

**CCN**

COUNTY COUNCILS NETWORK

**NEWTON**

# The Future of Children's Social Care

Emerging Findings



**November  
2021**





## About us

The County Councils Network (CCN) is the national voice for England's county councils. It represents all 23 county councils and 13 unitary authorities. Collectively, they represent 26 million people, or 47% of the country's population. It is a special interest group of the Local Government Association. For more information visit [www.countycouncilsnetwork.org.uk](http://www.countycouncilsnetwork.org.uk).

Newton is a transformation and improvement specialist, with an extensive track record of delivery that includes health and care. They have worked with over 100 public sector organisations, and these partnerships have delivered measurable and sustainable improvements in outcomes for people, transformed ways of working and staff engagement, while saving in excess of £300m (and rising) on a 100% contingent fee basis.



As individuals, and as society, we have a moral obligation to ensure all children are safe, happy and have positive opportunities for their futures.

As the number of children in care grows, as the long-lasting impact of the pandemic on vulnerable children starts to become clearer, as we continue to witness poorer outcomes for certain groups of children who have been in care, there is an imperative to face into how we reform the system of support for vulnerable children and families for today, and in the future.

The Government's 2019 Election Manifesto promised to conduct a review of children's social care. Following the delay caused by the pandemic the Independent Review of Children's Social Care was announced at the beginning of 2021 and is set to publish its recommendations in the first half of 2022, likely to be followed by a Government response setting out its proposed reforms.

It is clear that local authorities – being at the centre of their local communities – have a critical role to play, as part of a much wider system, in setting and delivering an ambitious vision for the future of children's services. It is for these reasons that the County Councils Network (CCN), Association of County Chief Executives (ACCE) and Newton have collaborated on an extensive programme of work that seeks to form a perspective on the future of children's services and, in particular, what it takes to optimise the delivery of this vital public service in a reformed system.

The full report including this 'optimised model' is set to be published early in 2022. This document sets out some of the early analysis emerging from the project – in particular a selection of national-level trends which show the present context in which county authorities are operating, and which serve to demonstrate some of the key challenges that reform of the children's social care system will need to address.





Children come into the care of local authorities where a court of law is satisfied that the child is suffering, or is likely to suffer, significant harm; and that the harm is a result of the parenting being offered by their family (or the child being beyond parental control). This can occur at all ages and stages of childhood and adolescence.

Children's services, as the part of the local authority that supports and protects vulnerable children, has a wide-ranging remit – from providing targeted early help, through to taking a child into the care of the local authority. While the full range of these services are important, this work programme is focussing specifically on the system around children in the care of local authorities and those on the edge of care (i.e. those at significant risk of being in care). Guided by the evidence gathered, it has also branched-out into other relevant services and support provided by local authorities and partner organisations.



The purpose of this work is to articulate a systemic approach – an 'optimised model' for delivery – which ensures the best offer of support is available to children at risk of entering care and those already in care, such that the system can provide an environment that offers safety, happiness and positive opportunities for their futures. Enablers such as leadership, digital and workforce are also being understood as part of the process.

The intent of the forthcoming report will be to help inform any process of reform in children's services by drawing on the vast experience of CCN's member authorities in delivering these services – gathering evidence which identifies and champions best practice and innovative solutions, whilst being honest about where there is potential to improve the system. The project is designed to draw on the experience of all 36 of CCN's member authorities, working particularly closely with six 'deep dive' authorities, to gather its evidence base.

The summary of these issues is intended as a guide for members, officers and wider policy makers to provide them with an overview of the trajectory which we believe the children's social care system is presently on and where this may lead by 2025 without any intervention or reform. This document then concludes with an outline of the emerging structure of the 'optimised model' that could mitigate this, and which will be set out in detail in our full report next year.

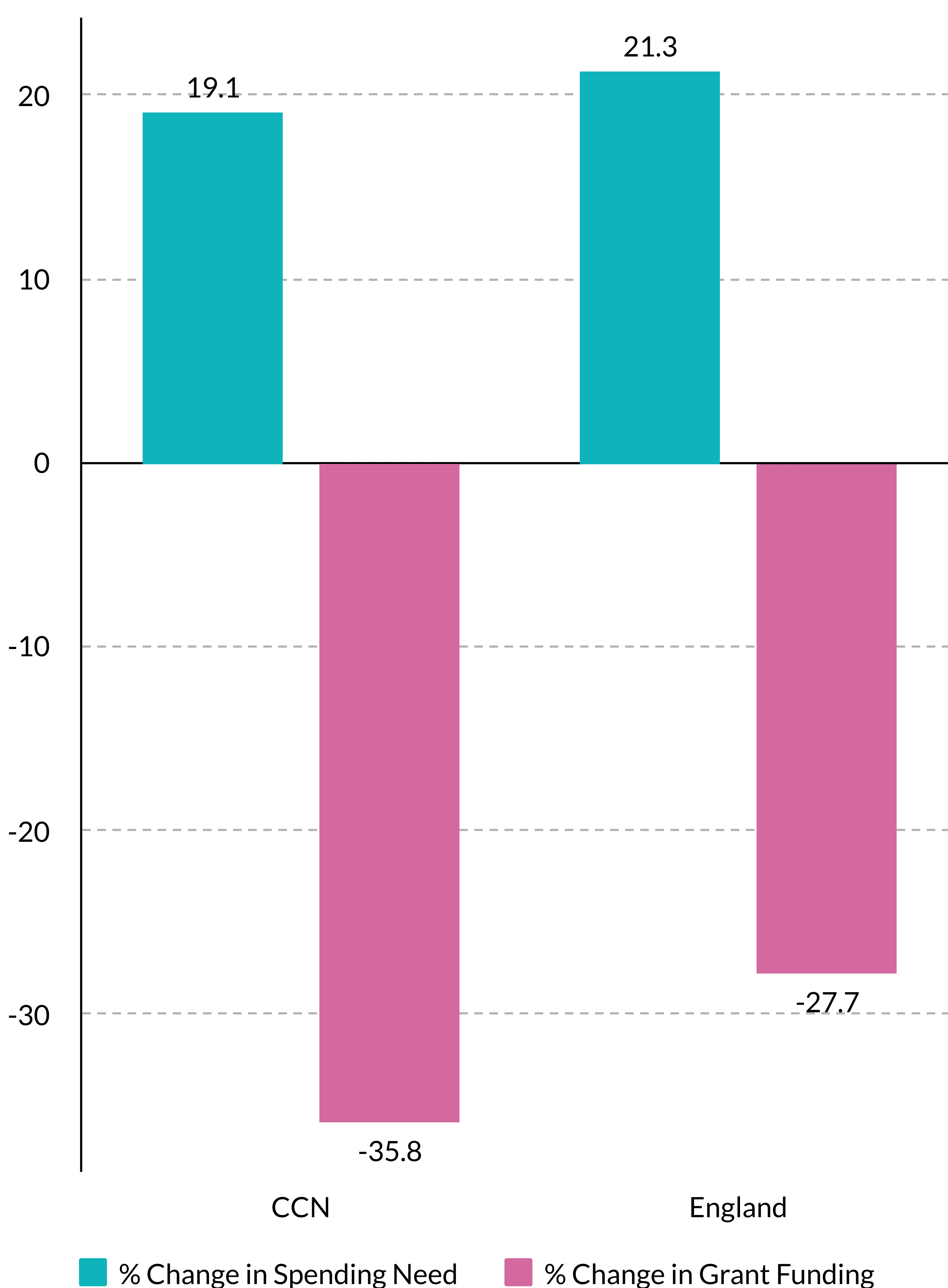


Before outlining some of the new evidence emerging from this project, this section provides a brief recap of previous research conducted by CCN to help contextualise the new findings.

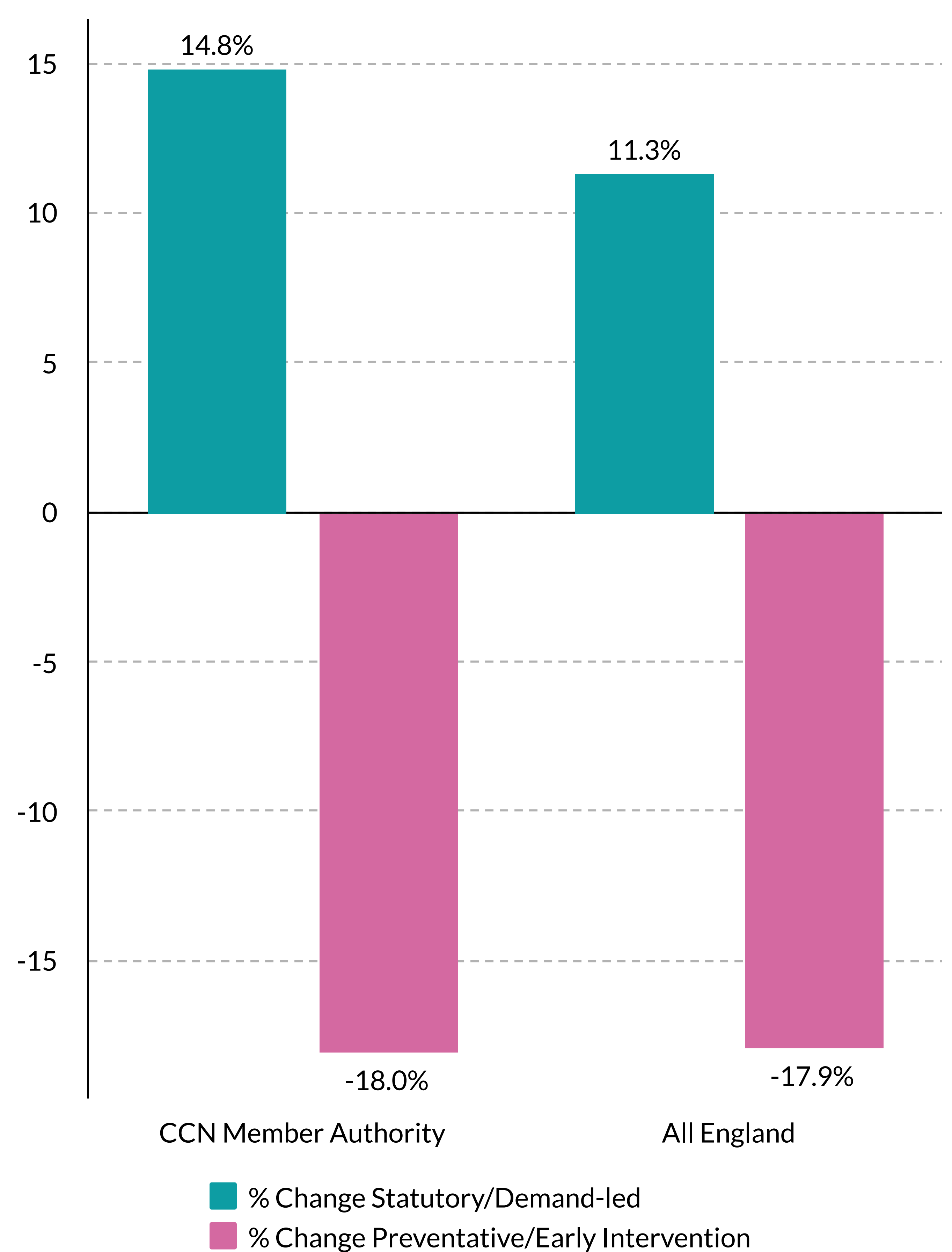
In 2020 CCN published *Children's Services Funding and Early Intervention* which used data collated by LG Futures to provide an analysis of how children services funding and expenditure had changed over the period 2015/6 to 2019/20.<sup>1</sup> Below are some of the key findings from this research:

- Total local authority grant funding for children's social care declined by over 35% for CCN Member authorities between 2015/16 and 2019/20 – this was compared to reductions of just over a quarter nationally across England. However, the cost to counties of providing these services over the same time period increased by nearly £600m (19%) (see Graph 1).
- As a consequence of this 'perfect storm' of declining funding and rising costs, the report outlined how local authorities had reduced their total expenditure on 'early intervention' services (e.g. family support, youth services, children's centres) by 18% in order to meet their statutory duties – such as addressing the 15% increase in looked after children in the last five years (compared to 12% nationally) (see Graph 2).

