



The investment of a lifetime:

Delivering better outcomes for children in care

March 2021



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Foreword

Over the past year, PwC has been working alongside Home for Good and others to analyse the operational cost of the care system in the UK and the impact and outcomes of that spend. The goal from the start was to ascertain how our care system could secure stronger outcomes for children and young people than at present with the amount invested by the public purse.

The value of this report is its display 'at a glance' of the current landscape and the clear call to think collectively across government, the private sector and wider society as to how we can positively engage to make a lasting difference in the lives of children and young people. Many of the themes and issues highlighted will not come as a surprise to those who work tirelessly in the sector.

Both PwC and Home for Good are motivated in producing this report to improve the wellbeing, experiences, and opportunities available to children who interact with the care system. Whilst this report takes an economic approach, it has been conducted with each of the 103,000 children living in the UK care system firmly at the forefront of our minds. They are the ones most deeply and enduringly impacted by a system that, sadly, is too often unable to meet their needs. An acute awareness of this and a determination to see the system deliver more effectively has been shared by all the stakeholders, practitioners and specialists involved in this project.

We want to be clear that this research is not aimed at cutting costs or establishing how much the system should be spending, nor blaming any one part of the system. Rather, it is an attempt to determine what is already being spent and to provoke a question: Is this spending delivering the quality of life and outcomes that we long to see for vulnerable children? Something, at present, we cannot answer in the affirmative.

Despite this, we know that there are many examples of excellent care, support, and best practice. We want to build on this. We know that there are thousands of professionals and families who consistently go above and beyond for the children and young people they are responsible for. We know too that there are many communities who are involved in walking alongside children and young people, but feel frustrated that they are only scratching the surface of some of the broader challenges. As the report highlights, our collective failure to achieve the best for children and young people stems from the system being one which has been continuously tweaked and modified, rather than being the product of conscious design. The result is that the system and those involved are held back from enabling the holistic care that children and young people both need and deserve.

While this research was being conducted and prepared, the scale and impact of COVID-19 was becoming increasingly more apparent. Disrupted education, reduced contact with trusted adults outside of the family home, and the toll of lockdown on physical and mental health will all have long-lasting implications on children. This will result in additional pressures on the system. Longer-term analysis in future will surely evidence the hidden toll of the pandemic on our most vulnerable and so we must respond now to the challenges evident.

As such, the time is ripe for much-needed reform and rethinking about how the system can operate more effectively to enable children and young people to thrive. We welcome and support the commencement of the independent Children's Social Care Review in England announced by the Government in January 2021 and chaired by Josh MacAlister. We trust this report by PwC is a helpful contribution in shaping its thinking and ambition.

This report once again places the spotlight on the need for a holistic and family-centred approach to supporting children, young people and their families, with a renewed focus on both prevention and also supporting those leaving care. It also emphasises how we all have a role to play – government, private sector and wider society – in being the family and community that vulnerable children and young people need.

Home for Good is dedicated to finding a home for every child who needs one by co-ordinating and resourcing a rapidly growing network of people and communities across the UK. We firmly believe that the voluntary and community sector, and particularly faith-based communities, are uniquely placed to make a significant contribution to enabling children and young people to live in a safe, stable and loving home.

Over the coming months, in liaison with others, we will be building on the valuable insight and ideas within this report to develop further recommendations as to how those in the voluntary and community sector can help 'level up' the opportunities available to children and young people, supporting, and supported by, government and wider society.

This report is just the start of what we hope will be a fresh resolve across all society to enhance how we care for vulnerable children and young people so they consistently experience safety, stability and crucially, love.

Together, we can provide this for children in care.

Tania Bright

Chief Executive Officer
Home for Good

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Ensuring everyone, irrespective of background, can access opportunities and reach their full potential is core to PwC’s purpose and important to me personally. We’re proud to be ranked the UK’s number one employer for social mobility based on how we find, recruit and progress talented employees from all backgrounds. But we know there’s a lot more that we and other large employers can do – and that the need has never been greater.

Across the world the pandemic has had a disproportionate impact on disadvantaged people and groups, and shut down many employment opportunities. Even after the economy recovers, there will be scarring and some jobs may never return. We need to redouble our efforts to improve social mobility – and that includes identifying and reaching those people most at risk of being left behind.

Analysing for Home for Good the cost of the system for looked after children has been eye-opening, and has made us consider how we can better support this important group within our society. We will be signing up to the Care Leaver Covenant and developing specific opportunities to support care leavers to access employment and training. More broadly, we hope this report provides a helpful contribution to the independent care review launched by the Government in January 2021, which couldn’t have come at a more important time.

Analysing for Home for Good the cost of the system for looked after children has been eye-opening, and has made us consider how we can better support this important group within our society.



Laura Hinton

Executive Board member and Chief People Officer, PwC UK



1

Introduction

Parenting comes with enormous privilege and great responsibility. For some children, the responsibilities of parenthood are transferred to the state and are delivered through a variety of organisations and services.



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Parenting comes with enormous privilege and great responsibility. For some children, the responsibilities of parenthood are transferred to the state and are delivered through a variety of organisations and services. However, this transfer and delegation of responsibility does not absolve us, as a wider society, from playing our part. There is a need for us to support these children and young people and help them reach their potential as adults, irrespective of their start in life.

Around 103,000 children and young people are currently in the UK care system. The reasons for removing them from their birth families are highly personal and complex, although documented with a broad brush in the government's annual data release, with categories such as 'parental abuse' or 'parental neglect'.

Scratch below the surface and a number of socioeconomic drivers emerge, such as parental unemployment, substance misuse, lack of academic support and opportunity, domestic violence, poor mental health, and a lack of appropriate accommodation.

103,000

Around 103,000 children and young people are currently in the UK care system.

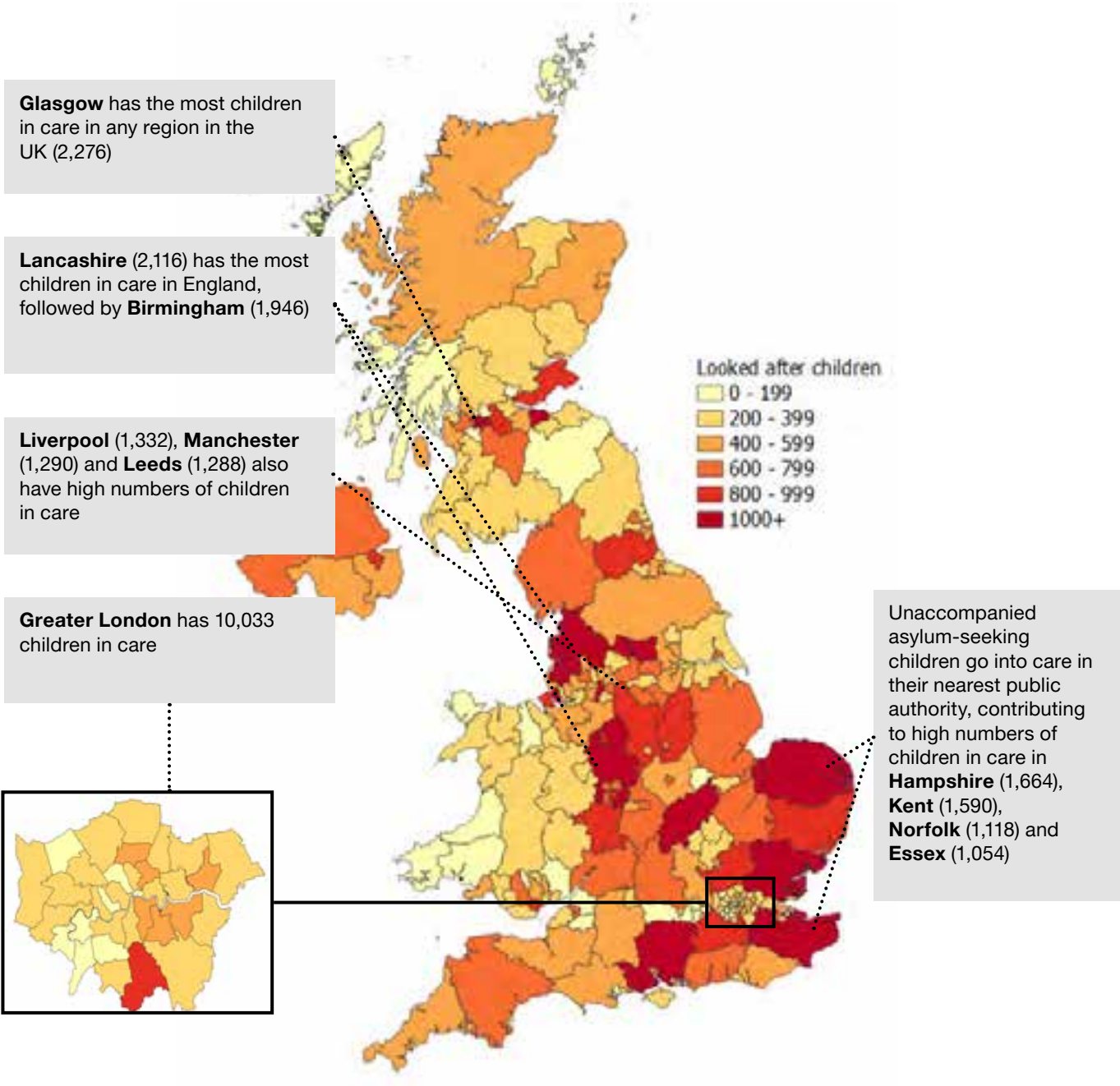


Regional challenge

It is also clear that there is a regional imbalance of children in care across the UK. As shown in Figure 1 and Figure 2, some areas such as parts of North West England have both high total numbers and rates of children in care (per 10,000 children). The uneven distribution of children in care across the UK demonstrates the importance of a coordinated national effort, as well as development of tailored solutions that address the specific socio-economic challenges at a regional level.

