



House of Commons
Education Committee

Educational poverty: how children in residential care have been let down and what to do about it

Second Report of Session 2022–23

*Report, together with formal minutes relating
to the report*

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The Education Committee

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Summary

Children in care face multiple educational disadvantages. Outcomes are poor and there is much that can and must be done to support their progress, champion their attainment and improve their life-chances. The number of children in care is rising, and could reach the notable milestone of 100,000 children in care by 2025. We must act now to ensure every looked-after child is properly supported to succeed in education and in life.

The educational data paints a bleak picture. At Key Stage 2, for reading, writing and mathematics, only 37% of looked-after children reached expected standards, compared to 65% of non-looked-after children. Just 7.2% of looked-after children achieved the grade 5 'good pass' threshold in English and mathematics GCSEs, compared to 40.1% of non-looked-after children. The average Attainment 8 score—a measure of achievement across 8 qualifications—for looked-after children was 19.1 compared to 44.6 for non-looked-after children. And children in residential care at age 16 scored over six grades less at GCSE than those in kinship or foster care.

Of course, these statistics are in part reflective of the traumatic life experiences of many children in care, as well as factors such as looked-after children's more complex needs and higher rates of special educational needs relative to the wider population. But our inquiry identified a host of indefensible system failings that result in looked-after children receiving educational experiences that we certainly would not deem acceptable for our own children.

An important part of our inquiry was hearing from young people with lived experience of residential care. We were impressed by their resilience, determination and ambition. But we were saddened to hear of the adversity they faced from a system that should have been supporting and championing them. They told us of frequently changing schools, missed education, lack of support for special education needs, and the difficult transition from leaving care to living independently. Despite the excellent work of many teachers, social workers and Virtual School Heads across the system, the state fails to act as a pushy enough corporate parent when it comes to children in care and their education and career outcomes. We must act now, and our report sets out what needs to be done to change this.

Sanctions for schools that refuse to admit looked after children

We must end the culture of impunity which allows schools to block admissions of children in care.

Despite the law clearly stating that schools rated good or outstanding by Ofsted should be prioritised for looked-after children, children in care are in fact less likely than their peers to attend the best schools. This should not be happening. We believe that the proportion of looked-after children attending good or outstanding schools should be virtually 100% given the statutory responsibilities and powers local authorities hold for securing an education place best suited to the child's needs. The evidence we have received indicates that local authorities are not sufficiently ambitious in getting their

looked-after children into good or outstanding schools. Allocation of school placements must be fair and proportional, ensuring that looked-after children are evenly admitted to the best and most appropriate schools within their local authority area.

Schools must be held accountable for refusing to admit looked-after children—the lever for this accountability should be the impact on the school's Ofsted judgement. We welcome the new backstop set out in the Schools White Paper which would give local authorities the power to direct academy trusts to admit looked-after children. We call on the Department to introduce this new backstop power without delay.

Urgently tackle the national scandal of children missing education or receiving sub-par unregulated 'education'

All looked-after children should be receiving full-time education in a school registered with the Department for Education. This does not always happen. Research by Ofsted found that of a sample of 2,600 children living in children's homes, 9% attended unregulated education provision (for example online schools, or in-house tuition), while a further 6% were not in education, employment or training. There must be greater accountability for local authorities who fail to ensure that their looked-after children are receiving full-time, high-quality education. Local authorities who fail to fulfil this duty should be sanctioned by Ofsted in the form of capping their rating.

Extend Pupil Premium Plus funding beyond the age of 16

Pupil Premium Plus funding is used to raise education outcomes for looked-after pupils. However, this funding ends at age 16. As a result, the education and support needs of the cohort of looked-after children aged 16–18 largely go unmet. It is also the case that children are increasingly entering care at an older age—almost a quarter (23%) of all children in care are aged 16 or older. The Department must extend Pupil Premium Plus past the age of 16, so that looked-after children can receive the support they need to do well during this crucial phase of their education. This funding should also be used to commission bespoke careers mentoring and support, in order to improve the life-chances of looked-after children.

Boost career outcomes for care leavers

All too often, care leavers do not receive the careers support they need to get on in life. 41% of 19–21-year-old care leavers are not in education, employment or training (NEET). 22% of care leavers aged 27 are in employment compared to 57% of others, and even when they are in employment there is on average a £6,000 pay gap.

Just 2% of care leavers go on to do an apprenticeship. We heard that the national minimum apprenticeship wage rate puts apprenticeships out of reach for young care leavers living independently without economic parental support. We therefore recommend reforming the apprenticeship levy to ensure that care leavers are paid the National Living Wage.

Strengthen the powers of Virtual School Heads

Virtual School Heads play a key role in promoting the education outcomes of looked-after pupils. They are the lead professional for ensuring that children in care have the maximum opportunity to reach their full education potential. The Department should award further powers to Virtual School Heads to ensure that they hold full responsibility for getting looked-after children into good and outstanding local schools without tolerating delay. The Department must strengthen its guidance on Pupil Premium Plus funding, stipulating that the Virtual School Head be given the power to sign off on the use of the grant, ensuring that it is spent on specific, evidence-based interventions to boost the attainment of looked-after children.

A national roll-out of Staying Close

For too many young care leavers, the transition from care to independent living can feel like a cliff-edge. Statistics reveal the litany of challenges faced by care leavers: 33% experience homelessness, a quarter of them are sofa-surfing and 24% of those in prison have been through the care system.

We are particularly concerned by the unequal and lesser support for young people leaving children's homes compared to young people leaving foster care. The Department has piloted Staying Close, a support programme for young people leaving residential care, and independent evaluations of the pilot show promising outcomes across a range of metrics including reduced eviction rates, reduced proportions of care leavers who are NEET and increases in emotional well-being. The Department must end the current postcode lottery of support and roll out Staying Close nationally, as a statutory support offer for all young people leaving residential care.

Tackle the black hole of data

Underpinning all of these reforms is the need for better data. Throughout our inquiry, our scrutiny of the education outcomes of children in residential care was hindered by the poor quality of Departmental data. Existing data is simply not good enough, it does not provide the visibility into the education of children in care that we would expect to see for this vulnerable cohort. Crucially, outcomes data is not broken down by type of care placement. This is a barrier to scrutiny and accountability, and hinders the development of targeted, evidence-based interventions that could raise the attainment of looked-after children.

Even where data does exist, we heard that it should come with a health warning, and that current data is fundamentally unreliable as it only tracks young people who exist within the system, not those young people who are falling through the gaps.

The Department must commit to annual data publication through a data dashboard which is disaggregated by type of care placement, including flagging when the child is living in unregulated provision. We would expect this to include data on progress, attainment, attendance, suspensions and exclusions.

Review of funding

For far too long, some private providers have extracted significant profits from the public purse, operating under a monopoly market. At the same time, they have not demonstrated equivalent value for taxpayer money in terms of improved outcomes for the vulnerable children they care for. The Government should consider whether the independent review of children's social care's recommendation to levy a 20% windfall tax on the 15 largest private children's homes and independent fostering providers would be effective. The Government must also take a wider look at the market, and consider whether it would be more appropriate for children's homes to be run by organisations such as not-for-profit community interest companies, or for negotiations on pricing to be undertaken nationally rather than locally.

1 Introduction

Who are children's homes for?

1. Children's homes provide care for some of the country's most vulnerable young people who are unable to live with their families.¹ 65% of children in care are there because of abuse or neglect.² Fran Oram, the Department for Education's Director of Children's Social Care, told us that these traumas have "a direct correlation with their outcomes from the education system."³ Children placed in residential care tend to have the most complex needs, they are more likely to have entered care later and more likely to have special educational needs.⁴ As the 2016 Sir Martin Narey Review highlighted, residential care should not be perceived as an option of last resort, it is the right option for many children and young people.⁵ As one care-experienced young person told us, "I didn't want a [foster] mum and dad, so children's homes were going to suit me best."⁶

Characteristics of children in residential care

2. The number of children in children's homes rose by 16% between 2015 and 2020. This reflects the wider increase in the number of looked-after children. Research commissioned by the County Councils Network forecasts that by 2025, almost 100,000 children could be in care.⁷ The reasons behind this rise—including insufficient early intervention, a rise in unaccompanied asylum-seeking children, and a decline in the numbers of children leaving care—are explored in detail the following chapter.⁸ As at March 2021, there were 7,230 children in children's homes, constituting 9% of all children looked-after.⁹ Children are on average 13.3 years old when they begin living in a children's home, and stay at a children's home for an average of 1.4 years. Of children living in children's homes and attending state-funded education, almost three-quarters had an education, health and care (EHC) plan or were receiving special educational needs (SEN) support.¹⁰ This compares to 55.7% of all looked-after children who had an identified special educational need.¹¹

3. Although children's home workforce issues were outside the scope of this inquiry, which focuses on education and career outcomes, several submissions noted concerns about the residential care workforce. These included the status, capacity and instability of the workforce and the impact these have on consistency of care and outcomes for children.¹² The Independent Children's Homes Association highlighted problems

1 Department for Education ([CHH0039](#))

2 Department for Education. Department for Education, [Children looked-after in England including adoptions](#), November 2021

3 [Q357](#)

4 Barnardo's ([CHH0040](#))

5 Department for Education, [Residential Care in England: Report of Sir Martin Narey's independent review of children's residential care](#), July 2016

6 [Q255](#) [Young person B]

7 County Councils Network, The future of children's social care. November 2021, Available at: <http://www.countycouncilsnetwork.org.uk/download/3960/>

8 Department for Education ([CHH0039](#))

9 Department for Education, [Children looked after in England including adoptions, CLA on 31 March by characteristics - NATIONAL](#), November 2021

10 Ofsted, [The education of children living in children's homes](#), February 2021

11 Department for Education ([CHH0039](#))

12 Five Rivers Child Care ([CHH0011](#)); St Christopher's Fellowship ([CHH0012](#)); Local Government Association (LGA) ([CHH0020](#)); Barnardo's ([CHH0040](#))

recruiting registered children’s homes managers, suggesting that “Residential child care is not perceived by many as a career pathway [...] it does not have its own professional body”.¹³ The charity Become recommended that the Government should deliver a national campaign to recruit and train children’s home staff.¹⁴

4. Published Departmental data on the characteristics of children in children’s homes is both limited and out of date. The Department’s written evidence tells us that “the latest data available” on the characteristics of children in residential care is from a 2016 ad-hoc data release. This data showed 41% of children in children’s homes were over 16, with a further 56% aged 10–15. The majority, 62%, were male, and 80% were of a White ethnic background.¹⁵ Ofsted notes that “Not very much is known, particularly on a qualitative basis, about why children enter children’s homes [...] the Department for Education (DfE)’s national data collections do not currently capture this information.”¹⁶

5. **We were highly concerned to be told by the Department that their most up-to-date data on characteristics of children in children’s homes is from an ad-hoc 2016 data release—now seven years out of date.**

6. *The Department must annually publish statistics on looked-after children, disaggregated by placement type, including key metrics on gender, ethnicity, age, special educational needs, and rates of out-of-area placements.*

