, albeit with variations among nations. Furthermore, the study highlights differences in the proactive and reactive nature of supervisory systems and how they were informed about quality issues. Nevertheless, RCUs, with their licences revoked, generally had a documented history of malpractice and continuous interactions with inspectorates. Revocation decisions were often attributed to several reasons, with safety, staff-related concerns, and documentation deficiencies being the primary factors. Based on these findings, the subsequent sections outline and discuss our central conclusions.

5.1 | On the Low Number of Revocations

According to this study, the number of RCUs having their licences revoked is relatively small compared with the number of such organisations in the countries. We cannot definitively

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determine what a reasonable number of revocations would or should be, and the infrequency may have several overlapping but partly conflicting reasons. On the one hand, a low level of revocations may indicate that few serious infractions justify this sanction. This could, for instance, reflect the fact that the national inspectorates generally employ guidance and orders that prevent poor care practices from developing and that the child-based supervision of local authorities functions well to maintain the quality of the RCUs. In the studied decisions, what we have identified might then be an example of the model identified in the theory of 'responsive regulation' (Ayres and Braithwaite 1992). This means that the inspectorates employ their final measure (revocations) only after other supervision strategies (persuasion, orders) do not function. Here, it is conceivable that other supervision strategies like orders may 'phase out'[4] RCUs without requiring comprehensive and invasive procedures, such as revocations (Boyne, Day, and Walker 2002; May and Winter 2011). In other words, a low number may point to successful supervision, while a higher number may indicate poor monitoring processes in previous stages. Further research is necessary to untangle this question further, exploring how such regulation functions and how RCUs make decisions about whether to continue.

On the other hand, the low levels of shutdowns due to licence revocations may indicate that the supervision systems in the countries are not sufficiently discerning, allowing RCUs offering inferior care to go 'under the radar' or continue their operations for a prolonged period. The findings point out that closing down RCUs in most cases appears to be an arduous and time-consuming process, often requiring a documented history of malpractice, and inspectorates tend to favour alternative measures. A rationale behind this may be that closing a unit should not be done quickly, as it means that children living there must change schools and locality and adjust to new environments. However, a view that revocations should be a final measure might also be problematic, prioritising the providers' rights to a fair process over children's rights to good quality care. This raises questions about whether inspectorates may occasionally wait too long, given that young people in care are a highly vulnerable population, sometimes placed involuntarily in care.

5.2 | Supervision Frequency and Delegation of Responsibility to Local Child Welfare

The study also reveals variations in how the 'market agencies' (Ahrne, Aspers, and Brunsson 2015) function in the Nordic countries, meaning that the supervision systems are differently designed on a policy level. A finding is, for instance, that the regularity of inspection varies, as does the reliance on other supervisory functions, such as local supervision by child welfare authorities and self-regulative responsibilities. Even though the inspectorates were notified of the quality issues through different channels, the findings suggest that the frequency of inspections may be relevant for identifying poor care providers. For example, Finland, classified as a non-intervening system in a previous study (Pålsson et al. 2022), had no revocations and only three suspensions during the studied years, indicating that it is an almost non-existent measure. In contrast, Denmark, Norway and Sweden considered intervening (ibid.) and closing RCUs more frequently, although rarely. Studies show that regular inspections do not guarantee the detection of malpractice, as inspectees can be strategic and conceal quality problems (cf., De Wolf and Janssens 2007). When an RCU provider has several units under an administrative umbrella and every unit must be licenced, this also creates a certain flexibility, making it possible to shut down less profitable or well-functioning units without having the whole RCU closed. However, it seems plausible that regular statutory inspections increase the likelihood of inspectorates identifying problems with quality.

In this study, our specific focus has been on authorities with a mandate to revoke licences from the RCUs. Typically, national inspections occur relatively infrequently, often limited to one or two annual inspection visits, unless the inspectorates decide to conduct more intensive inspections at specific RCUs themselves or by the bodies to which they delegate responsibility. In all countries, a central supervisory function for individual children rests with local child welfare authorities. This is particularly evident in Finland, where detailed regulations for the frequency of inspections are lacking and there is a reliance on the self-monitoring of RCUs and local supervision. Local supervision carried out on a case-by-case basis assigns significant responsibility to social workers for supervising the facilities where children are placed. While they may contact those with the authority to address concerns about potential substandard quality of care, they lack the authority to close RCUs. Responsibilisation is a strategy used in many countries for tackling poor practices by making certain actors responsible for quality control or failures (Biesel et al. 2020). However, it may lead to an individualised mode of supervision. Consequently, local supervision plays a pivotal role in monitoring the residential care markets that have developed in Nordic countries. Their role may be even more pivotal in Finland, where there are no regular inspections. Identifying and understanding such supervisory mechanisms is essential for future studies.