**GRAPH 1: DIVERGENCE OF ESTIMATED SPENDING NEED AND TOTAL FUNDING FOR CHILDREN'S SOCIAL CARE**



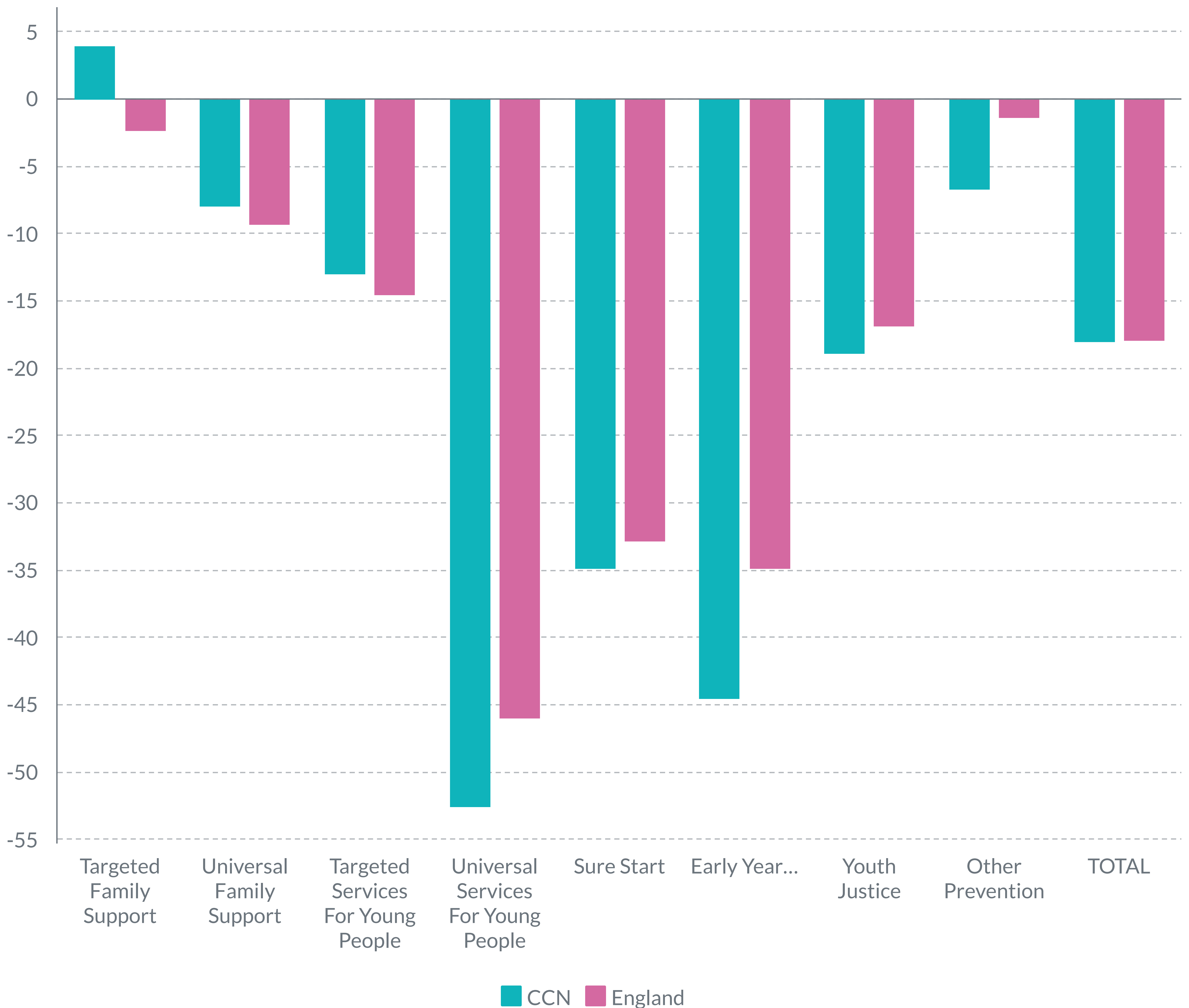
**GRAPH 2: OVERALL CHANGE BETWEEN STATUTORY AND EARLY INTERVENTION SPENDING 2015/16 - 2019/20**



[1] <http://www.countycouncilsnetwork.org.uk/download/3003/>

- The report showed overall spending by local authorities in England has declined across all categories of early intervention spending between 2015/16 and 2019/20 (see Graph 3). CCN member authorities did record a modest 3.94% increase in spending on Targeted Family Support, likely to reflect the larger rise in numbers of children coming into the care system in these authorities. However, this was offset by above average reductions in other areas such as Early Years, Sure Start and Universal Services for Young People.

**GRAPH 3: PERCENTAGE CHANGE IN LOCAL AUTHORITY SPENDING ON LOCAL AUTHORITY PREVENTION & EARLY INTERVENTION BY SELECTED SERVICES 2015-16**



This section has briefly outlined how CCN has previously demonstrated the challenges county councils are facing in relation to their funding of children's services overall. The following analysis by conducted by Newton builds on this work by specifically looking at the trends around children in local authority care over this same time period, as a means to understanding what issues next year's anticipated reform to children's social care should be concentrated upon.

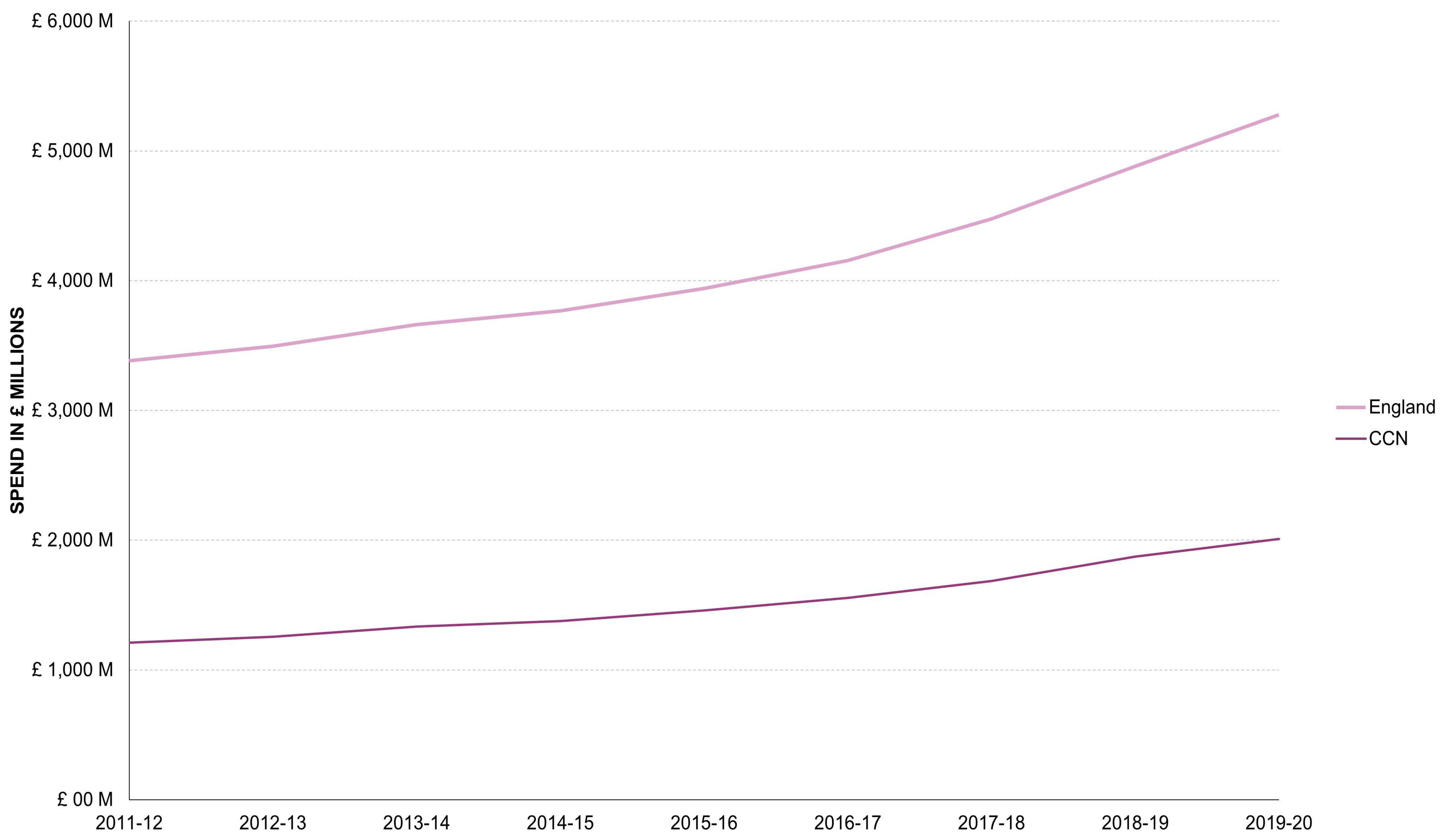


## 1. Spending on children in care

In order to set the context for why it is important to look at this scope and also how delivery of services for children in care might be optimised, it is important to consider the trends relating to children in care.

Graph 4 shows the spend on services to support children in care in England rose from £3.8bn in 2014-15 to £5.3bn in 2019-20. That meant that the spend on children in care by local authorities rose from 42% to 51% as a percentage of their overall spend on children and families. CCN member authorities have seen a greater proportional increase in their spending over this time of 46% than the England average of 40% - rising from just under £1.4bn per year to over £2bn.

**GRAPH 4: ANNUAL SPENDING ON SUPPORT FOR CHILDREN IN CARE 2015-2020**



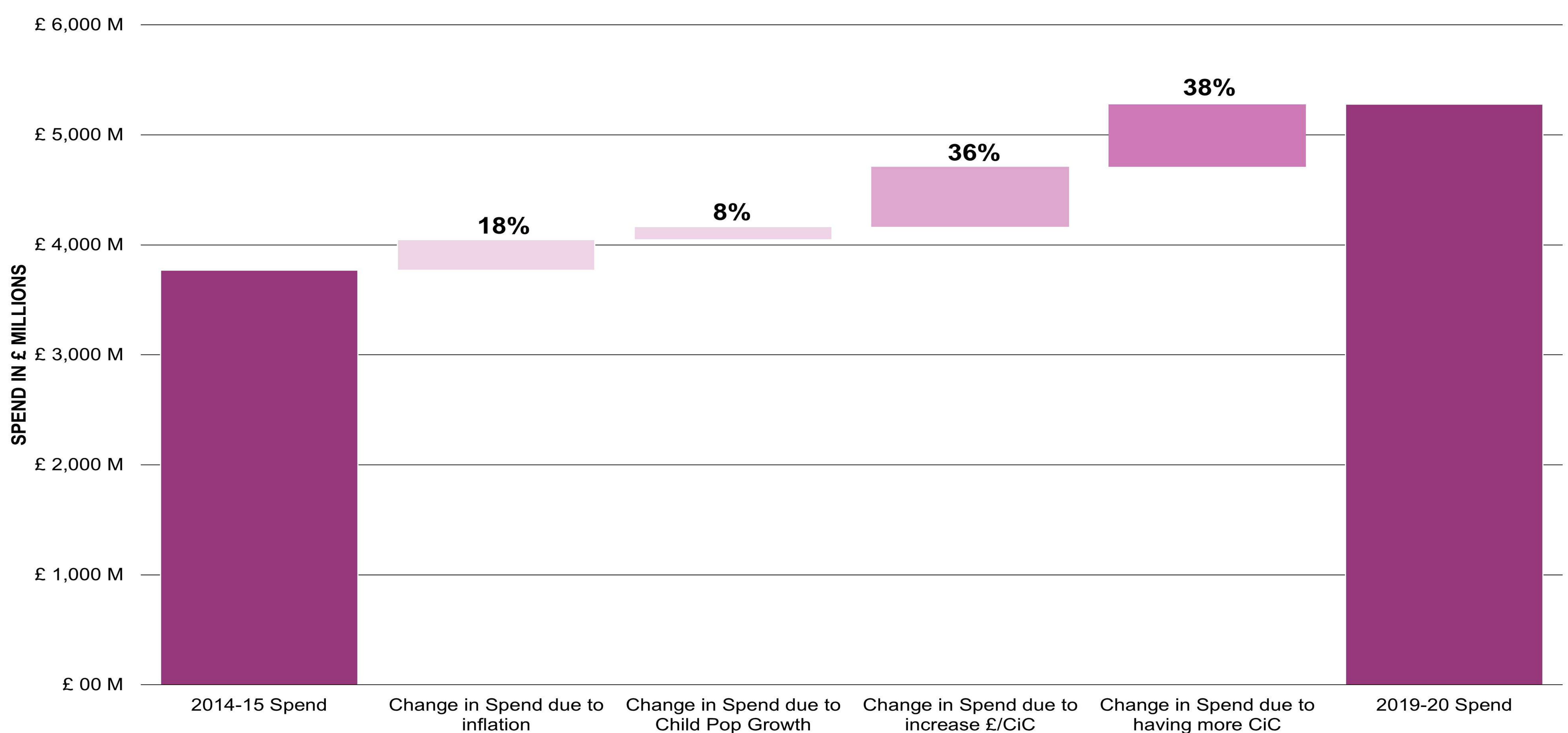
Analysis conducted through this research has shown no reason why these trends of increasing spend on children in care, both as an overall quantum and proportion of total spend on children and families, will not continue over the coming years unless significant change is made. This would mean that without any changes to the system or to demand, by 2024-25, local authorities in England will be spending 59% of their entire children and families budget (some £7.4bn) on supporting children on care.



