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Most services for care leavers required improvement or were inadequate. Although we found some good examples of local practice, these were not shared well enough nationally.



National Audit Office

# THE NAO'S WORK ON CHILDREN IN CARE AND LEAVING CARE

**The National Audit Office (NAO) has published two reports on children's services.** This leaflet provides key insights from our reports and will be of interest to councillors, Directors of Children's Services, children's social workers and others who work with children in care and care leavers.

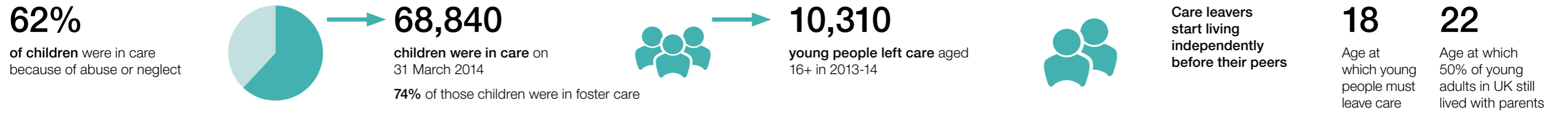
The first report, Children in care (November 2014) focused on the role and responsibilities of the Department for Education and assessed how well it was meeting its objectives for children in care.

The second report, Care leavers' transitions to adulthood (July 2015) examined whether there was an effective system for supporting young people leaving care.

**As part of our work we visited nearly 20 local authorities to see how they were delivering services for children in care and care leavers.**

All our reports can be found on our website [www.nao.org.uk](http://www.nao.org.uk)

We found the demand for care and support was increasing and varied significantly across England, with poor outcomes for children in care and particularly for care leavers.



Spending varied between local authorities, but there was no clear correlation between quality and cost

Spending on children in care varies between local authorities. But neither the Department for Education nor local authorities have a strong understanding of cost drivers. The Department has tried to calculate whether cost varies with quality, but could not find a statistical link.

£2.5 billion spent on children in care (2012-13)

- £1.5 billion on fostering
- £1 billion on residential care

Average annual spend:

- foster place £29,000–£33,000
- residential place £131,000–£135,000

£265 million spent by local authorities on services for care leavers (2013-14)

- £6,250 annual average spend on each care leaver aged 16–21
- Spend per head ranged across councils from £300 to £20,000

There was minimal correlation between local authorities' reported spending on care leavers and the quantity and quality of their services. There were examples of good local practice: New Belongings and the National Leaving Care Benchmarking Forum. But only 30 councils were in New Belongings and 78 in the Forum.

The demand for care and support after leaving care was increasing

There was no improvement in getting children the right placement and closer to home. In 2012-13:

- 34% of children had more than one placement, 11% had three or more placements. This had not changed since 2009.
- 14% of foster children and 34% in residential care were placed more than 20 miles from home.

Demand for care was up 18% since March 2000, and was at its highest level since 1994 and varied across the country

1 in 60 in Blackpool, 1 in 500 in Richmond-upon-Thames

1 in 170 children aged up to 18 were in care in England

Demand for support had increased by almost 50% since 2003-04

This was due to an increase in the care population as a whole; an increase in the number of older children coming into care; and 16- and 17-year-olds presenting as homeless and becoming looked-after. Local authorities have to support the increased population.

Most care leavers (93%) live in suitable accommodation. But in 2013-14, 17% of 19- to 21-year-old care leavers did not have their accommodation or activity reported by local authorities.

Only 8 out of 151 local authorities reported that they knew where all their care leavers were living and what they were doing.

In 2014 the Department of Education introduced Staying Put, which means care leavers can stay with foster carers until they are 21, if both wish.

There was a significant gap between achievements of children in care and care leavers and other young people

Local authorities were finding it harder to assess needs and demand for care. More children with complex needs and disabilities were coming into care and councils expected to see more referrals linked to child sexual exploitation.

In 2012/13

- There was a 43% gap between children in care and their peers in attainment of 5 GCSEs grade A\*–C including English and maths, but this gap had narrowed from 45% in 2010/11
- Absence from school for children in care had improved too since 2010/11

In 2013-14

- 41% of care leavers were not in education, employment or training compared with 15% of all 19-year-olds, the highest proportion since 2001-02.
- 6% of care leavers were in higher education compared to one-third of all 19-year-olds

Care leavers face challenging social problems.

- 25% of those who were homeless had been in care at some point in their lives (2010).
- 49% of men under the age of 21 who had come into contact with the criminal justice system had a care experience (2008).
- 22% of female care leavers became teenage parents (2014).

Unless needs are correctly assessed and met effectively there are significant long-term costs of children not getting the right care. The lifetime cost of a young person being NEET is estimated at £56,000 a year.

Ofsted inspections of care leaver services found two-thirds require improvement or were inadequate. In 2012-13 5% of residential homes were rated as inadequate

There was a mismatch between supply and demand for residential care. 43% of children's homes were in the North West or West Midlands.

72% of residential homes were good or outstanding, but varied from 79% of residential homes in the West Midlands to 57% of residential homes in Outer London.

64% of 59 local authorities inspected by Ofsted had care leaver services rated as requiring improvement or inadequate. Just one, Trafford, had outstanding care leaver services (June 2015).

The Care Leaver Strategy was a positive step but was not set up as an effective programme. In 2013, eight government departments published the Care Leaver Strategy.

## Our key recommendations

We recommended that the government should:

- work with others to develop and share good practice, including creating a central store, and by building on the Innovation Programme and other evaluations;
- work to secure reliable, comparable data on costs;
- use the data it collects from local authorities, Ofsted reports and other sources to help improve local services, including developing clearer triggers for a range of intervention activities;
- develop, share and pilot models of commissioning for local authorities to implement. It should also identify a single body, possibly the Department for Education, to commission specialist placements;
- build on its initial work to develop and implement a cross-government strategy to improve support for care leavers; and
- examine how it could use incentives such as payment by results to encourage innovation and joint working towards improving outcomes for care leavers.

## What the government is doing

### June 2015

The Prime Minister announced a new Child Protection Taskforce chaired by the Education Secretary.

### December 2015

The Prime Minister announced that poorly performing children's services must improve or be taken over by high-performing authorities, experts and charities.

### January 2016

The Department for Education published its vision for children's social services and made a commitment to transform the quality of services by 2020.

In response to the Committee of Public Accounts' report *Care leavers' transition to adulthood* (October 2015) the government has said that it will publish a refreshed Care Leaver Strategy in April 2016. It has also announced plans to intervene if care leaver services are rated inadequate by Ofsted; and share good practice through the recently announced *What Works Centre*.

### May 2016

The Queen's Speech announced a new Children and Social Work Bill. This included plans to improve support for care leavers. Local authorities will need to tell young people leaving care what support they are entitled to and make sure that all care leavers have support from a personal adviser up to the age of 25 if they want one.

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We will publish our third report, [Child protection](#), in autumn 2016.

In the year to March 2015, more than 630,000 children were referred to local authorities because of child protection concerns. Our report will focus on the role of the Department in overseeing and improving the child protection system, including the reforms it is leading. We will also look at how services are delivered by local authorities and how good practice is being identified and shared.

## About the NAO

The NAO scrutinises public spending for Parliament and is independent of both central and local government. Our work helps Parliament and government make lasting improvements in public services and, across central government departments and bodies, led to audited savings of almost £1.15 billion in 2014-15, equivalent to £18 of financial impact for every £1 the National Audit Office spent.

## Contact information

We are keen to hear views and suggestions about our work on children's services.

**Twitter:** @NAOorguk

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