Recent work on children’s homes

7. One of our predecessor Committees published its *Residential Children’s Homes* report in 2014.¹⁷ Many of the concerns it identified—placement instability, location of children’s homes, and overuse of out-of-area placements—were also raised as key concerns in this inquiry, eight years on. In 2016, Sir Martin Narey’s *Independent review of children’s residential care* was published. This made over 30 recommendations, of which several—including piloting the Staying Close support programme for care leavers, and the establishment of a leadership board to drive forward improvements to the children’s residential care system were implemented.¹⁸ In 2022, the Competition and Markets Authority published its *Children’s social care market study*. This identified “significant problems in how the placements market is functioning”.¹⁹ In May 2022, *The Independent review of children’s social care*, led by Josh MacAlister, was published. The review, billed as “a once in a generation opportunity to reset children’s social care”, highlights “a lack of national direction” on the purpose of children’s social care, and makes over 80 recommendations to address this. It outlines a comprehensive package of changes including reforms to early family help, additional support for kinship carers, establishing Regional Care Cooperatives to put the care system “on a path where care is not based on profits”, and recruiting 9,000 additional foster carers.²⁰

13 ICHA (CHH0035)

14 Become (CHH0017)

15 Department for Education, [Ad-hoc notice. Looked-after children in residential care: analysis](#), July 2016

16 Ofsted, [Why do children go into children’s homes?](#), April 2022

17 Education Committee, Sixth report of session 2013–14, [Residential Children’s Homes](#), HC 716

18 Department for Education, [Report of Sir Martin Narey’s independent review of children’s residential care](#), July 2016 (The Residential Care Leadership Board was subsequently disbanded in 2020)

19 Competition and Markets Authority, [Children’s social care market study: final report](#), March 2022

20 Josh MacAlister, [The independent review of children’s social care](#), May 2022

Our inquiry

8. We launched our inquiry in March 2021. Our focus has been on the education and employment outcomes of children in children's homes and how these can be improved. Nonetheless, we knew that these outcomes are tightly, and often inextricably, tied to other aspects of the child's journey and experiences through care. Alongside the wider care system recommendations made by *The independent review of children's social care*, we are confident that the time is right for the Department to listen to the sector and implement much-needed reforms. We received around 40 written submissions from across the sector, some of which have been kept confidential. We appointed Patrick Ward, Chair of the National Association of Virtual School Heads (NAVSH) and Lewisham Virtual School Head (VSH) as Specialist Advisor to the inquiry.²¹ We held six oral evidence sessions, hearing from a range of stakeholders, including charitable organisations, representatives from voluntary and independent sector children's homes, the current and former Children's Commissioners, Ofsted, and the Minister for Children and Families. We thank everyone who has provided evidence to this inquiry for sharing their time and expertise.

9. We held an evidence session in private with four young people with a range of current and prior experiences of life in a children's home. We are very grateful to them for coming to Parliament to speak candidly and powerfully about their experiences. Their evidence has formed an important part of our thinking. We are of the view that the voices of children and young people with lived experience of the care system must be front and centre of future reforms. We would also like to express our thanks to Become and to St Christopher's Fellowship for their work in supporting these young people to give evidence.

21 Patrick Ward declared the following relevant interest: Chair of the National Association of Virtual School Heads

2 The rise and rise in the number of children in care

10. The number of children in care in England has been rising every year since 2008, and in 2021 rose to 80,850, the highest ever level on record. This is a rate of 67 children per 10,000.²² Research commissioned by the County Councils Network forecasts a 36% increase in the number of children in care over the decade between 2015 and 2025.²³ Under their analysis, the number of children in care would approach 100,000 by 2025. Were this to be reached, it would be a sad milestone indeed.

The reasons behind the rise

11. We heard there are multiple factors behind the rise in the number of children in care. The County Councils Network highlights that there has been a marked decline in children exiting care, which has driven the overall rise in children in care.²⁴ Children's Commissioner Rachel de Souza similarly confirmed to us that fewer children leaving care over recent years "is where the numbers are growing".²⁵ Charlotte Ramsden, the then President of the Association of Directors of Children's Services (ADCS), noted that court pressures have resulted in a reduction in the numbers of children exiting care.²⁶

12. We heard that the rise does not mean the state is being over-zealous in removing children from their birth families and bringing them into care. Ofsted told us that while "There is a delicate debate about state intervention in family life", local authorities are not intervening unnecessarily, and assured us "The threshold is not too low".²⁷ Indeed, as the Children's Commissioner pointed out, given the rise in older children entering care, thresholds are "clearly too high if the first intervention is late."²⁸

13. The then ADCS President further suggested that local authorities have become better at identifying children who are vulnerable, and bringing them into care appropriately, and pointed to "significant" increases both in numbers of unaccompanied asylum-seeking children, and in risk factors outside the home.²⁹ Michelle Lee-Izu, Barnardo's Interim Co-CEO, highlighted how factors including the Covid-19 pandemic, and unmet mental health and special educational needs, have resulted in "families just not coping and children entering into care".³⁰ The Local Government Association warned that the need for children's home placements post-pandemic could further increase due to "hidden harm" faced by children during repeated lockdowns. Financial hardships during the pandemic may drive increased referrals to children's social care services.³¹ Research

22 Department for Education, [Children looked-after in England including adoptions: Time series of CLA data - 1994 to 2021](#), November 2021

23 County Councils Network, [The future of children's social care](#). November 2021, Available at: <http://www.countycouncilsnetwork.org.uk/download/3960/>

24 County Councils Network, [The future of children's social care](#). November 2021, Available at: <http://www.countycouncilsnetwork.org.uk/download/3960/>

25 [Q197](#)

26 [Q146](#) (When a child is taken into care, a care order is given by a court which lasts until the child's 18th birthday. Children over 16 can ask to have their care order stopped, but have to go through the court process to do this)

27 [Q200](#) [Yvette Stanley]

28 [Q198](#) [Rachel de Souza]

29 [Q146](#) [Charlotte Ramsden]

30 [Q146](#)

31 Local Government Association (LGA) ([CHH0020](#))

published by the Department suggests that “Population growth and an increase in the number of unaccompanied asylum-seeking children explain 56% of the increase in looked-after children since 2013.”³² And we heard from Mark Russell, Chief Executive of the Children’s Society, that “we cannot disconnect” the rise in the numbers of children in care from cuts to early intervention spending over the last decade.³³ All reforms to the care system should be informed by the principle of intervening as early as possible, and we examine early intervention in the final chapter of this report.

32 Department for Education, [Drivers of activity in children’s social care](#), May 2022

33 [Q78](#)

3 Overcoming the odds: education outcomes and the lack of post-16 funding

Education and outcomes: The black hole of data

14. Throughout our inquiry, our scrutiny of education outcomes of children in residential care was hindered by the lack of Departmental data. Department statistics provide some data on the educational attainment of looked-after children, but crucially do not break this down by type of care placement (whether the child is in residential, foster or kinship care). The Department's written evidence states that disaggregated data for children in children's homes "isn't available".³⁴ However, the What Works Centre for Children's Social Care told us that "Although it is possible to request this data, this is a time consuming process", and recommended that the Department publish data disaggregated by type of care placement.³⁵

15. We heard from Ofsted that "The data capture system has not been designed to get the coverage of the vulnerable cohorts that we would like to see."³⁶ Mark Russell, Chief Executive of the Children's Society, further told us that the Department should be commissioning research on outcomes and consistency of education received by children in care, "particularly for those who are placements, who have been moved consistently. That information is not currently available."³⁷

16. We further heard that all data on the education of looked-after children needs a 'health warning' as it is "fundamentally unreliable". Patrick Ward, Chair of the National Association of Virtual School Heads, explained that this is because available data comes from school census data, so "is only tracking young people who already exist within the system. It is not tracking those young people who are falling through the gaps". He further outlined that if national level social care data and school census data were reconciled, "significant gaps" would be found.³⁸

17. We questioned the Department on the quality of education outcomes data for looked-after children. Fran Oram, the Department's Director of Children's Social Care, told us: "We are very open to looking at how we can improve the data. We are aware that there is often a lag in the data that we have and the data we publish is largely annual."³⁹ Will Quince MP, Minister for Children and Families, added: "We should be a bit more frank than that. The data we have is poor. It is a year in arrears [...] let's be honest about it, we are not happy with the data we have at the moment."⁴⁰

18. The Department's data on the educational outcomes of children in care does not distinguish between placement type. Existing data is not good enough, it does not provide the visibility into the education of children in care that we would expect to

34 Department for Education ([CHH0039](#))

35 What Works for Children's Social Care ([CHH0024](#))

36 [Q224](#) [Yvette Stanley]

37 [Q86](#)

38 [Q56](#)

39 [Q352](#)

40 [Q352](#)

see. **The poor-quality data is a barrier to scrutiny and accountability, and hinders the development of targeted, evidence-based interventions that could raise the attainment of looked-after children.**

19. *The Department must urgently tackle the black hole of data on the educational outcomes of children in children’s homes. It must commit to annual data publication through a data dashboard on outcomes for looked-after children which is disaggregated by care placement type, including flagging when the child is living in unregulated provision. We would expect this to include data on progress, attainment, attendance, suspensions and exclusions.*

20. Children in care face multiple educational disadvantages. Outcomes are poor and there is much that can be done to support their progress and help raise attainment levels. To an extent, time spent in care can act as a protective factor for educational outcomes.⁴¹ Children who spend over 12 months in care have higher outcomes than those in care for less than 12 months, this is likely due in part to the effectiveness of Virtual School Heads in championing their education.⁴² Nonetheless, the data that is available for looked-after children’s educational outcomes paints an extremely bleak picture.

- At Key Stage 2, for reading, writing and mathematics, 37% of looked-after children reached expected standards, compared to 65% of non-looked-after children.
- Just 7.2% of looked-after children achieved the grade 5 ‘good pass’ threshold in English and mathematics GCSEs, compared to 40.1% of non-looked-after children.
- The average Attainment 8 score—a measure of achievement across 8 qualifications—for looked-after children was 19.1 compared to 44.6 for non-looked-after children.⁴³
- 41% young care leavers age 19–21 are not in education, employment or training (NEET).⁴⁴

21. Research by the universities of Bristol and Oxford—describing itself as “the first major study in the UK to explore the relationship between educational outcomes [and] young people’s care histories”—found that children in residential care had lower educational outcomes at GCSE than children in other types of care. Children in residential care at age 16 scored over six grades less at GCSE than those in kinship or foster care.⁴⁵ The reasons for this are complex, but the characteristics of children in residential care play a role. These children tend to have the most complex needs, enter into care later, and are more likely to have special educational needs compared to the average for looked-after children

41 Sebba, J. et al., [The Educational Progress of Looked After Children in England: Linking Care and Educational Data](#), November 2015

42 Department for Education ([CHH0039](#))

43 Department for Education, [Outcomes for children looked after by local authorities in England](#), March 2020

44 Department for Education, [Children looked after in England including adoptions](#), November 2022.

45 Sebba, J. et al., [The Educational Progress of Looked After Children in England: Linking Care and Educational Data](#), November 2015

(74% compared to 55.7%).⁴⁶ Children in residential care are also particularly vulnerable to educational risk factors such as shorter placements, and higher frequencies of school and placement changes.⁴⁷

