

# IMPOWER

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## Valuing Care

Using data to improve  
children and young  
people's lives



**CCN** COUNTY  
COUNCILS  
NETWORK

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THE VOICE OF COUNTIES

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## EIGHT POINT SUMMARY

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1

Children's services face severe challenges with care sufficiency, the care market, and the wider workforce. In particular the costs of external care placements have risen dramatically, to the extent that this is posing a stark threat to financial sustainability for many local authorities.

2

As a result of these cost increases local authorities have fewer resources to direct to early intervention and prevention leading to a risk of care entry for more children and young people and further increases in cost.

3

This report evidences that the 'broken' care market is the key driver of significant increases in cost.

4

Using and applying intelligence on needs and costs to commissioning and practice can help to tackle this challenge – as demonstrated by the experience of the group of local authorities contributing to this report.

5

Better understanding and sharing of data on need and cost could help to reset the system. This can change how local authorities commission care, manage providers, find homes, support children and young people, and support carers.

6

This approach could enable and strengthen proposals set out in the government's Children's Social Care strategy – in particular Pillars four and six that underpin this plan as set out in the publication *Stable Homes, Built on Love*.

7

There is an opportunity to work at pace to use and apply intelligence on needs and cost at a local, regional and national level.

8

A rebalanced system would support children living in the 7% of higher cost provision to have needs met in homes supporting similar levels of need - with the right investment in reform this could potentially equate to reduced costs of as much as £800m nationally over time.

**10%** of the cohort of children in care account for

**51%** of the spend



Reducing the charges of 7% of the highest cost placements in this study to £5k per week would yield an annual saving of £34.7m.



Over time this could potentially equate to nationally reduced costs of

**£800m**

Children in this analysis most likely to have severe and complex needs in:



**Emotional health**



**Educational progress**



**Positive family relationships**

**80%**

of children and young people in care need support with their emotional health and in understanding their life story

**x3**

children with disabilities are three times more likely to be placed in residential placements, regardless of whether their needs are severe or complex

Children with an EHCP have higher levels of need in all areas, particularly in managing emotions, emotional health and learning difficulties. The average cost of a placement for a child with an EHCP is £900 per week more than those without

**£900**

# FOREWORD

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There has been a plethora of evidence emerging over the last few years demonstrating the pressures that the children's social care system in England is presently under. The County Councils Network (CCN) has been at the vanguard of highlighting these trends – including our report *Children's Services Funding and Early Intervention* (2020) showing how the reductions to core grant funding was impacting councils' ability to support families earlier, as well as *The Future of Children's Social Care* (2022) which set out an influential blueprint for children's services reform. Most recently, our advocacy in the lead up to the 2023 Autumn Statement showed that financial pressures in children's services were now the leading cause of historic in-year overspends facing county and CCN unitary authorities.

More widely this message has been backed up by key national reports such as that of the Independent Review of Children's Social Care (2022), which made dozens of recommendations for reform, and the investigation by the Competition and Markets Authority (2022), which highlighted a number of ways in which the market for children's care placements has become dysfunctional.

To its credit the Government has responded to this challenge earlier this year by setting out a comprehensive blueprint for children's services reform in the strategy *Stable Homes, Built On Love*. This strategy – with its clear focus on market reform, a shift towards early intervention, and better use of data – has been largely well received by the sector, albeit with reservations about the degree to which present accompanying funding commitments will enable this vision to become reality.

However, it is important to note that local authorities themselves have not been resting on their laurels waiting for central reform as these problems have begun to mount. Many spotted these trends emerging some years ago and began developing their own local strategies to help mitigate the financial challenge, but also to improve outcomes for children and young people.

This report spotlights one such approach designed to improve commissioning of children's placements – Valuing Care – which evolved from initial discussions between four CCN member authorities in the middle of the 2010s, and which has subsequently begun to be employed by a number of other councils, both within and outside the CCN family.

As the Government embarks on rolling out its reform strategy CCN feels it is timely to set out some of the learning that has been made during the journey of designing and refining the approach in order to help achieve the aspiration of an efficient and effective social care system that produces the best outcomes for children and young people. We are grateful for the support of colleagues from IMPOWER with whom the approach has been designed and without whom this report would not have been possible.

## Cllr Roger Gough

Leader, Kent County Council and CCN Spokesperson for  
Children's Social Care

## EXECUTIVE SUMMARY

### CHALLENGES FOR LOCAL AREAS ON CARE AND SUFFICIENCY

Earlier this year the government set out its eagerly anticipated children's social care reform agenda *Stable Homes, Built on Love*. This strategy, and the *Independent Review of Children's Social Care* that preceded it, recognises that the system requires fundamental change to allow local areas to better meet the needs of children and young people in their care. As local authorities begin to engage with this agenda, the scale of the challenges involved in enabling the care system to meet these needs have only intensified further.

Over the past decade many have been experiencing growth in the number of children entering care and/or fewer children leaving the system; an increase in the complexity of need experienced by specific cohorts of children, particularly since Covid; and sharp rises in the fees charged by providers. The market for placements has become significantly more challenging with a record number of children in the system. As a result, most local authorities are experiencing overspends on their children's services budget, and for some this is posing very real pressures that threaten their financial sustainability.

Ahead of the 2023 Autumn Statement, CCN warned that member councils were 'running out of road' to prevent financial insolvency, as in-year overspends topped a historic £639m. Nearly half (45%) of the budgetary pressures driving these overspends is being caused by spending on children's services. As a result, one in ten councils are concerned they will not be able to balance their budget this financial year, with this number rising to six in ten by 2025/6.<sup>1</sup> Previous CCN research had found that the opportunities for savings in children's services to bring down these overspends are now limited with the proportion of spending on statutory duties in this sphere already having risen sharply from under 40% to over 50% during the latter half of the 2010s, and projected to reach as high as 60% by 2025.<sup>2</sup>

*Stable Homes, Built On Love* rightly recognises that the primary solution to this problem is to invest more in early help services that reduce the need for statutory intervention further down the line. However, at this stage of the Spending Review process the Government has not yet been able to commit to the requisite £2.4bn injection of funding to accompany the strategy that was recommended by the Independent Review. In the absence of additional funding, local authorities can make a start on investing more in the early help that will bring down spending on looked after children in the future by reimagining how they approach delivering statutory children's services.

In direct response to these challenges, which have been gradually growing over a number of years, a group of CCN authorities began collaborating with IMPOWER consulting to develop and apply a new approach to help reduce their spending on statutory services for children in care. Valuing Care is an approach to practice and commissioning which embeds a focus on children's needs, strengths, aspirations and outcomes to enable more effective conversations around how care can best meet individual children's needs. The aim of Valuing Care is to better match needs with placements wherever possible and maximise the efficiency of spending on placement costs, which CCN research earlier this year showed can fluctuate wildly depending on myriad factors.

## THIS REPORT: METHODOLOGY AND FOCUS

This report is the first direct analysis of the efficacy of the Valuing Care approach which originally began its rollout in 2016, initially with four CCN member councils, and now operating in some form within more than fifteen local authorities across England. CCN and IMPOWER have come together to publish this analysis in recognition of the opportunity to support the delivery of the Government's reform plans. In particular, the findings provide learning which could support two of the six strategic Pillars contained in the strategy, namely:

### ***PILLAR 4 – Putting love, relationships and a stable home at the heart of being a child in care. In particular:***

- Using Regional Care Cooperatives (RCCs) to plan, commission and deliver care places.
- Prioritise loving relationships and maximising opportunities for family life for more children.
- Strengthen corporate parenting responsibilities towards children in care.
- Introduce a financial oversight regime.

### ***PILLAR 6 – A system that continuously learns and improves, and makes better use of evidence and data. In particular:***

- Introduce a Children's Social Care National Framework.
- Improve use of technology and data.

Four CCN member authorities (Hertfordshire, Norfolk, Oxfordshire and Lincolnshire) have rolled out the Valuing Care approach across all of their children and young people in care, whilst another two (both North and West Northamptonshire via their local Children's Trust) have applied it across a further large cohort. IMPOWER has worked with CCN and these local authorities to aggregate and analyse data on needs, cost and demography for over 3,500 children. This insight was further tested and developed through a roundtable with Directors of Children's Services in September 2023, and was supplemented by a wider review of nationally available data.

The final report provides an analysis of data on needs and cost across this cohort of children and young people and considers how this could help local authorities to respond to current challenges around care and sufficiency to help support the care reform agenda.

The findings are designed to help local areas and policy makers to:

- Better understand the impact of care on the needs of children and young people overall and by different demographic features such as form of care or protected characteristics; and
- Better understand the connection between needs of children and young people and the costs of their care.

## ANALYSIS OF NEED AND COST ACROSS FIVE LOCAL AUTHORITIES: KEY FINDINGS

A number of key findings and insights emerged from analysis of needs and cost data across 3,500+ children:

- Sufficiency challenges and market factors drive costs more than the needs of children and young people. There is very limited correlation between the needs of children and young people, the costs of their care, and the type of care they receive, highlighting the necessity for re-balancing of placement provision across the system.
- The significant difference in average weekly cost between in-house and private children's home providers does not reflect differences in levels of need. Given that in-house homes can address similar needs at a significantly lower cost, there is a strong case for increased capital and workforce investment internally.
- 51% of the children in the analysis do not have any severe or complex needs indicating more children living in residential settings could be supported to live with families, and more children in care could be reunified with their families.
- Many foster carers are supporting children with very high levels of need suggesting an increased risk of placement breakdown without the right intervention.
- Emotional health is the highest area of need, and a third of children have high levels of need around emotional health, healthy attachments and managing emotions. Over 80% of children and young people in care need support with their emotional health and in understanding their life story. Multi-agency collaboration is necessary to address these needs effectively.
- As children spend more time in care their needs increase over time. The needs related to emotional health, positive relationships, educational progress and self-care become more critical as length of time in care increases.
- Analysis of need alongside protected characteristics evidences higher levels of need for different groups across different domains, indicating value in tailored approaches, while recognising the potential risks around bias.



- Children with an EHCP have higher needs – especially in emotional health and positive health relationships, and in learning difficulties/disabilities. Placement costs average £1,900 per week for children with EHCPs (£900 more than those without). Meanwhile, children excluded from school face heightened emotional health needs and incur more than double the placement cost at £2,300 per week, compared to their non-excluded peers in the sample.
- Understanding and quantification of the needs of children living in different forms of provision can help to improve approaches to sufficiency planning, commissioning and market shaping for the future.

## RECOMMENDATIONS AND NEXT STEPS

These findings were shared with a group of Directors of Children’s Services (DCS) – from both within and outside CCN, and containing those who were and weren’t using Valuing Care at present – to determine how far they correlated with their own experiences. Together the quantitative findings, combined with this insight from DCSs based in their real experience of managing children’s services spending, have led to a number of recommendations for the children’s services reform strategy as set out by the Government.

- Analysis-based commissioning practices of the sort employed through practices such as Valuing Care can have a demonstrable impact on helping to reduce spending on statutory children’s services, primarily by better matching a child’s needs to the most appropriate placement for them.
- Capturing and utilising data on needs and cost at a regional or sub-national level could allow groups of local authorities (e.g. through Regional Care Co-operatives) to manage the care market differently and drive more value from engagement with care providers.
- The adoption of a national framework with a consistent approach to capturing and sharing data and intelligence on needs and cost could help to drive more value from the care market and address current drivers of challenges with care and sufficiency.
- The insight on needs and cost set out in this report could support evaluation of the impact of different types of care in different areas and localities, and could align with other initiatives focused on assessing and evaluating impact (e.g. Foundations - the What Works Centre for Children and Families) as a means to improving early intervention approaches.
- Data-based approaches to commissioning such as the Valuing Care approach which capture and apply intelligence on need and cost at a child or cohort level are replicable and scalable across other local authorities and regional areas.

These recommendations are elaborated on in more detail in the conclusion of the report.

# INTRODUCTION

## INTRODUCTION

***"I'M REALLY STRUCK BY HOW WE COULD USE [INFORMATION ON NEED] TO DEVELOP A MARKET POSITION STATEMENT AT A LOCAL, REGIONAL, AND NATIONAL LEVEL TO ARTICULATE TO THE MARKET WHAT WE WANT. BECAUSE WE DON'T DO THAT IN A STRATEGIC WAY."***

*Chief Executive, County Council*

The landscape of children's social care in local areas has reached a critical stage and national and local stakeholders have recognised the urgent need for reform. Earlier this year, the government unveiled its long-awaited *Stable Homes, Built on Love* reform agenda, recognising the pressing need for fundamental change to address the needs of children and young people in care. It sets out an aim of creating a more effective system by establishing a Children's Social Care National Framework with clear outcomes. It is intended that this Framework will use data to measure progress, and improve the way different partners at local, national, and regional levels collaborate. Whilst these aims are welcomed by many in the sector, progress towards these outcomes to date has been limited.

As local authorities grapple with this agenda, they confront challenges that have intensified over time. These include a rising number of children in the care system which now stands at a record level; an increase in the complexity of needs presented by specific cohorts of young people, particularly in the post-pandemic environment; and a substantial escalation in the cost of placements as the market has tightened:

***"In terms of the increases in need and cost separately, I think placement sufficiency is a significant driver in cost. I think it's market forces at play."***

*Director of Children's Services, County Council*

This is leading to budget overspends and threats to councils' financial sustainability. Ahead of the 2023 Autumn Statement, CCN warned their councils were 'running out of road' to prevent financial insolvency, as in-year overspends topped a historic £639m. Nearly half (45%) of the budgetary pressures driving these overspends is being caused by spending on children's services. As a result, one in ten councils are concerned they will not be able to balance their budget this financial year, with this number rising to six in ten by 2025/6.<sup>3</sup>

For many local authorities these trends have been visible and growing for much of the past decade. As such many councils have been developing innovative and creative strategies to deliver improved outcomes for children and young people, alongside cost reduction and savings that can help services remain financially sustainable. This report examines one such approach – Valuing Care – originally developed within four CCN member authorities and now increasingly utilised by various different councils in England to meet the challenges facing children’s social care.

This report is the first direct analysis of the efficacy of the Valuing Care approach which originally began its rollout in 2016, initially with four CCN member councils, and now operating in some form within fifteen local authorities across England. The reason CCN and IMPOWER have come together to publish this analysis at this time is its salience in the context of the Government’s reform plans.

## CONTEXT

### THE CHALLENGES FACING CHILDREN'S SOCIAL CARE

**"WE ARE SEEING A NUMBER OF EMERGENCY PLACEMENTS AND THAT ALWAYS CAUSES THAT INCREASE IN COST."**

*CEO, Children's Trust*

Recent CCN research shows that historic overspends and cost pressures have worsened an already challenging financial outlook. This year, the funding gap for CCN member councils has grown to £1.6bn, with a further shortfall of £1.1bn in 2024/25 and £1.3bn in 2025/26, meaning a total funding shortfall of £4bn between 2023-2026. Over the course of the three-year period councils have pencilled in £2bn of savings and service cuts but this would only reduce the deficit by half.<sup>4</sup>

Whilst facing significant wider challenges there is broad consensus across local authorities, central government, and other key stakeholders that the children's social care system is not working for children and families:

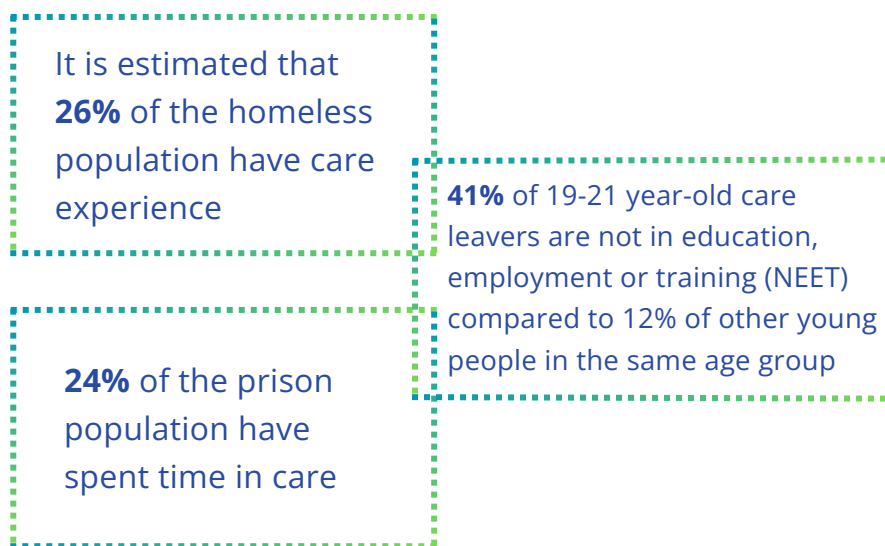
***"I think that [the] complexity of needs – particularly the mental health and social emotional need – is made worse by placements ending suddenly and having to find an emergency placement. I think it all adds to the trauma and adds to the dis-regulation for the young person."***

*Director of Children's Services, County Council*

The total spend on children's services by councils in England is an estimated £12.4 billion in 2023/24 (72% increase compared to 2009/10), but outcomes for children living in care remain poor compared to the wider population.<sup>5</sup> There are now just under 84,000 children in local authority care in England, marking a record high.<sup>6</sup> Despite the investment of energy, passion and skill across the sector alongside a placement spend of £5.7 billion, research shows that the outcomes at a population level for care experienced adults are extremely poor.<sup>7</sup>

The government-commissioned Independent Review of Children's Social Care chaired by Josh McAlister, published in 2022, called for a roughly £2.4bn (20% in cash terms compared to 23/24 spending) uplift to children's social care spending over the next five years.<sup>8</sup> It also called for a rebalancing of priorities away from crisis interventions towards earlier stage interventions, with an annual amount of £1bn ring-fenced for early help and family support services.