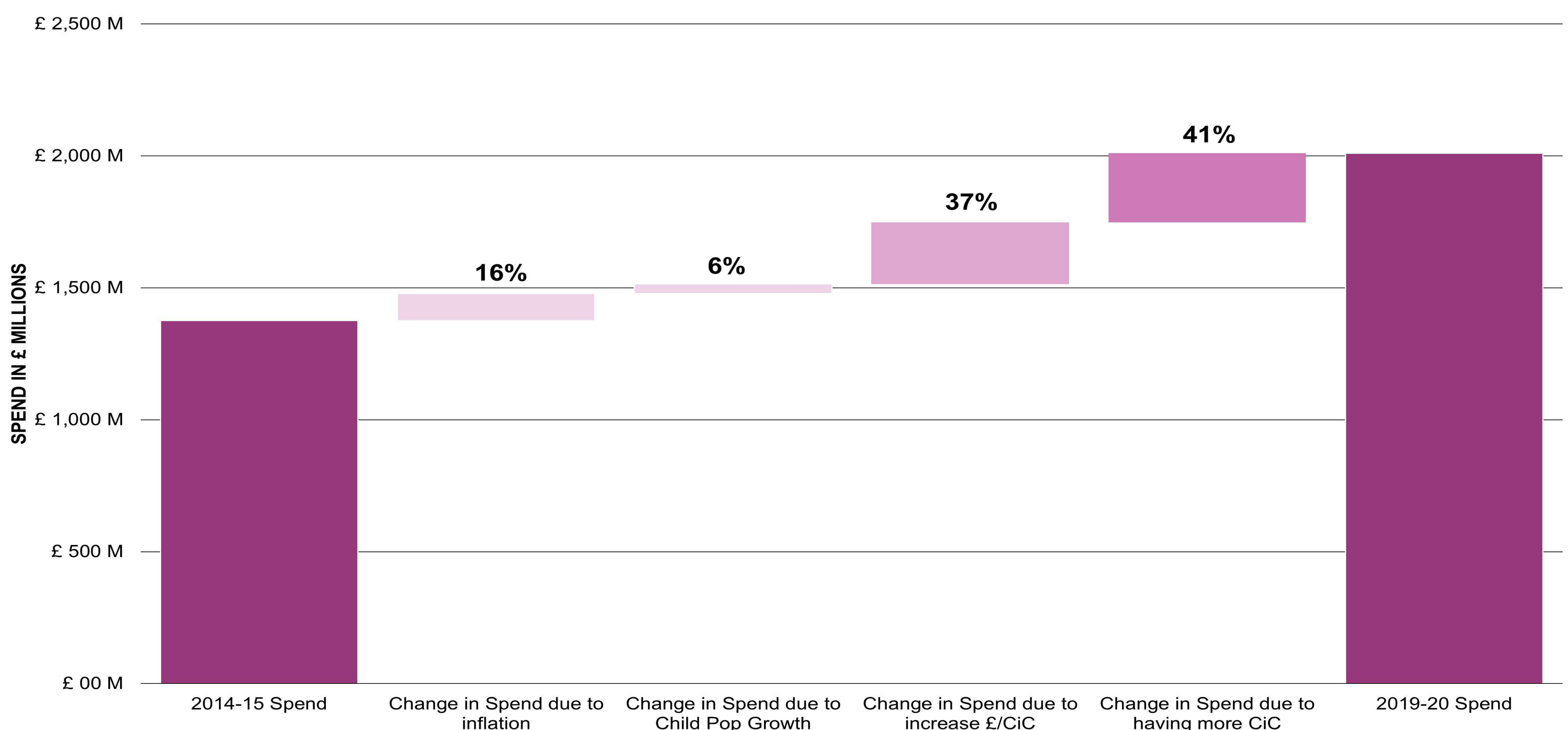
Graphs 5 and 6 provide a granular analysis of this spending shift for England and CCN. There are three key factors behind the upward trend in spend on children in care in England between 2014/15 and 2019/20, and analysis conducted through this work programme demonstrates the relative significance of each:

- 36% of the increase in spend is because of an increase in spend per child in care per week.
- 38%: of the increase in spend is because of the number of children in care.
- 26%: of the increase in spend is because of inflation, and an increase in the number of children in the population.

**GRAPH 5: CHANGE IN CHILDREN IN CARE SPEND FOR ENGLAND AUTHORITIES 2014/15-2019/20**



**GRAPH 6: CHANGE IN CHILDREN IN CARE SPEND FOR CCN AUTHORITIES 2014/15-2019/20**





## 2. Change in spending per child

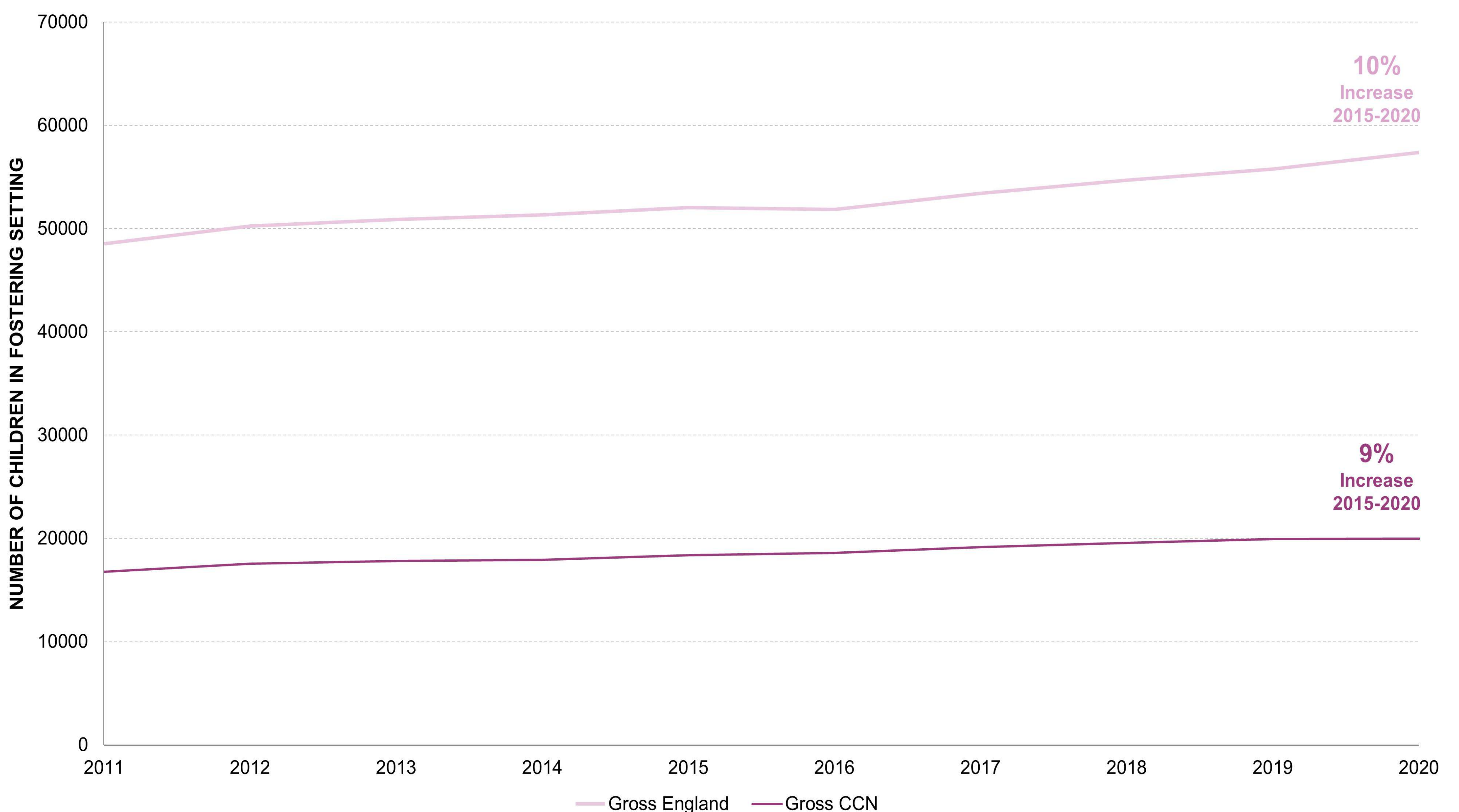
Over one third of the increase in spend on children in care between 2015–2020 has been driven by a higher spend per child per week. This itself is down to two underlying factors:

- 1. The proportion of children placed in different types of homes.** There are many different possibilities but the most common are foster homes, residential homes for children, semi-independent living and children staying with extended family or friends. The type of home provided for a child has a significant impact on spend; a residential home can easily cost £4,000 a week compared to less than £1,000 a week for a place with a foster family.
- 2. The average cost per week for each of the different types of home setting.** Within each type of setting there are trends and variations, both nationally and locally, in terms of the cost to authorities of providing or procuring those homes.

## 3. Changing use of care placements

Fostering has traditionally been the most common home setting for children in care in England, with 75% of children supported in this way in 2012. Graph 7 shows both nationally, and for county authorities, there has been approximately a 10% rise in the number of children in foster care since 2015.

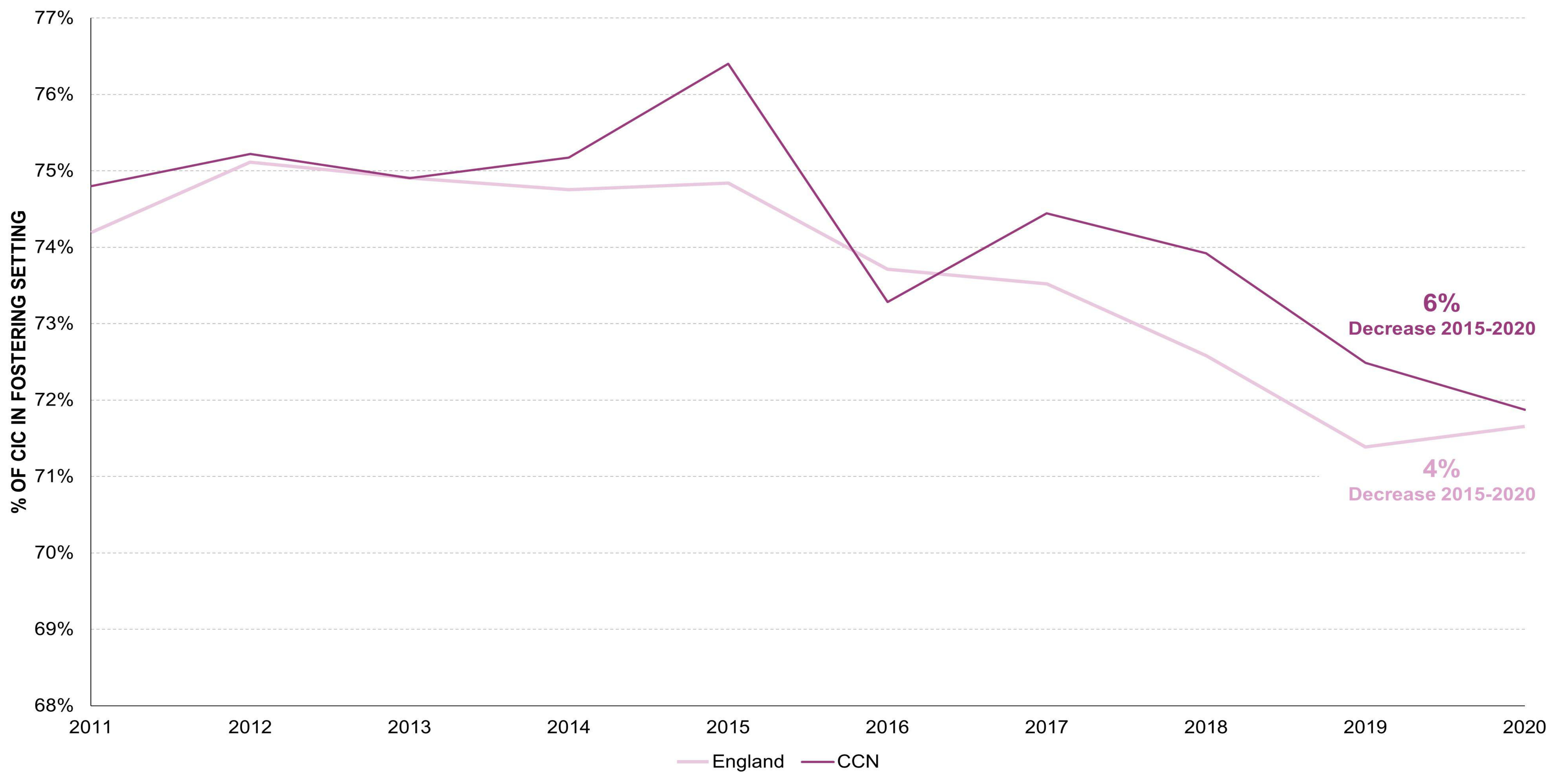
**GRAPH 7: NUMBER OF CHILDREN IN FOSTER CARE 2015–2020**