22. As the Narey Review notes, it is difficult to quantitatively isolate and determine the impact of time spent in a children's home on that child's educational outcomes.⁴⁸ In part this is because children spend relatively brief periods in a children's home—1.4 years is the average, and they tend to enter residential care during their teenage years.⁴⁹ However, as the Children's Commissioner highlights, it is certainly the case that “the level of support which young people living in children's homes receive from professionals can have a material impact on their educational outcomes.”⁵⁰ We heard accounts of very variable support from our care-experienced young witnesses. One told us that her children's home “would take me to college every morning.”⁵¹ Another recounted the barriers she had encountered:

I'd already sat my GCSEs, and failed quite a few. I lived in a residential home, so I was expecting the support for further education, like colleges, to be pretty good, but it just wasn't. I study technology, and obviously quite a lot of the resources that you need to use to progress and learn the basic fundamentals were pretty much locked away because I didn't have internet access.⁵²

Supporting Virtual School Heads to intervene earlier

23. Since 2014, Virtual School Heads (VSHs) have held statutory responsibility for the educational achievement of all looked-after children in their local authority. They are the lead professional for improving the educational experiences and outcomes of their authority's looked-after children. They hold key responsibilities for ensuring these children have the maximum opportunity to reach their full educational potential. Their duties include collecting and reporting data on attainment and attendance, ensuring the child's personal education plan (PEP) is up to date, and managing Pupil Premium Plus (PP+). The VSH is responsible for ensuring that school admissions authorities understand their duties in relation to admitting looked-after children, and for ensuring that the local authority does not tolerate drift and delay in securing a child's school place.⁵³

24. In September 2021, local authorities were allocated £16.6 million of funding to extend the VSH role to include all children with a social worker.⁵⁴ This funding supports VSHs to take on a further (non-statutory) leadership role in promoting the attendance, attainment and progress of all children with a social worker. The funding allows VSHs to work with education settings including early years and schools to address the educational disadvantages faced by children who have a social worker, and ensure their needs are

46 Ofsted, [The education of children living in children's homes](#), February 2021; Become ([CHH0017](#)); Department for Education ([CHH0039](#))

47 Office of the Children's Commissioner for England ([CHH0032](#))

48 Department for Education, Report of Sir Martin Narey's independent review of children's residential care. July 2016. (The Residential Care Leadership Board was subsequently disbanded in 2020)

49 Ofsted ([CHH0026](#))

50 Become ([CHH0017](#))

51 [Q264](#) [Young person B]

52 [Q255](#) [Young person D]

53 Department for Education ([CHH0039](#))

54 Department for Education, [Promoting the education of children with a social worker](#), June 2021

tackled early before they escalate. The Department identifies that this cohort “face significant barriers to education as a result of experiences of adversity and trauma, most commonly abuse and neglect.” Compared to their peers, pupils with a social worker were around half as likely to achieve a good pass at GCSE English and Maths, around three times more likely to be persistently absent, and up to four times more likely to be excluded.⁵⁵

25. Will Quince MP, Minister for Children and Families, recently confirmed that funding for this extended strategic leadership role would be continued for a further year, until 2023.⁵⁶ Ofsted’s National Director of Children’s Social Care told us that she was “very pleased” that the Virtual School portfolio had been expanded to include children with a social worker, but cautioned that she hoped the extended role “is not to the detriment of looked-after children. I hope they have the resources to do both jobs well.”⁵⁷ We agree and would like to see a firm long-term funding commitment for these extended VSH responsibilities, which should also be put on a statutory footing to ensure consistency and accountability at local authority level.

26. It is welcome that the Department has announced a further year of funding for the extension of Virtual School Head duties to include all children with a social worker. Children with a social worker face significant barriers to education, but unlike looked-after children, have not had the benefit of a Virtual School Head to champion their progress and outcomes. Virtual School Heads will be able to make a difference by intervening early in the child’s life to address barriers to poor education outcomes and support their progress.

27. The new Virtual School Head duty to promote the education of children with a social worker must be given a statutory footing by 2023, with statutory guidance to accompany this. The statutory powers of Directors of Children’s Services towards the education of children with a social worker should be delegated to the Virtual School Head. Local authorities must be held accountable via Ofsted for allocating education funding for children with a social worker, and tracking its impact on their education outcomes.

Pupil Premium Plus funding

28. Local authorities currently receive Pupil Premium Plus (PP+) funding of £2,410 per child in care, from reception age up to age 16. Department guidance outlines that the VSH is responsible for ensuring their local authority has made arrangements for allocating pupil premium to benefit the education of looked-after children.⁵⁸ VSHs report annually to Ofsted how they are managing PP+.⁵⁹

55 Department for Education, [Promoting the education of children with a social worker](#), June 2021

56 National Association of Virtual School Headteachers, [Continued funding for virtual schools is confirmed](#), March 2022

57 [Q214](#)

58 Department for Education, [Guidance: Pupil premium](#), December 2021

59 Department for Education, [Guidance: Pupil premium: overview](#), April 2022

29. While the PP+ grant should be completely ring-fenced, we heard there is insufficient scrutiny on whether it is being spent on raising the attainment of the vulnerable children it is intended for.⁶⁰ Patrick Ward told us that some local authorities could be using PP+ funding to offset overspends in other budget areas, but such misspending is not currently being captured.⁶¹

30. Processes to scrutinise how local authorities are spending their Pupil Premium Plus grant are insufficient. There must be strengthened accountability with clear penalties for local authorities who are not properly spending the grant on raising the educational attainment of looked-after children.

31. Local authorities must annually report to Ofsted, accounting for how every penny of their Pupil Premium Plus grant is being spent. The Department must strengthen its guidance on the grant, stipulating that all funding must be allocated via the Virtual School Head, and the Virtual School Head be awarded powers to sign off on the use of the grant. Local authorities must evidence that the grant is being spent on specific educational interventions and not being used to plug funding gaps elsewhere. Ofsted's inspections of local authority children's services must scrutinise the measurable impact Pupil Premium Plus is having on progress and outcomes for looked-after children. Where local authorities are not spending Pupil Premium Plus allocations within the terms of grant, or where it is having insufficient impact on outcomes, local authorities should face clear consequences via capped Ofsted judgements.

The post-16 funding precipice

32. Pupil Premium Plus (PP+) funding ceases when the child reaches the age of 16, but VSH duties and the need for bespoke educational support continue until the child leaves care. Patrick Ward, Chair of the National Association of Virtual School Heads, described this as “a cliff edge in that all funding for virtual schools stops at 16, so at year 11 that is it. There is no funding of any kind for young people in post-16, let alone post-18.”⁶²

33. The Department ran a £3 million post-16 PP+ pilot (from October 2021 until March 2022) to test the extension of financial support to young people in care studying at general further education (FE) colleges.⁶³ We heard that “If that pilot is successful and the funding is made available, that would be a complete gamechanger. If it is not, that cliff edge is going to remain.”⁶⁴ The Children's Commissioner told us that she thought the pilot had gone “very well” and would recommend a rollout to the Department.⁶⁵

34. The lack of post-16 PP+ funding is a particularly significant inequality given that an increased number of children are entering care at an older age.⁶⁶ As at March 2021, almost a quarter (23%) of all children in care were aged 16 or older.⁶⁷ Current disaggregated

60 [Q73](#) [Patrick Ward]; Katy Hudson ([CHH0010](#))

61 [Qq73-74](#)

62 [Q62](#)

63 Department for Education, [Pupil Premium Plus \(PP+\) Post-16 Pilot](#), July 2021

64 [Q62](#)

65 [Q228](#)

66 [Become](#) ([CHH0017](#)); [Just for Kids Law](#) ([CHH0018](#)); [Barnardo's](#) ([CHH0040](#))

67 Department for Education, [Children looked after in England including adoptions 2018-2021](#), November 2021

data on how many children in residential care are over 16 is not available—but the most recently available Department data, from 2015, showed that 41% of children in children’s homes were over 16.⁶⁸

35. We put it to the Children and Families Minister that the Department requires a major mind shift in terms of supporting looked-after children “not just to 16, but after that—because they have so much catching up to do from an educational perspective”.⁶⁹ The Minister agreed that “the current situation is not acceptable”, further highlighting the “really positive impact” of the PP+ pilot.⁷⁰

36. There is a cliff-edge in Pupil Premium Plus funding when a looked-after pupil turns 16. The needs of looked-after pupils do not suddenly cease to exist when they turn 16. It is incomprehensible that the funding is just turned off. 23% of children in care are 16 or older; that is almost one-quarter of the entire care population who are being denied the support they need to do well at this crucial stage of their education.

37. The case for extending Premium Plus is clear. The Department must extend Pupil Premium Plus funding beyond age 16 to ensure looked-after pupils are receiving the support they deserve to succeed throughout their education.

38. When rolled out nationally, post-16 Pupil Premium Plus funding must be calculated using the same funding formula as for the pre-16 cohort. Virtual School Heads must ensure Post-16 Pupil Premium Plus funding is used on specific, evidence-based interventions to improve progress and outcomes of looked-after pupils. Given that 41% of care leavers aged 19–21 are not in education, employment or training, Virtual School Heads should also ensure post-16 Pupil Premium Plus is being used to commission careers mentoring and advice.

68 Department for Education ([CHH0039](#))

69 [Q360](#) [Ilan Mearns MP]

70 [Q360](#)

4 Getting looked-after children into the best schools: the state as not-so-pushy parent

“if you place any child in care anywhere it is the same standard you should hold for your own children. It should be a registered, regulated school that you believe is the best possible option for that young person. It should not be limited by cost or convenience, or because you do not want to upset an academy chain.” [Q60](#) [Patrick Ward, Chair of National Association of Virtual School Heads]

39. The School Admissions Code is statutory guidance that gives primacy to looked-after children, setting out that they must be given “highest priority” in oversubscription criteria. Under the Code, a local authority has the power to direct a maintained school to admit a looked-after child, even if the school is full. In the case of academies, the local authority can ask the academy to admit a looked-after child but does not have the same power of direction. However, if the academy refuses to admit the child, the local authority can request that the Secretary of State intervenes.⁷¹ Charlotte Ramsden, the then President of the Association of Directors of Children’s Services, emphasised that “if those schools are academies, we are also very dependent on them being willing to take the child. If they are not willing to take the child [...] it is a Secretary of State decision.”⁷²

40. There is no published national data on how widespread these refusals are, but a small-scale poll of 53 children’s homes carried out by the Independent Children’s Homes Association found that 58% did not believe the Code was being honoured. Their Chief Executive has suggested that this was evidence that “looked-after children in children’s homes are discriminated against”.⁷³ National Association of Virtual School Heads Chair Patrick Ward informed us that cases where the Secretary of State needs to be appealed to are “very prevalent”,⁷⁴ and that there is discrimination by schools against children in care.⁷⁵ We heard a first-hand account from a care-experienced young person of the unacceptable situation she had faced in her school:

My grades were good. I can hold my hand up and say that I was definitely a troubled child, but that was due to things that were going on at home [...] When I went to my first managed move, the headteacher literally said to me that I would end up in this drawer; she had this drawer of kids in her school—the females ended up pregnant; the boys, or some of the females, ended up in jail. She told me I would end up in this drawer once I left this school [...]⁷⁶

41. We heard that the Code is not working in the interests of looked-after children. A breach of the Code is a matter for the Schools Adjudicator, but the process of getting an appeal heard and resolved can be far too slow for a child who is in urgent need of a school place, or who has already experienced instability in their education.⁷⁷ Ofsted’s Director of