The pressures local authorities are facing around children’s services are exacerbated by several factors. This section highlights some of the key factors driving these pressures.



## INCREASING DEMAND FOR CHILDREN’S SOCIAL CARE

There has been a significant increase in demand for children’s social care (CSC) over the last decade. In 2022 the Independent Review of Children’s Social Care stated that approximately half of the increase in demand for CSC can be explained by population growth and an increase in the number of unaccompanied asylum-seeking children arriving.<sup>9</sup> The rest of the increase has been impacted by other factors including:

- Children staying in care for longer (and reduced number of families being reunified);
- Increasing numbers of families requiring support because of socio-economic factors and rising mental health problems in the community (in many cases due to the cost of living crisis, and the impact of Covid and lockdowns).

While local authorities have seen increases in the number of children requiring social care, many have also experienced changes in the range and profile of needs experienced by children and young people, particularly in the wake of the pandemic:

***“Post pandemic we’re seeing a society... struggling more with emotional well-being”***

Director of Children’s Services, County Council

***“In terms of the increases in need, I think there are several drivers around that. I think we’ve got some drivers around really specialist placements. I think we’ve got young people with physical complexities and special educational needs that are new.”***

Director of Children’s Services, County Council

*“Without significant changes to the system, the trend of rising numbers of children being in the care system is likely to continue. In 2015 there were 69,470 children in care. By 2020 this stood at 80,080, and the analysis forecasts this could increase to between 86,000 and 95,000 by 2025.”*

**The Future of Children’s Social Care (CCN, 2022)**

*Safeguarding Pressures Phase 8 (2022)* evidenced that there was an overall increase in safeguarding activity between 2019/20 and 2021/22, reflecting greater complexity of the needs of children and families, despite an initial reduction in referrals linked to lockdowns in the early stages of the Covid-19 pandemic.<sup>10</sup> According to this analysis more children who were not previously known to social care services were presenting at a later stage, with greater levels of need and higher risks, and as a result, more children were immediately becoming subjects of child protection plans or care proceedings:

*“What staff will say is that the impact of COVID has definitely had an impact on the needs of children’s well-being. And I think that at first I was a little bit sceptical about that. But I think that certainly we are now seeing cohorts of children that are almost ready to go into school with probably a developmental age of nine months to a year”*

*Director of Children’s Services, County Council*

## CHALLENGES OF FINDING GOOD QUALITY CARE WHICH MEETS THE NEEDS OF CHILDREN

A critical factor driving the dysfunctionality of the children’s social care system is the challenge faced by local authorities and partners in finding the right care and homes for children and young people. Increases in the level and complexity of demand, combined with a lack of availability of provision locally, has meant that many children and young people are not always placed in the best type of care for their needs. It has also led to local authorities becoming increasingly reliant on private providers charging very high – and escalating – costs.

A key issue reform must resolve is how homes for children in care are planned, funded and delivered. The average cost of providing a home for a child in care is now £200,000 a year. That spend is often not providing value for money. Last year alone only just over half of children were offered a home in their local area, close to their family, friends, and community, whilst there was a 23% increase in children living in residential settings.

The Competition and Markets Authority review of the children’s social care placements market in 2022 concluded that there are significant problems in how the placements market is functioning in England. It confirmed there are not enough placements of the right kind, in the right places, and that children are not consistently getting access to care and accommodation that meets their needs.

*“The UK has sleepwalked into a dysfunctional children’s social care market. This has left local authorities hamstrung in their efforts to find suitable and affordable placements in children’s homes or foster care.”*

**The Competition and Markets Authority review of the children’s social care placements market, 2022**

It also evidenced that the largest private providers of placements are making materially higher profits and charging materially higher prices than would be expected from a functioning market.<sup>11</sup> This is backed up by the experience of those working in councils:

*“I think we are at a point now where the market is pretty saturated and the people who control the market want to keep it that way because then they can charge more for the places that they’ve got available. And we as local authorities have to compete with each other for those places.”*

Director of Children’s Services, County Council

*“I think there’s some perverse incentives in the market to keep sufficiency just below demand. So that cost remains high and I think that’s a conundrum that we need to continue to work through.”*

Director of Children’s Services, County Council

While escalating costs threaten financial sustainability for many local authorities the current market also carries further risks. Some of the largest private providers are carrying very high levels of debt which creates a risk that disorderly failure of highly-leveraged firms could disrupt placements.

The Children’s Home Association’s *State of the Sector Survey 2023* highlighted the private sector’s approach to formal procurement and tendering:

- Over a third of providers are not engaging with formal processes (twice as many as in 2021);
- Half of all providers are selectively considering which tenders to bid for;
- 22% of all providers also reported choosing to leave a commissioned framework in the last year, all of whom experienced no negative consequences following the decision (up from 17% in 2022).<sup>12</sup>

Others factors around workforce and regulation contribute to challenges faced:

- Workforce pressures: Many local authorities face a challenge to recruit and retain in-house social workers and practitioners. As such the use and reliance on agency workers and teams has increased significantly in recent years. For many this has further contributed to financial pressures and challenges. Department for Education (DfE) data (2023) shows that the agency social worker rate increased from 16% in 2021 to 18% in 2022, with 13% more agency social workers in total in 2022.<sup>13</sup> Similarly *Safeguarding Pressures Phase 8* (2022) reported that 44% of respondents stated that there was never or rarely sufficient social workers in the right places to effectively support children, resulting in greater risk for children and families, higher caseloads and increased waiting

lists and delays.<sup>14</sup> *The Independent Review of Children’s Social Care* estimated the additional cost of employing agency staff at approximately £26,000 per worker per year (an additional 53% above the average social worker salary), indicating a loss of over £100 million per year;

- **Changes to regulation for supported accommodation:** It is estimated that between 2019 and 2022, the number of young people living in supported accommodation increased by 21.3%.<sup>15</sup> While demand is growing, only 81% of existing placements were expected to be registered as per new requirements this autumn, with around 20% of providers put off by cost and reputational risk, meaning a potential fall in capacity of 3,676 beds across England. This increased demand coupled with inflation and administrative burdens from the new regulations is predicted to add £368m to local authority spend on supported accommodation by 2026/27<sup>16</sup>;
- **Increase in unregulated provision:** Many local authorities have experienced an increase in the use of unregulated provision for children and young people with very high levels of need, typically at very high cost. In July and August 2022 over half of children subjected to a deprivation of liberty order (DoL) were placed in at least one unregistered setting in the first six months of the order being granted.

*“[There is] a lack of suitable regulated provision for children experiencing risk of criminal exploitation, emotional difficulties, behaviours that were a risk to others, and self-harm risks.”*

**Family Justice Observatory Deprivation of Liberty (DoL) data, 2023**

## THE IMPACT OF RISING COSTS ON FINANCIAL SUSTAINABILITY

Rising demand and challenges with finding affordable care for children and young people has had a significant impact on local authority finances, with many experiencing significant overspends and subsequent budgetary challenges. Local authorities spent £11.1 billion on children’s social care in 2021/22, a 41% rise in real terms compared to 2009/10. As mentioned earlier, CCN has highlighted recently how children’s social care is now the primary driver of overspending in councils, even more than adult social care.<sup>17</sup>

A total of £3,672 million was spent on in-house and independent fostering and children’s homes placements in 2020/21 – an increase from £2,670 million in 2015/16 or 37.5%. The corresponding increase in the number of children in care was 14.8%. Private residential placement costs have increased the most (by 90.56%) while local authority placement costs increased by 18.78%.<sup>18</sup> Individual councils are reporting substantive costs for placing even children with low needs:

*“Yesterday we had a sibling group – six and seven-year old girls, low need... no additional needs at all – and an agency wanting £3000 a week to support them.”*

*Assistant Director, County Council*



As a direct result of these challenges, local authorities with children's services responsibility overspent by a total of £946.5m in 2021/22, and 83% of CCN member councils overspent on their children's services budget.<sup>19</sup> The sustained increase in children's social care spending continues to squeeze other areas of local government spending.<sup>20</sup>

Spending has also prioritised children's social care at the expense of other services for children. Between 2009/10 and 2021/22 spending on safeguarding children and young people's services increased by 27%, and on looked-after children by 49%. Over the same period spending on services for young people was cut by 61%; Sure Start children's centres and other spend on children under five fell by 74%.<sup>21</sup>

*The Independent Review of Children's Social Care estimated that without implementation of the interventions proposed within the review total spend on children's social care is likely to rise to just under £12bn in 2024/25.*

## VALUING CARE

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### A SECTOR-LED RESPONSE

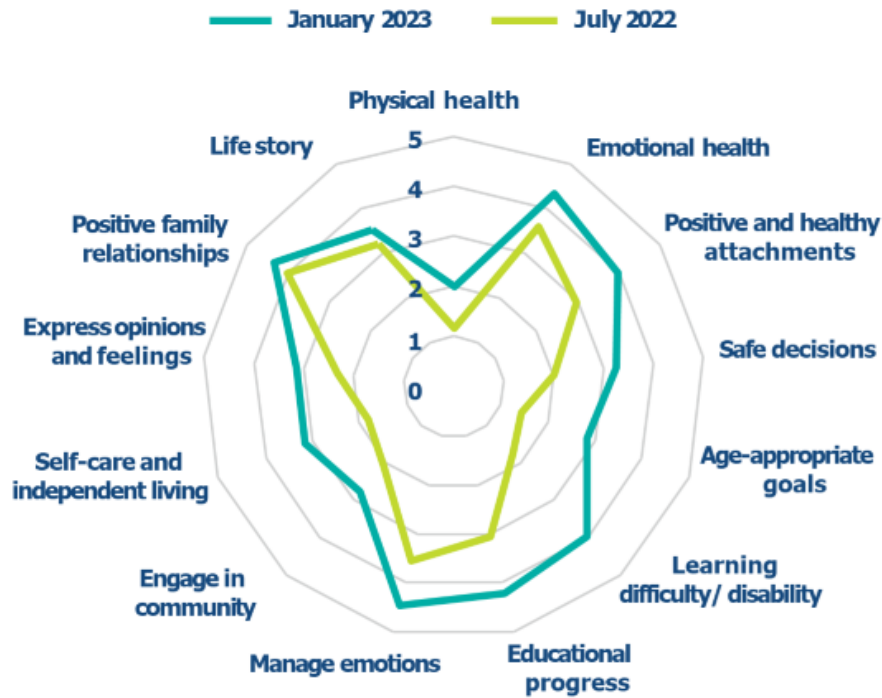
In 2016, a group of CCN local authorities working in partnership with IMPOWER began to consider new methods of practice and commissioning focused on children and young people's needs, strengths and aspirations. This work led to the development of the 'Valuing Care' approach.

The need for this approach emerged from discussions between a group of Directors of Children's Services. These conversations focused on wanting to more effectively capture the needs of children and young people to allow these to be consistently described at a child or cohort level. They also highlighted an opportunity to track how needs change over time, connect this information with corresponding information on the cost of their care, and better understand whether their care provision was offering the best value.

The view from this group of local authorities discussed in consultation with IMPOWER was that an approach and tool which allowed holistic needs to be described, captured, tracked, and connected to costs could help to identify opportunities to improve outcomes for children and reduce the costs of care – supporting a different approach to practice and commissioning.

The Valuing Care approach and tool was then developed through collaboration and engagement with local authorities, practitioners, partners and children and young people. Four county councils – Hertfordshire, Oxfordshire, Norfolk, and Lincolnshire – were the first to develop and apply Valuing Care successfully rolling it out for all their children in care.

**Child’s needs changing over time**



Using Valuing Care to understand and respond to children and young people’s need.

Understanding the young person: who they are, their strengths, their ambitions, and what they need to achieve them

Finding a place for the young person to live which best meets their needs and ambitions

Planning and providing the right support to the young person and the carer or home

Checking the progress towards goals, working to reduce needs and evolving the care and support when required

Collaborating with providers to uncover what’s helping and what’s needed, allowing for stronger, more strategic commissioning decisions

## WHAT IS THE VALUING CARE APPROACH?

**Valuing Care is a tool and approach that helps identify, track and articulate needs and outcomes for a child or young person. It allows practitioners, teams, children, and families to:**

- Identify, describe and tailor the support that will best meet a child's needs and track how needs change over time
- Understand, describe, and plan for the needs of children now and in the future

**Valuing Care works in two ways:**

- At an individual level it provides a holistic, rounded picture of the needs of each child, which can be used and applied across assessment, planning, and review (see figure 1 above)
- It provides an insight into the needs of children and young people at a cohort or population level, by aggregating child level data

**Used in this way Valuing Care has evolved into a wider approach to practice and commissioning which embeds a focus on children's needs, strengths, aspirations, and outcomes and enables better conversations around how care can meet needs. As an approach Valuing Care:**

- Captures and tracks changes in needs over time at a child, cohort and population level.
- Connects intelligence on children's needs, changes in need over time, and costs of care.
- Uses this intelligence to deliver changes to support planning, home finding, provider engagement, commissioning and practice at a child and cohort level.
- Helps to embed a needs and strengths-led approach across the Children's Social Care system
- Helps to improve outcomes for children and young people and reduce costs.

**This approach has helped local areas to drive impact on outcomes and cost in two key ways:**

- Providing valuable insight into the needs of children and young people over time and the connection with costs of care at a child and cohort level – enabling a different approach to engaging and managing care providers.
- Using intelligence and insight on needs to identify and deliver opportunities to improve outcomes and reduce cost (e.g. stepdown to family placements and reunification, improving foster carer matching, permanence opportunities).

**VALUING CARE – PROGRESS AND IMPACT**

This approach has now been delivered across more than fifteen local authorities in England demonstrating that a stronger focus on needs and strengths can contribute to improving support and life chances for children and young people, while reducing the costs of care.

In all of the four county councils that initially adopted the approach (Hertfordshire, Oxfordshire, Norfolk and Lincolnshire), Valuing Care has been rolled out across all children in care. Across these local authorities there have been examples of impact on outcomes and cost such as those below:



<b>Lincolnshire County Council</b>	Over <b>45 children</b> reunited with families or stepped down into better provision for their needs	Resulting in savings of over <b>£5.8m</b> alongside a 6% reduction in unit costs of independent provision
<b>Oxfordshire County Council</b>	<b>22 children</b> stepped down to better provision for meeting their needs	Resulting in savings of <b>£3.5m</b>
<b>Norfolk County Council</b>	Driven changes to support for children and young people and foster care matching and support which increased in-house foster care utilisation by more than <b>14%</b> , with overall fostering capacity up <b>30%</b> .	Resulting in a reduction by <b>11%</b> in the average cost of fostering placements
<b>Hertfordshire County Council</b>	Improved matching with placements that are proven to reduce the needs of children.	