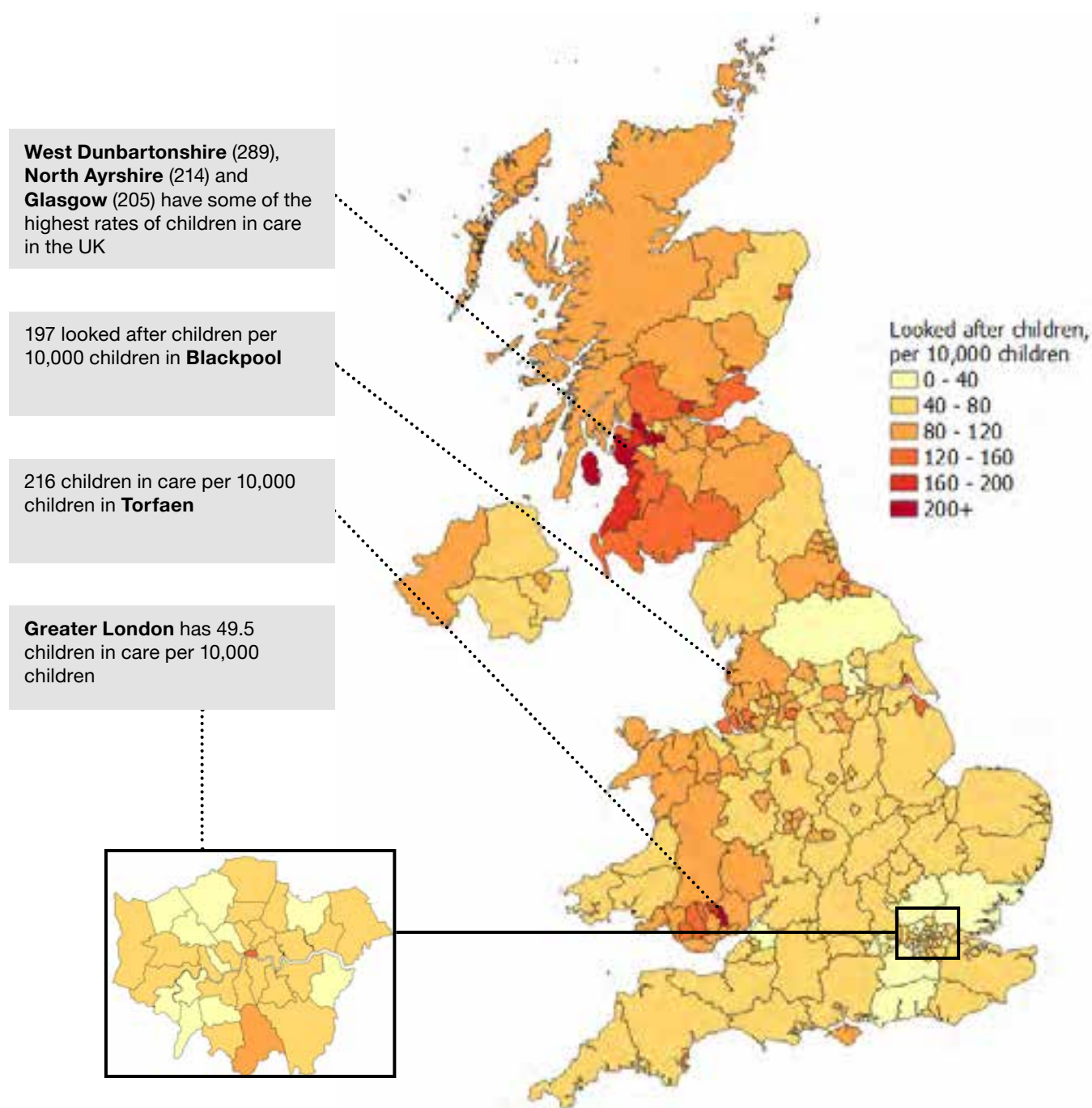
¹ Department for Education, 2019 – [link](#), Scottish Government, 2018-2019 – [link](#), Welsh Government, 2018-2019 – [link](#), Information Analysis Directorate (NI), 2018-2019 – [link](#)

Figure 1: Total number of children in care in the UK as at 30 March 2019 (31 July 2019 for Scotland)



Source: PwC Analysis of Department for Education, Scottish Government, Welsh Government and DoH NI data

Figure 2: Number of children in care per 10,000 children in the UK as at 30 March 2019 (31 July 2019 for Scotland)



Source: PwC Analysis of Department for Education, Scottish Government, Welsh Government and DoH NI data

Poor outcomes

In preparing our analysis, we have been privileged to speak with a number of inspiring professionals. We have also been fortunate to capture individual examples of where innovation and creativity have been applied to positively impact outcomes for children in care.

However, although research and insight is inconsistent across the country, there are clear indicators that the system as a whole achieves poor outcomes for the children who pass through it, which is why the recently launched Care Review is so important:

39%

39% of care leavers between the ages of 19 and 21 are not in education, employment or training.²



33%

Approximately 33% who leave the system become homeless within two years.³



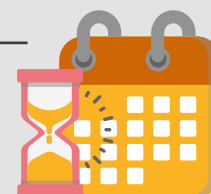
27%

27% of those currently within our custody system have been in care.⁴



85,000

There has been an average of 85,000 children in care at any one time over the last 20 years.



25%

The likelihood that a child will enter care has risen by 25% in the last 20 years, from one in every 180 children to one in every 140⁵.



The system has evolved to focus its time, money, and resources mainly on working reactively, rather than addressing the root causes. While there have been creative attempts in the last 15 years – most notably from Munro, Allen, and Marmot – to encourage the shift towards more long-term, preventative investment, this tends to take place at a localised, individual level.

² Department for Education, Children Looked After in England (including Adoption), 2019 – [link](#)

³ NAO, Care leavers' transition to adulthood, 2015 – [link](#)

⁴ Harris Review, p89, 2015 – [link](#)

⁵ ONS population estimates – [link](#), Gov.uk Statistics – National tables: children looked after in England including adoption 2018 to 2019, Table H1, scaled by UK population – [link](#). Children who left care when they were aged 5 or above, scaled by UK population, PwC analysis

COVID-19 impact

The COVID-19 pandemic is expected to have a significant impact on the number of children entering the care system, as well as the outcomes of children currently in the system. The range of factors that contribute to a child entering care have been exacerbated by COVID-19 and there is a potentially considerable long-term impact in the years to come. Future data releases are expected to tell a tragic story regarding the number of additional children who may have entered care in 2020 as a result of the extra strain on family life felt by many.

The lockdowns are also expected to have far-reaching and negative consequences for children in care and those at risk of entering the system. These are likely to be seen in worsening educational outcomes and deteriorating mental health. Despite collective efforts to prioritise vulnerable children, including by the thousands of social workers who have gone above and beyond in the last year, the support received by many children and young people will be significantly less. Social distancing and other lockdown measures have restricted access to vital avenues of support outside the home, including from wider family members, friends and teachers.