71 Department for Education, [School Admissions Code](#), September 2021

72 [Q173](#)

73 Children and Young People Now, [School admissions ‘discriminate against looked-after children’](#), May 2019

74 [Q88](#)

75 [Q82](#)

76 [Q283](#) [Young person A]

77 Ofsted ([CHH0026](#))

Children’s Social Care outlined how “system issues” weight the admissions process against the child, telling us: “If you want to go through the admissions adjudication process, that takes many months. It is better to find somewhere that will take the child now”.⁷⁸ In its 2021 annual report, the Office of the Schools Adjudicator notes that “in some cases it has taken far too long to secure the information the adjudicator needed from schools and from local authorities.”⁷⁹ The Children’s Commissioner highlights that the grounds on which a school can refuse to admit a looked-after child are “almost non-existent”.⁸⁰ And we heard from Patrick Ward that it is “a risk-free process” for a school to refuse to admit a looked-after child:

Even if they [schools] are completely unjustified in refusing admission, the worst thing that can happen is they ultimately have to take the young person. There is no sanction for them having completely refused or blocked an admission to a school when they know that they are in a legally indefensible position. They will keep doing it as long as there is no sanction against that.⁸¹

42. The Government’s 2022 Schools White Paper sets out a welcome focus on driving inclusion and fair access to ensure vulnerable and disadvantaged children are attending the best schools. It commits to consult on a new backstop power for local authorities to direct academy trusts to admit looked-after children, although trusts would have the right to appeal decisions to the Schools Adjudicator.⁸²

43. The School Admissions Code is not working in the interests of looked-after children. The admissions system is weighted in favour of schools, and against the interests of looked-after pupils. The absence of sanctions means it is a risk-free process for schools to refuse to admit a looked-after child. This enables some schools to take an adversarial stance against admitting looked-after children without facing any consequences.

44. *The Department must take greater responsibility for policing the school admissions system to ensure it is working in the interests of looked-after children. There must be a clear sanctions mechanism in place for schools who consistently refuse or delay admissions of looked-after children. The lever for this accountability should be the impact on the school’s Ofsted judgement. Where schools are refusing to admit looked-after children, this should be a limiting factor for their Ofsted rating.*

45. *Under section 497 of the Education Act 1996, the Secretary of State has the power to take legal action against local authorities who are not meeting their statutory duties relating to the provision of education. The Department must provide clearer guidance setting out how it will identify and sanction local authorities who are breaking the law in failing to secure school places for their looked-after children. The Department must also set out clearer guidelines on the responsibility of central government when an authority is non-compliant.*

78 [Q221](#)

79 Office of the Schools Adjudicator, [Annual Report 1 January 2021 to 31 December 2021](#), April 2022.

80 Office of the Children’s Commissioner for England ([CHH0032](#))

81 [Q82](#)

82 Department for Education, [Schools White Paper: Opportunity for all: strong schools with great teachers for your child](#), March 2022

46. *The Schools White Paper sets out a new backstop power for local authorities to direct trusts to admit children. This is a very welcome step forward. It would enable the local authority to immediately secure an education place for the looked-after child, putting the onus on the school to justify its rationale for appealing against admitting the child. We call on the Department to introduce this new backstop power without delay.*

47. **The lack of national-level data on how many looked-after children are refused admission to schools contributes to the culture of impunity.**

48. *The Department must introduce a reporting and accountability requirement for local authorities to provide data on how many admissions of looked-after children have been contested or refused by schools. It should be made mandatory for local authorities to report all instances of schools blocking admissions to Office of the Schools Adjudicator. This data must also be published annually by the Department.*

49. **Much more needs to be done to speed up school admissions for looked-after children. We heard from Ofsted that it can take “many months” for a local authority to go through the admissions adjudications process.**

50. *Where the involvement of the Schools Adjudicator is required for admissions decisions for looked-after children, these decisions must be made within a maximum 20-day timeframe.*

Getting looked-after children into good and outstanding schools

“What we want to see are the good and outstanding schools asking to have the looked-after children [...] I think there is a leadership issue here.” [Q222](#) [Children’s Commissioner for England]

51. Statutory guidance is clear that good or outstanding schools should be prioritised when a local authority is seeking a new school place for a looked-after children, and, except in “exceptional evidence-based circumstances”, looked-after children should never be placed in an Inadequate school.⁸³ Despite this, research by Ofsted from a sample of children in children’s homes identifies that these children are in fact less likely to attend good or outstanding education provision compared to their non-looked after peers.⁸⁴

Table 1: Proportion of children in children’s homes attending a good or outstanding school or college (from an Ofsted sample, base: 2,065)

Type of provision	Children in residential care	All children nationally
State-funded mainstream	76%	84%
State-funded special	88%	93%
Independent special	84%	87%
Further Education	66%	83%

83 Department for Education, [Promoting the education of looked-after children and previously looked-after children](#), February 2018

84 Ofsted, [The education of children living in children’s homes](#), February 2021

52. We believe that the proportion of looked-after children attending good or outstanding schools should be far closer to 100% given the statutory responsibilities and powers local authorities hold for securing an education place best suited to the child’s needs. The evidence we have received indicates that local authorities are not always sufficiently ambitious and are not always acting as a pushy enough corporate parent when it comes to getting their looked-after children in to good or outstanding schools.⁸⁵ Former Children’s Commissioner Anne Longfield told us that “the state needs to become much more of a pushy parent when it comes to children in care and their education. That means [...] not accepting anything in the way of a delay or a second-best option”.⁸⁶ The current Children’s Commissioner noted that local authorities can be “reticent” to use their powers to ensure looked-after children are attending good or outstanding schools.⁸⁷

53. When we questioned the Children and Families Minister, the Minister agreed that the gap is “unacceptable”, further outlining that “placement in good or outstanding schools should be a lot higher for looked-after children because of the statutory duty to that effect.”⁸⁸ We put it to the Minister that VSHs should be awarded stronger powers to ensure looked-after children are attending the best schools. The Minister told us that “the powers are there [...] If that needs to be beefed up, I will explore that.”⁸⁹

54. We heard that the location of children’s homes may be a further factor in undermining access to good or outstanding schools for looked-after children.⁹⁰ Children’s homes are often located more deprived areas of the country where the accommodation is cheapest.⁹¹ The Department’s own research has identified a link between property prices and quality of schools—house prices are lower near the poorest performing schools.⁹² The Children’s Commissioner told us that she had visited one coastal town which had seven children’s homes and only one good school.⁹³ Charlotte Ramsden, the then President of Association of Directors of Children’s Services (ADCS), told us that “If the local schools are not good or outstanding, we are at the mercy of their current gradings.”⁹⁴ She further highlighted that sometimes local authorities will assess a school’s overall package as being right for a child, even if the school does not have an Ofsted ‘good’ rating.⁹⁵

55. We asked witnesses whether Ofsted’s inspection framework sufficiently recognises and rewards those schools who do take on high numbers of children in care and positively impact their progress.⁹⁶ Patrick Ward, Chair of the National Association of Virtual School Heads (NAVSH), told us that he did not believe the framework is fit for purpose:

If you are not good or outstanding for vulnerable learners you are not good or outstanding. You cannot possibly be a good or outstanding school if

85 See for example: [Q15](#) [Josh MacAlister]; Local Government Association ([CHH0020](#)), Ofsted ([CHH0026](#)); Office of the Children’s Commissioner for England ([CHH0032](#))

86 [Q15](#)

87 Office of the Children’s Commissioner for England ([CHH0032](#))

88 [Q365](#)

89 [Q359](#)

90 Ofsted ([CHH0026](#)); Office of the Children’s Commissioner for England ([CHH0032](#))

91 [Q22](#); See also: Children England ([CHH0007](#)); Become ([CHH0017](#)); Local Government Association (LGA) ([CHH0020](#))

92 Department for Education, [House prices and schools](#): Ad hoc research note, March 2017

93 [Q212](#)

94 [Q173](#)

95 [Q173](#)

96 [Q82](#) [Tom Hunt]

you are not good and outstanding for those young people. [...] That would change the framework overnight. It would change how these young people are prioritised and perceived overnight.⁹⁷

56. The Government’s 2022 Schools White Paper lays out a framework where trusts will be expected “to act inclusively, providing the most vulnerable and disadvantaged children with the opportunity to attend the best schools.”⁹⁸ These are much-needed and long-overdue reforms for children in care, who are among the most vulnerable pupils in the country. A welcoming and inclusive schools’ culture for looked-after children is far from being the status quo. NAVSH Chair Patrick Ward told us that schools are often more concerned with league tables than supporting children in care:

When you try to place a vulnerable young person in a mainstream school you get a lot of pushback. Essentially, schools do not want to take these young people because they believe there will be a negative impact on their outcomes.⁹⁹

As we heard from one care-experienced young witness, far from being made to feel welcomed and included, she felt judged by her new school:

Usually when you move to a new school, you get like a two-week trial to see if it is going to work out at that school, but I feel like when you are on that two-week trial you are constantly just looked at as to whether or not you are suitable for that school [...] they might feel that you’re not working to the abilities of the school or living up to the standard of how a pupil in their school will work [...] ¹⁰⁰

Another care-experienced young witness spoke of the lack of understanding for mental health issues she had experienced during her education, telling us: “schools don’t really help with mental health. They don’t consider that kids in care might have different mental issues, but they don’t accommodate them necessarily.”¹⁰¹ And another care-experienced young witness highlighted the lack of support she faced at her college, telling us:

I’m one of the only students who is care experienced at my college [...] Teachers aren’t being trained about what to expect from a care-experienced student, or on progression into housing, independence help, and those sorts of things.¹⁰²

57. All too often children in care face a David versus Goliath battle to gain admission to their local good or outstanding school. Despite the law clearly stating that good and outstanding schools should be prioritised for looked-after children, children in children’s homes are in fact less likely to attend the best schools than their peers. This is indefensible.

97 [Q82](#)

98 Department for Education, [Schools White Paper: Opportunity for all: strong schools with great teachers for your child](#), March 2022

99 [Q55](#)

100 [Q293](#) [Young person A]

101 [Q276](#) [Young person C]

102 [Q255](#) [Young person D]

58. Responsibility and accountability for getting looked-after children into their most appropriate local good or outstanding school should lie with the Virtual School Head.

59. We have highlighted the need for clear sanctions for schools who refuse to admit looked-after pupils, enforced through the impact on the school's Ofsted judgement. We have also highlighted the need for much quicker decisions to be made by the Schools Adjudicator when the admissions code is breached. And the new backstop power set out in the White Paper would give local authorities the power to automatically place a child in an academy. Together, these measures would tilt the system in favour of looked-after children, ensuring they can access the best schools, without suffering delays to their education.

60. Ofsted must make outcomes for looked-after children a limiting judgement on a school. If a school is not delivering good or outstanding progress and outcomes for looked-after pupils, it should not be able to gain a good or outstanding judgement. Ofsted should amend its education inspection framework to reflect this.

61. Access to specialist mental health support is essential in supporting children in care, and the Government must commit to funding specialist mental health support for every school. It must also invest targeted funding to fully level-up spend per-child on mental health, and to reduce mental health waiting lists to no longer than one month.