Subsequently other local authorities have applied the approach to practice and commissioning with a focus on using Valuing Care to improve outcomes for children who are looked after and reducing the costs of care. This live programme of work is generating significant impact, for example:



it has already delivered over **£1.1m in actual cost savings** through changes to care and support that will improve life chances in one council.

The work commenced in one local authority early this year and has already identified an opportunity for **£4.7m savings** within Year One.



Work with another local authority started in May 2023, and has identified and evidenced a **saving range of £3.5m - £5.2m** using Valuing Care.

This is through **21 interventions that have been identified** to potentially move children to family settings where appropriate.



## VALUING CARE PROGRAMME AND COMMUNITY OF PRACTICE

***“It’s that kind of intelligence in the system that will help everybody... if we’re looking at ‘big picture’”***

*Director of Children’s Services, County Council*

Local authorities using and applying the Valuing Care approach have established a community of practice and shared learning. Bi-monthly shared learning events are chaired by Norfolk County Council and attended by local authorities in different stages of using and applying Valuing Care or exploring how this would work in their locality.

This group also sponsors and supports the development of research and publication around care and sufficiency, for example supporting a joint publication between Norfolk County Council and IMPOWER focused on Norfolk’s experience of using and applying Valuing Care and the insight and impact emerging from this.

## OPPORTUNITY FOR REGIONAL AND NATIONAL APPLICATION

Those involved in using and applying Valuing Care at a local level believe its benefits and impact on care systems locally could be replicated at a regional or national level. There is potential for approaches such as Valuing Care to support Regional Care Cooperatives by allowing local authorities to collaborate and coalesce around shared data on needs and cost – and to use this data to manage and shape regional markets.

***“I can see... Regional Care Cooperatives working if we have that joint strategy, that joint approach, and we have a firm foundation. And that’s where Valuing Care comes in because it’s an evidence based tool. It’s helping us to formulate what our children and young people need.”***

*Assistant Director, County Council*

Similarly there is a more significant opportunity for Valuing Care to provide a national framework for understanding and quantifying the needs of individuals and cohorts, and for this information to be used to manage and work with providers and the care market to better connect needs and the costs of care. The Children’s Social Care National Framework and Dashboard proposed in *Stable Homes, Built On Love* presents an opportunity to support this.

***“A national standards and assessment approach involving the sector would mean everyone’s talking about the same thing - I really like that idea as an aspiration.***

*CEO, Children’s Trust*

# KEY FINDINGS FROM VALUING CARE ANALYSIS

## INTRODUCTION

Four local authorities (Hertfordshire, Norfolk, Oxfordshire and Lincolnshire) have rolled out the Valuing Care approach across all of the children and young people in their care, and another two (North and West Northamptonshire via their local Children's Trust) have applied this across a large cohort of children and young people. CCN has worked with IMPOWER and these local authorities to collate and analyse this data on needs, cost and demography for over 3,500 children across these authorities.

The Government's children's social care strategy, *Stable Homes, Built on Love*, set out proposals aiming to bring much needed reform to the children's social care system. CCN has worked with IMPOWER to consider how insight and intelligence on needs, cost and demography generated by the Valuing Care approach can support the response to the challenges facing the children's social care system.

The findings in this analysis, and the corresponding set of recommendations relate primarily to two of the six Pillars underpinning this strategy:

### ***PILLAR 4 – Putting love, relationships and a stable home at the heart of being a child in care. In particular:***

- *Using Regional Care Cooperatives (RCCs) to plan, commission and deliver care places.*
- *Prioritise loving relationships and maximising opportunities for family life for more children.*
- *Strengthen corporate parenting responsibilities towards children in care.*
- *Introduce a financial oversight regime.*

### ***PILLAR 6 – A system that continuously learns and improves, and makes better use of evidence and data. In particular:***

- *Introduce a Children's Social Care National Framework.*
- *Improve use of technology and data.*

Each of the following findings includes a summary, analysis and key implications.

## EXPLANATION OF OUR APPROACH

- This report uses data with the aim of better understanding the strengths and needs of children in care. It has been developed by consolidating Valuing Care assessments (led by the child's social worker with input from the team around the child) for 3,528 children and young people, which represents approximately 4% of all children in care in England.
- Children and young people included in the report live in a wide variety of settings, including fostering, children's homes, youth offending institutions, hospitals, parent and child placements, semi-independent and independent living, and living with their parents. The average weekly cost of these placements in this dataset is £1,400, with the maximum cost exceeding £30,000.
- This analysis provides insight into a weekly local authority expenditure of £4.7 million, which amounts to an annualized cost of £256 million (approximately 2.3% of all spending on children's services in England).
- To provide a comprehensive view, we have combined data from several other sources. Due to inconsistencies in reporting methodologies, we have amalgamated data points where necessary. These are some considerations when interpreting data:
  - The amalgamation of data required cleansing to enable us to measure using the same units to make clean data to ensure that analysing with the same units.
  - Local authorities operate in diverse contexts, which impact the interpretation of data. Factors like Ofsted ratings, whether an authority is urban or rural, and its economic position significantly affect outcomes.
  - Recognise that local authorities are at different stages of implementing the Valuing Care approach.

## KEY FINDING 1.1 - Sufficiency

challenges and market factors are a bigger driver of cost than children and young people's needs

***"[Sometimes] we end up with young people who are bouncing around the system, get an increase in the expense, and [they're] actually not having their needs met at all."***

**Director of Children's Services, County Council**

Figure 2 overleaf shows a dot-point for every child and young person in the test population, comparing their weekly placement cost to total need score. The 'total' need score adds together all 13 need domains ratings from 0-10, giving a total potential score of 130. Whilst a numerical figure could never fully share the nuance and complexity of a child or young person, it does give a point in time view which enables comparability.

This chart confirms that there is no correlation between need and cost for children and young people in this test population (R co-efficient of 0.2).

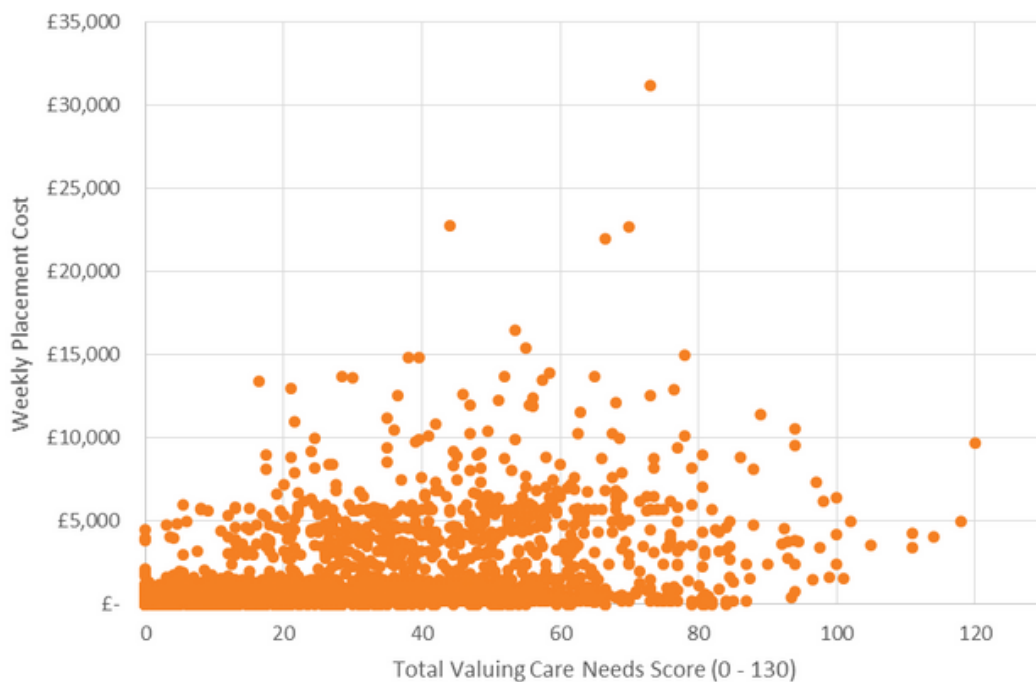
The lack of correlation between cost and need has a significant impact on local authority spend on budget but also demonstrates risk to the safety and wellbeing of children. There are some children with extremely high needs who may require high provision of support in a specialist residential setting for a period of time. However if these placements are being used by children with lower levels of needs, this suggests a rebalance is needed. Using intelligence like this, IMPOWER are working with authorities to rebalance placements so that the children with highest levels of need are supported in homes with high provision of support and specialist skills.

The highest cost placements disproportionately impact on placement budgets:

- The 10% highest cost placements account for 51% of the spend;
- The 5% highest cost placements account for 32% of the spend;
- The 1% highest cost placements account for 11% of the spend.



**Figure 2: Association between weekly placement cost and total Valuing Care score**



*n.b. - every dot point represents a child or young person in care according to the weekly cost of their placement and total Valuing Care 'needs score'.*

**Figure 3: % of Children and Young People's placements by cost**

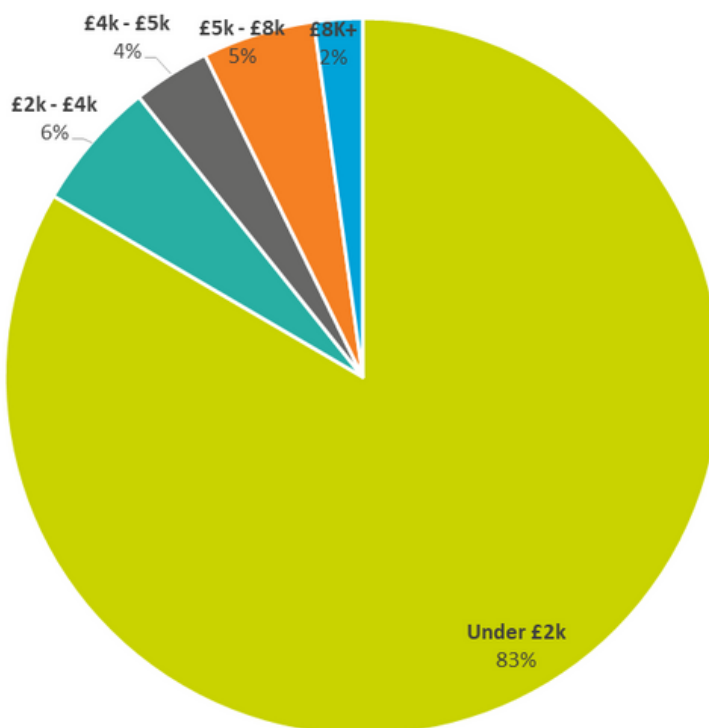


Figure 3 (previous page) shows that most placements (83%) cost less than £2k per week, and 93% cost less than £5k per week. If the cost of the 7% of highest cost placements was reduced to £5k per week, this would yield a weekly cost reduction of £670k, and an annual figure of £34.7m. Extrapolating nationally this suggests potential market cost reductions of up to £800m over time.

**Figure 4: Average needs assessment scores of children and young people in in-house residential care and private residential care against weekly placement costs**

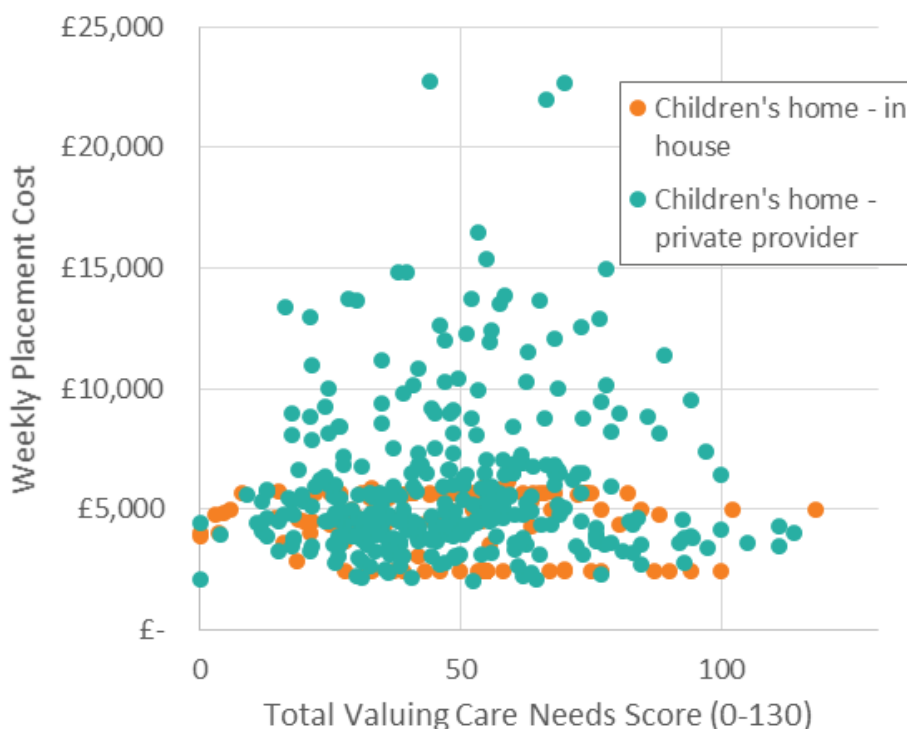


Figure 5 shows the average total need score of a child or young person living in an in-house residential placement is 41, compared to 48 for those placed with private children’s home providers. The average weekly cost of in-house residential care is £3,300 per week compared to £5,400 per week with private children home providers

The significant difference in average weekly cost between in-house and private children home providers is not representative of the only slight increase of average need. As in-house children’s homes are able to meet similar levels of needs for a much lower cost, the case can be made for an increase capital and workforce investment internally.

Figure 5: Average Valuing Care scores of those with placement costs of more than and less than £5k per week

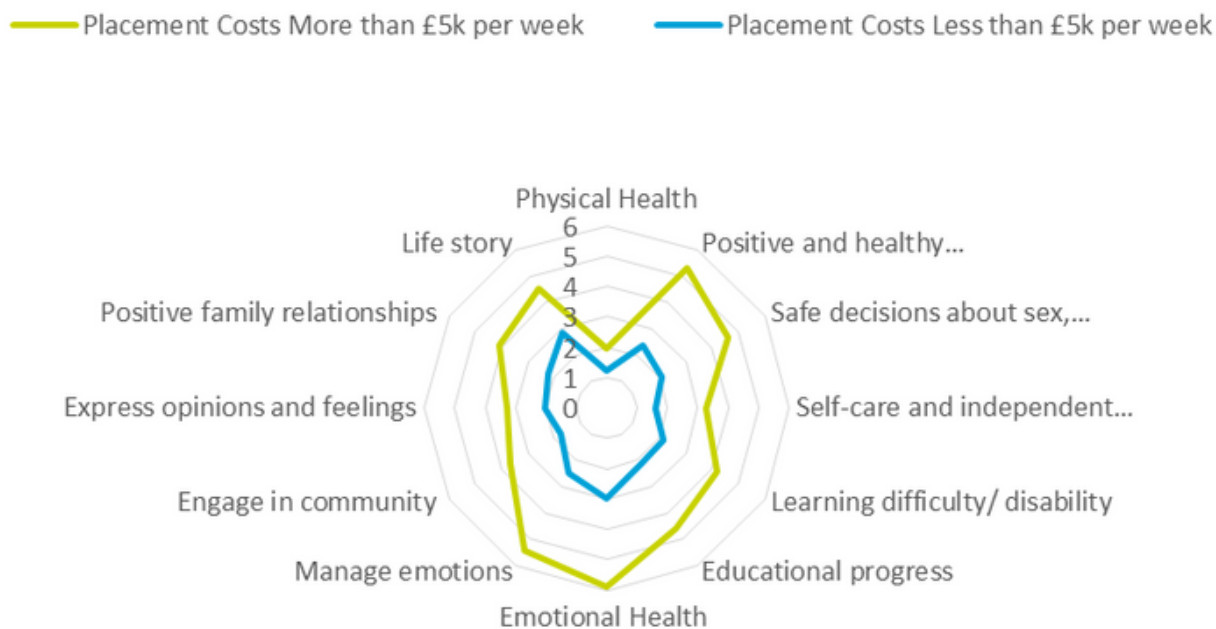


Figure 5 compares the average composition of Valuing Care scores for those children with placement costs of more than £5k per week with those in placements costing less.