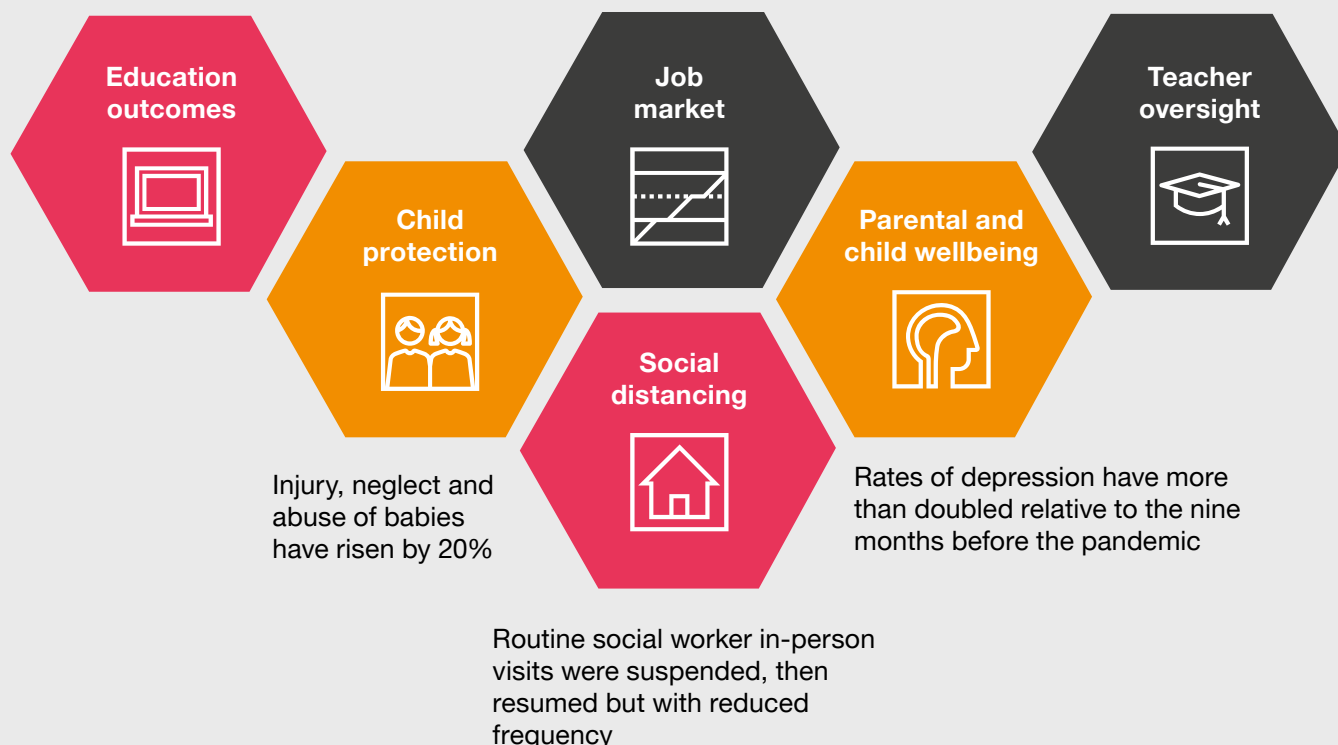
Figure 3: Example impacts of COVID-19 on children in care in the UK⁶

COVID-19 has led to additional challenges for the system, particularly in the ability to identify and monitor children at risk and helping children in care achieve the best outcomes.

Limited access to remote learning tools has widened the disadvantage gap

Unemployment is at its highest since 2017 and redundancies are at their highest since 2009

Child protection referrals dropped by more than 50% in parts of England when schools were closed



⁶ Sources: Abuse of babies is up by a fifth during Covid crisis, Ofsted says. The Guardian, 2020 – [link](#)
Coronavirus and depression in adults, Great Britain: June 2020. Office for National Statistics. – [link](#)
Unemployment rate hits highest level in three years. (2020). BBC News. – [link](#)

Cost of care

Those who work in the care system recognise that an increasing number of children are entering care and that their long-term outcomes are poor. These outcomes do little justice to the extraordinary drive, passion, energy and commitment that comes from the professionals working so hard to achieve the best they can for these children and young people.

While these long-term outcomes are known and acknowledged, the gross costs to society associated with these outcomes are not often considered, with very limited evidence available of the scale of these costs in the UK. We have engaged with current system leaders and practitioners in a significant piece of research, to both understand the costs associated with the current care system and to identify what needs to change in order to deliver better for the children within our care.

Cost-cutting should not be a primary driver for reforming the current care system; but the need to deliver more for both our children and our society with our available resources should be an absolute priority for all of us. Reducing the number of children entering care in the first place and supporting those more effectively within it will achieve better outcomes, incur fewer financial costs, and lessen the intergenerational cycle – also resulting in reduced demand and fewer costs.



£8.8 billion

At least £8.8 billion each year is spent on children and young people who are or have been recipients of our care system.



£2.8 billion

Some £2.8 billion (32%) of this cost is generated by an intergenerational cycle of care leavers whose children go on to enter the care system.



1 in 3 children

Nearly one in every three children in care has at least one parent who was in care themselves.⁷



Changing the system

The need for change could not be clearer, and all of us are responsible. We must all do more; central and local government, public and third sector organisations, the private sector, and society as a whole.

The care system requires a fundamental redesign, both top-down and bottom-up. We need to take examples of best practice from the UK and abroad to develop a new framework.

We must build the infrastructure required to empower children and young people to take control of their own futures, with appropriate support and guidance from a range of professionals at the key turning points. This will require a holistic view of every child: their strengths, wishes, needs and drivers.

It will require all of the thoughtfulness, creativity, flexibility and proactivity that any child needs and deserves. Just as a parent's role does not stop once a child reaches adulthood, we need a more thoughtful approach to ongoing support beyond the age of 18, with the private sector, third sector and society as a whole taking more active roles in this. This way we can support every child to reach their potential and unlock the positive contribution they can make as a fully participating member of society.

⁷ Care-leavers and their children placed for adoption – Children and Youth Services Review, 2017 – [link](#)

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Key turning points



Key turning points

The story of each child or young person within the care system is unique and personal to them, but they all experience these three key stages:

The events which
lead to them coming
into care

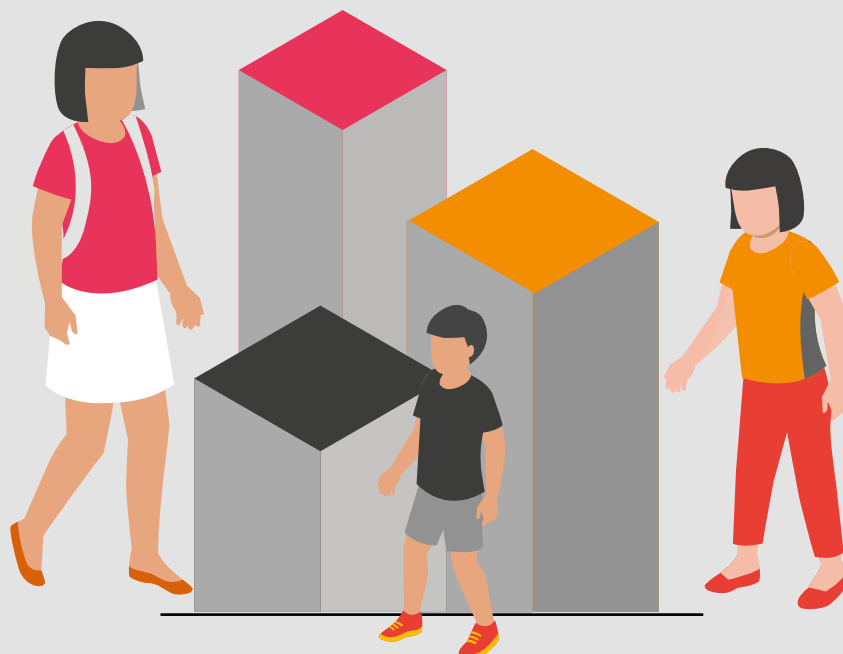
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Their experience
within the care system

2

Preparing for
adulthood and
leaving care

3



Many receive the help and support they need to live safe, happy and successful lives. However, too often, the system works to tackle the most obvious or immediate problems in each of these stages, rather than addressing the fuller picture.

Focusing efforts on resolving the root causes of issues for children, young people and their families, rather than the symptoms, would transform these stages into key turning points.

Coming into care

Taking a child into care is a serious responsibility for the state. At the heart of the decision is whether it will enable them to be kept safe in a way that may not be possible if they remain living with their birth family. The most commonly cited reason for children entering care is 'abuse', where the child experiences intentional harm, or 'neglect', where they do not receive the levels of love, support or provision that they need. However, there are many underlying factors that contribute to these environments which are not addressed effectively by the current system.

Research and local practice suggest that a combination of poor parental or child mental health, domestic violence and substance misuse frequently contributes to children coming into care. These issues are typically so interlinked that only holistic and sustained interventions can enable them to be overcome or successfully managed.

As multiple organisations deal with different facets of these issues, action often takes place in isolation. This tends to lead to too narrow a focus, on one issue or one individual, to allow for appropriate consideration of and support to the wider family network from the various agencies involved, such as local authorities, the NHS, and the police.

There is a need to look deeper into the root causes of these issues. Socio-economic factors, such as parental unemployment or income deprivation affecting the family, can create a pressured environment leading to unhealthy coping mechanisms and manifesting in abuse and neglect. Poor childhood experiences of abusive or neglectful parents can also drive these issues and limit parental capacity to provide a positive environment for their own children. This creates a vicious cycle of intergenerational experiences of care which perpetuates both the personal cost to individuals and the economic cost to society.

