



National Audit Office

Report

by the Comptroller
and Auditor General

Department for Education

Care leavers' transition to adulthood

Summary

1 Every year around 10,000 16- to 18-year-olds leave foster or residential care in England. Children in care must leave local authority care by their 18th birthday. Local authorities must support care leavers until they are 21 years old (or 25 if they are in education or training). On leaving care, some young people return home to their families but many start to live independent lives. The government wants to ensure that care leavers get the same care and support that their peers would expect from a reasonable parent, such as help finding a job or setting up home. It also wants them to have the opportunities they need to move successfully to adulthood.

2 Central and local government both have a role in supporting care leavers. The Department for Education sets the overall framework for the delivery of support to care leavers. It gives statutory guidance to local authorities, collects information on care leavers and makes data and research on good practice publicly available. Other departments support housing, training, welfare and other needs. Support is mainly given by local authorities. They need to ensure that care leavers get comprehensive personal support to help them achieve their potential as they make their transition to adulthood. This support includes finding them somewhere suitable to live and supporting them into employment, education or training. Local authorities reported that they had spent £265 million on care leaver services in 2013-14.

3 The government recognises the quality of support for care leavers has been patchy and that their journey through life can be lonely, disrupted, unstable and troubled. Those leaving care may struggle to cope with the transition to adulthood. They may experience social exclusion, unemployment, health problems or end up in custody. Care leavers have had these problems for a long time.

4 In 2013 the government published the Care Leaver Strategy. This set out how it planned to improve support for care leavers, including in housing, health, employment and education, by co-ordinating the work of different departments. In the same year Ofsted began to inspect local authorities' services for care leavers and report on their quality.

Scope of this report

5 This report is the second in a series on children's services. It follows our report on children in care¹ and focuses on support for young people leaving care. The report examines:

- the challenges facing care leavers (Part One);
- support for care leavers (Part Two); and
- improving support for care leavers (Part Three).

Key findings

The challenges facing care leavers

6 **Young people in care have often had difficult lives and have to start living independently much earlier than their peers.** Of children in care, 62% are there because of abuse or neglect. This can have a significant and lasting impact on their mental health and emotional well-being. Only half of children in care have emotional health and behaviour that is considered normal and this has changed little in recent years. In 2013 in the UK, 50% of young people were still living with their parents at the age of 22; however, young people have to leave care by their 18th birthday and some move straight into independent living as soon as they leave care. In 2013-14, 33% of young people aged 16 or over that left care did so before their 18th birthday. Many care leavers feel they leave care too early (paragraphs 1.5, 1.6, 1.11 to 1.12, 2.17).

7 **Care leavers face many challenging social problems.** The data that the Department for Education collects on the current cohort of care leavers do not capture information on all aspects of their lives. However, research shows that young people who have had a background in care are more likely than their peers to have poor social outcomes in later life. For example, the most recent estimates are that:

- in 2010, 25% of those who were homeless had been in care at some point in their lives;
- in 2008, 49% of young men under the age of 21 who had come into contact with the criminal justice system had a care experience;
- in 2014, 22% of female care leavers became teenage parents; and
- in 2012, it was reported that looked-after children and care leavers were between four and five times more likely to self-harm in adulthood (paragraph 1.10).

8 With more young people over the age of 16 leaving care, the demand for support is increasing. In 2013-14, 10,310 young people aged over 16 left care, an increase of almost 50% since 2003-04. This increase is 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 (paragraph 1.2 and Figures 1 and 2).

9 There is a significant gap between the educational and employment achievements of care leavers and other young people. In 2013-14, 41% of 19-year-old care leavers were not in education, employment or training (NEET) compared with 15% for all 19-year-olds. This is the highest proportion since 2001-02. In addition, 6% of care leavers were in higher education compared with one-third of all 19-year-olds (paragraphs 1.20, 1.21 and Figure 4).

10 Most care leavers aged 19–21 live in 'suitable' accommodation and almost half live independently. At 31 March 2014, 93% of care leavers were judged by their local authorities to be living in 'suitable' accommodation. The most common type of accommodation was independent living (47%). Although what is 'suitable' accommodation is clearly defined, the Department for Education found that in 2013-14 some local authorities had judged a small number of care leavers to be in 'suitable' accommodation when this seemed unlikely given the setting (paragraphs 1.14, 1.15 and Figure 3).