**Key implications:**

- **Local (and regional) approaches to sufficiency planning and commissioning need to find ways of incorporating and utilising intelligence on the needs of children and young people at an individual, cohort and population level.**
- **A focus on need and value should be systematically embedded into approaches to home finding to ensure matching, pricing and tailoring of support is based on the specific needs and strengths of children and young people rather than their risks and deficits.**

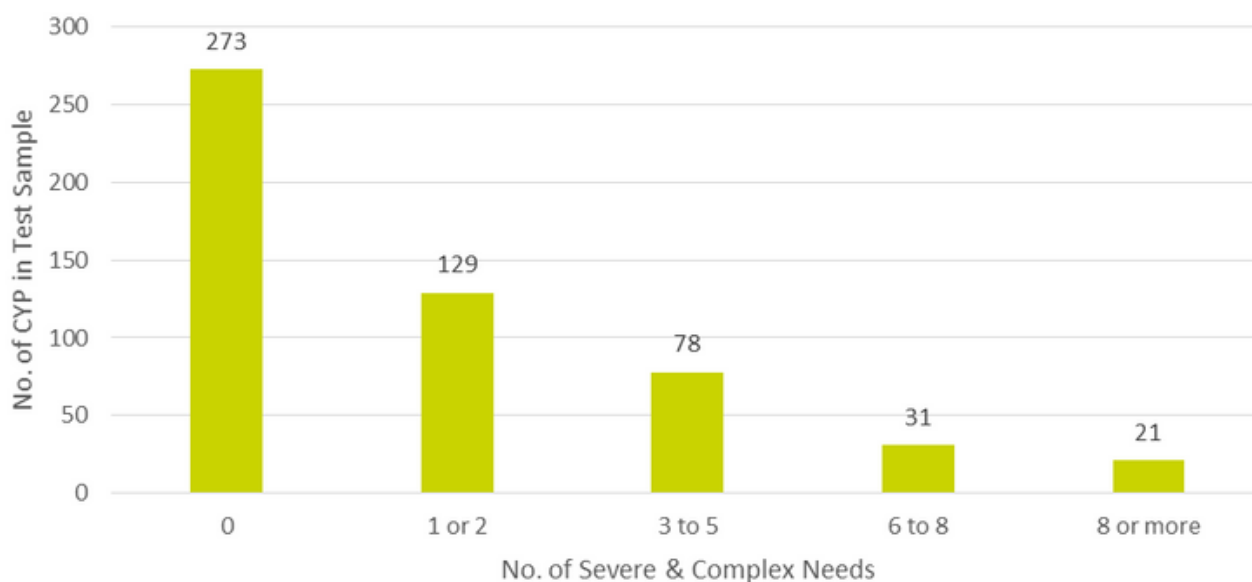
**KEY FINDING 1.2** - More children living in residential settings could be supported to live with families, and more children who are looked after could be reunified with their families.

*“How do we make sure that our children in care teams see reunification as their job in the same way that [in] pre proceedings we have an established process? How do we... create the conditions so that our children in care teams think ‘reunification first?’”*

Director of Children’s Services, County Council

Within the test sample there are 539 children and young people living in residential settings. Earlier, Figure 2 plotted the spread of Valuing Care ‘need scores’ for this cohort, ranging from 0 to 118. Of these, 16% (88) have a total needs score of 24 or less (meaning an average need score of 2 per domain). Figure 6 below shows that 273 of the children (51%) do not have any severe or complex needs. The average weekly placement cost for these children is between £2,900 and £4,100 per week more than the cost of an independent fostering agency placement.

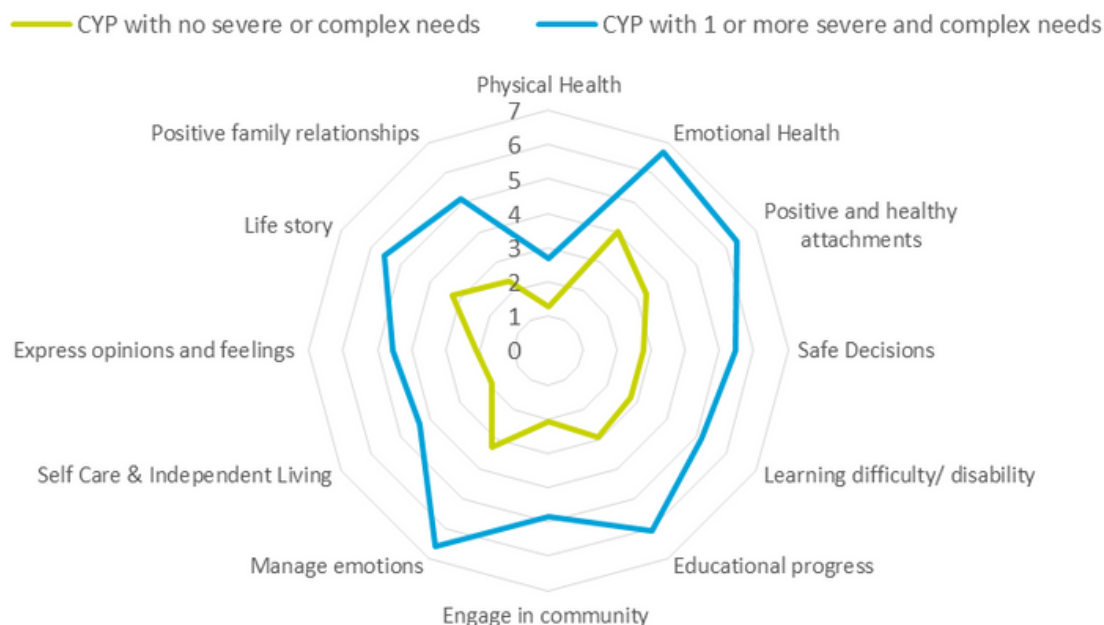
**Figure 6: Children and Young People in Residential Placements by number of severe and complex needs**



Further analysis also showed a significant cohort of children living in foster care with relatively low needs. In IMPOWER’s work with a number of authorities this intelligence has helped to drive the identification and delivery of opportunities to support more children to live with families, whether moving from residential settings to family homes or reunifying with birth families.

The impact on long term outcomes of experiencing family life is well evidenced. For the first time this analysis demonstrates and quantifies the opportunity to support more children to experience family life across a statistically large cohort of children and young people (over 3,500). This intelligence can also enable a systematic approach to identify and deliver these opportunities at a local and regional level.

**Figure 7: Average Valuing Care 'need scores' for children and young people living in residential placements**



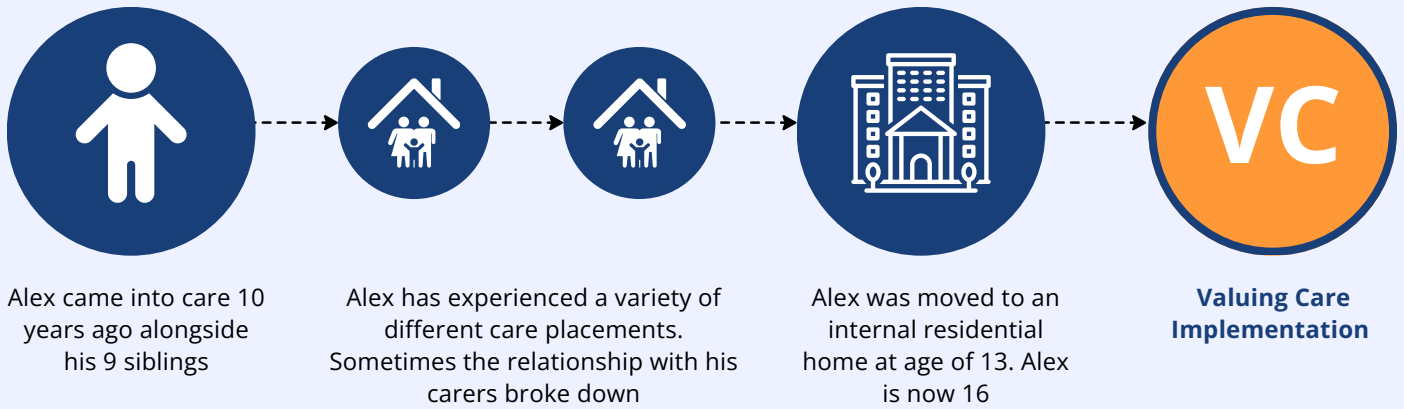
For the 273 children without 'severe and complex needs', average needs are low, with notable concerns in emotional health, managing emotions, and educational progress (Figure 7 above). This suggests a potential benefit in enhancing foster carer skills in these areas and providing additional support services to families. Extrapolating from the data suggests that 51% of children in residential placements could receive more appropriate support in family homes. This indicates a need for strategic investments in family home placements and corresponding support services, in alignment with the identified needs and financial implications.

The case study in Figure 8 below demonstrates the impact of this approach in identifying children to be supported in family settings and the steps taken to reunify 'Alex' with his father. After a decade in the care system, his Valuing Care assessment led to the strategic decision of reunification with his father, showcasing the approach's real-world impact in transitioning a child from residential care to a more supportive family environment.

**Key implications:**

- **Using evidence and intelligence on need can help to identify children and young people who could be supported by families.**
- **Greater focus and investment is needed to identify and realise opportunities to support more children in residential settings to live with families, and to support more children to reunify with families.**
- **A greater focus on understanding and tracking need can help to maximise the success of transitions to new settings.**

Figure 8: Plotting an individual child's experience and needs using Valuing Care



**Impact from using valuing care:**

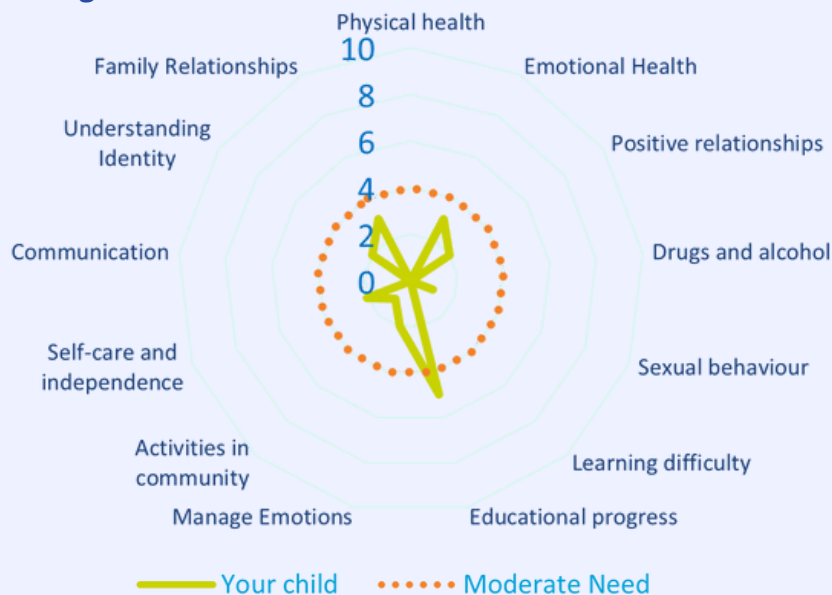
- Identified potential to reunify Alex with his father.
- Drove creative discussions at panel around ways of supporting Alex and his father to enable this.
- Gave social worker confidence that needs could be met through reunification - and then tracked to manage future risks.

**Improved outcomes**

- Better child outcomes
- Reinvestment in specific outcomes: educational progress
- Better preparations for adulthood

..... and reduced costs  
£105k saving per year

**Alex's needs analysis using VC**



n.b. - Alex is an anonymised young person

**KEY FINDING 1.3** - Many foster carers are supporting children with very high levels of need indicating a greater risk of placement breakdown without the right intervention

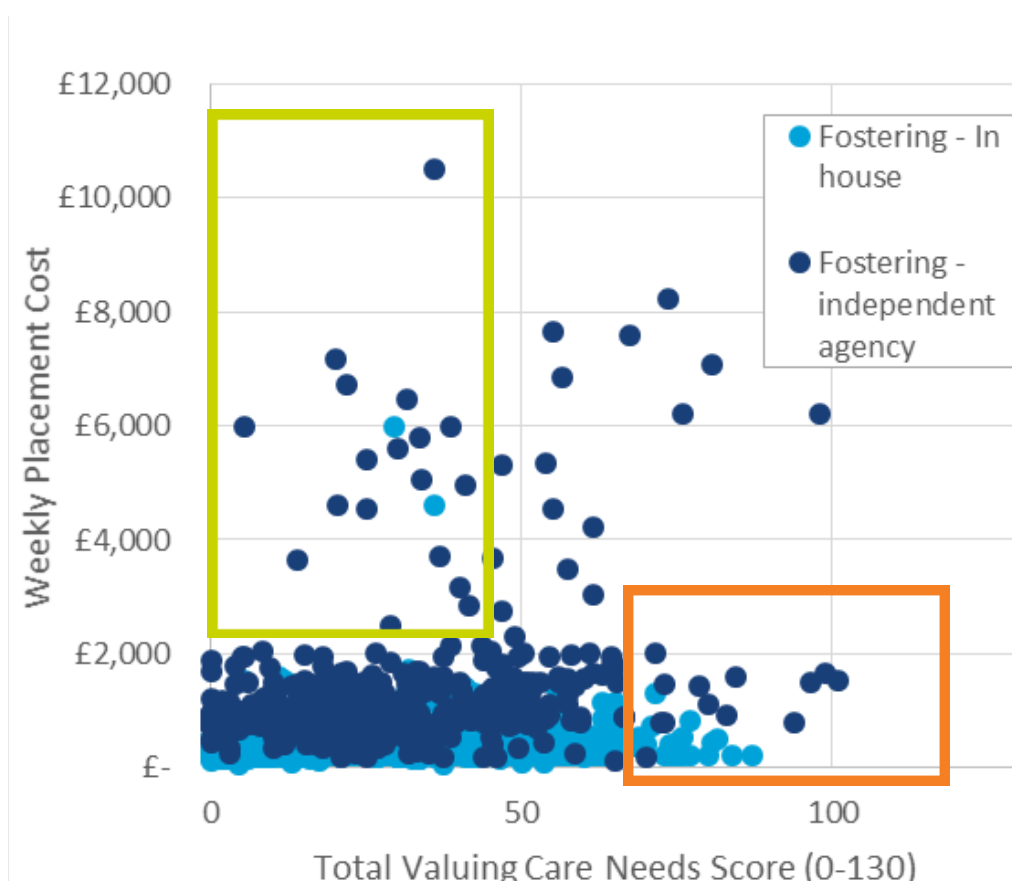
*“Even if you're fixing the cost in foster care at a particular level based on need, it is still significantly less cost than an external placement.”*

Director of Children's Services, County Council

Foster families are successfully caring for children and young people across the full spectrum of need, both where this provision is in-house or through an independent fostering agency. Figure 9 shows the average total Valuing Care 'need score' of a child or young person living in an in house foster placement is 22, compared to 27 with independent agencies.

The average weekly cost of in-house foster care is £460/week compared to £1,200 for agency foster placements, suggesting that slightly increased average need does not reflect a slight increase in cost.

**Figure 9: Average needs scores of children and young people placed in in-house foster care and independent foster care against weekly placement costs**



Increased recruitment, retention and support to in house foster carers could reduce placement expenditure. The case study below (Figure 10) outlines the implementation of recruitment and assessment (R&A) huddles in a local authority to support the foster carer assessment process. Prior to these huddles, there were issues such as the lengthiness of the recruitment and assessment process and risk-averse decision-making.

Building on the previous findings, Figure 9 also identifies a significant cohort of children living in foster care with relatively high levels of need (within the orange box on the graph). This could indicate a higher risk of placement breakdown for some children. This suggests again the need to rebalance placements so that children that require the most support are in homes that have the resources and skills to support them. In the same way it might also evidence the capability and confidence of some foster carers to support high levels of need and complexity.

**Key implications:**

- **This intelligence could be used to target additional support to foster families caring for children with very high levels of need.**
- **Localities and regions could use this data to identify the risk of placement breakdown at an early stage with the aim of providing the right support and intervention.**
- **Localities and regions could also use this data to understand what is working well where foster carers are supporting high levels of need and consider what learning can be applied to other carers.**



## Figure 10: Foster Carer recruitment and assessment huddles

In one local authority, recruitment and assessment (R&A) huddles were introduced to support the process. Prior to introducing the huddles, findings showed that:

- The recruitment and assessment process can be lengthy
- Assessments ending early were sometimes based on risk averse decision making linked to perceived panel decisions
- Foster carers who had not completed the assessment process reported feeling a lack of support from the fostering service

### One assessment that was brought to the huddle by their Assessing Social Worker (ASW) had many layers of complexity



The team agreed that historically, this assessment would likely have been stopped, concerned that the carer would not be approved at panel.