Experiencing care

When the care system works well, children and young people enjoy a stable and supportive environment which enables them to thrive. For many individuals, however, the inconsistency and uncertainty that they experienced in their birth family home can continue within the system. Professionals such as social workers and health professionals provide valuable support – often at a significant personal cost, managing heavy caseloads, working long hours and under the continual pressure not to make a mistake of any magnitude.

These stressors, coupled with the wider financial challenges facing public sector services, often leads to a frequent change of key workers. There can be a bewildering number of people from a range of organisations involved with an individual at any one time. Some children and young people also experience chronic instability in their living arrangements and their primary carers, which prevents vital trusting relationships from forming.

The changeability experienced by children and young people is also felt by the foster carers and adoptive parents who assume caring responsibilities for them. The issues that have led a child to be removed from their birth family often leave a hugely complex legacy of disordered attachments and other trauma-related symptoms. To provide the care these children need requires significant levels of specialist knowledge, resilience and fortitude. Even highly skilled and committed carers can feel unable to cope at times, leading to care arrangements breaking down.

In 2018 to 2019, around 5,815 children and young people ‘experienced unplanned endings’ to their foster placements – around 11% of all children in foster care⁸. Adoption ‘disruptions’ are harder to quantify, as figures tend only to be captured for the first three years post adoption-order. However, the magazine *Children & Young People Now* used Freedom of Information requests to estimate that, across England in 2016/17, there were around 150 disruptions (placement breakdowns before an adoption was finalised) and a further 132 adoption breakdowns post-adoption order.⁹

In reality, many foster carers and adoptive parents do not have access to the reserves of training and support that they need in order to be able to parent effectively. Across the UK, the Fostering Network identified that between 40-60% of foster carers did not have an agreed training plan for the next 12 months, with particular training needs identified as ‘therapeutic parenting, behaviour management, mental health, specialised first aid... and attachment.’¹⁰

There needs to be a greater focus from all agencies on understanding the impact of trauma at the point of entering the care system. This would help build a more holistic appreciation and planning of support requirements (for children and their carers) over the long term, so the child can achieve the best outcomes and realise their full potential in care.

Improved specialist support for carers, which is tailored to their needs, can build greater resilience and enable better management of crisis situations. This focus, and related training, needs also to be extended to all those professionals who surround a child in care – social workers, teachers, learning support assistants, health visitors, youth workers. It is absolutely vital that a deep understanding of trauma, and its long lasting effects, becomes much more central to working with and supporting children within the care system and beyond.

Education also plays an important role in providing continuity for a child through their school. Supportive teachers who are able to understand and respond to the needs of children in care can enhance the sense of stability, even if they are experiencing other changes in their care environment. The same is also true of other professionals who may be assigned to a child’s case; there is no formula to determine with which adult professional a child in care may form a bond. It is important the system builds in enough flexibility to allow these formative relationships to grow and flourish in order to provide a child with the requisite continuity of care.

5,815 children

Around 5,815 children and young people ‘experienced unplanned endings’ to their foster placements – around 11% of all children in foster care.

⁸ National Statistics, Fostering in England, 2018-2019 – [link](#)

⁹ Children & Young People Now, 2018 – [link](#)

¹⁰ Fostering Network – [link](#)

“

The aim of the Care Leaver Covenant, to which organisations commit, is to provide additional support for those leaving care; making available a different type of support and expertise from that statutorily provided by local authorities. Drawing on the resourcefulness and imagination of their staff and their working environment, organisations have the potential to offer new perspectives and professional expertise. These can offer opportunities and a new way of thinking to aid the care leavers in moving forward successfully to the next phase of their lives¹¹.

Leaving care

Many parents would not expect their own children to have achieved full independence by the age of 18. Rather, independence is seen as a longer-term and more gradual process, of which many parents continue to play a part – guiding, encouraging, and facilitating. Yet the care system is often focused on a singular successful transition to independent living for young people leaving care.

The ideal outcome should not be to achieve independence but to be embedded within a community and wider society, still gaining support from others as well as making a contribution as an individual. The care system should share the same aspirations as all parents for the children they look after: good health and wellbeing; a safe and stable home; financial security; fulfilment through education and employment. However, care leavers are often left without the ongoing support and safety net of a family to navigate through life's challenges and opportunities.

Access to suitable opportunities is the most visible issue for young people leaving care. Moving into appropriate accommodation and employment is challenging if their experience of education and the family home has been unstable while growing up. When so much attention and emotional energy must be invested in dealing with the past and the present, there can be little time for preparing for the future.

The system itself can also be so focused on ensuring the immediate safety and security of the individual that it cannot fully identify and nurture life ambitions and aspirations. The government, in recent years, has focused attention on this cohort of young people and it is positive to see initiatives such as the 2018 Care Leaver Covenant, which facilitates access to employment support and opportunities from public, private and voluntary sector organisations.

Even more recent is the publication of the joint housing protocols for care leavers by both the Ministry of Housing, Communities &

Local Government and Department for Education, which set out the case for greater collaboration across local authorities in October 2020.

These are crucial steps, but they do not yet address the full spectrum of needs for this cohort of young people. Care leavers who most successfully transition into adulthood tend to be those who have developed the abilities to form safe, stable attachments as well as appropriately assess risks. This enables them to make informed life choices and utilise a wide support network to achieve their ambitions. These abilities are not quick or easy to learn, particularly if there are deep-rooted issues from childhood experiences prior to care. The system can do better by looking to build a longer-term focus on the future for children in care, as well as better enabling equity for care leavers in accessing opportunities in every aspect of their life.

¹¹ Care Leaver Covenant – [link](#)

The care system must plan proactively for children and young people at these key turning points, to ensure they receive the right support to both process and progress from their past experiences, and move forward confidently to live fulfilling, contented, and productive lives. As part of this planning, we must think more creatively and widely about the roles that other parts of society can play such as the third sector, private sector and society as a whole, rather than continuing to focus only on those institutions that hold statutory responsibilities.

The turning point with the potential for the greatest impact on children and young peoples' lives would be the first: coming into care. Developing a more systemic approach to address root causes would reduce the numbers of children and young people needing to enter the care system, enabling existing budgets to be applied to greater effect, and achieving better outcomes for both individuals and society. However, even positive changes within the second and third key turning points – experiencing the care system and leaving it – are likely to have a significant impact on improving the life chances and outcomes of children and young people.



3

Costs of the care system

The care system in the UK is formed of so many different organisations, departments and services that the funding streams underpinning it are similarly disparate.

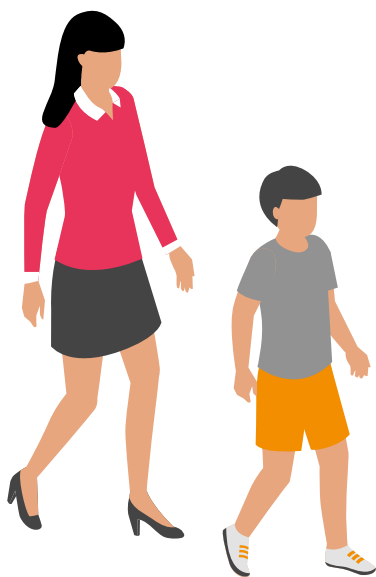


Costs of the care system

Funding streams within the care system tend to be aligned to individual organisations and services, rather than to either the children and young people themselves, or the root causes that drive some of their subsequent needs or challenges.

The fragmented composition of the care system has resulted in it being difficult to estimate and aggregate the costs across the UK system as a whole. In this study, we have sought to understand the key costs incurred by Government and society by considering two broader types of costs associated with children in the care system.

Firstly, there are the costs to support children and young people when they are in the care system. This comprises the costs incurred before the young person reaches the age of 18, such as the accommodation or fostering costs, legal costs related to bringing the child into care, and additional educational funding. Secondly, there are the broader costs society incurs because of the typically poorer life outcomes that too many young people in care experience both before turning 18 and after.



Annual cost of the care system

We estimate that, each year, society incurs a gross cost of approximately £8.8 billion from the UK's care system, as shown in Figure 4 below. This cost consists of the £6.8 billion that society incurs for the 103,000 children who are currently in care, and the £2 billion related to poorer life outcomes from the estimated 204,000 care leavers aged 18-64.¹² We also estimate that the government forgoes tax revenue of approximately £145 million each year related to the typically poorer educational and employment outcomes of care leavers.

Figure 4: We estimate that each year society incurs a gross cost of approximately £8.8 billion from the UK's care system as shown in Figure 4 below



Costs incurred while in care

£6,801 million

- Care system costs – £6,341m
- Outcome-related costs – £460m
- Forgone tax revenue – £0



Costs incurred after leaving care

£1,961 million

- Care system costs – £0
- Outcome-related costs – £1,816m
- Forgone tax revenue – £145m



Total annual costs incurred to society

£8,762 million

- Care system costs – £6,341m
- Outcome-related costs – £2,276m
- Forgone tax revenue – £145m

¹² Population, 2018-2019 – [link](#).