5 A national scandal: children missing from education and in unregulated 'education'

"I really wanted to go to school, and I asked. What I was told, after asking, was that I couldn't go to school, but that the next best thing was to do it online on the computer. It was an alternative, but it wasn't school. [...] I couldn't interact, I didn't have a class and I was very isolated from everyone and everything I couldn't understand it easily because there were communication and wifi issues and all that." [Q258](#) [Young person C]

"Ofsted looked at the education of children in residential care and found that many were not receiving an education or were missing in education or it could not be established. That is a national scandal and we should ask ourselves why that is." [Q54](#) [Patrick Ward, Chair of National Association of Virtual School Heads]

Unregulated education provision

62. Research by Ofsted found that of a sample of 2,600 children living in children's homes, 9% (234 children) attended unregulated education provision (for example online schools, or in-house tuition), while 6% (156 children) were not in education, employment or training.¹⁰³ Unregulated education providers are not registered with Ofsted or any education inspection body. They do not undergo regulatory inspection, and there is no quality-assurance on the type or quantity of education being provided. Unregulated education could include online schools or tutoring.¹⁰⁴

63. We heard that while unregulated education placements are "utterly unacceptable as a practice",¹⁰⁵ there are no processes for local authorities to ensure that unregulated education is short-term, and no national system for monitoring whether or not a looked-after young person is being educated in a registered school.¹⁰⁶ The Children's Commissioner has further raised concerns that if a looked-after child is offered tuition, this lessens the urgency to find them a school place.¹⁰⁷ The Children's Commissioner suggests that local authorities do not have an accurate figure on how many children are not receiving DfE regulated education.¹⁰⁸ This is shocking.

64. The 6% (156 children) identified by Ofsted in their sample of 2,600 children in residential care who are receiving no education, employment or training whatsoever is of significant concern. But, as Patrick Ward, Chair of the National Association of Virtual School Heads, warned us, the available data is "fundamentally unreliable" as School Census data tracks only the children who exist within the system, not those who have fallen through the gaps.¹⁰⁹ He further suggested that:

103 Ofsted, [The education of children living in children's homes](#), February 2021

104 Ofsted, [The education of children living in children's homes](#), February 2021

105 [Q55](#)

106 [Qq58-9](#)

107 [Q57](#)

108 Office of the Children's Commissioner for England, [Interim findings from the Children's Commissioner's Attendance Audit](#), March 2022

109 [Q56](#)

No one holds a DCS [Director of Children’s Services] or a local authority to account [...] over how many of their children are missing in education or in unregulated provision. The Department does not know. The stats are not held anywhere. If you ask anyone how many children in care are missing education within the country currently, no one would be able to tell you that.¹¹⁰

65. **Research by Ofsted has identified that of a sample of 2,600 children living in children’s homes, 9% of children in residential care are receiving ‘education’ in unregulated settings, and a further 6% are not in education, employment or training. The true picture may be even worse. We’ve heard concerns that even the Department does not know how many looked-after children not in school, and that its current processes for tracking the education of looked-after children are insufficient.**

66. *All looked-after children should be receiving full-time education in a DfE registered school—it is unacceptable for local authorities to settle for unregulated education provision as an alternative.*

67. *The 2022 Schools White Paper proposes a new statutory framework to govern children’s movements to ensure that education placements are made in the child’s best interests, especially where the child is vulnerable. Looked-after children, who are particularly at risk of moving between schools and missing education, must be prioritised within this new framework.*

68. *The 2022 Schools Bill sets out a new duty for local authorities to maintain a register of children not in school. Alongside this, the Department must issue guidance to clearly outline how it will hold Directors of Children’s Services to account where the looked-after children they are responsible for are not in school.*

69. *As part of the proposed register of children not in school, the Department must set out how it will collect and publish data on how many looked-after children are falling through the gaps by missing education or being ‘educated’ in unregulated education provision. This data should form part of a regular statistical release, published at minimum, annually.*

Section 19 legislation

70. Section 19 of the Education Act 1996 places a duty on local authorities to provide children with suitable full-time education.¹¹¹ However, this is not being adhered to. We heard from NAVSH Chair Patrick Ward that while the legislation itself is robust and clearly outlines the responsibilities of a local authority, it is poorly understood and interpreted. Furthermore, he told us that “there is no means or process to enact it” and if a local authority refuses to offer suitable full-time education “there is no process to address this.”¹¹² He suggested that the Department should issue “proper guidance” on how section 19 legislation should be enacted by local authorities.¹¹³

110 [Q55](#)

111 Education Act 1996, [Section 19](#)

112 [Q84](#)

113 [Q85](#)

71. We put it to the Minister that there should be an evaluation of how well local authorities are understanding and enacting their section 19 duties. The Minister agreed that if the duty is not being fulfilled, “it is meaningless”, telling us he would “certainly explore further what more we need to do to make sure that is happening”.¹¹⁴

72. Section 19 of the Education Act 1996 places a duty on local authorities to provide children with suitable full-time education. However, there is no Departmental guidance outlining how this responsibility should be implemented, and no clear consequences for non-compliance. Given that Ofsted has identified that 9% of a sample of 2,600 children in children’s homes are attending unregulated ‘education’ provision, and a further 6% are not in education, employment or training, it is clear that the law is not being complied with.

73. Before the start of the next academic year—at the very latest—the Department should issue robust guidance on how the section 19 duty on local authorities to provide children with a suitable full-time education should be fulfilled by local authorities. Where local authorities are failing to discharge this duty, the sanction should be in the form of limiting their Ofsted rating.

Unregulated accommodation for looked-after children

74. Looked-after 16 and 17-year-olds face further disadvantages as they can legally be placed in unregulated accommodation. The number of 16 and 17-year-olds in care has risen by 12.7% since 2014, but the availability of places has not kept pace. As a result, the use of unregulated provision “has nearly doubled over the same period.”¹¹⁵ There are over 6,000 young people in care living in unregulated accommodation, an 80% increase since 2010.¹¹⁶ Evidence from Paul Maynard, MP for Blackpool North and Cleveleys, argues that “there is a strong case for regulation in the 16–18 sector, not least to ensure the quality of care meets basic standards.” His submission further warns that the unregulated nature of this accommodation makes it “difficult for the local authority to track where such homes are currently operating or where providers intend to set up shop in the future.”¹¹⁷

75. One submission highlighted how unregulated accommodation poses “a barrier to [young people’s] educational progress”, with children struggling to focus on homework or feel comfortable due to the unsuitable living environment.¹¹⁸ Just for Kids Law told us that “we see too many cases where the quality of support and accommodation [in unregulated settings] is not up to par [...] This all negatively impacts on their education and physical and mental health.”¹¹⁹

76. Numerous submissions raised concerns that vulnerable looked-after teenagers are forced to move into unregulated provision without being practically or emotionally ready, and without the support they need.¹²⁰ *The independent review of children’s social care* highlighted the “need to end the current system of shadowy, substandard accommodation

114 [Qq365–366](#)

115 [Ofsted \(CHH0026\)](#)

116 [Become \(CHH0017\)](#)

117 [Mr Paul Maynard MP \(CHH0006\)](#)

118 [Refugee and Migrant Children’s Consortium \(CHH0016\)](#)

119 [Just for Kids Law \(CHH0018\)](#)

120 [YMCA England & Wales \(CHH0001\)](#); [Refugee and Migrant Children’s Consortium \(CHH0016\)](#); [Become \(CHH0017\)](#); [ICHA \(CHH0035\)](#); [Barnardo’s \(CHH0040\)](#);

that is not open to scrutiny” setting out that new care standards must be flexible enough to provide regulated care in a way that offers a choice to teenagers who may do well in these homes.¹²¹

77. One care-experienced young witness told us of her experience living in unregulated provision that clearly was not conducive to safety, let alone studying:

I think there absolutely has to be better regulations. When I lived in a group home [...] We would see armed police at our door [...] There were paedophiles [...] I don't think I was suitable for that house, and I feel like it put me in danger.¹²²

Another young person recounted: “I was literally left at 17 and a half [...]—just left. The college transition just failed completely; I had no support in completing that task”.¹²³

78. It is welcome that the Government—following a 2021 consultation—has committed to introduce mandatory national standards, overseen by Ofsted, for unregulated settings that accommodate looked-after 16 and 17-year-olds. These will be in place from 2023.¹²⁴

79. The Department has banned unregulated accommodation for children under 16. We hold deep concerns that children aged 16 and 17 can still be placed in unsafe, unsuitable accommodation without care or oversight. No looked-after child should be living in a setting without some form of regulation by Ofsted. It is right that the Department will be introducing a set of mandatory national standards, overseen by Ofsted, for governing unregulated settings for 16- and 17-year-olds.

80. *The Department must aim towards banning unregulated provision for looked-after children once it has addressed placement sufficiency issues using the mechanisms outlined by The independent review of children's social care. In the meantime, while these reforms are being undertaken, the new set of standards for unregulated provision should be implemented on a sliding scale so as to provide regulated care, with flexibility for children for whom greater independence is in their best interests.*

Placement insufficiency and out-of-area placements

“I feel like a huge part of the problem with the education system and children in care is the moving around a lot. Children in care move around quite a bit. I have: I'm at my fourth high school [...] I feel like that causes a huge issue mentally and it really disturbs the child's education, because if you are a young child, the last thing you need is a lack of stability. How can you focus on things like your education if you haven't got that and if you have to constantly be going to new environments where you know nobody and nothing and you just have to start anew?” [Q253](#) [Young person C]

81. 16.7% of children placed in a children's home at their first placement had at least two placement moves during 2018/19. This is over three times higher than for children in long-term fostering (5%), and higher than for children in other foster placements (10.8%).¹²⁵

121 Josh MacAlister, [The independent review of children's social care](#), May 2022

122 [Q295](#) [Young person D]

123 [Q264](#) [Young person B]

124 Department for Education. [Introducing national standards for independent and semi-independent provision for looked-after children and care leavers aged 16 and 17](#). December 2021

125 Office of the Children's Commissioner for England ([CHH0032](#))

41% of all children in care are placed more than 20 miles outside of their local area.¹²⁶ Between 2012 and 2018, the number of children placed in children’s homes outside of their local area increased by 77%.¹²⁷ While out-of-area placements can sometimes be the most appropriate choice for a looked-after child, they can also compound risks of exploitation and isolation, and challenges accessing support.¹²⁸ Children accommodated out-of-area are particularly vulnerable to placement instability—52% of children placed out-of-area had two or more placement changes in two years, compared to 23% of those who stayed in their local area.¹²⁹