The ASW was confident that the prospective foster carer would be able to provide a stable, loving home to children.



The huddle gave a space for the concerns around the assessment to be shared with their peers, and advice and support given.



Being able to share concerns and discuss possible solutions for some of the issues they were facing gave the ASW confidence to continue with the assessment, supporting the prospective carers with parts of the process which were more challenging.



They have now become foster carers with the local authority.

**KEY FINDING 2.1** - Emotional health is the highest area of need, and a third of children have high levels of need around emotional health, healthy attachments and managing emotions

*“Mental health is another significant challenge for us. I think we've got an increase in children in care who've got significant mental health needs, who have significant trauma, and who then are very difficult to place in a stable placement.”*

Director of Children's Services, County Council

Figure 11 below shows the proportion of children and young people where a particular need type is identified (through a score of 1 or above), and the average need score where this is not 0. This shows us that over 80% of children and young people in care need support with their emotional health and in understanding their life story. On average, this is a moderate level of need.

Figure 11: Prevalence of needs and average needs score



n.b. - Each dot represents a specific type of need. The X axis represents the % of CYP with these needs and the Y axis represents the average score of that need type.

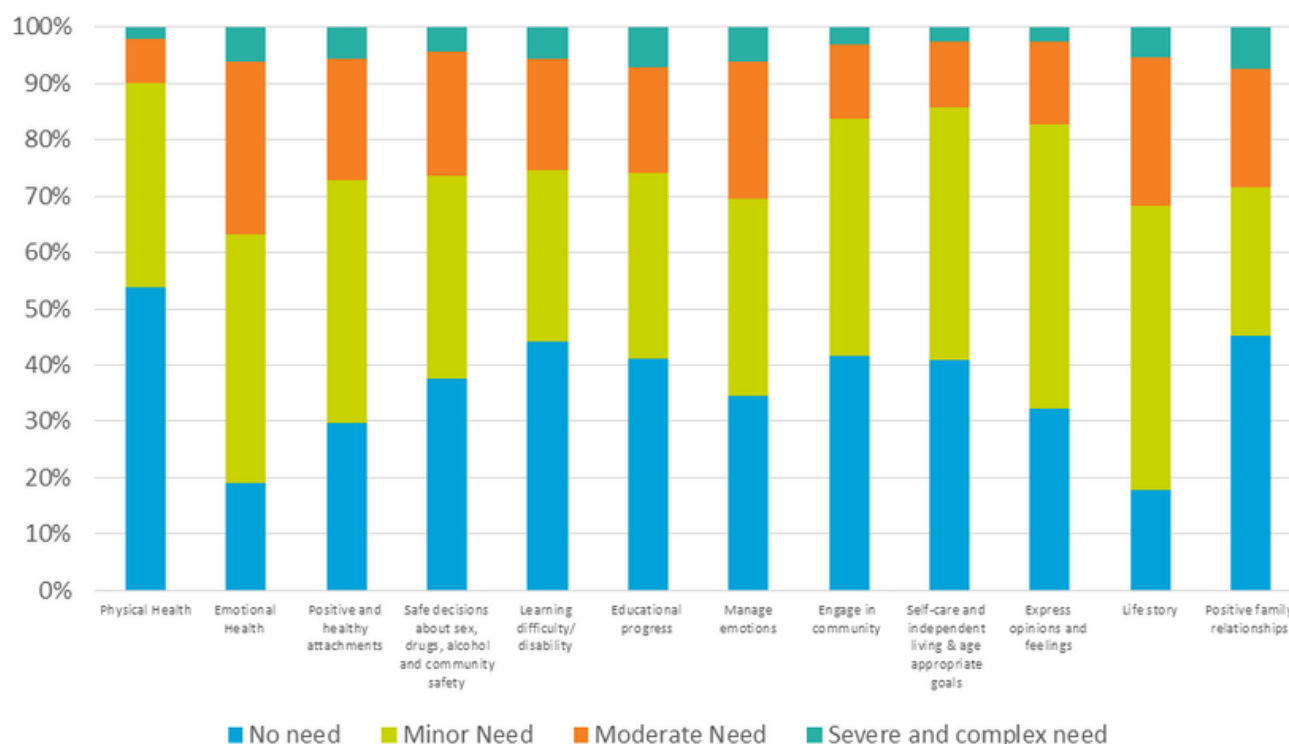
Figure 12's stacked bar graph (overleaf) illustrates the complexity of need across various need domains. Each bar represents a different type of need, such as physical health, emotional health and safe attachments. The needs are categorised into four levels of complexity: no need, minor need, moderate need, and severe and complex need.

It highlights that for every need type, there is a distribution across the four levels of complexity. There is no need type that is completely free of severe and complex needs, indicating that all the areas have at

least some individuals with high-level needs. Some key observations include:

- The highest area of need when taking the average across all authorities is 'emotional health'.
- This means that where the need is present the score is higher on average than the other domains.
- Over a third of children have a moderate or complex need in emotional health. This is the same for understanding life story, identity and building self-esteem.
- Children in the sample are also most likely to have severe and complex needs in the domains educational progress and most likely to have low levels of need in physical health. Positive family relationships scores highly on both scales reflecting the variety of reasons children may come into care and how this may or may not relate directly to their relationships with their family.

**Figure 12: Complexity of need by need type**



**Key implications:**

- ***These findings strengthen the argument for greater focus on emotional health, attachment and emotional regulation among teams and practitioners supporting children and young people, corporate parents, commissioners and providers.***
- ***Consideration of emotional health within early help and intervention might help to prevent the escalation of need and even prevent care entry for some children and young people.***
- ***This analysis further evidences the need for multi-agency collaboration on emotional and mental health across local authorities and health agencies.***

**KEY FINDING 2.2 - As children spend more time in care their needs can increase**

*“We're really struggling to find appropriate placements. We're seeing providers who are very risk averse...in the last 12 months I've seen a real shift towards risk averse practice. I think possibly driven at times by our regulator.”*

CEO, Children's Trust

Figure 13 below shows need increasing by age. For the test sample, babies aged 1 year or under had the lowest average need profile. Comparatively, children aged between 2 and 4 had increases in needs in most areas, although particularly around life story, emotional health, and expressing opinions and feelings. The average level of need is higher again for children aged 5 to 11. The need profiles for 5 to 11 and 12 to 16 year olds are broadly similar, with small increases in positive attachment, safe decisions and engaging in the community.

For young people aged 17 or over, the need profile is similar, although with reductions in life story and engaging in the community and increases in self-care and independent living. For both boys and girls there are specific spikes in needs between ages 2 to 4 and ages 5 to 11, reflecting key phases of development for children and young people.

Figure 13: Average need profile by age

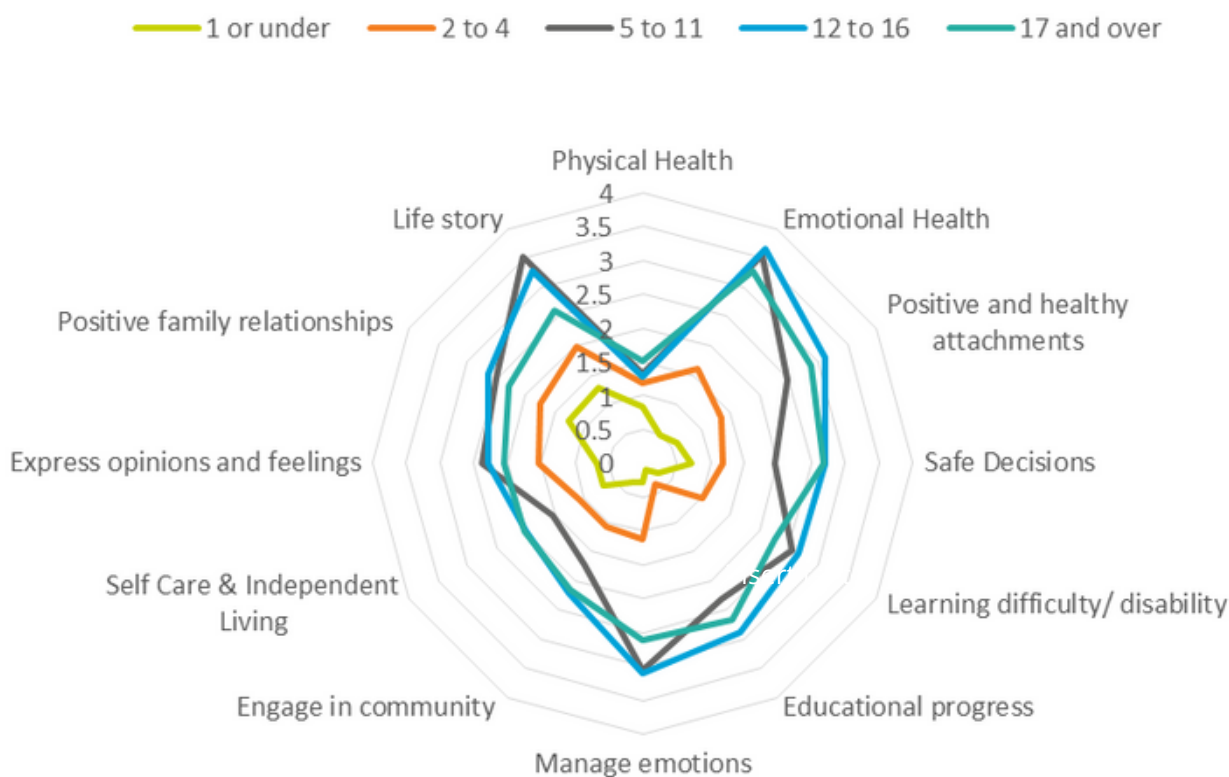
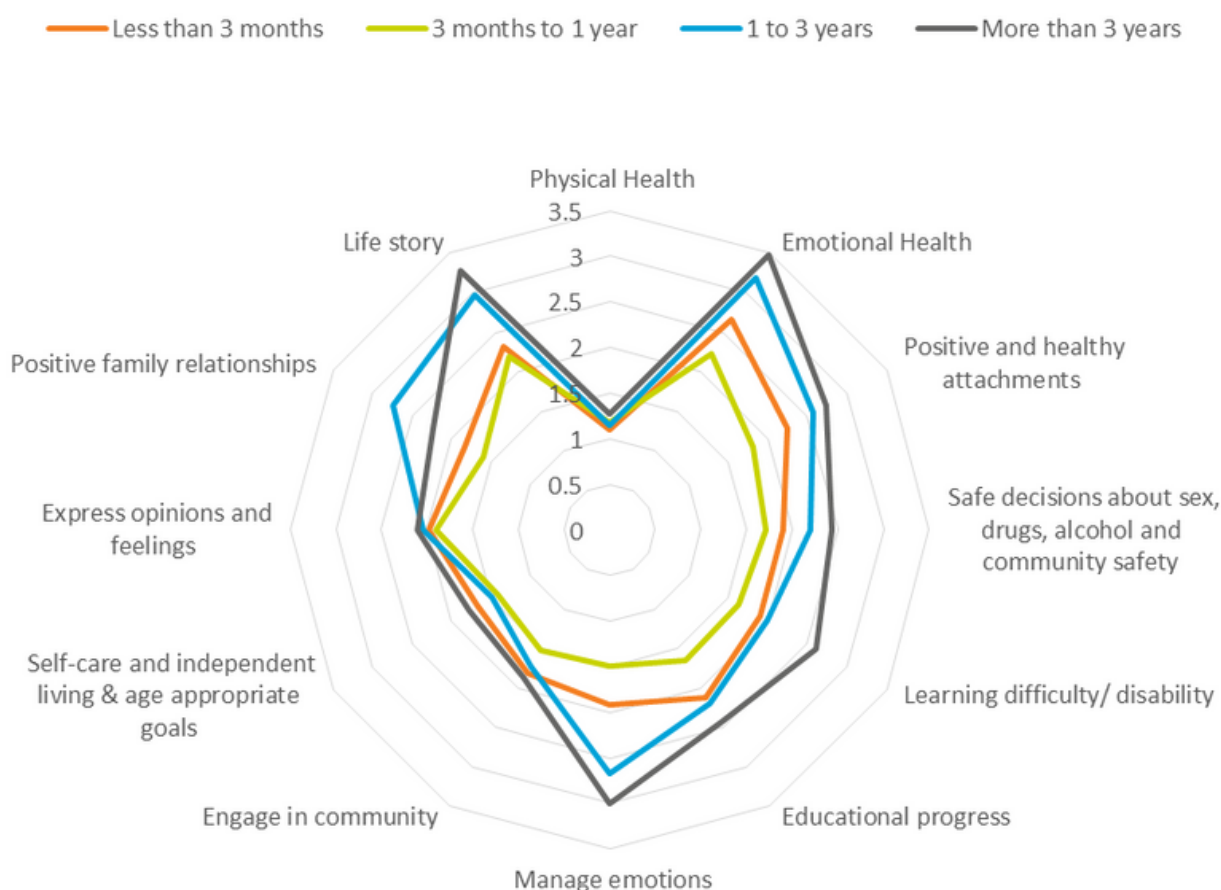


Figure 14 indicates that as children spend more time in care their needs increase over time. Those related to emotional health, positive relationships, educational progress and self-care become more critical as the duration in care increases, while others like physical health are more consistent.

- Emotional health seems to peak for children in care for 1-3 years and then starts to decrease for those in care for more than three years.
- The need for positive and healthy attachments shows a significant increase as the duration in care extends beyond three years, indicating the importance of stable relationships over time.
- Figure 14 indicates a growing need for skills related to self-care and independent living as the child spends more time in care, peaking for those in care for over three years.
- There is a clear increase in the need for educational progress for those who have been in care for more than three years.