Our estimate reflects the total annual gross cost of the UK care system and associated outcomes for children that have been in care. With the exception of forgone tax revenue, all of these costs represent expenditure by local authorities and central government in the UK.

It is important to note that £8.8 billion is our estimate of the annual gross cost of the care system. That is, the cost society incurs each year for children that are, or have been, in the care system. An alternative approach would be to estimate the **net** cost of children in care. A net estimate would represent the difference in costs to society from the care system versus an alternative pathway for each child that has been in care. The net estimate would likely be smaller than the gross estimate, assuming society would still incur some outcome-related costs in the alternative pathway scenario. For example, some children in care may still have found themselves in the justice system, even if they had never entered the care system.¹³

Composition of our cost estimate

Our estimate of the gross cost of care does not rely on assumptions of what an alternative system of care or pathway for a child in care would be. Rather, our estimate highlights the overall cost to society of the children who are currently, or have previously been in the care system.

Care system costs

Care system costs comprise government and local authority fiscal expenditure on children while they are in care. England, Scotland, Wales and Northern Ireland each set their own levels of government financial support for children in care to cover costs including housing, fostering and staffing. The majority of these costs are incurred by local authorities, which hold the statutory responsibility of corporate parents and provide support such as social workers and accommodation. Additional costs incurred by Government while a child is in care include the child pupil premium paid to schools, family justice and adoption services and supporting young care leavers. Care system costs are incurred irrespective of the child's current or future outcomes.

Outcome-related costs

Outcome-related costs comprise the costs to the government and society as a result of the typically poorer life outcomes experienced by children in care and care leavers. While not all children in care and care leavers experience poor outcomes, the costs associated with those that do are substantial. Examples of the typically poorer outcomes for children in care and care leavers captured in our estimate include: the cost of providing ongoing mental health support, children in care going missing, homelessness and welfare support, and costs to the criminal justice system.

Forgone tax revenue (only applicable for care leavers)

Currently, only 10% of care leavers attend university, compared to 42% of 17-21 year olds.¹⁴ While there are programmes and campaigns to support care leavers pursue further education, the reality is that care leavers are significantly under represented in university and further education. We know that not pursuing further education, for any individual, is likely to result in lower median lifetime earnings. Typically, care leavers that do not attend university have lower lifetime earnings than the median earnings of a graduate, and subsequently contribute lower tax revenue than those who do attend university. We account for this forgone tax revenue in our gross cost estimate.

¹³ In many cases the costs of children who are not in care is substantially smaller than children in care. For example, up to 6% of care leavers are in prison, compared to 0.2% of the rest of the adult population

¹⁴ Department for Education, Widening participation in higher education: Table 7, 2019 – [link](#)



Table 1 breaks down the £8.8 billion gross costs associated with children in care and care leavers.

Table 1: Breakdown of gross costs of children in care and of care leavers

Component	Annual cost, £m	What we have included in the annual cost estimate
Care system costs		
Local authority spending on care	6,100	This includes spending on residential care, fostering and adoption services, local authority care staff and leaving care support services.
Education	87	Annual pupil premium paid to schools for students who are in care.
Justice	154	Legal costs associated with bringing a child into the care system.
Total care system costs	6,341	
Outcome-related costs		
Education	182	The annual cost of care leavers who a) had a special educational need or disability or b) were excluded or truant while in care and at school. ¹⁵
Justice	650	The annual cost of police incidents involving missing children in care, and the annual cost of care leavers who are in prison (police, court and prison costs).
Health	502	The annual cost to the NHS of supporting children in care and care leavers with substance abuse, mental or emotional problems and unintended pregnancies, as well as the annual cost society incurs of typically poorer health outcomes for people who have experienced care.
Housing	329	The annual local authority expenditure on housing support for homeless care leavers.
Welfare	613	The annual cost of universal credit payments to care leavers.
Total outcome-related costs	2,276	
Forgone tax revenue	145	The forgone tax revenue estimated from lower than average levels of further educational attainment among care leavers.
Total annual costs	8,762	

Additional costs not quantified for this study

Our estimate of £8.8 billion reflects an approximate annual gross cost associated with the current care system. There are a number of additional costs to society associated with children in care that we have not been able to quantify due to data limitations, but if included they would increase the estimated gross cost of the care system. These include:

- **Longer term productivity:** Care leavers who have mental or emotional health challenges have wide-reaching ramifications. Such ill health is likely to translate into a

greater probability that the care leaver is unemployed, or has lower productivity if they are employed.

- **Rising number of children in care over time:** Our annual cost estimate reflects costs in the 2019-20 year. The estimate is therefore likely an underestimate of the future annual cost of care given the upwards trajectory of the number of children who need care.
- **Post adoption costs:** Our cost estimate does not include any of the post adoption costs associated with adopting a child, such as any entitlements to ongoing financial support and assistance.

We have also not quantified the wider economic benefits associated with expenditure on children in care and care leavers. A reduction in the number of children in care would likely entail a reduction in jobs and spending of workers who directly support the care system, such as care workers and foster parents. These unquantified wider benefits will partly offset some of the wider costs associated with the care system.

£8.8 billion

Our estimate of £8.8 billion reflects an approximate annual gross cost associated with the current care system

¹⁵ Note: some care leavers may have had a special educational need or disability before they entered the care system.

Intergenerational costs of children in care

During our research, practitioners consistently raised the issue of intergenerational cycles and the associated costs. The fragmented nature of the care system can create a self-perpetuating cycle: children in care are more likely to experience poorer outcomes later in life, and often their own children enter the care system. It is estimated that approximately 32% of children in care have a parent who is a care leaver.¹⁶ By estimating costs on an annual basis, we reflect that the costs each year include the costs of children whose parents had also been in the care system.

This presents a significant opportunity for government, organisations and communities to work together to break the cycle of children in care. We estimate that there is an annual cost of £2.8 billion associated with children in care and care leavers who had at least one parent who were themselves in the care system.

Table 2 below outlines the annual gross cost of children in care and care leavers who had at least one parent in the care system.¹⁷

Table 2: Estimated annual costs associated with children in care who had at least one parent in the care system (£m)

Component	Annual cost, £m
Care system costs	
Local authority spending on care	1,925
Pupil premium	27
Care system legal costs	49
Total care system costs	2,001
Outcome-related costs	
Pupil premium, SEN, exclusion and truancy lifetime costs	57
Justice	205
Health	158
Housing	104
Welfare	193
Total outcome-related costs	717
Forgone tax revenue	46
Total annual costs	2,764

Care system costs for children in care who had at least one parent who was also in care amounts to £2 billion per year. The annual cost associated with the generally poorer life outcomes of the children of care leavers is approximately £717 million, while the forgone tax revenue amounts to £46 million.

Over time these intergenerational costs could be reduced by improving outcomes achieved by care leavers, and supporting them into adulthood to prevent their own children from entering the care system.

£8.8 bn is a significant amount. Our intention is not to determine what a reasonable cost would be for a care system – there are no other similar cohorts in the UK, nor are there published figures for international care systems for us to compare. However, there are three key aspects to take away from this analysis of gross costs:

1

From an economic perspective, the return on investment of this figure is suboptimal. If the intention of the care system is to give vulnerable children and young people the same opportunities and outcomes as those who have grown up in stable homes with their birth family, it is not being delivered consistently enough, or for a big enough percentage of those in care for this figure.

2

At least a quarter (£2.28 bn) of this total cost is tied up in responding to the negative outcomes for care leavers. For example, costs associated with mitigating homelessness (negative outcome), rather than attached to the provision of stable accommodation for care leavers (a positive outcome); or costs associated with the prison and probation system where care leavers have been involved in criminal activities.

3

Care leavers are more likely to become parents of children who subsequently come into care. While this does not increase the costs of our estimation, it is certain that this intergenerational cycle perpetuates the costs and has significant impacts on generations of children and young people.

¹⁶ Care-leavers and their children placed for adoption – Children and Youth Services Review, 2017 – [link](#)

¹⁷ Assuming those children spent some time in the care system (rather than were adopted immediately)

4

The challenges within the system

The care system can be broadly divided into two tiers: a national tier that sets policy, and a local tier responsible for operational delivery.



The challenges within the system

The care system can be broadly divided into two tiers: a national tier that sets policy, and a local tier responsible for operational delivery. Within the national tier, various governmental departments, agencies and other public bodies drive policy, provide funding, and regulate services. In the local tier, various organisations plan and deliver services, either formally or informally. These include local authorities, health care settings, schools and other educational institutions, and voluntary organisations.