11 The cost of care leavers not moving into adulthood successfully is likely to be high to both them and the public, although there are no accurate data on this. The costs care leavers face, including problems such as mental health, unemployment and youth crime are likely to be high but are not quantified. The cost to young people of being NEET, for example, is estimated to be around £56,000 in public finance costs over the working lifetime of the young person. Based on these estimates, the lifetime cost of the current cohort of 19-year-old care leavers being NEET would be around £240 million, or £150 million more than if they had the same NEET rate as other 19-year-olds (paragraphs 1.22 and 1.23).

Support for care leavers

12 Successive governments have attempted to improve support for care leavers through changes to legislation over the past 15 years. The Children (Leaving Care) Act (2000) set out the key duties of local authorities for their care leavers. It made it clearer that young people should not leave care until they were ready and that the government expected most children to remain in care until the age of 18. The act also set out expectations for improved planning and personal support for care leavers. From 2008, the government has required local authorities to support care leavers up to the age of 25 if they remained in, or planned to return to, education and training. Yet care leavers do not always get the support they need. They do not feel properly involved in their care leaving plans or know what they are entitled to, such as support with education and training (paragraphs 2.3, 2.4 and 2.21).

13 The 2013 Care Leaver Strategy was a positive step by government. Eight government departments worked together on the strategy. The aim was to address some of the unintended consequences of policies that are not joined up, as well as to improve the inconsistent quality of services for care leavers. The departments committed to amending processes, issuing guidance and collecting information. In October 2014 the government reported it had met most of its commitments, although it is too early to say whether any of these actions have improved care leavers' lives. The government told us that there continue to be cross-government discussions on specific issues, although stakeholders we spoke to told us that they thought the strategy had stopped (paragraphs 2.6 to 2.8).

14 The Care Leaver Strategy was not set up as an effective programme. We looked at whether the strategy has the characteristics we expect from successful programmes. There was no strong evidence of government working in an integrated way; limited implementation capability; no regular reporting of progress or outcomes; and no evidence of a sustained effort to continuously improve (paragraphs 2.9 to 2.11 and Figures 6 and 7).

15 There is no reliable information to monitor the lives of care leavers over time. There are no official statistics on some aspects of care leavers' lives, such as whether they have timely access to health services, whether they feel they left care at the right time, or the extent to which they have poor social outcomes such as unemployment, homelessness, mental illness or criminal activity. The Department for Education does not collect data on care leavers after the age of 21 on their participation in employment, education and training, or where they live and whether this is suitable accommodation (paragraphs 1.13, 1.23 and 3.3).

16 Incentives could stimulate a greater focus on innovation and improve outcomes for care leavers. Most of the costs of young people not being in employment, education or training do not fall on local authorities. However, central government departments with a financial interest in the success of care leavers lack the ability to provide effective local support. Incentives, such as a 'payments by results' system, need to reward improvement in medium- and long-term outcomes for care leavers and encourage innovation. The Department for Education has used an outcome-based payment scheme in the past, the Youth Contract, to improve outcomes for vulnerable young people (paragraph 3.10).

17 Until 2013 there was no separate Ofsted judgement on whether local authorities' support for care leavers met expected standards. From 2013, under a new inspection framework, Ofsted has rated local authority support for care leavers against the Department for Education's standards for the first time. The Department for Education, Ofsted and local authorities all think the new inspection works to standards higher than previously existed (paragraphs 2.18, 2.19 and 2.22).

18 Ofsted inspections of care leaver services have found that two-thirds require improvement or are inadequate. So far, Ofsted has reported on care leaver services in 59 local authorities. By end-June 2015, only 34% of local authority services were judged 'good', with just one judged to be 'outstanding'. Common shortcomings included poor pathway planning and lack of support from personal advisers for care leavers. The Department for Education can intervene if a local authority is failing to deliver its services to an acceptable standard, for example where it is not meeting its statutory duties or after an unfavourable Ofsted inspection report. So far, the Department has not intervened in any local authority, solely on the basis of an inadequate judgement on the experiences and progress of care leavers (paragraphs 2.20 and 2.21).