**Figure 14: Average need profiles by length of time in care**



**Key implications:**

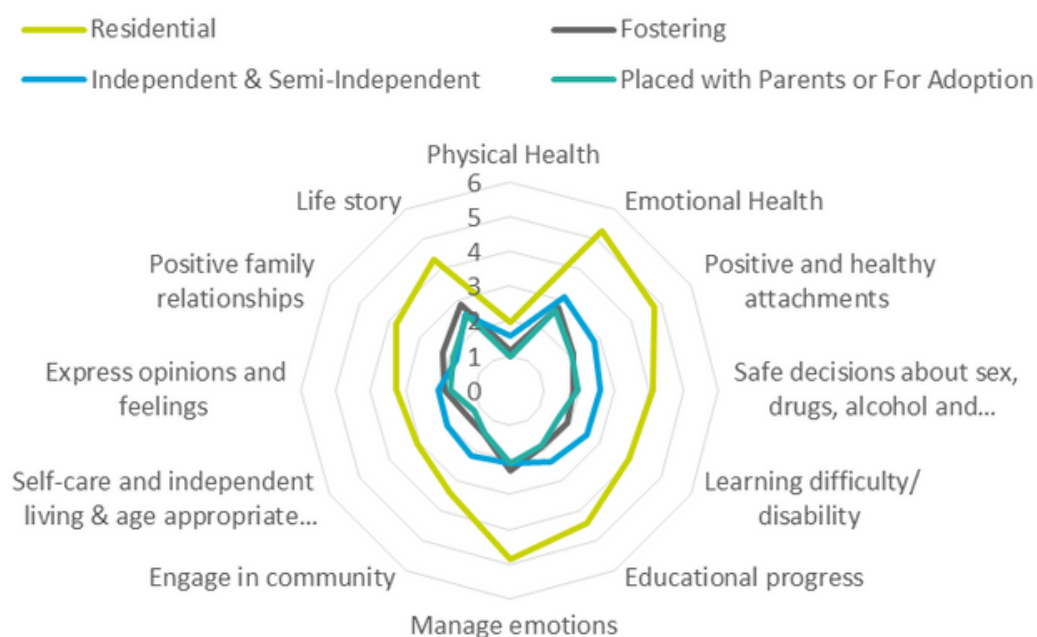
- **Overall, time in care is not having a positive impact on needs for the children and young people included in this analysis. This strengthens the argument for finding alternatives to care where achievable and appropriate, and for investment and focus on preventing care entry for as many children and young people as possible.**
- **Different age cohorts have high levels of need which can allow teams supporting children and commissioners to plan for the future and ensure the right level of support at the right time to manage needs and prevent escalation where possible.**

**KEY FINDING 2.3** - On average children and young people in residential settings have higher levels of need than those in other forms of care

*“We’ve been in a really proactive space [on in-house provision]. We have tried to step in. We’re trying to build children’s homes. We’re trying to be responsive. We’re trying to get ahead rather than just ending up in that horrible position [of requiring] regulated and registered provision for particular children with very high needs.”*

Assistant Director, County Council

Figure 15: Average ‘need score’ by placement type, with average placement cost

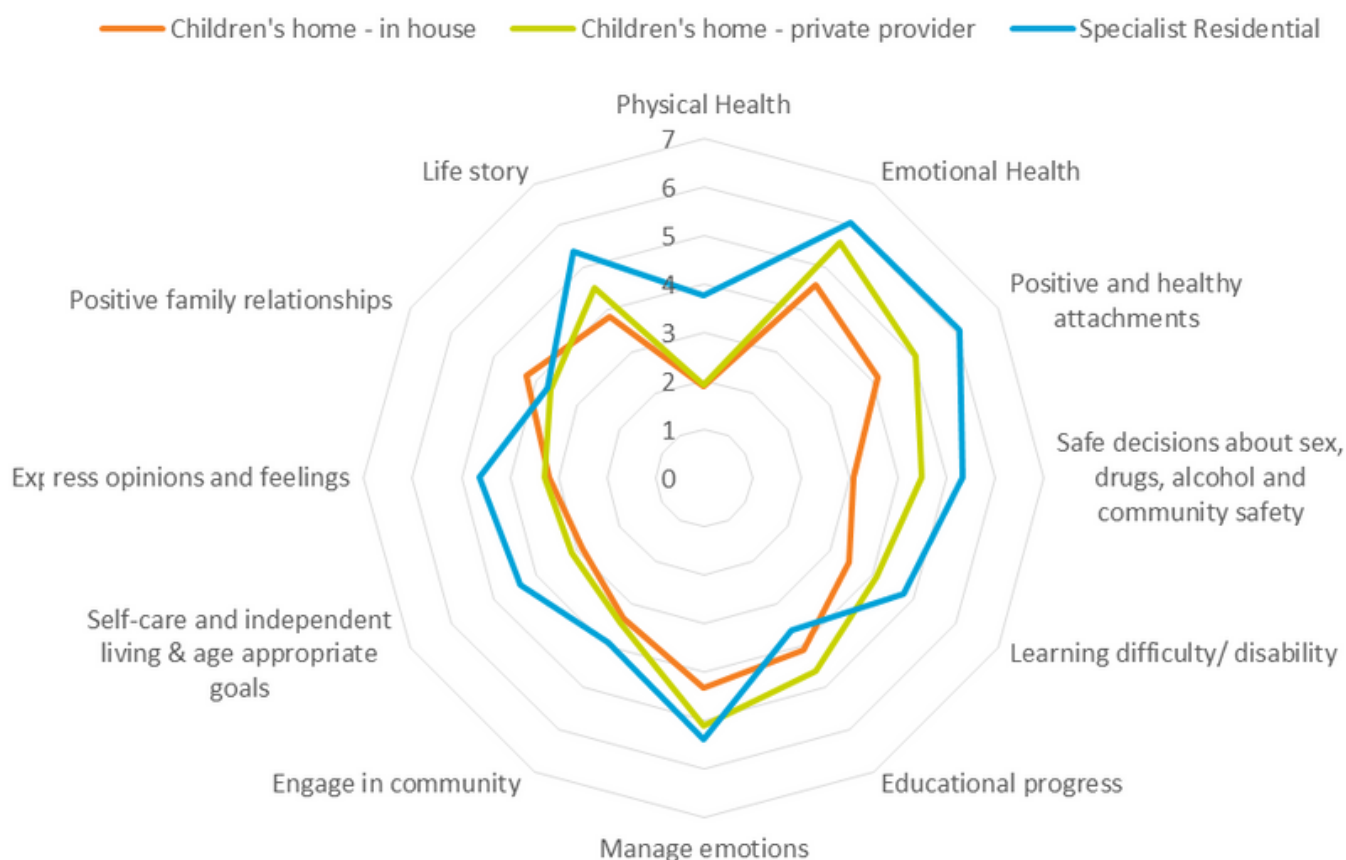


PLACEMENT TYPE	AVERAGE WEEKLY COST
Placed with parents or for adoption	N/A
Fostering	£650
Semi-independent and Independent	£1,400
Residential	£4,700

Understanding and quantification of the needs of children living in different forms of provision can help to improve approaches to sufficiency planning, commissioning and market shaping for the future.

Figure 15 (on the previous page) breaks down the average Valuing Care ‘need score’ for the children analysed in this study by the type of placement they are in along with the average costs. Children living in residential homes have significantly higher levels of need across all areas. Children living in foster care have the lowest level of need. Children who are living independently, are in semi-independent accommodation, or placed within families have similar overall levels of needs. Figure 16 further breaks down this information for children in different types of residential care.

**Figure 16: Average need profile for children in residential care**



PLACEMENT TYPE	AVERAGE WEEKLY COST
Children’s home: in-house	£3,300
Children’s home: private provider	£5,400
Specialist residential (e.g. YOI or NHS)	£1,400

**KEY FINDING 2.4** - Children with disabilities, and some specific ethnic backgrounds have higher levels of need

*“Valuing Care really helps you look at individual children, but also cohorts and whether their outcomes are improving.”*

Director of Children’s Services, County Council

Using a consistent tool such as Valuing Care to measure need allows for comparison of different cohorts of children to determine differences in need and how well this need is being met. The analysis for this study has found there are specific needs for children with disabilities and those from certain ethnic backgrounds - information which local authorities have been able to use to achieve better and more appropriate placements for these cohorts.

Figure 17: Average needs by disabilities

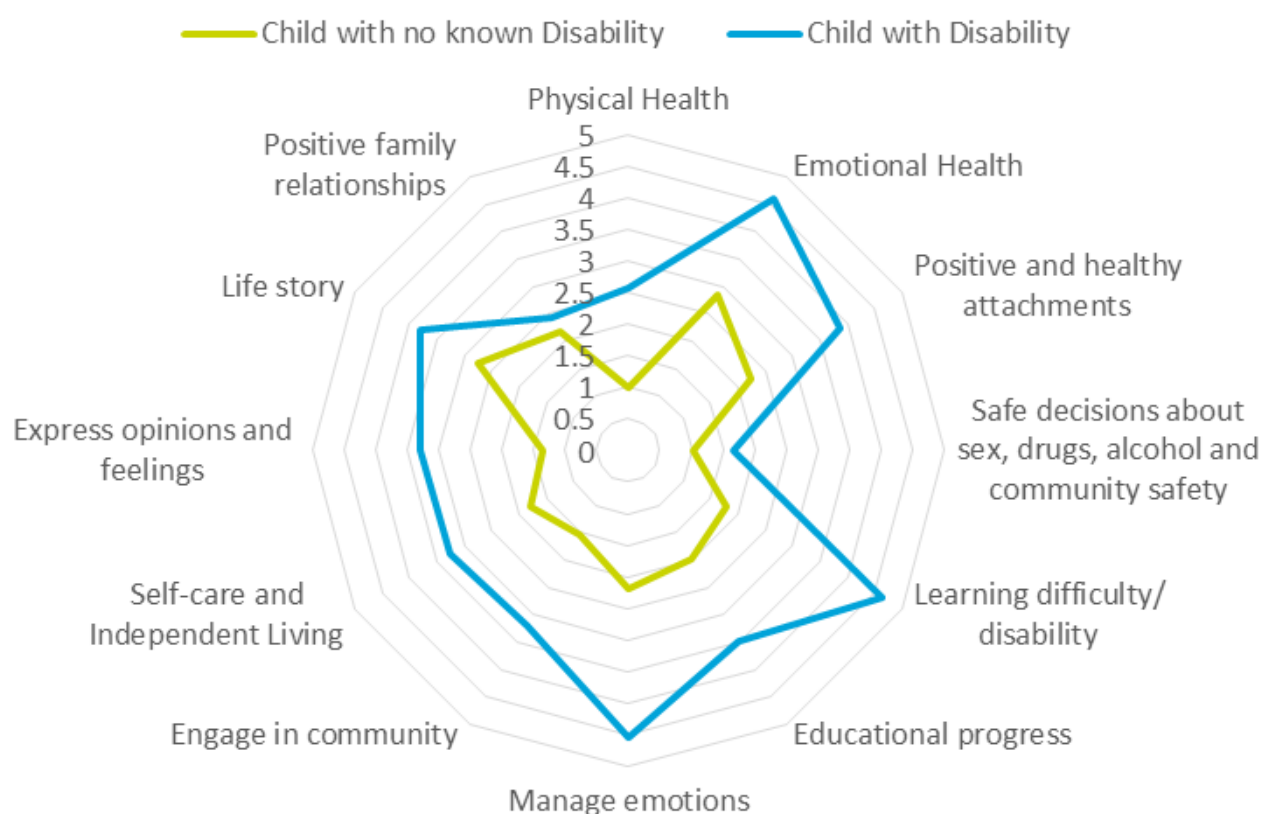


Figure 17 shows that children with disabilities have higher needs in all areas. This is most significant in emotional health, managing emotions, and special education needs and disabilities (SEND). Children with disabilities, on average, have increased level of need in all domains. In addition to physical health and learning difficulties:

- Expressing opinion and feelings are 144% higher
- Managing emotion need scores are 107% higher
- Emotional health need scores are 62% higher for children with disabilities

Children with disabilities are three times more likely to be placed in residential homes, regardless of whether their needs are severe or complex.



Figure 18: Proportion of children with disabilities split by placement type

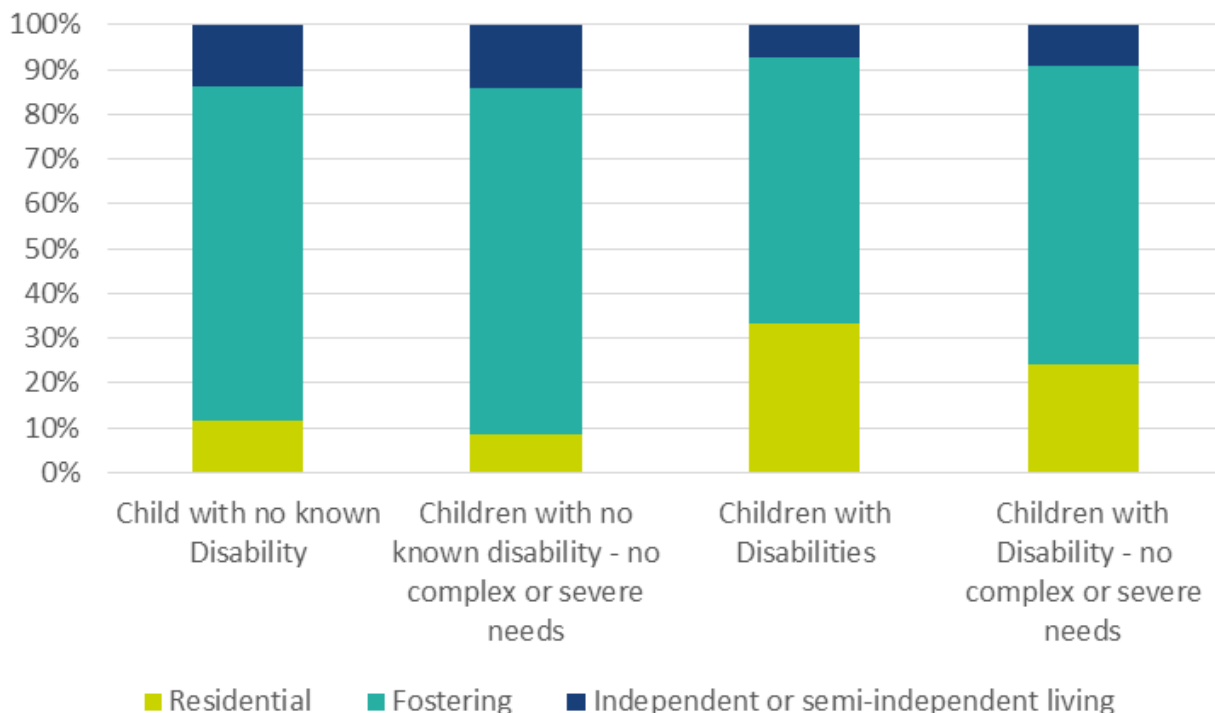
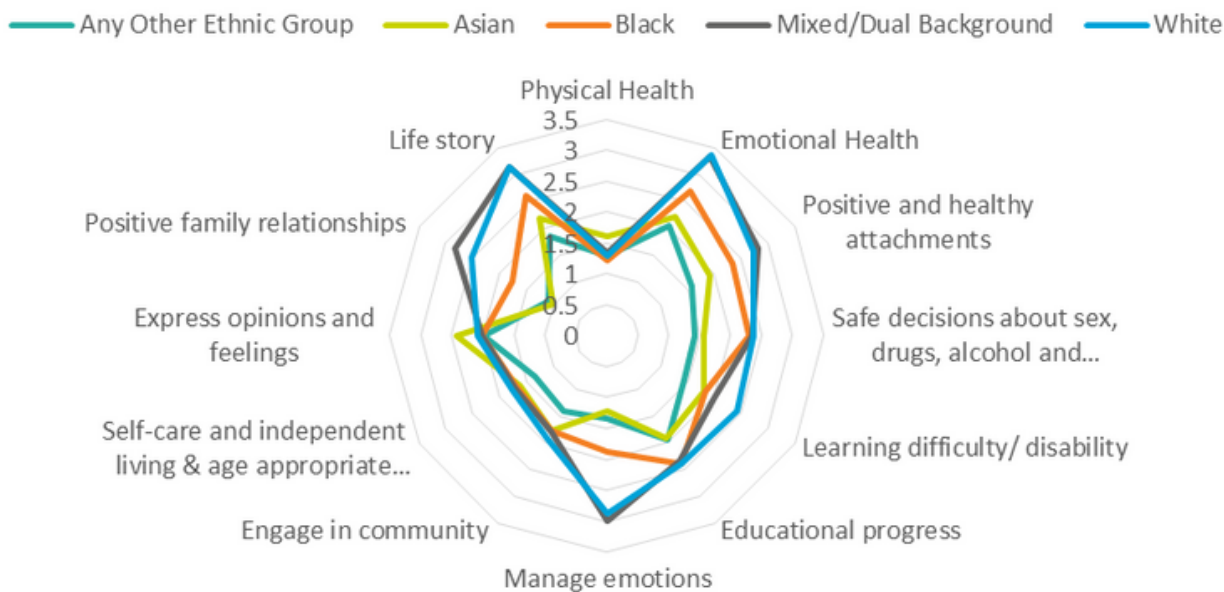


Figure 19: Average needs by ethnicity

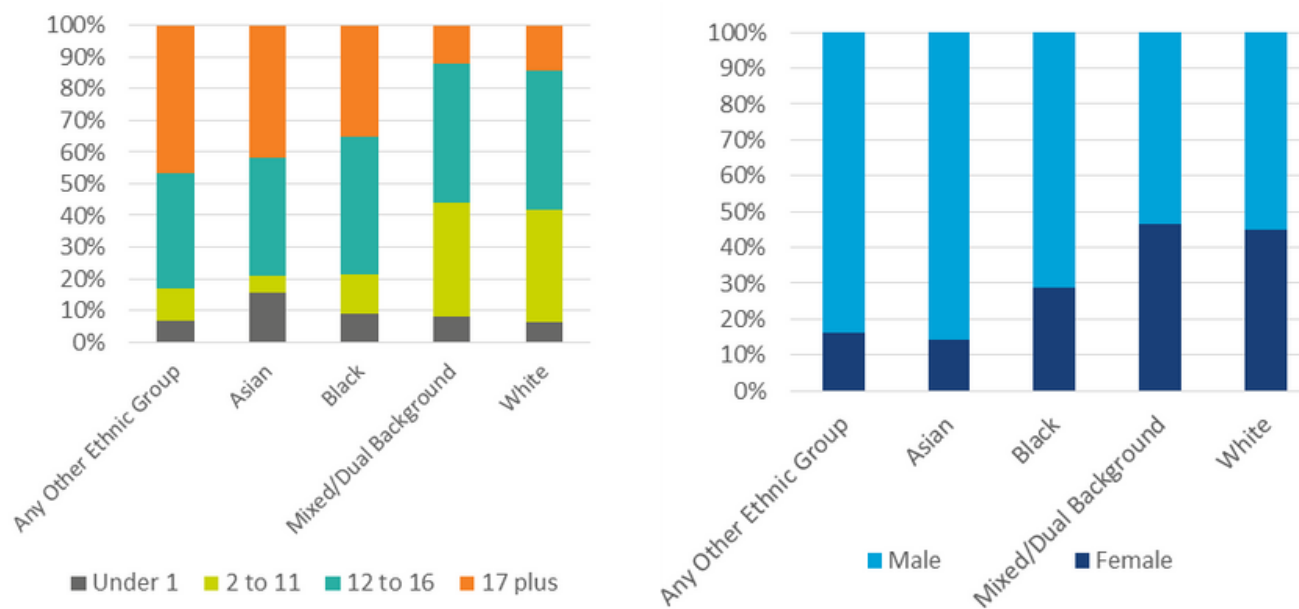


According to the analysis in Figure 19 children with white or mixed/dual heritage also have higher needs in many areas. This is particularly noticeable around emotional health, managing emotion and positive family relationships. This may be influenced by different age and gender profiles.