Despite good intentions, the numerous departments, agencies and services which collectively make up ‘the care system’ are too often unable to come together to put the individual at the heart of what they do. The reactive nature and fragmentation of the system creates barriers and limits the potential of children and young people who experience care.

As things stand, care leavers will typically have poorer education and employment prospects, be overrepresented in the justice system, and have a higher likelihood of physical

and mental health issues compared with peers who did not experience care. Care leavers are also more likely to become parents of children who subsequently come into care. This intergenerational cycle perpetuates the social and economic cost to these families, the state and society as a whole. Taken individually, the full impact and cost of these failures in outcomes is masked – the issues are recognised as important but lack the scale to drive concerted action. Collectively, however, they create long-lasting implications for both individuals and society.

We believe there are five main issues within the current system which can be addressed to create positive turning points for vulnerable children and young people.

1 Fragmented purpose and outcomes

Organisations and agencies work to different aims and priorities, which can unintentionally hinder or contradict each other. As children and young people in care typically form a small part of their overall mandate (with the exception of Children’s Services departments within local authorities), recognition of current limitations within the system and the importance of closer working is lost.

National level

The Department for Education takes primary responsibility for policymaking on children in care. However, outcomes for children in care and care leavers are also significantly affected by policies and decisions by other departments such as the Department of Health & Social Care, Department of Work and Pensions and the Ministry of Justice.

There is a lack of a cross-governmental strategy or set of outcomes to drive co-ordinated action for the care system, or the interconnected issues it faces.

Local level

Despite notable efforts to adopt ‘whole family’ approaches in some areas, siloed working at a local level prevents holistic approaches which would improve outcomes and prevent children from coming into care.

Local agencies such as councils, the NHS and the police respond to meet specific needs, which often coincide or overlap within the most complex families. Children’s Services departments will act to support the child and young person, but parental needs which are at the root cause of the issue are often addressed separately or not at all by other services and agencies.

2

Fragmented support

The different responsibilities and competing priorities of organisations in the system drives a lack of continuity in care for those it supports. There can be a narrow focus on addressing past and present issues in isolation, rather than the holistic aspirations and planning for the future that parents have for their own children. As a result, the system tends to be reactive and risk-averse. Services are not effectively connected to support each child consistently through their care journey and beyond.

National level

The oversight and scrutiny driven by the national level of government dictates the care system's focus on the past and present, rather than the future. National performance metrics drive measurement of inputs and activity, rather than indicators of positive outcomes and potential of children and young people in care.

In addition, the care regulator which inspects Children's Services and providers of care, Ofsted, has a heavy emphasis on the present safety and security of those in care. This is of course critical and the basic duty of safeguarding should never be undermined. However, it drives risk aversion within the system, rather than a focus on improving life outcomes, and does not effectively influence other organisations with different regulators.

Local level

Children's Services and other local agencies working with children in care have tended to focus on assessing a child's past and addressing present needs. There is rarely a whole-system approach to preparing children, young people and their support network for the future.

This means that, even with the best of intentions, there is too often a lack of continuity in the personalised understanding, relationships and support for young people in their journey through the care system. The carers and professionals involved in their lives are likely to change frequently, with a lack of shared records or joint working, creating a lottery in the consistency of support received.

3

Fragmented information

The system is unable to bring together information on outcomes, support and costs for children and young people with experience in care. It therefore does not have the full picture to address fundamental issues and build on what works. As a result of this lack of insight, services at local and national level cannot be fully scrutinised and there is not the sustained impetus to transform the overall system.

National level

The care system is currently unable to view the full systemic impact of children and young people in care, due to the differing strategies and separate data across departments.

Our work to calculate the gross costs of care evidences this lack of holistic insight. Data on spend and outcomes had to be collated from many dispersed sources. Barriers also exist due to the lack of data in some areas (such as the impact of poorer physical and mental health for those who have experienced care) as well as disparities in data collection and approaches. Our estimates provide a robust minimum estimate for the system, but the true total cost is unknown and likely to be much higher.

Without a connected evidence base, we cannot understand our impact on the lives of children and young people in our care, then direct and drive the change required.

Local level

When delivering services locally, there is not a single care record accessible to appropriate professionals which would enable more connected support. This exacerbates the inconsistency experienced by children and young people, particularly alongside the frequent placement moves and changes in professionals.

At a more strategic level, local organisations do not have the insight they need to most effectively plan and shape services. The available data provides incomplete snapshots of the care system and the individuals within it. This forces local leaders to make decisions reactively and in isolation from each other, responding to immediate demand and issues rather than longer-term outcomes.

The true total cost is unknown and likely to be much higher

4

Fragmented resources

National and local departments dilute the impact of our total spend on children and young people who experience care. The balance of our resources is also heavily focused on those currently in care, rather than the other ‘turning points’ to prevent entry into care or enabling stable support into adulthood upon leaving care. We are missing significant potential opportunities to utilise resources in a different way to improve outcomes.

National level

Departmental budgets are highly divided, which dilutes awareness of the amount of public money spent to support children in care and prevents appropriate scrutiny of whether it is delivering the value and outcomes that the children in our collective care need or deserve.

Resources are also invested primarily in addressing the symptoms rather than root causes – reacting either to immediate issues for children in care or the poor outcomes that result and are perpetuated by an inadequate care system.

The case for a more holistic and preventative use of resources is undermined by the lack of shared purpose and collective insight. Multiple attempts to more effectively combine resources, a common sense approach and proven at local level, have been hindered by the lack of evidence base at a national scale.

Local level

Local public services do fantastic work in difficult circumstances, but the system prevents them pooling their resources effectively and using their collective strengths to support vulnerable children and families.

Furthermore, we are also failing to fully utilise the skills and capabilities offered by our local communities which could create opportunities for children and young people with experience of care. For example, increasing the profile and awareness of the issues they face, and pressing for greater employment and training opportunities for them within our workplaces.

In particular, there is a significant opportunity for businesses and wider society to do more to provide ongoing support networks and greater stability to young people leaving care as they embark on adult life.

5

Fragmented ownership and accountability

There is a need for greater shared accountability by all government departments and agencies, as well as wider society and communities, for the children and young people in our collective care. They deserve the same attention, support and opportunities as all children – when we fail, the ongoing, intergenerational impact on the state and society affects us all, but the lives of the individual children, young people and families are impacted most of all.

National level

The Department for Education is primarily accountable for children in care and care leavers, but there is a lack of full recognition and acceptance by other departments of the critical roles they also play within the wider system.

Experience of care plays an influential part in people’s experiences of the health system, justice system and other public sector realms. These circumstances are often seen as secondary, or not seen at all, by these departments in how to address underlying issues.

It is not appropriate for accountability to sit with a single department, and for policy and resources to be directed at a local level, when collective responsibility is required to turn around the interconnected and complex issues across the care system.

Local level

Each local authority with responsibility for children in care is designated as the ‘corporate parent’. However, this role is often only proactively championed by Children’s Services departments. Many other teams and decision makers within the same council still stumble at developing policies and services which support the children, their families and wider networks they are collectively responsible for – such as affordable and appropriate housing, and access to suitable employment opportunities.

Plus, while other public sector organisations at a local level do not have a core statutory parenting responsibility for children in care, they should seek to fulfil a moral obligation to improve the life chances and outcomes of those in the care system. Too often, police, health and other services will have a named liaison for children in care issues, but without the appropriate platform or action to drive tangible change.

An aerial photograph of a group of children in school uniforms playing soccer on a paved playground. The children are scattered across the frame, with some in the foreground and others further back. A soccer ball is visible on the ground near the bottom center. Long shadows are cast by the children, indicating it is either early morning or late afternoon. In the upper left, there is a dark rectangular overlay containing a large white number '5'. To the right of this, a dark gray rectangular box contains the title 'System conditions' and a paragraph of text. The background of the entire page is the aerial photograph of the children playing.

5

System conditions

Within any system, there are a set of underlying conditions that will drive behaviours and inform service delivery. Examples of these in practice could include performance management policies and procedures and the distribution of authority – hierarchical, networked or devolved.

System conditions



In a recent research paper commissioned by the Nuffield Foundation to investigate system conditions in children's social care, the authors determined that:

“

The institutional context of [Children's Social Care] encourages a technocratic, adversarial mode of working. It might help if practice models were more explicit about the system conditions needed to underpin new ways of working, so that the responsibilities of frontline practitioners were aligned with those of administrators and policymakers.¹⁸

¹⁸ Nuffield Foundation, Executive Summary, 2020 – [link](#)

We agree with this analysis, and would take it a step further. It is not just the institutional context of children's social care that promotes a technocratic style of working; **it is the wider system around children at risk.**

To tackle this, we believe that a new set of conditions are required to underpin and drive the care system. Below we set out our recommendations to address the challenges highlighted in the previous section, that should be adopted by all policymakers, regulators, administrators and practitioners across the system and wider society to enable more connected support and improved outcomes:



1

Shared purpose

To create a truly joined-up system, there needs to be a common understanding and agreement of its aims and objectives. This should form the basis for all decisions and actions taken by the various stakeholder groups, and for evaluation and iteration.