82. The Committee has heard that placement moves lead to missed education and lower educational outcomes for looked-after children. Evidence from the Children’s Commissioner highlights that 4,430 children experienced 4 or more placements across 3 years. And 43% of children who spent time in out of area placements had a mid-year school move.¹³⁰ Ofsted warns that placement insufficiency is a “major concern”, outlining that “The uneven spread of children’s homes across the country [...] means that some of our most vulnerable children are often living far from home in unsuitable provision, risking further instability and difficulties.”¹³¹ The Local Government Association (LGA) pointed to the clustering of children’s homes in areas of cheaper housing as a factor behind the high proportion of out-of-area placements.¹³² The charity Become highlighted that this “creates a pattern of young people being moved considerable distances to and from particular areas of the country.”¹³³ The charity Children England outlines that “children’s homes are more profitable in areas where property is cheaper [...] a trend that is logical for the market but clearly illogical for children”.¹³⁴ Written evidence from Paul Maynard, MP for Blackpool North and Cleveleys, that the availability and relative low cost of local properties in his constituency make this area “an attractive prospect to care home operators”. He highlighted that rather than serving local need, residential placements are often used to provide places for young people “several hundreds of miles” away from their local authority area. For example, data from Blackpool Council showed that of 71 available beds only 18 are occupied by young people placed by Blackpool Council or neighbouring authorities.¹³⁵ Ofsted data shows that almost a quarter (24%) of children’s homes are located in the North West. In comparison, just 5% of children’s homes are located in London.¹³⁶ Significantly for education outcomes, the North West region has the third lowest national rate of pupils achieving GCSE grades 4 or above, while London has the highest.¹³⁷

126 Department for Education ([CHH0039](#))

127 APPG for Runaway and Missing Children and Adults, [No Place at Home: Risks facing children and young people who go missing from out-of-area placements](#), September 2019

128 Local Government Association (LGA) ([CHH0020](#))

129 Office of the Children’s Commissioner for England, [Pass the Parcel](#), December 2019.

130 Office of the Children’s Commissioner for England ([CHH0032](#))

131 Ofsted ([CHH0026](#))

132 Local Government Association (LGA) ([CHH0020](#))

133 Become ([CHH0017](#))

134 Children England ([CHH0007](#))

135 Mr Paul Maynard MP ([CHH0006](#))

136 Ofsted ([CHH0026](#))

137 Ofqual, [Infographics for GCSEs](#), August 2021

83. We heard that local authorities face significant challenges in finding local placements for looked-after children due to the lack of sufficiency in the sector.¹³⁸ Some submissions highlighted that the proportion of places being offered by private providers has increased due to local authorities being unable to offer sufficient provision at comparable prices.¹³⁹ The LGA suggested that insufficiency drives higher prices and lack of choice over placements:

Councils report feeling they have no choice but to pay very high prices for placements where there are no other options, putting pressure on already strained budgets and diverting money away from supporting other children.¹⁴⁰

Patrick Ward, Chair of the National Association of Virtual School Heads outlined:

The idea that local authorities choose where they send young people into residential care is something of a fiction. Local authorities regularly spend weeks, months, attempting to find somewhere within a completely unregulated market, a completely privatised market, and are unable to find any provision.¹⁴¹

84. The rising costs of care and the strain that this places on local authority children's services budgets were highlighted by the Competition and Markets Authority (CMA) 2022 report which concluded that "the largest private providers of placements are making materially higher profits, and charging materially higher prices, than we would expect if this market were functioning effectively". The CMA further highlighted that the cost of children's homes places has risen from an average weekly price of £2,977 in 2016 to £3,830 in 2020.¹⁴²

85. Several submissions called for a national strategic approach to commissioning to address placement sufficiency insufficiency and ensure there are places of the type and in the location that best meets the child's needs.¹⁴³ Become highlighted the need for "sustainable long-term solutions which seek to grow residential capacity in the care system in the areas it's needed most [...] ensuring placement decisions are made in children's best interests and not constrained by capacity or cost".¹⁴⁴ Children England similarly highlighted that the absence of national commissioning and oversight means that "residential care for children is a market, and one which lacks any of the features and controls needed to function effectively for its consumers—children."¹⁴⁵ *The independent review of children's social care* proposes a solution in the form of a Regional Care Cooperatives model, which it argues would "mean a wider choice of homes for children closer to where they live", and would "bring an end to profiteering in the children's social care market".¹⁴⁶

138 See, for example: YMCA England & Wales ([CHH0001](#)); St Christopher's Fellowship ([CHH0012](#)); Become ([CHH0017](#)); The Association of Directors of Children's Services ([CHH0019](#))

139 Mr Ed Nixon (Chair at Every Child Leaving Care Matters) ([CHH0002](#)); Children's Services Development Group ([CHH0023](#))

140 Local Government Association (LGA) ([CHH0020](#))

141 [Q54](#)

142 Competition and Markets Authority, [Children's social care market study: final report](#), March 2022

143 Children England ([CHH0007](#)); St Christopher's Fellowship ([CHH0012](#)); Local Government Association (LGA) ([CHH0020](#)); Ofsted ([CHH0026](#))

144 Become ([CHH0017](#))

145 Children England ([CHH0007](#))

146 Josh MacAlister, [The independent review of children's social care](#), May 2022

86. **41% of looked-after children are placed outside of their local area, and 8,098 children had at least two placement moves over 12 months. A system that is working well does not boast these numbers. Frequent placement moves are destabilising for the child, and all too often result in missed education, especially when the child is placed outside of their local area.**

87. Where this is in the child's best interest, every looked-after child should be cared for in a local care placement, receiving their education at a good or outstanding local school. The Department must take greater responsibility for overseeing the placements system and for driving funded system change to reduce the current dependence on out-of-area placements. A national approach to commissioning of care places must consider the location of children's homes in relation to local good and outstanding schools. Except in exceptional evidence-based cases, children should not be moved to residential placements where they cannot reasonably access good or outstanding local schools.

School and placement changes

88. We know that all too often, placement changes result in disruption to the child's education.¹⁴⁷ 11% of looked-after children experienced a mid-year school move in the 2018–19 academic year, rising to 21.8% among children who had two or more care placement moves.¹⁴⁸ Former Children's Commissioner Anne Longfield told us "When children are being moved three times over two years, which we know happens to a significant number of them, there will be a delay every time in getting education back up and running."¹⁴⁹ We are extremely concerned by the accounts we heard from our care-experienced young witnesses on being denied their right to education. Young person A told us that she had been offered no alternative during gaps in her education. Young person B told us she had missed two years of school between entering care at age 5 and leaving at age 17.¹⁵⁰

89. We heard from a care-experienced young person how placement instability led to her missing education, and how she was failed by the adults responsible for securing her a school place:

Miriam Cates: Why couldn't they give you a school place, even if it was temporary?

Young person C: I asked that. They could have done, but I just feel like it would have been too much paperwork for them. When I asked why, the reasoning for that was, "Oh, we don't know when you are going to move to another permanent placement."¹⁵¹

147 The Children's Society ([CHH0021](#))

148 Children's Commissioner, [Stability index 2020](#), November 2020

149 [Q4](#)

150 [Q259](#)

151 [Q259](#)

90. When looked-after children are placed out-of-area, too often they are unable to access vital support services such as Child and Adolescent Mental Health Services (CAMHS) in a timely way.¹⁵² As the Chief Executive of the Children’s Society told us, the child goes “go back to the bottom of the waiting list for all of the services that they were in the previous borough for and it just becomes a vicious downward circle.”¹⁵³

91. We questioned the Department on what it is doing to monitor gaps in education and who is being held to account when looked-after children are out of school.¹⁵⁴ DfE statutory guidance sets out that in the case of an emergency care placement, the authority looking after the child should provide a suitable new education placement within 20 school days.¹⁵⁵ When pressed on whether this was always happening, the Minister told us: “No, and we probably need to understand whether that is the exception or the norm [...] With even one child it should not be happening, but we need to better understand if it is a widespread problem.”¹⁵⁶

92. Current national-level data is not available to illustrate the scale of gaps in education for looked-after children. It should be a priority for the Department to ensure this data is collected and published, so that responsible parties can be held to account when looked-after children are missing education.

93. Recent policy announcements in the 2022 Schools White Paper and the Schools Bill offer a crucial opportunity to tackle the issue of looked-after children missing education or receiving unsuitable education. The Schools White Paper contains a commitment to consult on a statutory framework to govern children’s movements so that placement decisions are being made in the best interests of the child, particularly where the child is vulnerable.¹⁵⁷ The 2022 Schools Bill contains a new legal requirement for local authorities to maintain registers of children not in school.¹⁵⁸

94. *The Department must make it a priority to collect and publish national data on how often school places are not being provided within the statutory 20 school days timeframe for looked-after children under an emergency care order. The lack of data means there is currently no visibility into the scale of the issue.*

95. *The Department has set out a new legal requirement for local authorities to maintain registers of children not in school. The Department must issue clear guidance to local authorities on the definition of a child missing education, to ensure that all looked-after children not in the roll of a DfE registered school are recorded.*

96. *The Department must take overall responsibility for monitoring the register of children not in school, and must set out clear and robust accountability for local authorities who fail to secure full-time places at good or outstanding DfE registered schools for the children they are responsible for looking after.*

152 Office of the Children’s Commissioner for England ([CHH0032](#)); Career Matters ([CHH0033](#))

153 [Q91](#)

154 [Q374](#) [Dr Caroline Johnson MP]

155 Department for Education, [Promoting the education of looked-after children and previously looked-after children](#), February 2018

156 [Q375](#)

157 Department for Education, [Schools White Paper: Opportunity for all: strong schools with great teachers for your child](#), March 2022

158 [Schools Bill](#) [Lords], Clause 436B

97. The Department must ensure looked-after children are quickly able to access vital mental health support services in a timely way despite being placed out-of-area or moved around. The child must not be disadvantaged in terms of waiting times if they are placed out-of-area, and consideration must be given to maintaining continuity of service.

6 Improving outcomes for looked-after children with SEND

98. 74% of children in residential care have special education needs (SEN). Of this 47% have education, health and care (EHC) plans and 27% receive SEN support. This compares to 3% and 12% for all children nationally.¹⁵⁹ Ofsted research finds that among children in residential care attending a Pupil Referral Unit (PRU), 75% had a primary SEN relating to their social, emotional and mental health (SEMH). Among children in residential care attending state-funded primary education, over half (53%) had a primary SEN relating to their SEMH. Ofsted notes that these high rates of SEN among children in residential care “likely reflects the traumatic life experiences of many children living in children’s homes.”¹⁶⁰ The Independent Children’s Homes Association underlines that the high rate of children in residential care with an EHCP “demonstrates that these children are at a massive educational disadvantage from the outset.”¹⁶¹

99. We heard that in one respect, higher rates of EHC plans among children in care may be a positive metric. These children may be more likely to secure EHC plans because local authorities are able to ensure the assessments are completed and are able to be assertive in this regard as the child’s corporate parent.¹⁶² However, we heard that another factor behind high rates of SEN among looked-after children is that the SEN system is not working as it should to provide timely and appropriate support for children whose “unmet special educational needs can place huge strains on an already vulnerable situation, when the system is not recognising those needs and supporting the family with those needs”.¹⁶³ Former Children’s Commissioner Anne Longfield told us that “a proper, working special educational needs system” could offer a “fighting chance” of preventing children from needing to enter care in the first place.¹⁶⁴ The 2022 SEND Green Paper offers an important opportunity to simplify the complex, and often adversarial, existing system.¹⁶⁵ Significantly, the introduction of nationally codified standards should put an end to the postcode lottery of provision highlighted in our predecessor Committee’s Special Educational Needs and Disabilities report.¹⁶⁶

100. The Government’s SEND reforms must move towards a less adversarial system that places less strain on children and families.