The analysis also suggests that Black children have comparably high levels of need around educational progress. It also suggests Asian, Black or other ethnic groups have higher levels of need in relating to expressing their opinions and feelings compared to children from other ethnic groups.

This may be influenced by different age and gender profiles which have been broken down in figures 20 & 21. The test sample (which covers all children in care for 5 authorities) is representative and suggest it is more likely for children who are Asian, Black or any other ethnic group to be in care when they are older and male.

**Figures 20 & 21: Ethnicity of children in the study split by age and gender**



**Key implications:**

- **Analysis of need alongside protected characteristics evidences higher levels of need for different groups across different domains, indicating value in tailored approaches, while recognising the potential risks around bias.**
- **High levels of need for children with disabilities is a clear finding and further strengthens the arguments for collaborative focus and action across education, health and social care partners to meet the needs of this cohort of children and young people.**
- **Children with disabilities require a more holistic approach to care. Their elevated need in various domains, including expressing opinions and managing emotions, underscores the importance of providing comprehensive services that address both their physical and emotional well-being.**
- **Children with disabilities are disproportionately placed in residential care, regardless of the actual needs they have. This situation may indicate systemic biases or shortcomings in our decision-making process, potentially leading to less suitable placements. To address this services should prioritise awareness and education among multi-agency partners, fostering a more informed and inclusive approach to the care of these children.**

**KEY FINDING 2.5** - Boys and girls have similar levels of need overall but with higher needs around managing emotions and education respectively

*“It’s that kind of intelligence in the system that will help everybody...if we’re looking at big picture.”*

**Chief Executive, County Council**

There are differences in the average need profiles of male and female children and young people, and these profiles also differ in the way they change with age. Some of these trends are captured in the table below based on the need profiles displayed in figures 22, 23 and 24 (overleaf):

**Trends in changes to the needs of male and female children as they grow older**

	<b>Under 11 years old</b>	<b>12 to 16 years old</b>	<b>17+ years old</b>
<b>Male / Female comparison</b>	The total need score for male children aged under 11 is 18% higher than for female children. On average, male children have higher needs across all domains. The biggest differential in need is in engaging in the community, learning difficulties, and emotional health.	The total need score for male children aged 12 to 16 is 5% higher than for female children. Male children specifically have higher needs in learning difficulties, managing emotions, and self-care. Female children have higher needs in positive family relationships.	The total need score for male young people aged 17+ is 11% lower than that for females. On average, female young people score higher across all need domains except learning difficulties, and expressing opinions. The biggest differential in need is emotional health and engaging in the community.
<b>Male change</b>	N/A	Males aged 12 to 16 years old have an average need score 31% higher than those aged under 11. On average, all types of need increase. Biggest increases are in educational progress, and safe decision making.	Males aged 17+ on average have a need score 13% lower than those aged 12 to 16. All need types reduce (except for physical health). The biggest reductions are in learning difficulties, engaging in the community, and life story.
<b>Female change</b>	N/A	Females aged 12 to 16 have an average need score 52% higher than those aged under 11. All need domain average scores increase. Biggest increases are in emotional health, positive and health attachments, educational progress, and engaging in the community.	Females aged 17+ on average have a need score 2% higher than when aged 12 to 16. There are reductions in life story, positive family relationships and expressing opinions. All other need types increase, with the biggest differentials being in safe decision making, managing emotions, and self care.

Figure 22: Average needs scores for children 11 years old and under split by gender

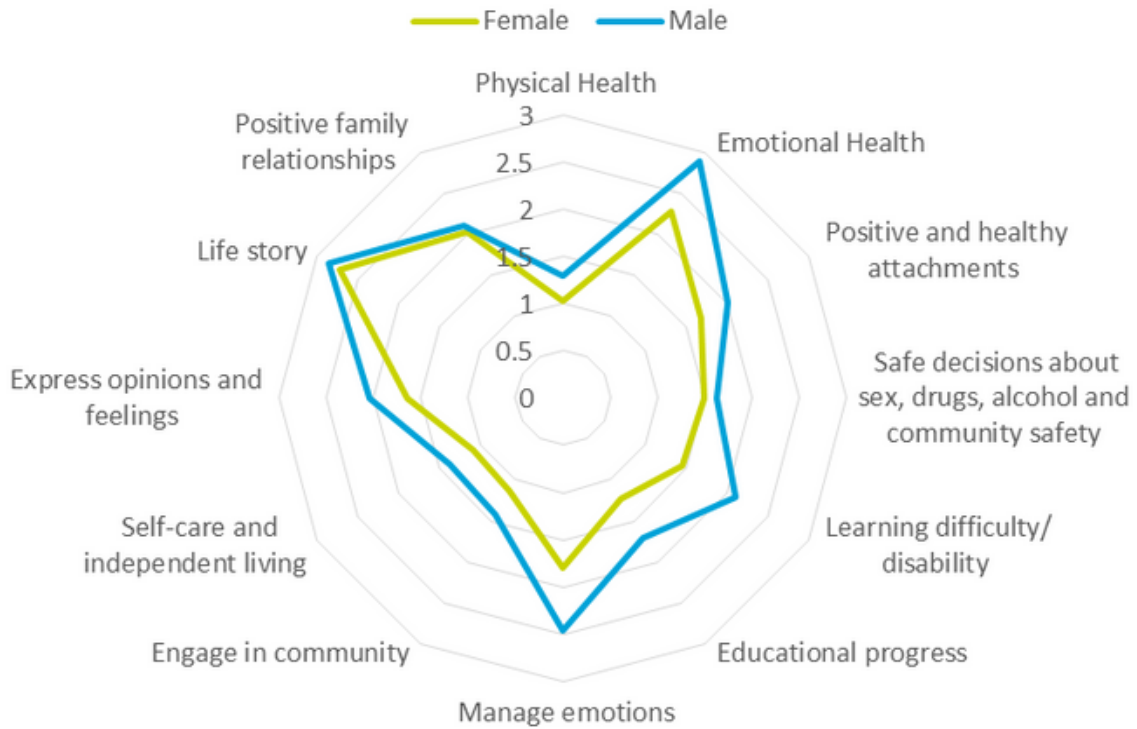


Figure 23: Average needs scores for children aged 12-16 years old split by gender

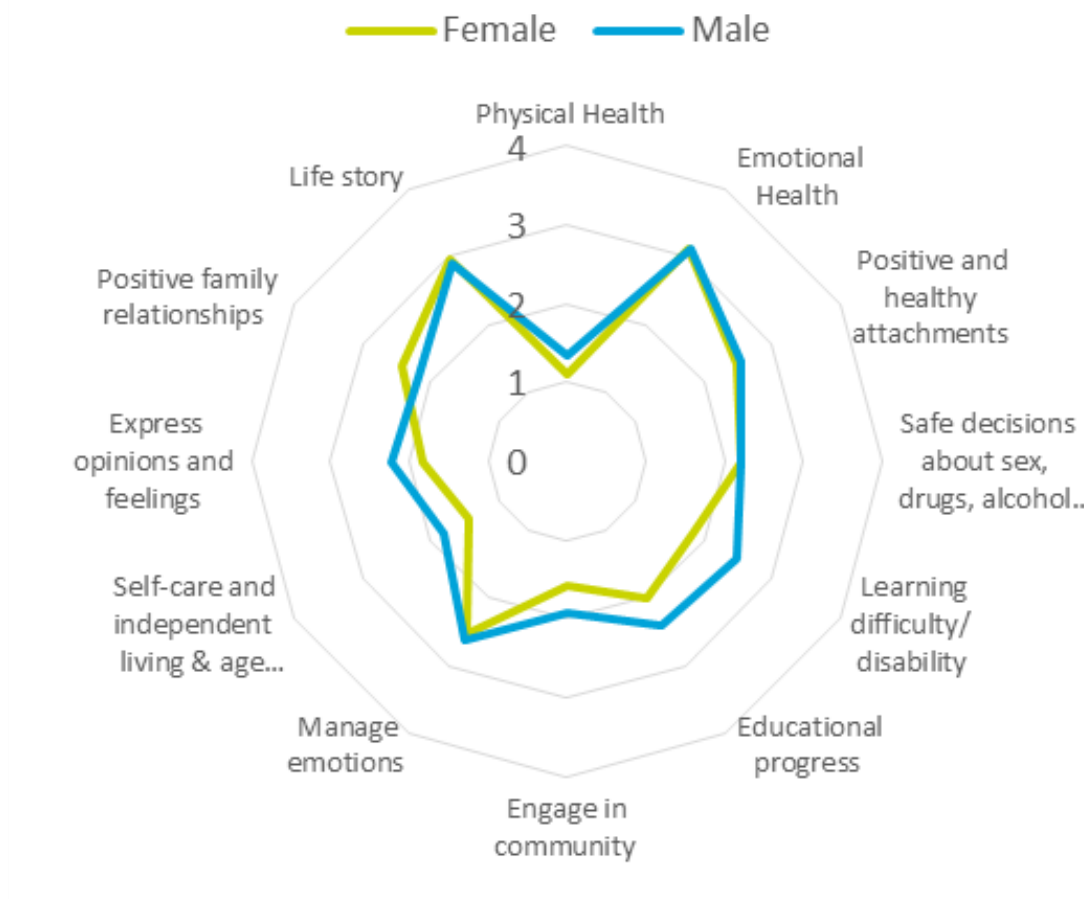
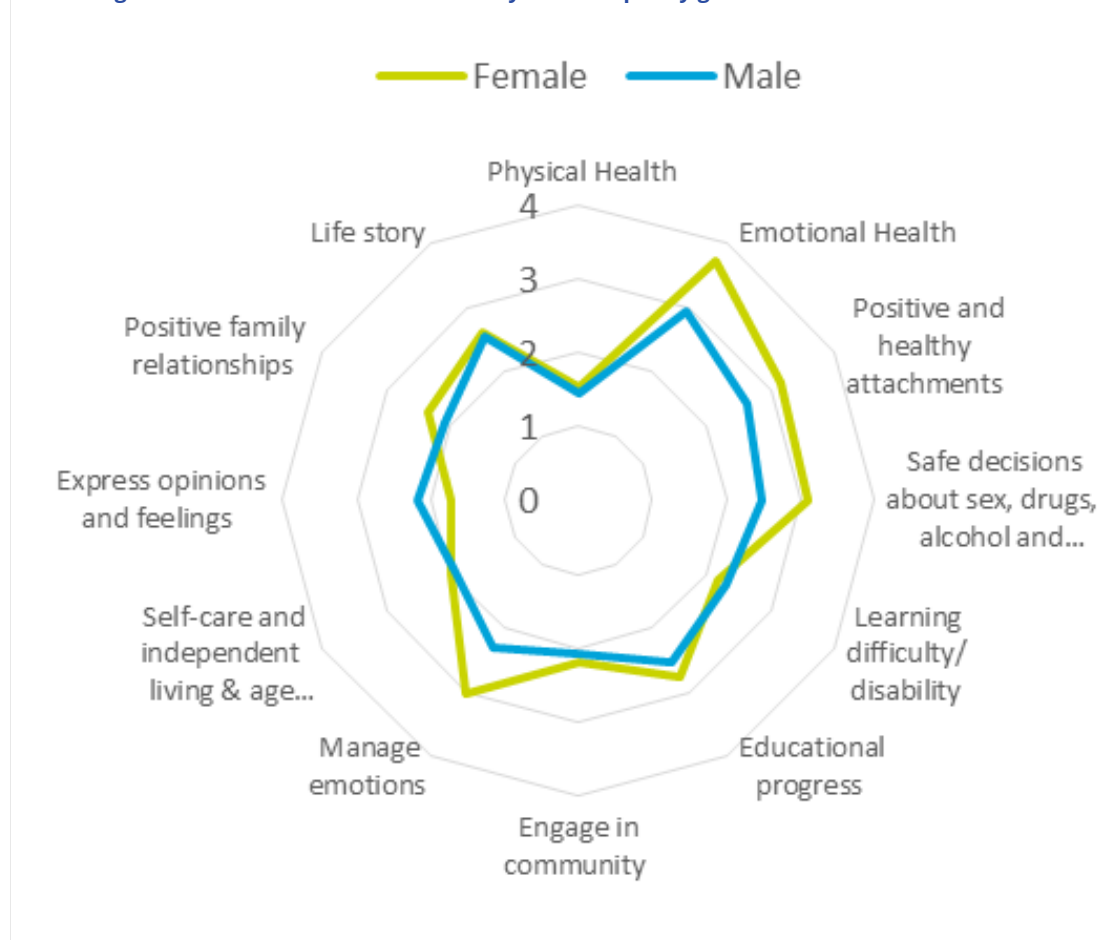


Figure 24: Average needs scores for children over 17 years old split by gender



**Key implications:**

- **Approaches to supporting boys and girls who are looked after at an individual, cohort, or population level need to be informed by analysis around needs including key differences, while remaining aware of the risk of bias around how need and behaviour is understood and interpreted.**
- **The increasing needs scores of older compared to younger girls could be as a result of faster maturity of girls compared to boys whose needs increase when they turn 12-16 years old but decrease again from 17 and over.<sup>22</sup>**
- **Higher overall needs scores for female young people compared to male could also be in part as a result of risks around Child Sexual Exploitation (CSE). Young females are perceived to be at greater risk of CSE not necessarily in terms of prevalence (as data on this is, naturally, uncertain) because of specific safety and accidental pregnancy concerns, therefore their perceived levels of need could be higher than males of this age.**
- **With self-care and independence scores not reducing as young people grow older this emphasises the importance of preparing for independence support for young people to be started at an earlier age rather than from 17 onwards.**

**KEY FINDING 2.6** - Children who have an Education, Health and Care Plan (EHCP) or who have been excluded from education have higher levels of need

*“How many of our placement teams do we invite to disruption meetings so they can see potential emergency placements coming up in future?”*

Director of Children’s Services, County Council

Tools such as Valuing Care can also be helpful for local authorities to identify risk factors for a children coming into care at some point in time, so that needs can be met earlier and prevented from exacerbating. This approach, in line with the objectives of the Government’s reform strategy, can help services to be better targeted at supporting children and young people and their families, but also make savings for councils by reducing demand for placements. This final part of the analysis identifies two such risk factors which indicate a child will have higher levels of need - those in receipt of an Education, Health and Care Plan (EHCP) and those excluded from education.