- Shared commitment to improving life chances and wellbeing of children in care; this commitment delivered through shared ownership and accountability for planning, interventions and delivery across partners.
- Common set of outcomes regarding the life chances and opportunities for children in care and care leavers that are measured and evidenced across the public sector.

2

Holistic support

No single agency can provide all the specialist support children and young people require, and nor should they. Joining up to identify needs and deliver support holistically allows a focus on the bigger picture, which will impact the root causes of issues, rather than just their symptoms.

- Dedicated and equal focus on the three main turning points for children: those at risk of coming into care, those within the system, and those about to leave or who have left the system.
- Recognition that children exist within larger families and communities; any intervention with a child should take account of their wider context to ensure parental and other family needs are also addressed and, where appropriate, part of a holistic family-focused solution.
- A greater appreciation and understanding of mental health, experience of trauma and attachment disorders at the start of the care journey, in order to inform more effective support and proactive preparation for the future and the provision of appropriate training and support for those working in this system.

3

Collective insight

When the right information is collected and considered, more rounded evidence-based decisions can be made with the child at the heart, rather than on a cost basis. This would allow for a proper consideration of return on investment that takes account of longer-term impacts on outcomes for the child, rather than just the effects on a short-term fiscal cycle.

- Data is collected at a local level that can provide a holistic view of a child and their pathway, to understand strengths, needs and impacts of support provided.
- This holistic view of a child is available to all relevant professionals with information shared appropriately and clearly evidenced when decisions are taken on care and support.
- Insight is generated across local, regional and national levels, informed by these individual views of children, to both evidence impact and outcomes, and inform further funding decisions.



4

Collaborative use of resources

Budgets and the management of them must be adjusted to drive collaborative behaviour. The action, or lack of action, by one organisation, could have serious financial impacts on another. It is essential that there is an overall budget that follows a child, rather than a child's needs being met according to rigid budgets governed by separate organisations.

- Greater pooling of budgets across local public services to fund holistic support for vulnerable children, young people and families, as well as more joined-up budget management and reporting to enable greater visibility of spend and overall impact.
- Greater collaboration on resources, including maximising the role of wider communities, businesses and civil society to contribute in the role of wider family to children in care and care leavers.

5

Shared parental accountability

Accountability should not be held by a few agencies or individuals within the much larger system. It needs to be collectively recognised and owned by society and all organisations within it to improve the life chances of those within the system.

- Joint accountability is driven at national level through a coordinated approach to policy-making that addresses the three turning points equally, funding decisions and review of evidence of impacts and outcomes.
- Cross-organisational regulation throughout the care system to determine the extent to which these system conditions are in place and able to be evidenced.

6

Recommendations

The care system is not the product of a conscious design. It is a product of a series of amendments undertaken at both national and local tiers, to take account of shifts in priorities and associated policies, including funding increases and decreases.








Recommendations

The care system as it stands is not the product of a conscious design. It is a product of a series of amendments undertaken at both national and local tiers, to take account of shifts in priorities and associated policies, including funding increases and decreases.

In recent years, there has been a welcome and significant shift towards child-centred planning at a local level. This needs to be broadened to an approach centred around family and community, and expanded to be the case at both national and local levels.

To successfully undertake this will require commitment to, and follow-through of, concurrent action within and by a number of agencies and stakeholders across the system. Below, we set out a number of recommendations to take forward at both levels of the care system.

	Central government	Local system
Purpose Shaping the bigger picture 	Develop a national cross-departmental strategy for children in care that identifies shared outcomes to be driven and supported by a multidisciplinary group.	Develop a local system strategy for preventing children from entering the care system and supporting those in care. It must promote collective accountability for delivery and impact of services.
Support Multidisciplinary delivery 	Multidisciplinary group for driving the national strategy to develop and manage a programme that inspires, invests in and evaluates truly multidisciplinary practice at local level.	Invest in specialisms from across the local system to enhance 'edge of care' services and the assessment process, with a particular focus on appropriate mental health support.
Insight Holistic information 	<p>Collate and streamline governmental data sources for children in care and care leavers to enable a clear view of outcomes, performance and costs across local and national systems.</p> <p>Undertake a regular cost benefit analysis of different interventions, in line with green book methodology, to understand which have the greatest impact on outcomes.</p>	<p>Develop a collective data source across partners with intelligent insight capabilities. This should be used to better identify and inform decisions to support children at risk of coming into care.</p> <p>Evidence gathering at an individual level of what interventions demonstrate the best return on investment, in terms of both outcomes and associated costs.</p>
Resources Shared financial drivers 	Centralised outcomes-based budget for children at risk of care, in care and their families. This should be across relevant government departments in order to mirror a system-wide approach at a local level.	Shared outcomes-based budgeting across local public services to drive joined-up interventions and a collective focus on improving outcomes.
Accountability Shared governance and regulation 	Current regulators (Ofsted / CQC) to work together to drive collective accountability and outcomes across the system with a wider view of the family, their needs and required support.	Strengthen accountability and outcome monitoring through dedicated senior leader sponsorship and clear responsibilities for contributing to joint decision-making on children in and on the edges of the care system.



While primary focus has been given to the shifts required at both national and local levels, consideration should also be given to the roles of businesses and wider society. There is a significant and under-recognised role that wider society is able to play to bring about the change that is needed for our most vulnerable children, with a wide range of existing good practice that is already doing this.

A robust network of role models from various settings, who can support children and young people in developing, working towards and achieving aspirations is likely to have the greatest impact on outcomes for children in the care system and leaving it. Access to education, training and employment opportunities, at the right time, can also impact the success with which a young person can transition into adult life.

Opportunities to explore with private industry include:

- 1 Dedicated work experience opportunities for children in care
- 2 Corporate mentor or buddy schemes for children in care
- 3 Dedicated slots on school-leaver or graduate programmes for young people who have come through the care system



Opportunities within wider society include:

- 1 Lifelong mentors to provide young people with a consistent link with one person who is not a formal part of the system
- 2 National campaign to focus on inspiring and supporting community initiatives based around the three turning points



There is existing good practice in both the private sector and wider society, both in the UK and abroad, which could be drawn upon in developing opportunities within these spheres further.



7

Conclusion and next steps





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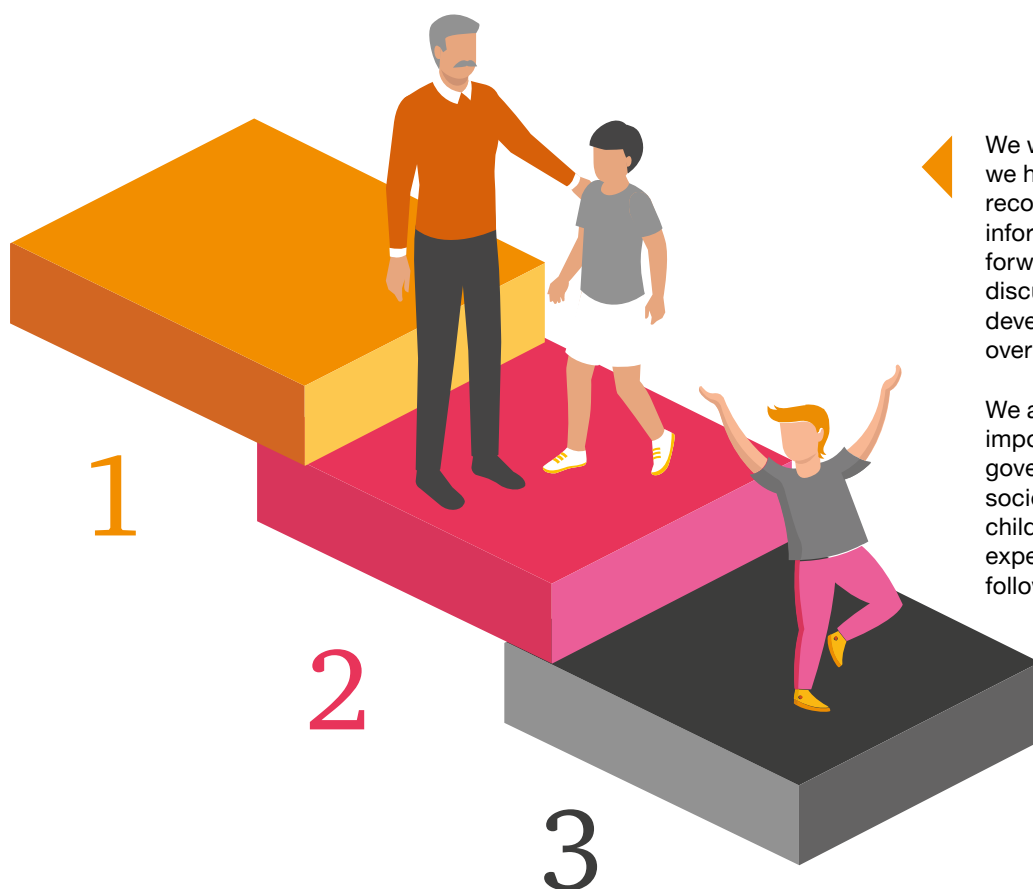
It is going to help us raise the bar for these vulnerable children, it's going to help us improve their life prospects and, most importantly, it's going to help give them the chance to achieve their potential and not be held back from the futures they deserve.