101. Ofsted highlights that children in children’s homes are 20 times more likely to be in special education than all children nationally—57% of children in residential care attend special schools. Among children in residential care attending a special school, 60% attend an independent special school—nationally just 7% of children in special education attended an independent special school.¹⁶⁷ Ofsted suggests that this disparity can partly be accounted for by the high number of children in private sector homes with linked

159 Ofsted, [The education of children living in children’s homes](#), February 2021

160 Ofsted, [The education of children living in children’s homes](#), February 2021

161 ICHA ([CHH0035](#))

162 [Q78](#)

163 [Qq42–43](#); [Q78](#)

164 [Qq42–43](#)

165 HM Government, [SEND review: right support, right place, right time](#), CP 624. March 2022.

166 Education Committee, [First report of session 2019, Special educational needs and disabilities](#). HC 20, October 2019.

167 Ofsted, [The education of children living in children’s homes](#), February 2021

independent schools.¹⁶⁸ The Local Government Association highlights that “reversing this trend and increasing levels of mainstream inclusion will be crucial in driving down pressure on council high needs budgets.”¹⁶⁹ We heard from the Children’s Commissioner that children in residential care are sometimes inappropriately placed in special schools, “when they do not appear to need or want this”, and where they might be better served in mainstream state education.¹⁷⁰

102. Ofsted highlights that for children in SEND provision, those living in residential care are between 3% and 5% less likely to be attending good or outstanding schools than their peers.¹⁷¹ This flies in the face of statutory guidance which is unambiguously clear that good or outstanding schools should be prioritised for looked-after children.¹⁷² The Children’s Commissioner highlighted that when it comes to timely school admissions, children with SEND “usually suffer further setbacks” because their applications go via SEND teams and because “schools take time to assess whether they can meet children’s needs.”¹⁷³

103. The Independent Provider for Special Educational Advice (IPSEA) warned of the potential for conflict of interest when it comes to appeals for a child in residential care whose school place or EHC plan does not meet their needs. It explained that “There is a conflict inherent in a local authority maintaining a role simultaneously as ‘parent’ and education decision-maker. A local authority is unlikely, in practice, ever to appeal against itself.”¹⁷⁴ IPSEA further notes that over 90% of tribunal decisions are made in favour of young people, but that “achieving this outcome depends on [...] an individual who the law recognises as fulfilling a parental role, exercising their right of appeal against decisions taken by their local authority”.¹⁷⁵ IPSEA highlight that the child’s independent reviewing officer (IRO) can play a “vital role” in ensuring the child’s care and EHC plans are properly joined-up, but that this does not always happen.

104. When we questioned the then President of the Association of Directors of Children’s Services on this, she told us: “I do not know of any circumstances, although there may well be some nationally, where we have refused to go forward, represent and support a child [...] I do not know of any circumstances where that has ended up in a tribunal.”¹⁷⁶ The Government’s SEND Green Paper proposes key reforms to streamline the redress process where there are disputes between the child’s plan and their needs. Importantly, it proposes to streamline the redress process to make it easier to resolve cases where a child’s Education, Health and Care plan does not meet their needs.¹⁷⁷ However, the Green Paper does not specifically set out how it would address the potential for conflict of interest in SEND tribunal appeals for looked-after children as set out by IPSEA.

168 Ofsted, [The education of children living in children’s homes](#), February 2021

169 Local Government Association (LGA) ([CHH0020](#))

170 Office of the Children’s Commissioner for England ([CHH0032](#))

171 Ofsted ([CHH0026](#))

172 Department for Education, [Promoting the education of looked-after children and previously looked-after children](#), February 2018

173 Office of the Children’s Commissioner for England ([CHH0032](#))

174 IPSEA ([CHH0014](#))

175 IPSEA ([CHH0014](#))

176 [Q185](#) [Charlotte Ramsden]

177 HM Government, [SEND review: right support, right place, right time](#), CP 624, March 2022.

105. The 2022 SEND Green Paper proposes the introduction of “transitions standards” to ensure “consistently deliverable arrangements in place as children and young people move to their next phase, particularly into further education, employment, and adulthood.”¹⁷⁸ This would be an important step forward. We heard from one care-experienced young person of the unacceptable delays she faced in getting her EHC plan updated at age 16 as she transitioned from school to Further Education:

You go to a college, and you haven’t got an education and health plan, because the local authority hasn’t done it. You are kind of left with nothing. Where do I go to get that assessment so I can help myself in the future to get skills that I can use for my electrician job? [...] Leaving care, they didn’t do it. They didn’t transfer it. I am still waiting. That is from 16, and now I’m 25.¹⁷⁹

106. **Over 90% of SEND tribunal decisions are made in favour of the parent and child. But where a child with SEND lives in residential care, and does not have a school place or Education, Health and Care plan that meets their needs, they may effectively have no right of appeal to a tribunal if they have no parental figure willing to pursue an appeal on their behalf. We are concerned by the potential conflict of interest inherent in a local authority’s simultaneous roles as a looked-after child’s corporate parent, and decision-maker for a SEND appeal on the child’s behalf. A local authority is clearly unlikely to appeal against itself at a SEND tribunal. Although the child’s Independent Reviewing Officer (IRO) has a vital role to play here, we have heard that IROs do not consistently ensure that the child’s special educational needs are effectively identified, assessed and met.**

107. *All looked-after children must have an independent advocate whose function is to champion their best interests, ensuring they are admitted to the best, most appropriate schools, and that they are fully supported to appeal to SEND tribunals where their Education, Health and Care (EHC) Plan does not meet their needs. Virtual School Heads should play a key role here, advocating for the child’s needs to be identified, understood and met, ensuring that the child’s EHC Plan is appropriate, and where it is not, supporting the child to appeal.*

108. *The Government’s 2022 SEND Green Paper sets out proposals for a more inclusive education system with enhanced mainstream provision for learners with special educational needs. As these reforms are taken forward, the Government must set out its plan to ensure greater numbers of children in residential care—who are currently 20 times more likely than children nationally to be in special education—will be supported to enter and to thrive in good and outstanding mainstream schools, where this is in their best interests.*

109. *The Government must also increase its investment in SEND provision to ensure that children in care, alongside all pupils with SEND, get the support they need to thrive in education. Children in care are more likely to have experienced educational disruption compared with children not in care. We recognise that those with special educational needs are more likely to be impacted by educational disruption.*

178 HM Government, [SEND review: right support, right place, right time](#), CP 624, March 2022.

179 [Qq274–275](#) [Young person B]

7 The cliff-edge transition from residential care to independent living

“many children in residential care do not receive any career guidance support from an appropriately qualified career practitioner. This will, in part, explain why such a high proportion of care leavers become classified as not in education, employment or training (NEET).” [Career Matters ([CHH0033](#))]

110. Many previously looked-after children thrive after leaving care and have positive and influential education, employment and training outcomes. Yet the evidence we have seen and heard strongly indicates that far too often care leavers struggle greatly and do not receive the support they need. Career Matters highlights the “worryingly low” progression outcomes for care leavers, underlining that “The talent capitalisation potential of this group is not being realised [...] given the right support these young people can go onto successful futures in society.”¹⁸⁰ We heard bleak first-hand evidence of the practical and financial problems care leavers face at this transition point. One care-experienced young person told us her local authority refused the purchase of a laptop she needed for her studies:

Even on leaving care, they will not handle that transition at all. They would say, “Apply to a charity” because I needed a laptop. Why am I applying to a charity? You are technically my parents. I needed a laptop to do my work [...] but they wouldn’t have it. I had to wait six months to get funds from a charity.¹⁸¹

111. The statistics are troubling indeed. Care-experienced adults have a far higher risk of mortality up to 42 years after entering care; they are 70% more likely to die than those who had not been in care.¹⁸² Andrew Isaac, Chair of the Children’s Services Development Group, told us that 33% of care leavers experience homelessness, a quarter of them are sofa-surfing, and 24% of those in prison have been through the care system.¹⁸³ And as the Children and Families Minister outlined, just 22% of care leavers aged 27 are in employment compared to 57% of others, and even when they are in employment there is on average a £6,000 pay gap.¹⁸⁴ *The independent review of children’s social care* suggests that “The disadvantage faced by our care experienced community should be the civil rights issue of our time.”¹⁸⁵

112. Department figures published on March 2021 show:

- 41% of 19–21-year-old care leavers were not in education, employment or training (NEET) (up from 39% in 2020). The true picture may be even worse - data was not known for a further 7%.¹⁸⁶

180 Career Matters ([CHH0033](#))

181 [Q277](#) [Young person B]

182 Murray et al. (2020), [Association of childhood out-of-home care status with all-cause mortality up to 42-years later](#), Office of National Statistics Longitudinal Study, BMC Public Health, 20(735)

183 [Q180](#)

184 [Q377](#)

185 Josh MacAlister, [The independent review of children’s social care](#), May 2022

186 19–21-year-old care leavers are over three times more likely to be NEET than other young people age 19–21 (41% compared to 12%).

- 26% were in training or employment; 6% were in Higher Education, and 20% were in other forms of education.¹⁸⁷

Once again, the Department states that it does not publish a specific breakdown of destination outcomes for children whose final placement was a children's home.¹⁸⁸

113. 41% of care leavers aged 19–21 are not in education, employment or training, up from 39% in 2020. This is a shameful reflection of an education and careers system that routinely—and without consequences—fails far too many looked-after children. Too often, the potential of care leavers is not being realised. With enhanced support and guidance more care leavers would go on to achieve their ambitions.

114. *The Department must publish education, employment and training outcomes data disaggregated by care placement type. The absence of disaggregated data is a barrier to scrutiny and accountability and hinders the development of targeted, evidence-based interventions.*

115. *Careers and employability outcomes for care-experienced young people up to age 25 should be a core part of the Virtual School Head remit. Every Virtual School should have a designated careers lead whose function is to promote and support the career outcomes of looked-after young people. This should be done through the extension of Pupil Premium Plus funding past age 16, which would resource career leads to commission bespoke careers mentoring and support for every looked-after child from primary up to age 25. Virtual School Heads should work with local charities and businesses to identify community support and mentoring opportunities.*

116. *The Government must expand existing the existing Civil Service care leaver internship scheme and other employment schemes, increasing the number of places so that more care leavers can take advantage of, and benefit from, these opportunities.*

Boosting apprenticeships

117. In 2018, the Department introduced a £1,000 bursary for care leavers starting an apprenticeship. In 2019/20, 158 care leavers took up internships across 26 Government Departments.¹⁸⁹ However, Career Matters told us that overall, “Progress is not being made in the apprenticeship space with only 2% of care leavers going into apprenticeships”.¹⁹⁰ This compares to 8.4% of 16–18 year olds nationally who went on to do an apprenticeship in 2019/20.¹⁹¹ We further asked the Department to publish data on the proportion of care leavers who take up apprenticeships in next year's statistical release.¹⁹²

118. For apprentices aged 16–18, or aged 19 or over and in the first year of their apprenticeship, the national minimum apprentice wage rate is £4.81 per hour.¹⁹³ Evidence highlighted that this rate is a prohibitive barrier to care leavers living independently without

187 Department for Education, [Children looked after in England including adoptions](#), November 2022. As a rough comparator, UCAS data [shows](#) that 37.9% of the entire UK 18 year old population was due to start a full-time undergraduate course in 2021.