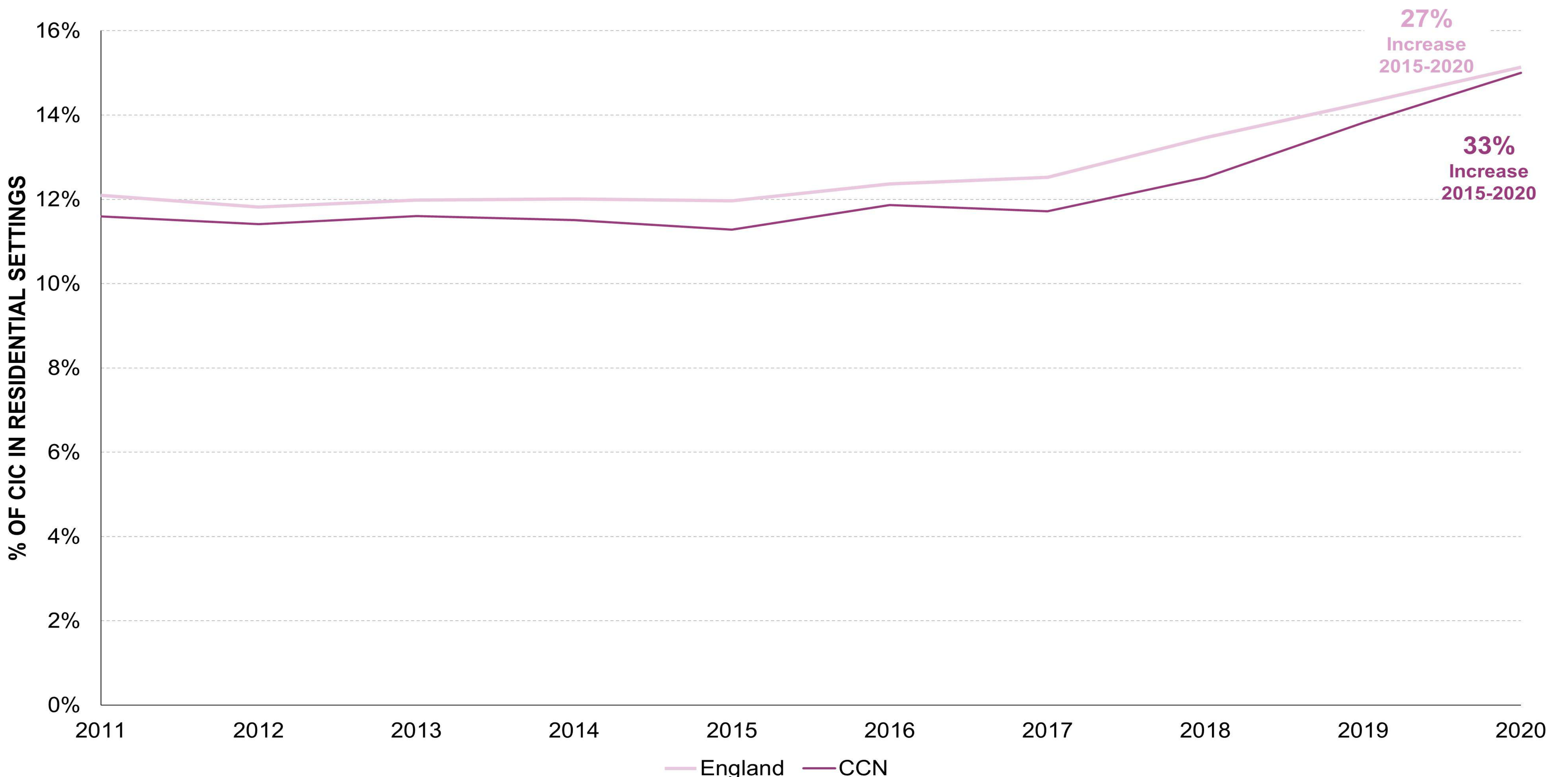
However, this overall growth has not kept pace with demand for foster care. Graph 8 shows that, as such, the overall proportion of children living with foster families has dropped by 4% nationally and 6% within county authorities.

**GRAPH 8: PROPORTION OF CHILDREN IN FOSTER CARE 2015-2020**



Alongside this drop in the proportion of children living in foster homes, there has been a sharp increase in the use of residential care homes for children, which has risen 27% across England and by 33% for county authorities between 2015 and 2020, as shown in Graph 9.

**GRAPH 9: RISE IN CHILDREN PLACED IN RESIDENTIAL CARE**

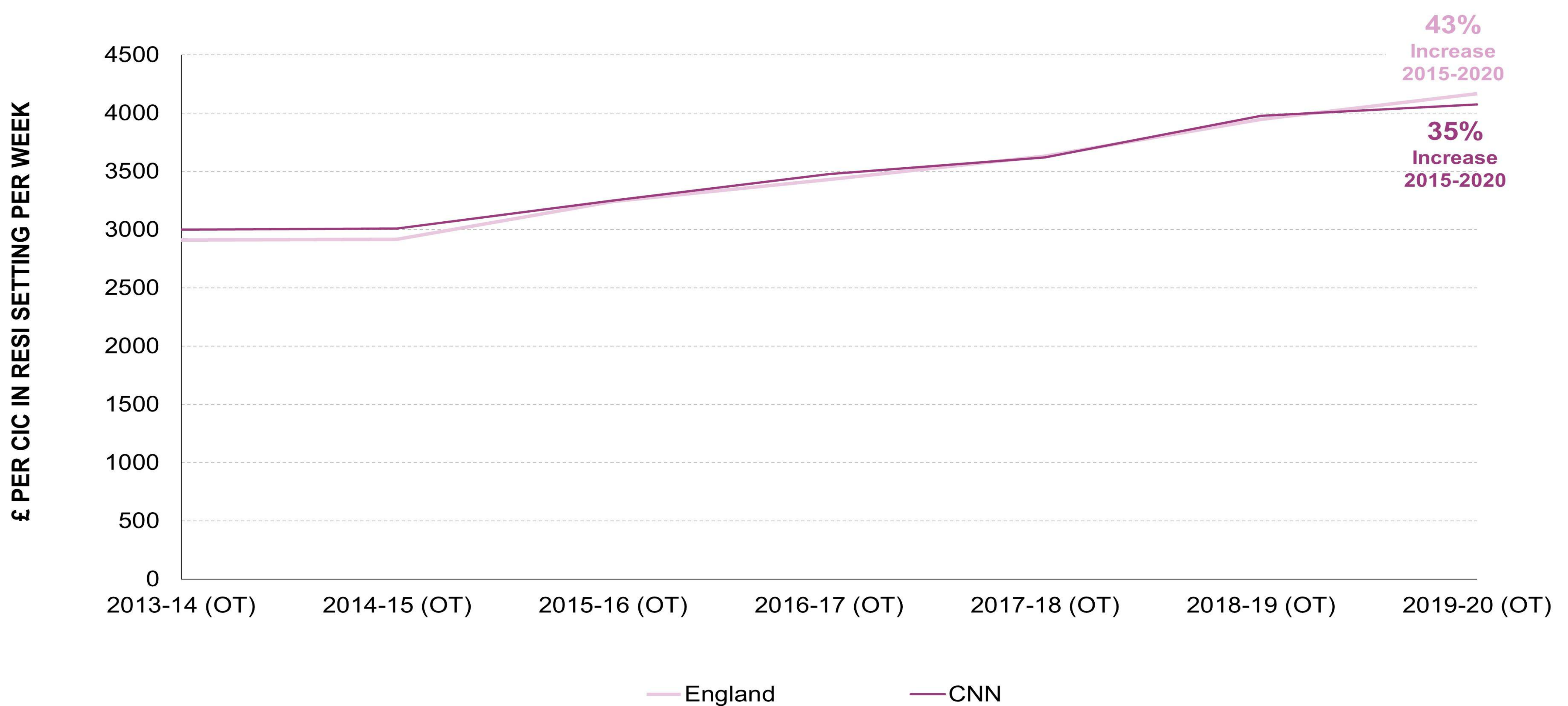




Given that residential care typically costs four to five times more per week than fostering, this is having a significant impact on local authority spend. There is therefore a clear trend towards higher cost types of home being used to accommodate children in local authority care.

But at the same time, authorities are finding that they are paying significantly more per week now than they were five years ago to source residential placements. Graph 10 shows the average cost of residential care has grown steadily and significantly for both county authorities and across England; from around £3,000 per week in 2015 to over £4,000 per week in 2020.

**GRAPH 10: RISE IN COSTS OF RESIDENTIAL CARE**



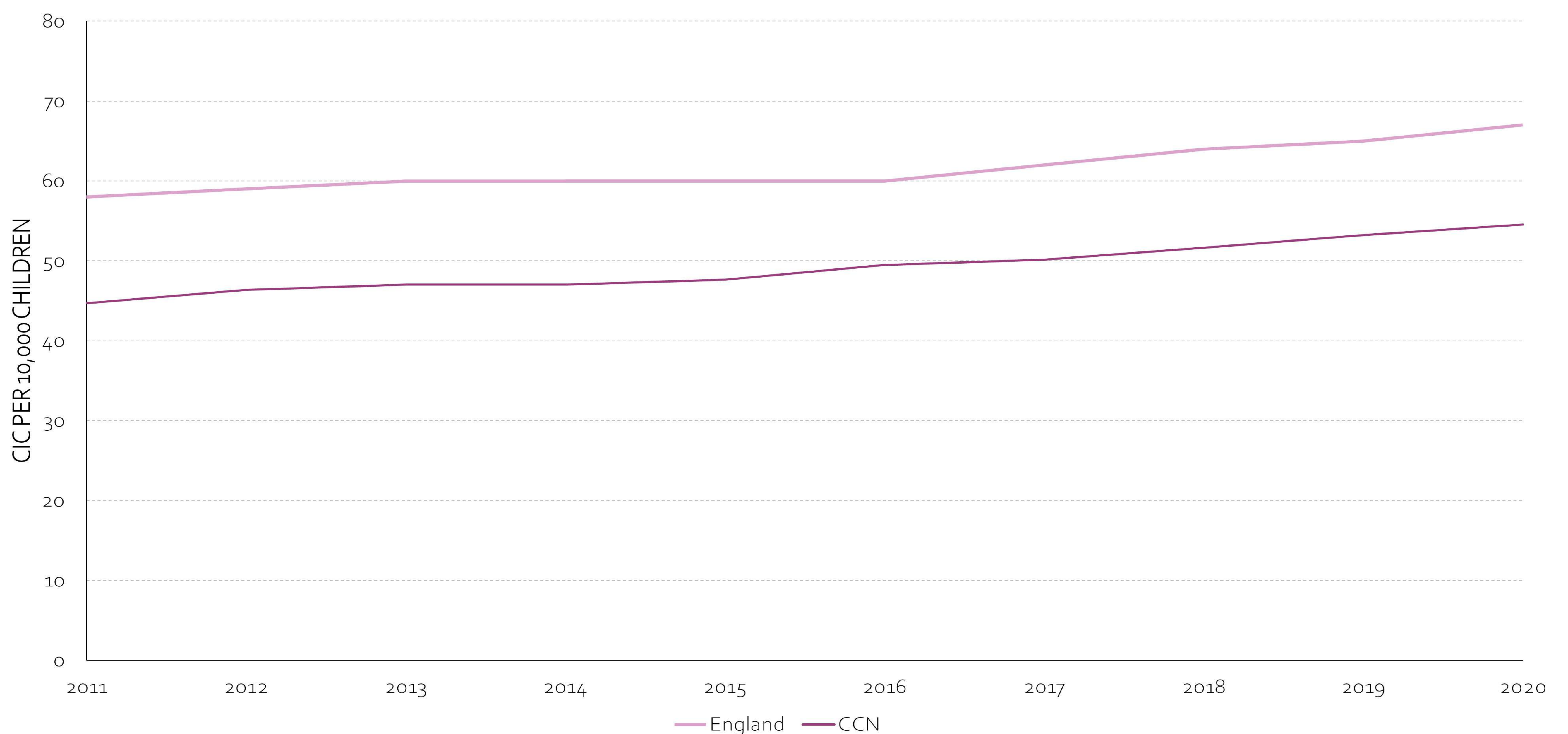


## 4. Rising numbers of children in care

Graphs 3 and 4 showed that rising numbers of children in care are contributing significantly to increased spending on these services, particularly for CCN member councils – 41% compared to 38% nationally.