Figure 25: Average need scores for children with and without an EHCP

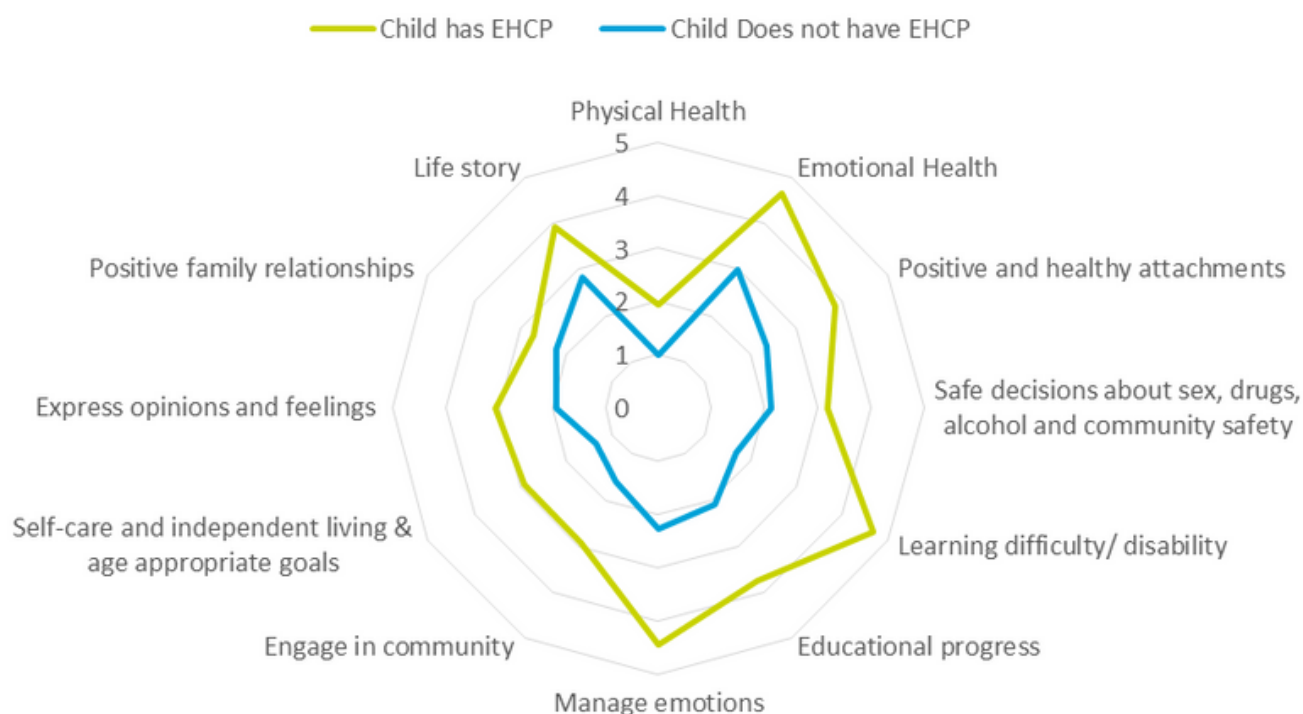


Figure 25 shows that children with an Education Health and Care Plan (EHCP) have higher levels of need in all areas, particularly in managing emotions, emotional health and learning difficulties. In addition, the average cost of a placement for a child with an EHCP is almost double that of a child without an EHCP (£1,900 compared with £1,000).

Figure 26: Average need scores for children who have and have not been excluded from education

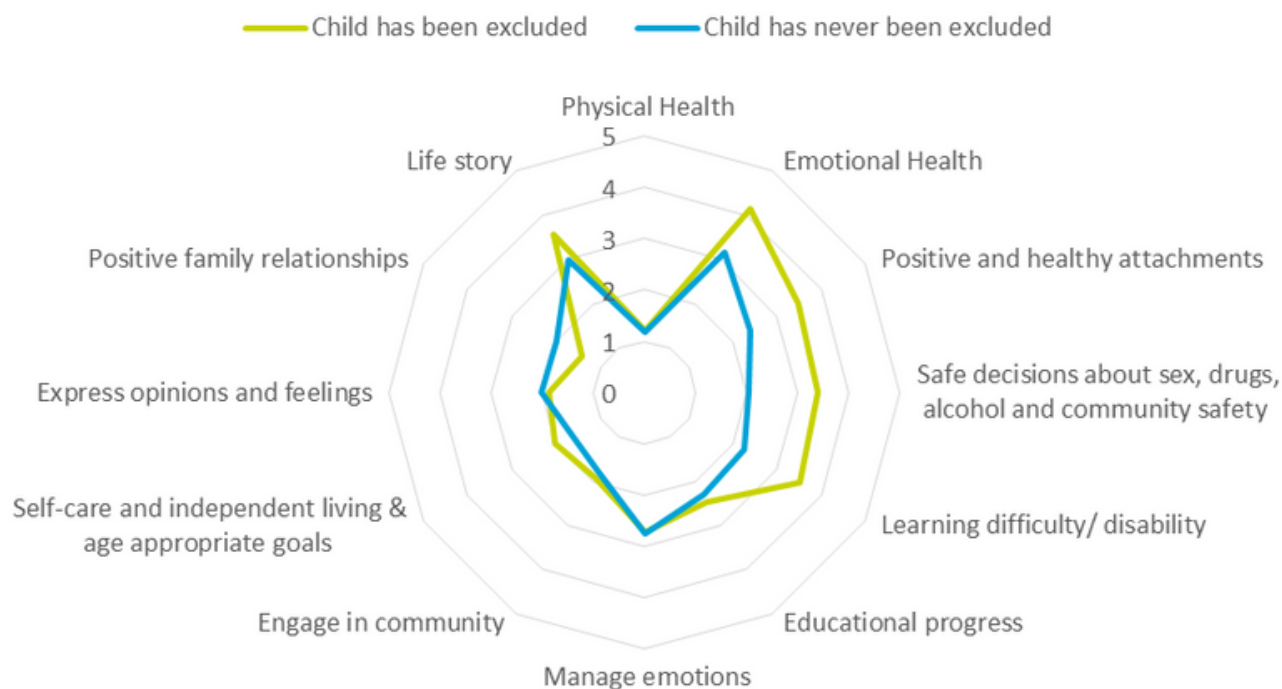


Figure 26 shows the difference in need profile between children who have and have not been excluded. This has a direct budgetary impact of local authorities as the average placement cost for CYP who have been excluded, at £2,300, is more than double the average placement cost for children who have never been excluded (£1,100). The level of need of children who have been excluded from education is higher than those who have not, particularly within the domain of emotional health.

This highlights the need for education and children’s social care to work more closely to ensure that children and young people most at risk are in stable environments at both home and school. A recent report by CCN about the extension to the role of virtual schools in supporting all children with a social worker indicated a way in which the needs of the most vulnerable young people could be better met in education and reduce the likelihood of them needing to be taken into care.

**Key implications:**

- **Analysis of need alongside details of education, such as whether a child has an EHCP or has been excluded, indicate value in a tailored approach whilst recognising the potential risks around bias.**
- **Higher levels of need for children with an EHCP is a clear finding and further strengthen the arguments for collaborative focus and action across education, health and social care partners to meet the needs of this cohort of children and young people.**
- **Higher levels of need and considerably higher cost placements for children and young people who have been excluded from education indicates the importance of working in a multi-disciplinary way to support children to remain in education.**

## CONCLUSION

Based on the analysis and findings set out in this report CCN have worked with IMPOWER to develop a set of recommendations for local authorities, regions, government departments and policy makers. These recommendations are based on the conclusions drawn from the data analysis and relate to two relevant areas of the government's strategy and should be considered in this context:

***PILLAR 4 – Putting love, relationships and a stable home at the heart of being a child in care. In particular:***

- Using Regional Care Cooperatives (RCCs) to plan, commission and deliver care places.
- Prioritise loving relationships and maximising opportunities for family life for more children.
- Strengthen corporate parenting responsibilities towards children in care.
- Introduce a financial oversight regime.

***PILLAR 6 – A system that continuously learns and improves, and makes better use of evidence and data. In particular:***

- Introduce a Children's Social Care National Framework.
- Improve use of technology and data.

Each recommendation articulates the rationale behind its suggestion and the potential benefit as well as the action required to make it happen.

***“WHILST IT'S POWERFUL TO BE ABLE TO ARTICULATE AN INDIVIDUAL YOUNG PERSON'S NEEDS OR A CHILD'S NEEDS, IT'S POWERFUL FOR LOCAL AUTHORITIES TO STRATEGICALLY UNDERSTAND THE POSITION IN TERMS OF NEED. IMAGINE HOW POWERFUL IT COULD BE IF THAT ENABLED US TO HAVE STRATEGIC CONVERSATIONS IN TERMS OF REGIONAL OR NATIONAL COMMISSIONING, OR A NATIONAL FRAMEWORK.”***

*Chief Executive, County Council*



**RECOMMENDATION 1:**

Use shared data on needs and cost to support, challenge and shape the market at a regional level

*Rationale:* Capturing and utilising this data on needs and cost at a regional or sub-national level could allow Regional Care Cooperatives to manage the care market differently and drive more value from engagement with care providers. This could provide an opportunity to replicate the approach taken to using intelligence on need to manage the market differently (e.g. in Norfolk and Lincolnshire) at a larger scale. It could also allow:

- Approaches to be tailored to region-specific needs, integrating data from Valuing Care across local areas to create comprehensive position statements at local, regional, and national levels.
- Collaborative relationships with providers at a regional level to ensure the right provision is available in the right places for children and young people.

*Action required:* Local authorities and DfE to consider how Regional Care Cooperative pathfinders can develop and utilise consistent intelligence around the needs of children and young people and include this with this scope of proposed activity.

**RECOMMENDATION 2:**

Identify and deliver opportunities to improve outcomes and reduce the cost of care at a local and regional level - through the application of intelligence on needs and cost

*Rationale:* This analysis and report evidences how approaches that capture and apply intelligence on need and cost at a child or cohort level can have a demonstrable impact which is replicable and scalable across other local authorities. A needs-led approach has already helped a cohort of local authorities to:

- Identify and deliver opportunities to find family homes for children in residential settings and to reunify children in care with birth families.
- Improve the value and reduce the cost of provision.
- Improve matching with carers and providers.
- Identify and delivery opportunities to care entry.

These approaches and their impact are replicable for other local authorities and potentially for Regional Care Cooperatives.

*Action required:* Local authorities to extract the learning from successful approaches and interventions using intelligence on needs and cost and build into medium-term plans and ambitions. DfE to consider how this learning could be shared and disseminated through the Regional Care Cooperative pathfinder programme – and across other relevant programmes.

**RECOMMENDATION 3:**

Use intelligence on needs to improve partnership working and commissioning across social care, education and health

*Rationale:* A key challenge for many local areas is a lack of coordination and join up around the needs of children who are looked after (including funding arrangements). There is an opportunity to use intelligence on need which captures the holistic needs of children and young people as the basis for collaborative approaches. For example, data on needs could be used to inform and drive multi-agency panel meetings between professionals aiming to establish support plans for children with complex needs, improving outcomes and optimising the contribution and resources of different partner agencies on an individual and strategic level.

The analysis in this report evidences the prevalence of issues around emotional health and attachment for the majority of children who are looked after. This intelligence could also be used to ensure commissioned activity and support delivered by providers and partners can address these needs and improve the lives of children and young people.

*Action required:* Targeted pilots of shared intelligence approaches should be established within select local authorities to determine the impact of enhanced data in driving multi-agency decision-making and interventions, with the aim of reducing the support needs and costs for children across education, health and social care boundaries.

**RECOMMENDATION 4:**

Use intelligence on needs to support evaluation of the impact of care on children and young people

*Rationale:* The analysis in this report suggests that on average needs increase with more time spent in care. The insight on needs and cost set out in this report could support evaluation of the impact of different types of care in different areas and localities, and could align with other initiatives focused on assessing and evaluating impact (e.g. Foundations - What Works for Children and Families). This could support:

- An approach to monitoring and evaluating the progress and impact of Regional Care Cooperatives – with a focus on impact on needs and cost.
- Evaluation of the varying impact of care across areas, localities, need domains and key life stages for children and young people.

*Action required:* Local authorities, Regional Care Cooperatives and DfE should build approaches to understanding needs of children in care at a cohort and population level into activity aiming to evaluate the impact of care and the value it offers to children and young people and local areas.

**RECOMMENDATION 5:**

Use intelligence on needs and cost to strengthen framework and approach to national regulation of Children’s Services

*Rationale:* This analysis – and the experience of many local authorities – shows that a greater understanding of need and costs is critical to recognising opportunities to improve support, reduce cost and manage the market differently. The adoption of a National Framework with a consistent approach to capturing and sharing intelligence on needs and cost could help to drive more value from the care market and address current drivers of challenges with care and sufficiency. This would enable:

- A consistent methodology for capturing and sharing intelligence on needs and costs to support improvement, transformation of practice and commissioning.
- A shared national language around the needs of children who are looked after to codify needs to strengthen approaches to market management at a regional and local level.
- Data on needs to be combined with benchmarking data on the costs of care at a local, regional and national level to provide a comprehensive picture of what care packages constitutes poor or good value.
- The use and application of digital tools and technologies which can allow information on needs and cost to be easily captured, tracked and reported in ‘real time’, and which provide analytical insights to improve care provision (e.g. what impact do different interventions and forms of support have on different profiles of children and cohorts or what changes to needs can pre-empt placement breakdown).

*Action required:* Local authorities to extract the learning from successful approaches and interventions using intelligence on needs and cost and build into medium-term plans and ambitions. DfE to consider how this learning could be shared and disseminated through the Regional Care Cooperative pathfinder programme – and across other relevant programmes.

**RECOMMENDATION 6:**

Develop a Children’s Social Care National Framework that uses data on needs and cost across all local authorities - to improve outcomes for children and improve the value of care

*Rationale:* A clearer understanding of the needs of children and young people at a population level, how these are changing over time, and difference between cohorts has the potential to form part of the regulatory approach to Children’s Services. Under a scenario where all localities and regions used a single, consistent framework for capturing and reporting on children’s need this could inform a more comprehensive understanding of improvement of practice and process, complementing other aspects of regulatory framework.

*Action required:* Central government and related agencies such as Ofsted should consider the opportunities for how the standardisation of a data approach can be built into the regulatory regime. Ensuring all localities and regions capture the same data points, allowing for a more accurate comparison and analysis.

# ENDNOTES

1. **CCN Analysis: Budget Pressures - autumn 2023 (CCN, 2023)**  
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5. **Performance Tracker 2022/23: Spring update - Children's Social Care (IfG)**  
([https://www.instituteforgovernment.org.uk/performance-tracker-2022-23/childrens-social-care#footnoteref135\\_krxrb92](https://www.instituteforgovernment.org.uk/performance-tracker-2022-23/childrens-social-care#footnoteref135_krxrb92))
6. **Looked after children in England (November 2023)** (<https://explore-education-statistics.service.gov.uk/find-statistics/children-looked-after-in-england-including-adoptions/2023#releaseHeadlines-summary>)
7. **LA and school expenditure: 2021 to 2022 financial year (2022)** (<https://explore-education-statistics.service.gov.uk/find-statistics/la-and-school-expenditure>)
8. **Independent Review of Children's Social Care (2022)**  
(<https://www.gov.uk/government/publications/independent-review-of-childrens-social-care-final-report>)
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10. **Safeguarding Pressures Phase 8 (ADCS, 2022)**  
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11. **Children's Social Care Market Study (CMA, 2022)** (<https://www.gov.uk/government/publications/childrens-social-care-market-study-final-report/final-report>)
12. **CHA State of the Sector Survey 9 - Spring 2023 (CHA, 2023)** (<https://www.revolution-consulting.org/wp-content/uploads/2023/04/CHA-Spring-2023-final.pdf>)
13. **Independent Review of Children's Social Care (2022)**  
(<https://www.gov.uk/government/publications/independent-review-of-childrens-social-care-final-report>)
14. **Safeguarding Pressures Phase 8 (ADCS, 2022)**  
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15. **Demand and Capacity of Homes for Children in Care (CCN, LIIA, Newton, 2023)**  
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17. **CCN Analysis: Budget Pressures - autumn 2023 (CCN, 2023)**  
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THE VOICE OF COUNTIES

CCN is the voice of England's counties. Representing the local authorities in county areas, the network is a cross-party organisation which develops policy, commissions research, and presents evidence-based solutions to issues on behalf of the largest grouping of councils in England.

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To discuss our policy and research or CCN in more detail, please contact:

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