We found the demand for care and support was increasing and varied significantly across England.

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.

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
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.

### Key Statistics
- **62%** of children were in care because of abuse or neglect.
- **68,840** children were in care on 31 March 2014.
- **74%** of those children were in foster care.
- **10,310** young people left care aged 16+ in 2013-14.
- **18** age at which young people must leave care.
- **22** age at which 50% of young adults in UK still lived with parents.

### Factors Contributing to Demand
- The lifetime cost of a young person being NEET is estimated at £56,000 a year.
- There was a mismatch between supply and demand for residential care.
- More children with complex needs and disabilities were coming into care; and 16- and 17-year-olds presenting as homeless and becoming looked-after.
- Local authorities have to support the demand for care and support after leaving care.
- Demand for support had increased by almost 50% since 2003-04.

### Outcomes
- **22%** of female care leavers became teenage parents (2014).
- **49%** of men under the age of 21 who had come into care had contact with the criminal justice system at some point in their lives (2010).
- **25%** of those who were homeless had been in care at some point in their lives (2010).
- **4%** of care leavers were in higher education compared to one-third of all 19-year-olds.

### Spending on Care
- **£2.5 billion** spent on children in care (2012-13).
  - **£1.5 billion** on fostering.
  - **£1 billion** on residential care.
- **£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**.

### Care Leaver Challenges
- Care leavers face challenging social problems.
- There was a significant gap between achievements of children in care and care leavers and other young people.

### Support and Incentives
- Ofsted inspections of care leaver services found two-thirds require improvement or were inadequate.
- Local authorities were finding it harder to assess needs and demand for care.
- There was no improvement in getting children the right placement and closer to home.
- There was a mismatch between supply and demand for residential care.

### Long-term Costs
- The Department has tried to calculate the statistical link.
- Whether cost varies with quality, but could not find a strong understanding.
- 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 strong correlation between quality and cost.

### Care Leavers' Rights
- **Care leavers** can stay with foster carers until they are 21, if both wish.
- 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.

### Funding
- **£1 billion** on fostering.
- **£1.5 billion** on residential care.
- **£2.5 billion** spent on children in care (2012-13).
- **£6,250** annual average spend on each care leaver aged 16–21.

### Responsibility
- There was a mismatch between supply and demand for residential care. 43% of children's homes were in the North West or West Midlands.
- **74%** of those children were in foster care.
- **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).

### Recommendations
- 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.
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.

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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.

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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