The number of children in care is often expressed in terms of how many per 10,000 of the population in a certain geographic area under the age of 18 are accommodated as shown in Graph 11. This number has risen steadily both nationally (up 12% between 2015 and 2020) and for county authorities (up 15% over the same period).

**GRAPH 11: CHILDREN IN CARE PER 10,000 CHILDREN 2011–2020**



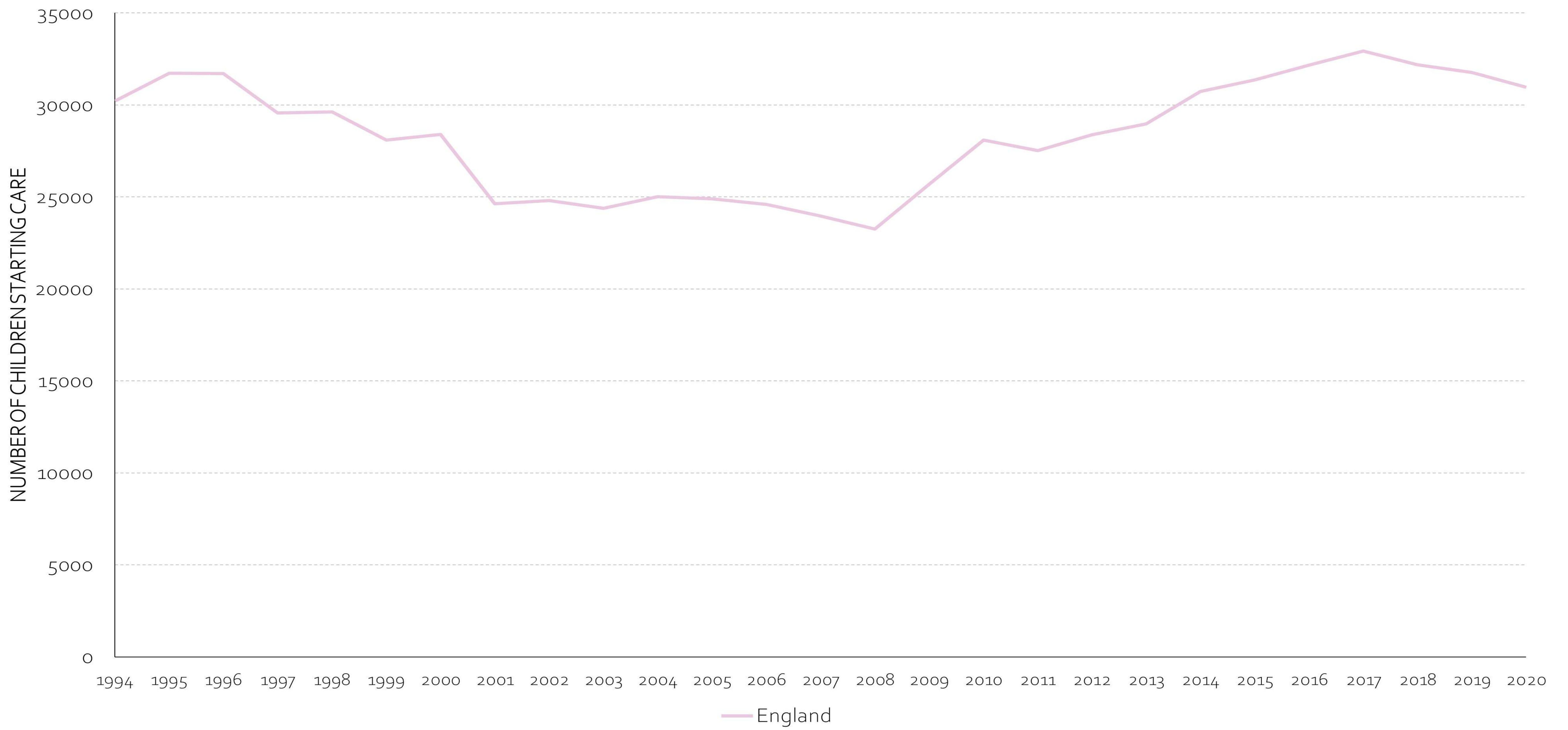
Traditionally, analysis has focussed on the number of children coming into care each year. The graph below shows this pattern at a national level from 1994 up to the latest available, validated figures in 2020. This can be summarised broadly into three periods:

- A decline in the number of children in care between the mid-1990s and 2008.
- A steady rise in the number of children in care over the period 2008 to 2017 (noting that 2008 coincided with the significant national attention on the tragic death of Peter Connelly, referred to as 'Baby P' during court proceedings).
- The period since 2017, where the rate of children coming into care slowed and even declined slightly.

Graph 12 (overleaf) shows these trends.

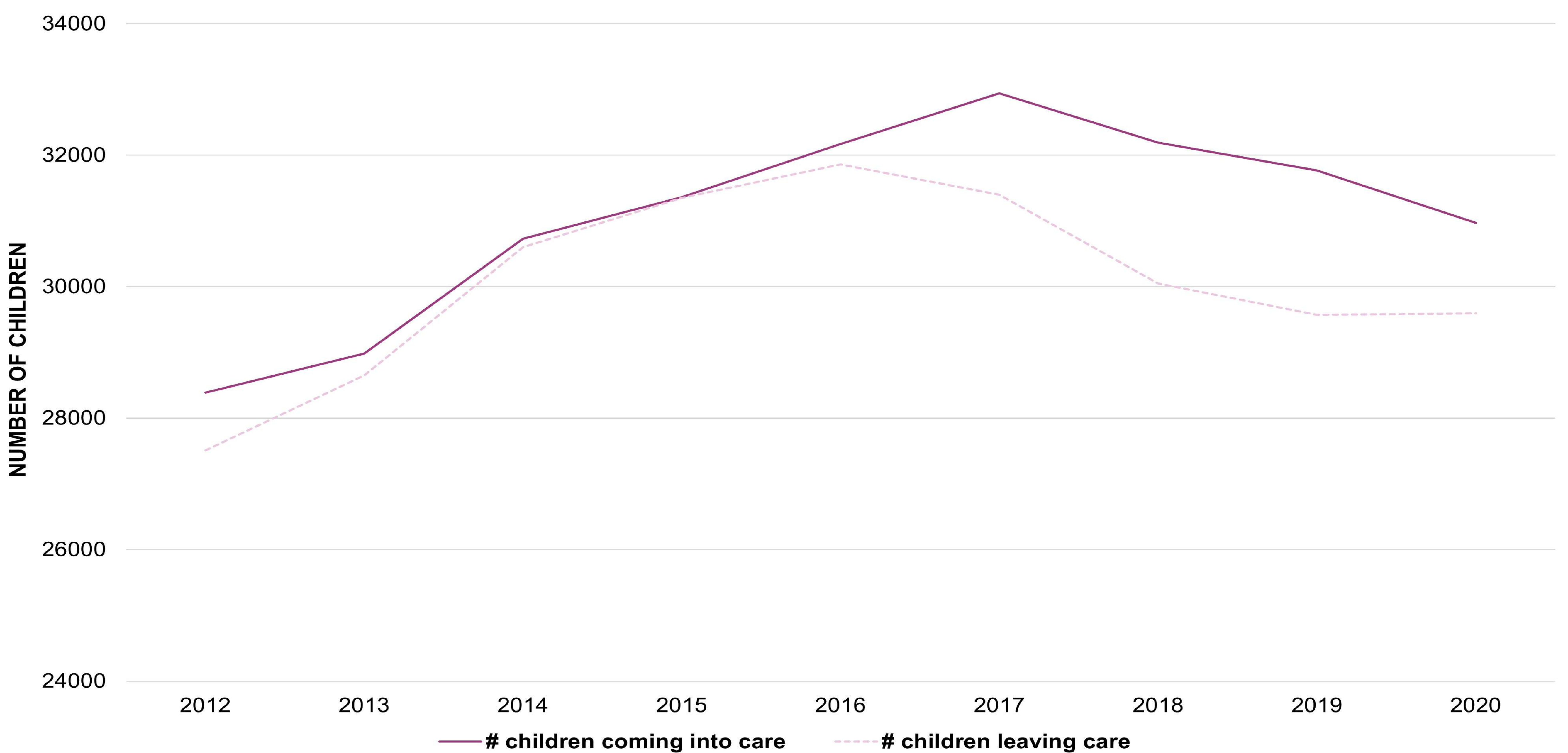


**GRAPH 12: NUMBERS OF CHILDREN STARTING CARE PER YEAR 1994-2020**



Analysis indicates that it is helpful to look beyond the numbers of children coming into care to also look at the numbers leaving care, since the resulting difference between the two figures is what leads to a change in the headline figure. Graph 13 shows that whereas prior to 2016 the two lines tracked each other relatively closely (meaning a similar number of children were entering care as were leaving), since 2015 there has been a marked difference between the two lines, meaning that cumulatively between 2015-2020 there were 7,580 more children who came into care than left. It is predominantly this decline in the number of children leaving care that is driving the rising overall numbers of children in care.