19 The Department for Education introduced its Staying Put policy in 2014 to help care leavers stay in foster homes longer, although it is too early to assess its impact. Research and evidence highlight that where children in care are given longer to become independent like their peers, this improves their outcomes. Staying Put offers care leavers approaching 18 the security of knowing they can stay with foster carers until they are 21, if both wish. There are some issues with implementing the policy, including financial barriers to local authorities, strains on the market for foster carers and adverse financial consequences for foster carers engaged in Staying Put. So far, the Department has not assessed whether the new policy is meeting its objectives or its financial impact on local authorities (paragraphs 2.12 and 2.13).

20 Support for care leavers varies widely between local authorities but there is no relationship between how much they spend and the quality of their support. In 2013-14 local authorities spent on average £6,250 for each care leaver. This ranges from an estimated £300 to £20,000. The Department for Education cannot explain these differences and is concerned about the quality of the spending data that local authorities report. Our analysis shows there is minimal correlation between local authorities' reported spending on care leavers and the quantity and quality of their services. The Department has a role in supporting local accountability by improving transparency. But without accurate, complete and comparable data from local authorities on spending on care leavers, the Department cannot provide information to support benchmarking or value for money assessments (paragraph 2.23, 2.24 and Figures 11 and 12).

21 Some local authorities are not in touch with all their care leavers even though they are often vulnerable. Although care leavers often have no support network, in 2013-14 local authorities did not report information on where 17% of 19- to 21-year-old care leavers were living or whether they were in employment, education or training. Only 8 out of 151 local authorities reported that they knew where all their care leavers were living and whether they were participating in employment, education or training (paragraph 2.16 and Figure 9).

22 Although there are examples of good local practice, it is not developed or shared well enough nationally. Two examples of good practice are New Belongings, funded in part by the Department for Education, and the National Leaving Care Benchmarking Forum run by the charity Catch22. However, not all local authorities are involved: 30 participate in New Belongings and 78 in the Benchmarking Forum. There is no national forum that all local authorities and stakeholders, including voluntary organisations, can access (paragraphs 3.11 to 3.14).

Conclusion

23 The poor life experiences of too many care leavers are a longstanding problem. Without well-targeted support their deep needs will not be met, with costly consequences both for the young people and for society. While there is a clear legal framework and an inspection regime in place, the system is not working effectively to deliver good outcomes for all care leavers. On the key measure of numbers in employment, education and training the situation has deteriorated since 2007-08.

24 Central government has, since 2013, renewed its interest in improving the life chances for care leavers through the Care Leaver Strategy and Staying Put. Ofsted's recent work now gives a clear picture of failings in local support and areas that should be addressed. Although it is too early to say how effective these initiatives could be, they both have implementation challenges and are not data-led with clear objectives. Stronger central and local leadership and co-ordination is urgently required to improve the life chances of future care leavers.

Recommendations

25 Part Three of this report expands on what might be done to improve the situation for care leavers and what is planned by government. Eight government departments were involved in the cross-government strategy for care leavers. Therefore the following recommendations are aimed at these departments.

26 The government should:

- a** build on its initial work to develop and implement a cross-government strategy to improve support for care leavers. Overall, there needs to be a more joined-up approach across government including on inspection of care leaver services;
- b** monitor the lives of care leavers to see if they are improving and to understand the impact of its initiatives. It should develop indicators to measure progress against its objectives for care leavers and collect data to get a better understanding of the social problems care leavers face, such as unemployment, homelessness, mental illness, domestic violence or criminal activity; and
- c** examine how it could use incentives such as payment by results to encourage innovation and joint working towards improving outcomes for care leavers.

27 Given its specific responsibilities for care leavers, the Department for Education should:

- d** 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;
- e** in line with its role in supporting local accountability, work with the Department for Communities and Local Government and local authorities to secure reliable, comparable data on costs. It should use this alongside existing performance indicators to develop ways of assessing value for money that are useful both for local authorities and central government; and
- f** work with others to develop and share good practice, including creating a central store. It should ensure it evaluates its initiatives, including New Belongings, and makes the findings widely available.