5.3 | Risk, Quality and Licence Revocations

Another question addressed in this article concerns the circumstances that motivate the licence revocation of RCUs. Here, we identify common and varying reasons across the countries, revealing varying standards and norms for when supervision systems choose to terminate operations. The most common reason is child safety, which indicates the central aim of the inspectorates to ensure that the care milieus do not pose risks for children. This is important given the knowledge that residential care is associated with potential risks (e.g., Attar-Schwartz and Khoury-Kassabri 2015; Mazzone, Nocentini, and Menesini 2018). It also echoes previous research on inspections, which shows the focus of such systems on managing dangerous care (Munro 2004; Pålsson 2018). In all countries, much of the reasoning also revolves around formal aspects of care, such as the number of staff, deficient documentation, delineation of target groups and finances. The reason for this is most likely the legal logic of inspections, as revocation decisions must be reasoned as the law provides. It can also be related to previous studies on inspection, showing that standards often focus on documented systems and routines rather than the actual care and treatment provided to children (cf., Power 1997).

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Here, one may consider the emphasis on risks and formal aspects rather than other quality dimensions of residential care. In the international literature, it is discussed that societies often set low ambitions for residential care and do not establish high standards, thus failing to enable high-quality and professional residential care for adolescents with behavioural problems (Boel-Studt and Tobia 2016; Whittaker et al. 2023). The lack of staff competence and focus on treatment were sometimes cited as motivations for shutdowns, but it was not clearly emphasised. It is relevant to raise the question of whether the inspectorates' quality criteria for closures of RCUs are appropriate and whether they should also focus more on professional standards, such as staff education and treatment quality, and whether the residential services lead to positive client outcomes. This is relevant, particularly to Finland and Sweden, where private providers are granted significant freedom to determine their requirements for professionals and the treatment content.

5.4 | Limitations and Reflections on Data on Revocations

The study relies on documentary data related to revocation and suspension decisions. To gain a more comprehensive understanding of the supervision process, incorporating interview data from inspectors, RCU representatives and young people in care is critical. Additionally, the study does not encompass and chart all supervision activities (e.g., guidance, orders and fines) undertaken by the inspectorates. This prevents us from relating our conclusions to the entire supervision system.

We also want to reflect on the challenges of collecting data on revocations in different countries. Finland, Norway and Sweden have no formal compilation about revocations; as researchers, we had to gather information from different regions, introducing uncertainty about whether we had obtained all available data. Furthermore, the way information on revocations is compiled varies. In some of our countries, the authors had to order the revocation decisions to distinguish how many RCUs are shut down. In Denmark, official statistics on revocations of the RCUs for children and adolescents cannot be distinguished from those for adults; in Norway, the official numbers also include residential care has chosen to close. In other words, despite residential care being an essential child welfare service in the Nordic countries, information about RCUs losing licences is only a small part of the formal knowledge production in these countries.

6 | Conclusions

In the Nordic countries, central supervision authorities have emerged with the mandate to monitor residential care and revoke residential care licences. The function and design of supervisory systems vary; for example, there are differences in the frequency of supervision and the extent to which local authorities' responsibilities for care are emphasised. Supervision systems rarely use revocation as a measure; instead, alternative strategies are employed when quality problems and risks are identified. Furthermore, the standards and norms legitimating the shutdown of RCUs are primarily based on standards focusing on risks rather than professional and evidence-based standards regarding residential care. The study calls for additional comparative studies on how supervision systems handle local-level supervision (child welfare authorities' supervision) and other central-level supervision activities (persuasion, orders, etc.). Additionally, there is a need for further analysis of how the design of supervision systems reflects differences in supervision outcomes.

Conflicts of Interest

The authors declare no conflicts of interest.

Endnotes

[1] Denmark: Social Services Act (LBK 1089/2023). Finland: the Act on Organising Healthcare and Social Welfare Services (612/2021) and Child Welfare Act (417/2007). Norway: Child Protection Act (CPA 2023). Sweden:Social Services Act (2001, 453).

[2] Denmark: Act on Social Supervisory Authority (LBK 1109/2022). Finland: Act on Supervision on Healthcare and Social Welfare Services (741/2023). Norway: Child Protection Act (CPA 2023). Sweden: Social Services Act (2001, 453).

[3] See, for instance, the following news article: Få kritiserade HVB-hem stängs | SVT Nyheter.

[4] In the Norwegian and Danish data, we, for instance, came across decisions (not analysed in the study) where units chose to close voluntarily, sometimes due to a reluctance to adhere to existing standards.

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