**GRAPH 13: CHILDREN IN CARE PER 10,000 CHILDREN 2011-2020**

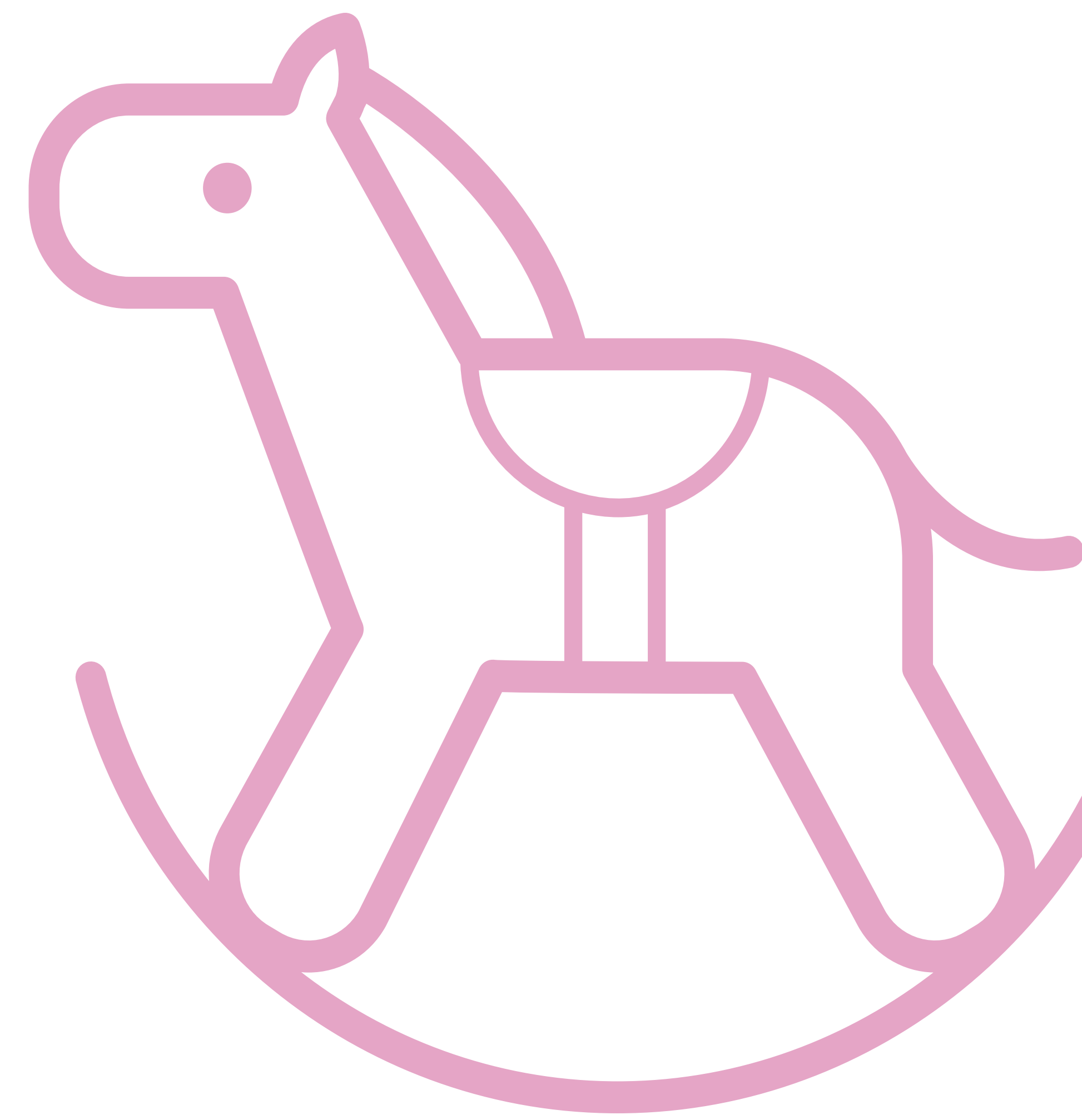




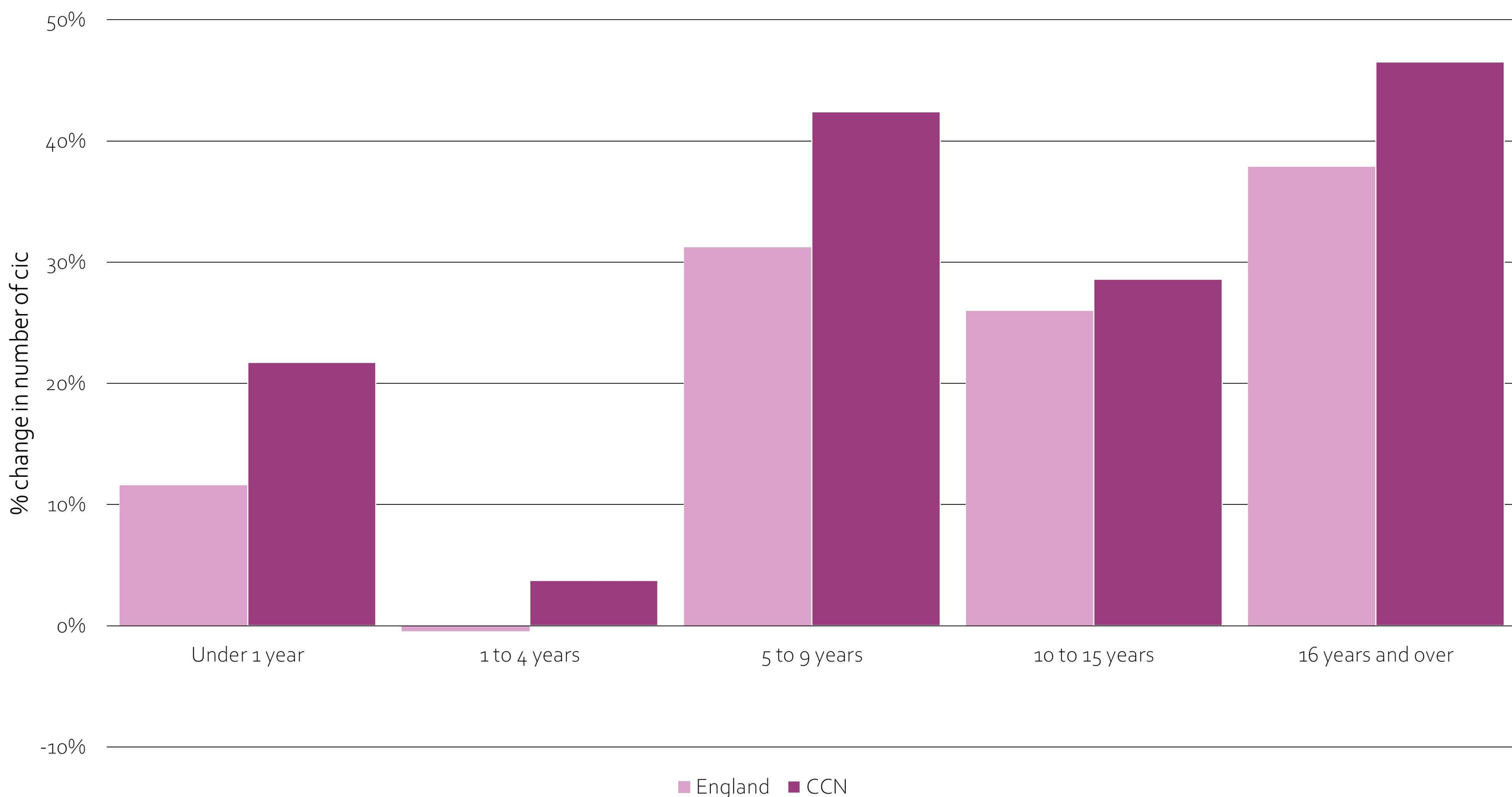
## 5. Changing composition of children in care

Finally the analysis looked at the changing composition of children in the care system. This is important as, to provide appropriate care, local authorities have to recognise that 'children in care' are not just one homogenic group of children, but a range of thousands of individual children all with differing needs at different ages and stages.

Graph 14 shows a breakdown of how the age profile of children in care has changed over the past decade. It shows that the number of children aged 16 and over in care has grown disproportionately compared to other groups, particularly in county councils - 47% for CCN's member councils, compared to 38% for England as whole.



**GRAPH 14: GROWTH OF CHILDREN IN CARE 2011-2020 BY AGE GROUP**



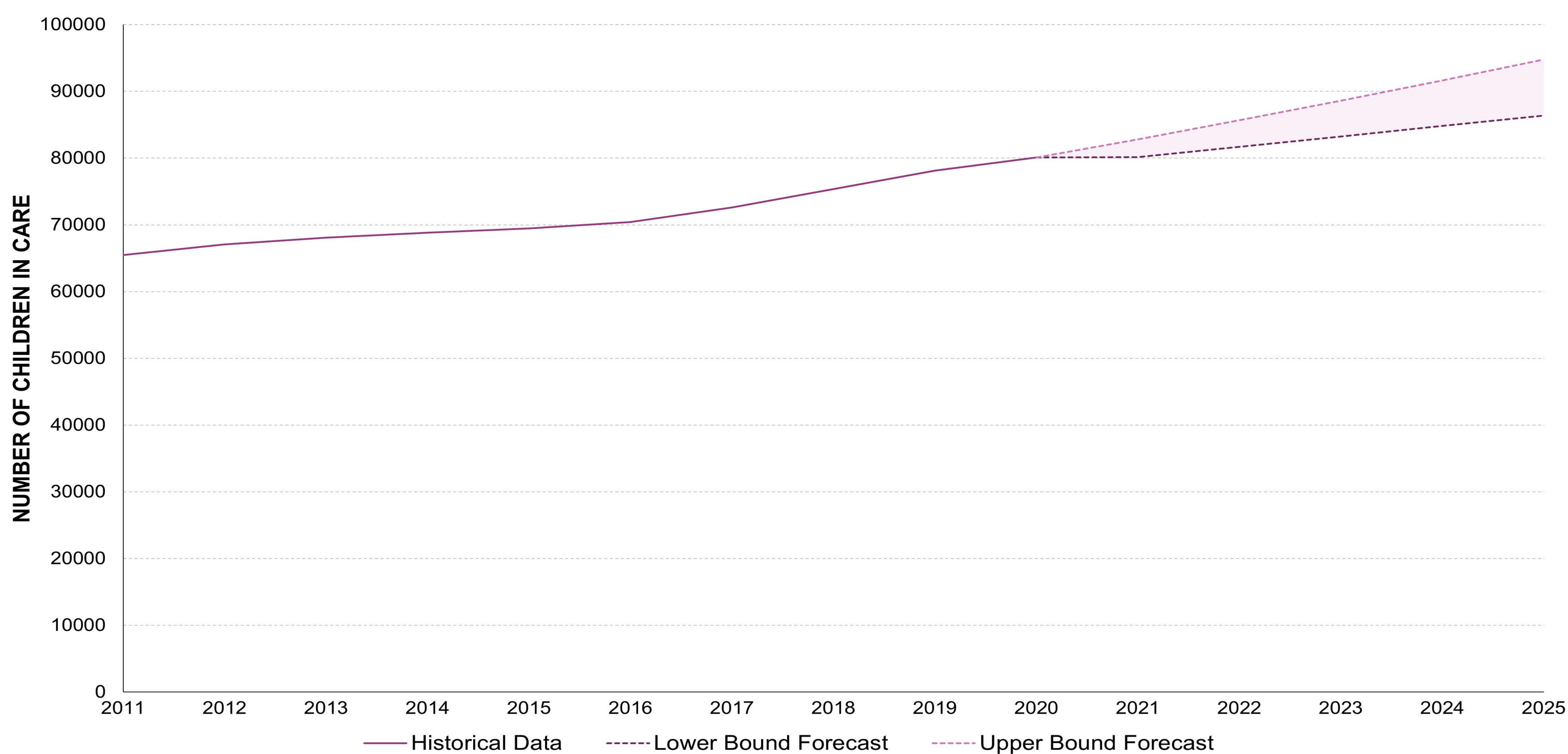


Based on the data analysis set out in this paper Newton have projected forward what the impact is likely to be on the system if the trends identified continue on their present trajectory with no system change or intervention. It looks at the potential number of children in the care system by 2025, and the associated costs for local authorities.

## Projection 1: Number of children in the care system

Firstly Newton have calculated projections on the number of children in care by 2025. Historical Data from the 'LAIT - All Local Authorities - Number of Looked After Children' (Updated on Dec 2020) has been used as the basis for the projections. The Lower Bound Forecast is a linear forecast using data from March 2011 to March 2020. The Upper Bound Forecast is calculated applying average growth rate between March 2017 to March 2020 to current number of children in care.

**GRAPH 15: PROJECTED GROWTH IN NO. OF CHILDREN IN THE CARE SYSTEM TO 2025**



Based on the finding in this analysis that the rate of children in care grew by 12% across England over the period 2015-2020, projecting forward means that, without changes to the system, the number of children in the care system is likely to rise from 69,470 in 2015 to between 86,000 and 95,000 by 2025 (see Graph 15); a potential 36% increase.