Conclusion and next steps

We need to 'level up' our care system and ensure that the children and young people within it are supported to reach parity of outcomes with those who have not come through the system. The government recognises this – launching the independent review of children's social care in January 2021, the Education Secretary stated:



Next steps



◀ We welcome the Care Review and we hope the reflections and recommendations in this report help to inform its scope and ambition. We look forward to contributing to the discussion and supporting the development of long-term solutions over the course of the review.

We also believe that there are important changes we can all make – government, business and wider society – to help improve the lives of children and young people who have experienced care. We urge the following next steps to be taken:



Government

- Ongoing support and promotion of the independent Care Review so the voices of children, young people, families and professionals can be heard and used to drive fundamental change across the system.
- Councils and their local partners to seize the initiative and proactively trial new ways of working across their local area that nurture and develop the system conditions we have recommended to enable more connected support and improved outcomes.



Business

- Promote existing opportunities and develop new programmes that offer work experience, employability advice and guidance specifically for young people in care to enable greater access to further education, employment and/or training.
- Increase access to training and employment opportunities for care leavers, removing barriers such as traditional academic requirements where possible, and establish the ongoing pastoral support needed for them to thrive within our workplaces.



Society

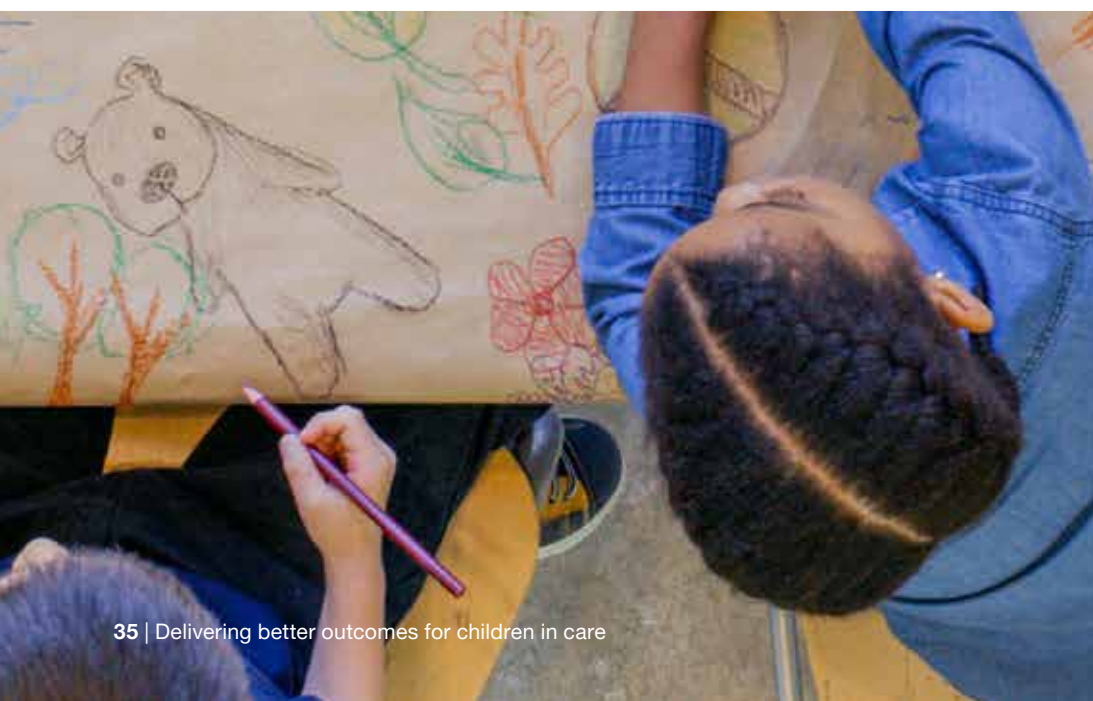
- Develop and get involved with a future lifelong mentoring scheme that supports young people leaving the care system with an ongoing source of advice, coaching and reassurance as they become adults.
- Share good practice, volunteer and build the case for local community initiatives that can either address, or provide early help to support with, some of the root causes driving entries into the care system. These could also provide holistic support to children once they have entered the system.

We all have a responsibility to 'level up' opportunities for children and young people who have experienced a difficult start in life, acting collectively as the 'parents' of those who experience the care system. Together we can really make a difference to help them thrive in all walks of life.



PwC's pledge

Through our work on this report, we at PwC have developed our own organisational awareness of the challenges faced by children and young people in care and we are committed to playing our part. As a firm, we will do more to help children and young people in care across the UK and work closely with other businesses and organisations who want to do the same.





Our commitment

Proud to be part of the Care Leaver Covenant

As part of this we pledge to:

- Sign up to the Care Leaver Covenant to provide support for care leavers aged 16-25 to help them to live independently. We will use this to increase awareness and promote our existing employment and training opportunities, such as:
 - Participation in our Virtual Classroom – an opportunity to develop employability skills for Years 10-13 – and our Virtual Insight Week, which is a week long programme of virtual sessions, open to Year 12 students to help develop skills and make career decisions.
- Help young people to prepare for work through advice, guidance and support on preparing employment applications, skills and interview preparation, including using our Employability Hub, which offers many useful virtual tools.
- Promote our Student Recruitment and paid employment opportunities. These include roles which do not have academic requirements, or those with different requirements such as 3Cs at A Level, to support greater accessibility into work.
- Encourage our wider connections, such as our supplier network and other private sector organisations, to also sign up to the Care Leaver Covenant.
- Work with a partner organisation to develop training and employment skills specifically targeted at children and young people in care and care leavers, supporting our wider commitment to social mobility.
- Following the conclusion of the independent Care Review in 2022 and the implementation of its findings, repeat the analysis and research which contributed to this report to assess how the system is changing and if outcomes are improving.

Virtual Classroom and Virtual Insight week

Opportunities for young people in Years 10 – 13 to develop employability skills and help them to make career decisions.

A1: Methodology for the number of children who have left care



Explanation of the number of children who have left care

The complex nature of the care system masks the true number of children who have ever experienced care. While some children may be in care continuously for many years, others may frequently enter and reenter the system. Furthermore, there is not necessarily a strict relationship between the length of time a child spends in care and their outcomes later in life.

The proportion of children in the care system has increased steadily over the past 25 years. Extrapolating back the trend, we calculate the average probability that a child was in care in any of the past fifty years. Applying that proportion to the UK population of 18-64 year olds gives our estimate of the number of working age care leavers.

A2: Interpreting the £8.8 billion gross cost of children in care

In this study we estimate the gross annual cost to society of children in care. While £8.8 billion represents a substantial cost given the relatively poor outcomes experienced by care leavers, we have not quantified whether an alternative model of care would result in better outcomes for children in care or result in greater value for society. Therefore, the £8.8 billion figure should not be interpreted as:



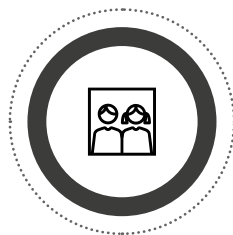
The net cost of children in care and care leavers

Even if they had never entered care, some children would still have special educational needs or later become homeless or imprisoned. Our estimate does not show how much greater the cost is to society of having a care system compared to not having one.



The sum of all spending on care

With or without a care system, society would still incur some of the costs that are currently attributed to the care system. In the absence of the care system, some costs would not disappear but would instead be borne elsewhere.



The potential benefits of interventions

That would improve the outcomes of children in care and care leavers. The cost of any intervention would need to be offset against the potential gains that the intervention would realise.



The potential change in costs in the short and medium term

There is less scope to reduce short-run costs when children are in care compared to when they are care leavers. The majority of costs associated with a child in care are direct (that is, unavoidable). By contrast, most of the costs incurred by care leavers are indirect because they depend on the care leavers' life outcomes. So any change in the care system could only achieve a limited reduction in costs in the short term. Furthermore, some costs associated with children in care and care leavers are fixed. So even if the number of care leavers who are imprisoned were to fall, there would likely be only limited savings in the short and medium term.



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About Home for Good

Home for Good is a UK charity seeking to inspire and equip individuals and families to open their homes to vulnerable children. We resource churches to be a welcoming and supportive community for fostering and adoptive families, and advocate for vulnerable children at all levels of government.

www.homeforgood.org.uk

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