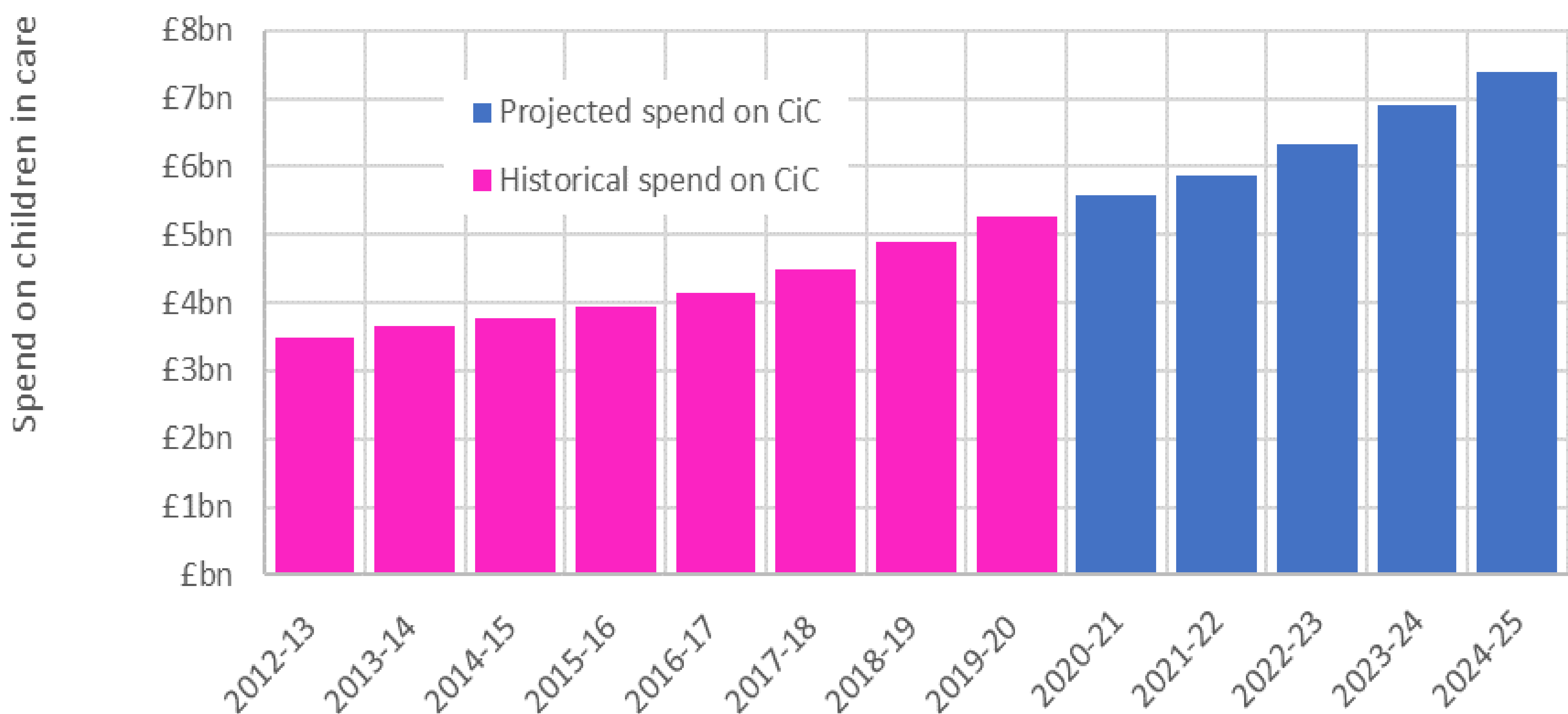


## Projection 2: Costs of the children's social care system

By combining the expected increase in total children's social care spend<sup>2</sup> over time with the rising percentage of that spend needing to be made on support for children in care (see below), Newton's analysis forecasts that – if nothing changes – then by 2024-25 English authorities will be spending **£7.4bn** annually on supporting Children in Care (up more than £2bn from the £5.3bn spend in 2019-20). This is nearly double the £3.8bn being spent in 2014/15 (see Graph 16 overleaf)

Year	Total Children's Services Spend for England	Spend on Children in Care for England
2012-13	£8.9bn	£3.5bn
2013-14	£8.9bn	£3.7bn
2014-15	£8.9bn	£3.8bn
2015-16	£9.0bn	£3.9bn
2016-17	£9.2bn	£4.2bn
2017-18	£9.4bn	£4.5bn
2018-19	£9.9bn	£4.9bn
2019-20	£10.5bn	£5.3bn
2020-21	<i>n/a*</i>	<b>£5.7bn</b>
2021-22	£10.9bn	£5.9bn
2022-23	£11.4bn	£6.3bn
2023-24	£12.1bn	£6.9bn
2024-25	£12.6bn	£7.4bn

**GRAPH 13: PROJECTED ANNUAL SPENDING ON CHILDREN IN CARE TO 2025**



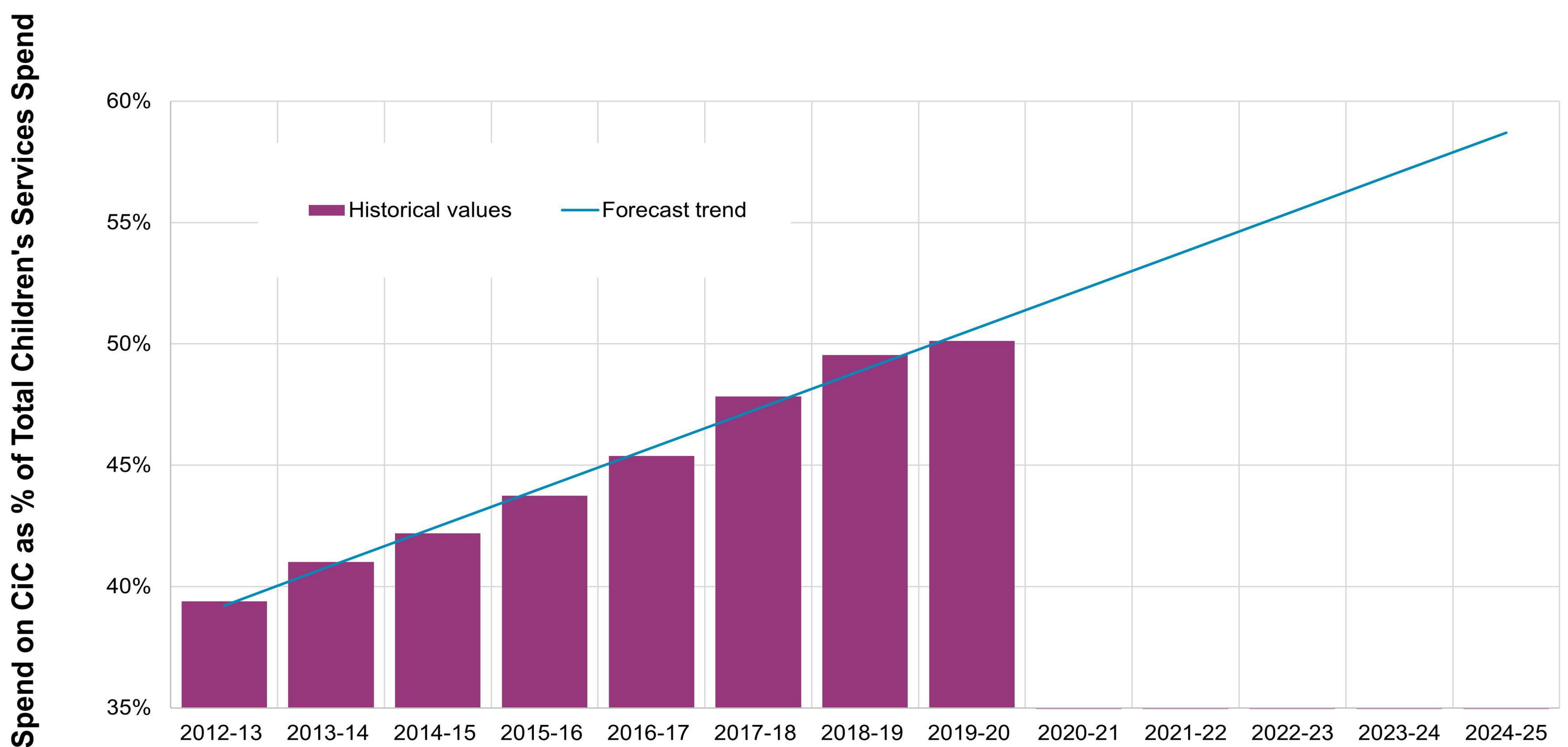
[2] LGA forecast of spend growth on children's services, submission to Spending Review 2021 ([link](#))  
\* validated financial outturn figures not available for this year.



### Projection 3: Proportion of children’s services budgets spent on children in care

Most significantly the proportion of spend from children’s services budgets being spent on the most vulnerable children will continue to grow. Graph 17 shows how the spending on children in care as a proportion of children's services spending has grown rapidly over the past decade from less than 42% in 2015, to around 50% in 2020. By 2025 this share is projected to grow to nearly 60%.

**GRAPH 17: PROJECTED GROWTH IN SPENDING ON CIC AS A PROPORTION OF CHILDREN'S SERVICES BUDGETS**

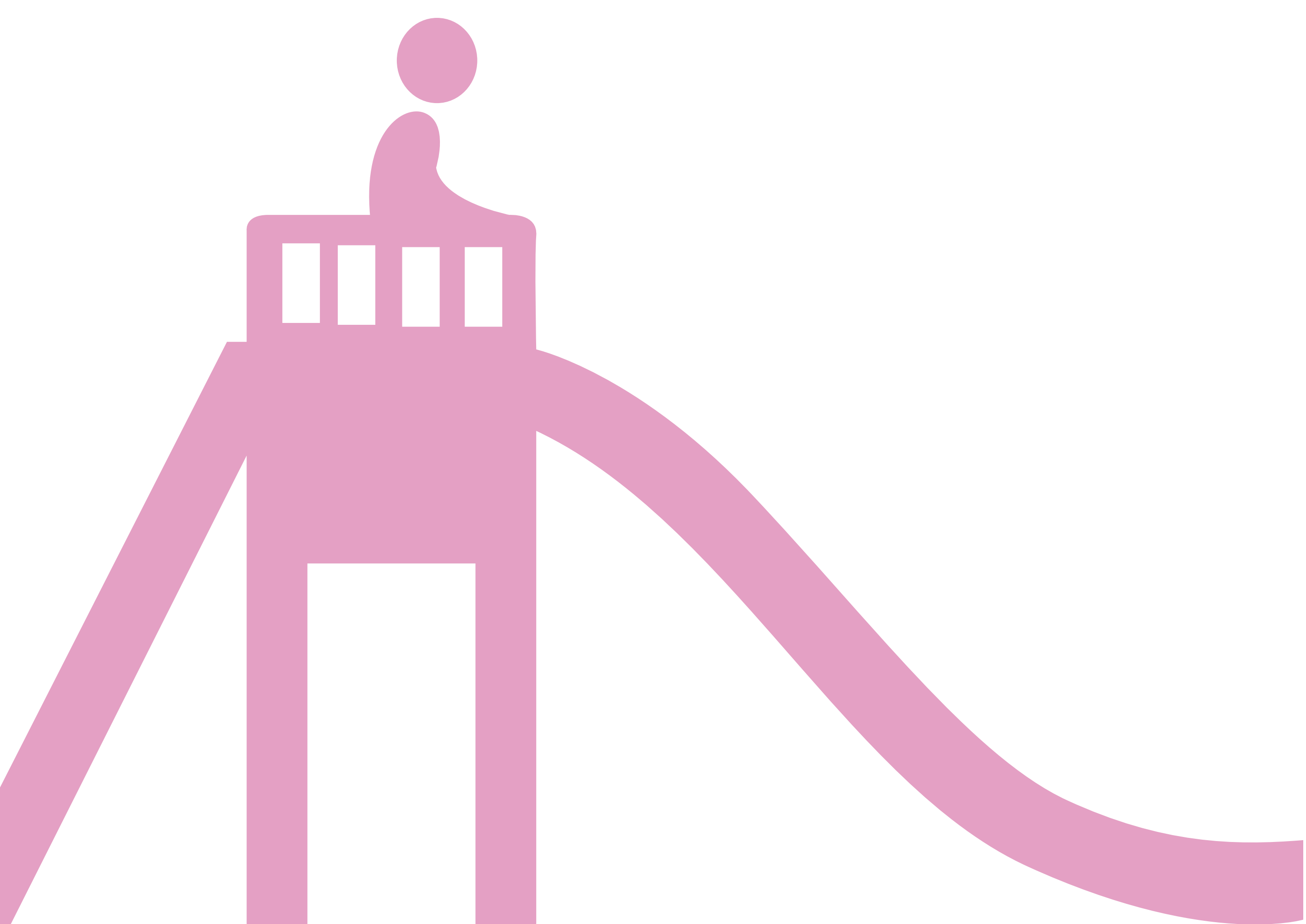


This means the proportion of their budgets local authorities have available to spend more widely on other services for children and families will continue to decline, and by 2025, have decreased by a third – including family support and 'edge of care' services which can help children exit the care system, or prevent them coming into it in the first place.



The evidence in this paper shows the present, and potential future state of the children's social care system, without reform and investment:

- **The number of children in care has risen steadily both nationally (up 12% between 2015 and 2020) and for county authorities (up 15% over the same period).**
- **Crucially, growth in overall numbers is currently being driven not by new children entering the system, but by there being fewer children leaving care before the age of 18. Cumulatively between 2015–2020 there were 7,580 more children who came into care than left.**
- **The number of children aged 16 and over in care has grown disproportionately compared to other groups, particularly in county councils – 47% for CCN's member councils, compared to 38% for England as whole**
- **Fostering has traditionally been the most common home setting for children in care in England. While there has been a 10% rise in the number of children in foster care since 2015, overall growth has not kept pace with demand for foster care. The overall proportion of children living with foster families has dropped by 4% nationally.**
- **Alongside this drop in the proportion of children living in foster homes, there has been a sharp increase in the use of residential care homes for children, which has risen 27% across England and by 33% for county authorities between 2015 and 2020.**
- **Authorities are finding that they are paying significantly more per week now than they were five years ago to source residential placements. The average cost of residential care has grown steadily and significantly for both county authorities and across England; from around £3,000 per week in 2015 to over £4,000 per week in 2020.**
- **Without reform, Newton's projections show the numbers of children in the care system will continue to rise and on their present trajectory may hit as many as 95,000 by the middle of the decade.**
- **As a result by 2025 local authorities will be spending £7.4bn on children in care by 2024/25 – over £2bn more than they spent in 2019/20 and nearly double the £3.8bn being spent in 2014/15.**
- **This will lead to the proportion of children's services budgets being spent on children in care rising from 43% in 2015/6 to a projected 59% of overall spending in 2024/25.**
- **These past trends and future projections come at time in which previous CCN research has shown budgets for children's services have already seen extensive reductions during the past decade in line with overall reductions to local authority spending as part of the previous Government's austerity programme.**





**As a result of this evidence base CCN believes there needs be an unrelenting focus on trying to keep children with families as far as it is safe to do so. This requires both reform, and investment.**

With the overall numbers of children in the system continuing to grow it places pressure on both the availability and cost of placements for these children, and ultimately on local authority budgets.

There is a need to focus on championing best practice and innovative solutions, whilst being honest about where there is potential to improve the system. Therefore is also a need for systemic reform of how councils work with their public sector partners to achieve these aims.

Local authorities, schools, police, courts, and the health service – must work better together on emerging issues, such as mental health. This can only be done effectively if children’s services continue to be locally delivered by councils, but crucially, recognising change needs to happen.

To achieve this, local authorities need fair and sustainable funding to be able to invest in transformation and pump prime innovation. But there is also a pressing need for substantive investment vital preventative and ‘edge of care’ services which will allow them to work with families to ensure that children are able to live happy and safe lives.

As a consequence reduced funding and in order for local authorities to balance their budgets – as they are required to do by law – councils are having to in turn reduce spending on non-statutory children’s such as family

support, children’s centres or youth services. These are often the services which are crucial in enabling children to return to their families, as well as helping families to address problems they face at an early stage before they potentially escalate into the children needing to enter the care system in the first place. Crucially these services need to be able to focus not just on preventing children going into care but also on working with families to help children return home safely and achieve better outcomes.

For instance a greater investment to allow ‘edge of care’ services working with families in this regard could make a big difference, given we know that local authorities already do well at improving the outcomes for children in their care the longer the time they have to work with them.<sup>3</sup>

## NEXT STEPS

Following extensive engagement with both local government and children and families with lived experience of care, CCN and Newton will be publishing the full findings of their major study in the report, *The Future of Children’s Social Care*, in early 2022.

This will explore in detail how an ‘optimised’ model of children’s services, delivered by local councils, can improve how outcomes are achieved and reduce long-term costs for children in care, while improving partnership working across health, police, courts and education.

The diagram below shows the emerging vision for the ‘optimised model’ that will be fully articulated in the final report.

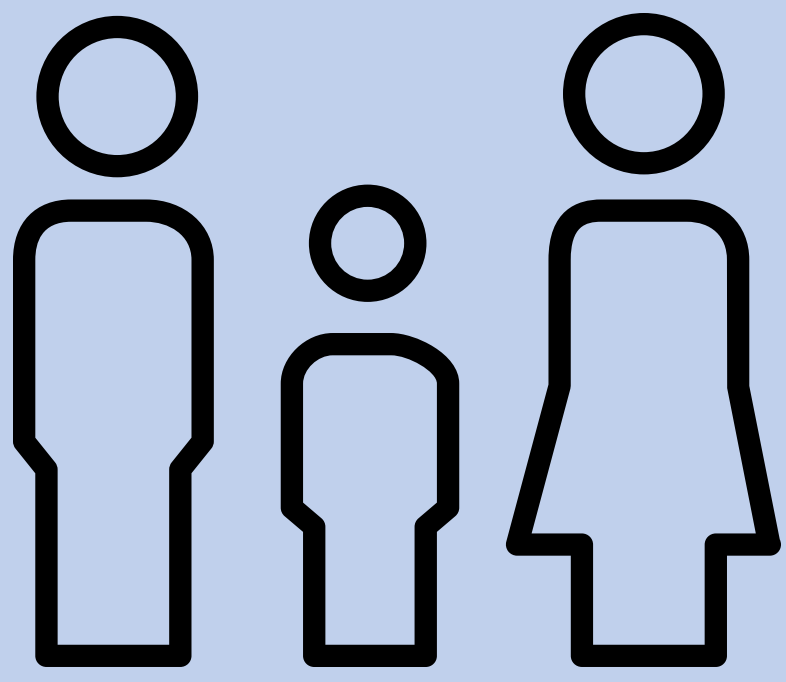
[3] <http://www.education.ox.ac.uk/research/linking-care-and-educational-data-the-educational-progress-of-looked-after-children-in-england/>



## AMBITION

*Every child and young person is safe, well, happy and has the foundations to thrive*

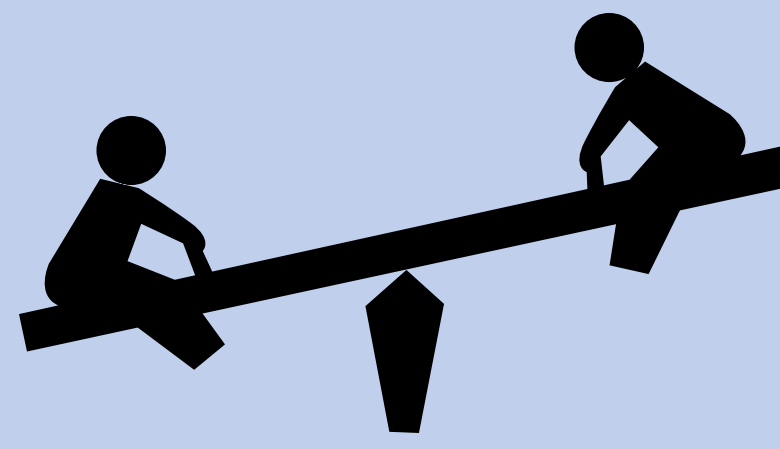
## UNDERPINNING BELIEFS



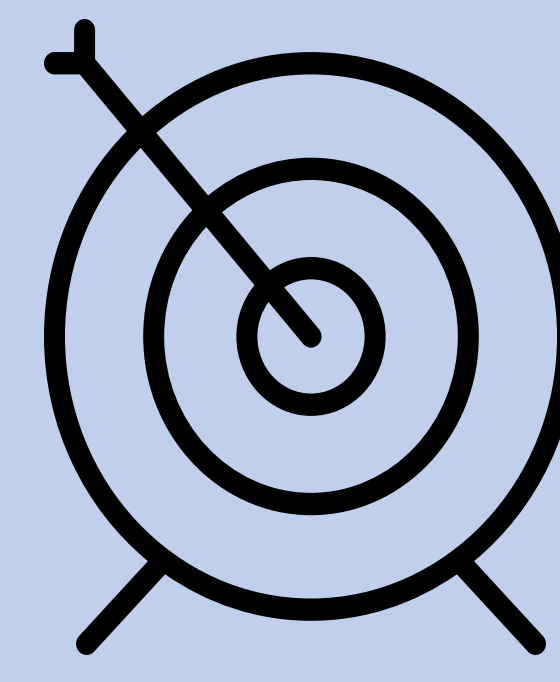
**Keeping families together**



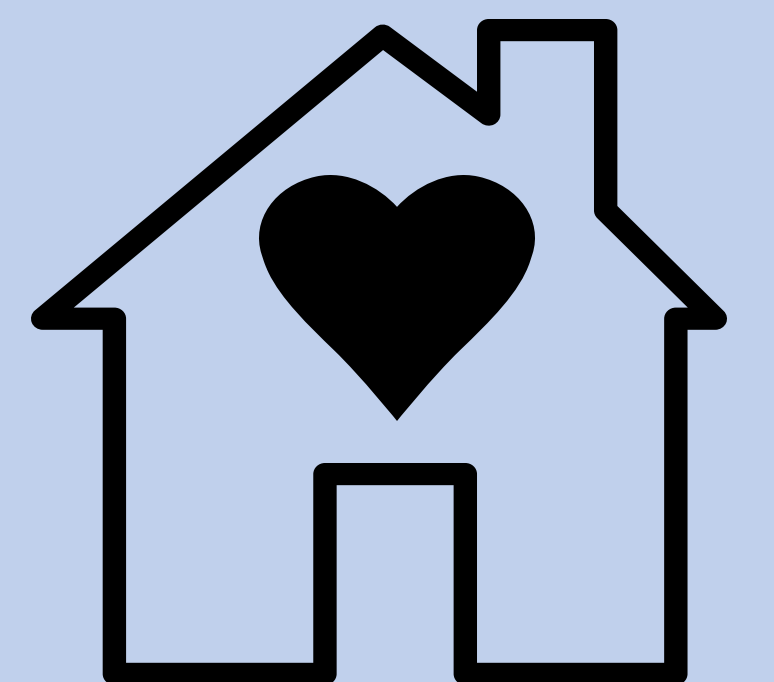
**Aligned partnership working**



**Children and young people at the heart**



**For those in care, the right care**



**A great place to call home**

Wherever possible we work to keep children in their family and community network. All partners offer timely, practical and effective support to families in a way that builds on their strengths in order to overcome challenges. This support aims to prevent children coming into care wherever possible and to reunite families following periods of care.

Elements of the offer to children and families operate seamlessly and with an alignment of purpose. Support from all partners adapts flexibly and responsively to each child and family situation. There are no cracks and no cliff-edges within or between different organisations.

The voice, views and ambitions of children and young people will always be at the heart of what we do. The way we do this is responsive to the age, stage and needs of each individual.

Where children and young people do need to come into care, they achieve the outcomes, experience and safety of their peers. The system is innovative and flexible in the pursuit of high quality care that reflects the age, stage and needs of each individual child and young person. Wherever possible we work towards children returning to their families and communities.

Children in the care of local authorities have the right place to call home. These are loving, stable and maintain connections with the family, friends and communities important to them. Local authorities are highly effective in managing the capacity, quality and value for money of provision; supported by the right regulatory and inspection frameworks.

## LOCALLY TAILORED DELIVERY SYSTEM

Workforce	Practice	Processes	IT & Systems	Partners	Commissioning	Data & Digital	Leadership
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## NATIONALLY ENABLERS

**Fair and sustainable funding**

**Inspection and regulation**

**All policy and law impacting children and families**



## Placing the experience of Children and Families at the heart of the research

Finally, children's services are not just about abstract systems and numbers on a page. Decisions made by and for these services affect the real lives of the children and families. It is important to note that the project is consulting extensively with the children and families that county authorities serve, drawing out their experiences with the care system and understanding their perspectives on how the system could best be reformed. A selection of the insights gained from this process is shared below:

*"My first home... I hate that word 'placement'... my first home"*

*"The social worker told us to enrol [our son] in a martial arts group to give him an interest, a way to learn about management of aggression. The police said we were 'irresponsible parents' turning [him] into a 'fighting machine'"*

*"You're left with someone you've never met and they only know you through paper. They judge you through paper and they don't take the time to see you."*

*"That is what the care system is for, is to make sure that you're doing more than just surviving"*

*"Could I see my mum every week instead of 2 weeks please if you can."*

*"You just think everyone is going to leave you so what's the point in forming any actual relationships with people, so sometimes you just sabotage them."*





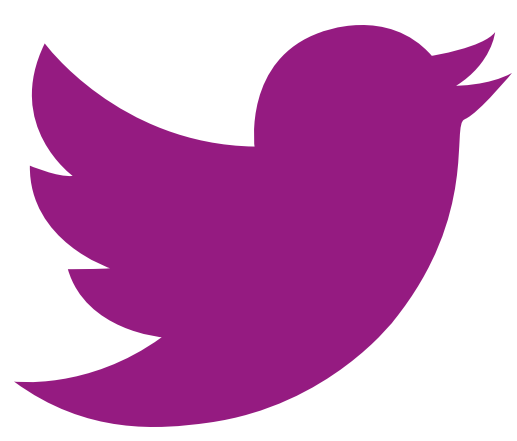


# CCN

## COUNTY COUNCILS NETWORK

Founded in 1997, the County Councils Network is a network of 23 county councils and 13 unitary authorities that serve county areas. The network is a cross party organisation, expressing the views of member councils to the Local Government Association and to the government.

### Follow CCN on social media:



@CCNOffice



County Councils Network



County Councils Network

[www.countycouncilsnetwork.org.uk](http://www.countycouncilsnetwork.org.uk)

# NEWTON

Newton is a transformation and improvement specialist, with an extensive track record of delivery that includes health and care. They have worked with over 100 public sector organisations, and these partnerships have delivered measurable and sustainable improvements in outcomes for people, transformed ways of working and staff engagement, while saving in excess of £300m (and rising) on a 100% contingent fee basis.

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