188 Department for Education ([CHH0039](#))

189 Department for Education ([CHH0039](#))

190 [CHH0033](#) [Career Matters]

191 Department for Education, [Academic Year 2019/20: 16–18 destination measures](#), October 2021

192 [Q379](#) [Chair]

193 Department for Education, [Become an Apprentice](#), n.d.

economic parental support.¹⁹⁴ We heard that the only apprenticeships care leavers can afford to take up are where employers pay the Living Wage or National Minimum Wage.¹⁹⁵ *The independent review of children's social care* has called for an care leaver bursary to be paid annually to apprentices under 25, with unspent levy funds used to provide tailored support for care-experienced young people with .¹⁹⁶

119. During our session with care-experienced young people, we heard that a barrier to participation was that the £1,000 apprenticeship bursary was available only up to age 25. Some care-experienced young people will have faced multiple education disadvantages and may not have been able to gain level 2 or level 3 qualifications or work-experience by that age. Young person B, whose ambition was to pursue an electrical industry apprenticeship, told us of her concern at being “25–cut off point”, while young person A questioned why, “After 25, should you just be dropped?”¹⁹⁷

120. Just 2% of care leavers go on to do an apprenticeship. The apprenticeship wage rate—£4.81 per hour for apprentices aged 16–18 or aged 19 and over and in the first year of their apprenticeship—is prohibitive for young care leavers living independently. This rate is not designed with the needs of care leavers in mind. The £1,000 bursary for care-experienced apprentices is welcome, but the Department must eliminate economic barriers for young care leavers who want to do an apprenticeship.

121. Just 2% of care leavers go on to do an apprenticeship. To address this, the Department must strategically weigh the apprenticeship levy in favour of care-experienced young apprentices under age 25. Too much of the levy is going unspent, the Department reports that £250 million was unspent in 2020/21. Unspent levy funds should be used for an uplift to the apprentice minimum wage for care leavers, enabling them to receive the National Living Wage in recognition of the financial barriers young care leavers face.

122. Where a care leaver is over 25, and an apprenticeship would be their first qualification since leaving compulsory education, the Department must raise the age limit for receipt of the £1,000 apprenticeship bursary from age 25 to age 30. This would recognise that some looked-after children take longer to fulfil their educational potential due to the multiple disadvantages they have faced. As a care-experienced young person asked us, why, “After 25, should you just be dropped”?

Staying Close

“Basically, my only fear really right now is that when I do leave care eventually—because I am 16, so within the next two years I will be leaving care [...] I honestly feel like I’m not going to have the same support, and that scares me, because at 18 you are nowhere near old enough to be by yourself at all [...] I feel like just being chucked out at the age of 18 and being told, “Oh, well, you’re grown now, you’re an adult, you’re a big person”, is just scary, because it’s like, “What am I supposed to do? Where do I go?” [Q295](#) [Young person C]

194 Career Matters ([CHH0033](#)); National Leaving Care Benchmarking Forum ([CHH0036](#))

195 [Q64](#) [Hannah McCowen]

196 Josh MacAlister, [The independent review of children's social care](#), May 2022

197 [Q290](#)

123. The Department’s own evidence acknowledges that the transition from care to independent living can feel like a “cliff-edge”.¹⁹⁸ We have heard from care-experienced young people about the postcode lottery of the quality of support available for care leavers across different local authority areas.¹⁹⁹

124. A major concern raised across written submissions is the unequal and lesser support for young people leaving children’s homes compared to young people leaving foster care.²⁰⁰ Under Staying Put, young people in foster care are supported to stay with their former carers after they turn 18, if both parties agree.²⁰¹ For the last four years the Department has piloted a similar programme, Staying Close, for young people leaving residential care. This includes an offer of move-on accommodation which is suitable for the young person and close to their previous children’s home.²⁰² Independent evaluations of the pilots suggest that Staying Close offers promising results across key areas including:

- 75% reduction in eviction rates
- 50% reduction in the proportion of young people Not in Education, Employment or Training (NEET)
- 55% increase in reported emotional well-being²⁰³

125. The evidence we have heard and seen on Staying Close strongly suggests that this should become a statutory entitlement for all children’s home leavers.²⁰⁴ The Children and Families Minister told us: “We have the Staying Close pilot—and we have had some very, very good evidence coming out of that pilot that is very compelling”.²⁰⁵ *The independent review of children’s social care* recommends Staying Close becoming a legal entitlement and extended to age 23 with an ‘opt-out’ rather than ‘opt-in’ expectation.²⁰⁶

126. The current lack of statutory support for young people leaving residential care is deeply unjust. The Department’s own evidence rightly acknowledges the “cliff-edge” transition from residential care to independent living at age 18. Staying Close offers a chance to fix this and the pilot has shown promising results including 75% reduction in eviction rates, 50% reduction in the proportion of young people not in education, employment or training (NEET) and 55% increase in reported emotional well-being. A national rollout would end the current postcode lottery of support for young people leaving residential care, supporting care leavers to stay in their local areas where they have put down roots.

127. *The Minister for Children and Families agrees that the Staying Close pilot has produced “very, very good evidence”. Without further delay, the Department must roll out Staying Close nationally as a statutory entitlement. Care leavers must have the right to opt-out of participating in Staying Close if they wish. Ahead of leaving residential care,*

198 Department for Education ([CHH0039](#))

199 See, for example: [Qq271–272](#); [Q297](#)

200 St Christopher’s Fellowship ([CHH0012](#)); Become ([CHH0017](#)); Ofsted ([CHH0026](#))

201 [Children and Families Act 2014](#)

202 Department for Education ([CHH0039](#))

203 Department for Education ([CHH0039](#))

204 See for example; [Q115](#) [Hannah McCowen]; St Christopher’s Fellowship ([CHH0012](#)); Become ([CHH0017](#)); Ofsted ([CHH0026](#))

205 [Q377](#)

206 Josh MacAlister, [The independent review of children’s social care](#), May 2022

each young person should have a mandatory meeting with the key adults responsible for their care and continuing education to ensure that participating in Staying Close is in their best interest.

8 Early intervention funding

“It’s about early intervention rather than dealing with it after it happens. You need to deal with it before. I feel like if things like that were in place in my life before, and not so late in my life, I would have been on the right track earlier on.” [Q254](#) [Young person A]

128. Early intervention is key to reforming the care system and improving the life-chances of looked-after children. It is deeply concerning that early intervention spending has reduced, while spending on at the crisis end of children’s services, and on costlier downstream interventions has risen.²⁰⁷ Research commissioned by a group of five children’s charities identifies that between 2010/11 and 2019/20, local government spending on early intervention fell by 48% to £1.8 billion, while spending on later interventions such as youth justice and children in the care system, increased by 34% to £7.6 billion.²⁰⁸ Just for Kids Law suggested that an estimated £2.2 billion reduction in children’s services funding since 2010 has “led to social services now only getting involved at crisis point”.²⁰⁹ The Local Government Association underlined that “Insufficient investment in early help for these families is a false economy in the longer-term”, and warned that a “huge rise” in children needing urgent child protection support has left councils “facing extremely difficult decisions when allocating increasingly scarce resources.”²¹⁰

129. It is also the case that local authorities are spending an increased proportion of their children’s services budgets on children in care. The County Councils Network notes that local authority spend on children in care as a proportion of total children’s services budgets has risen from under 42% in 2015, to around 50% in 2020.²¹¹ The Competition and Markets Authority found that placement prices paid by local authorities are “high, and this, combined with growing numbers of looked-after children, was placing significant strain on local authority budgets.”²¹²

130. We heard that reductions in early intervention spending have resulted in demographic changes to the population of looked-after children, with children entering care at an older age, with higher and more complex levels of need.²¹³ Yvette Stanley, Ofsted’s National Director of Children’s Social Care, emphasised that reduced access to early help meant that children are “coming in with perhaps more significant harm and there are longitudinal implications to that: they need care for longer”.²¹⁴ The Children’s Society similarly warned that it is increasingly finding children in care “have unmet needs for too long”, which they attributed to local authorities “using the limited resources that they do have at the crisis end rather than at the earlier stage”.²¹⁵

207 See, for example: [Q78](#); Just for Kids Law ([CHH0018](#)); Local Government Association (LGA) ([CHH0020](#)) Bennett et al. (2021), [Funding for preventative Children’s Services and rates of children becoming looked-after](#), *Children Youth Services Review*, 131, 106289; House of Lords Public Services Committee, First Report of session 2021–22, [Children in crisis: the role of public services in overcoming child vulnerability](#), HL Paper 95

208 Children’s Services Funding Alliance, [Children and young people’s services: Spending 2010–11 to 2019–20](#), July 2021

209 Just for Kids Law ([CHH0018](#))

210 Local Government Association (LGA) ([CHH0020](#))

211 County Councils Network, [The future of children’s social care](#). November 2021, Available at: <http://www.countycouncilsnetwork.org.uk/download/3960/>

212 Competition and Markets Authority, [Children’s social care market study: final report](#), March 2022

213 [Q146](#) [Andrew Isaac and Jonathan Whalley]

214 [Q197](#)

215 [Q78](#)

131. Since launching this inquiry there have been developments in Government funding for early intervention, with proposals to improve early education intervention set out in the 2022 Special Educational Needs and Disabilities (SEND) Green Paper. At the 2021 Autumn Budget, £500 million of funding over three years was announced for the Start for Life programme and family help services, including the creation of a network of 75 family hubs. £200 million of funding has been allocated to the Supporting Families programme, which targets families facing multiple disadvantages.²¹⁶ The SEND Green Paper identified the need to target spending at early education interventions, highlighting that “financial resource and workforce capacity is pulled to the specialist end of the system [...] there is less available to deliver early intervention and effective, timely support in mainstream settings.”²¹⁷

132. *The independent review of children’s social care* sets out the need for a “revolution” in early family help, arguing that “a temporary injection of roughly £2 billion is needed over the next five years”, which would target around half a million vulnerable children who need extra support. It further recommends that there should be a dedicated ring-fenced grant to ensure this extra spending continues to be prioritised in the long term.²¹⁸

133. A record 80,850 children are in care. Early intervention is key to tackling the needs of vulnerable families and children before they escalate. The record rise of children in care cannot be disconnected from the 48% reduction in early intervention spending over the last decade. Short-changing early intervention is a false economy and represents poor value for taxpayers, who end up funding less effective and costlier interventions downstream. Most importantly, it means children are suffering harms that could and should have been addressed earlier in their lives. Investing money early in the lives of vulnerable children offers better value for the taxpayer, better outcomes for the child, and would overall reduce the number of children needing to enter care in the first place.

134. Local authorities must tackle the imbalance between the 48% reduction in early intervention spending, and the 34% rise in spending on costlier downstream interventions over the last decade. Local authorities cannot simply achieve this by reshuffling spending priorities and reducing essential support for children at the crisis end. The independent review of social care recommends increasing the overall funding envelope for early family help through a £2 billion one-off injection of cash over five years. This one-off injection has clear cost-benefit implications—it could ensure better overall value for the taxpayer by reducing spending in the longer-term, and could ensure greater numbers of vulnerable children are not subject to preventable harms.

135. The Department must set out their response to the £2 billion expenditure proposed by The independent review of children’s social care, indicating how much additional funding they believe is necessary to ensure the care system is fit for purpose, how the additional funding would be deployed and the longer-term cost-benefit analysis. If Government sign off on the £2 billion funding injection, it must ensure this is ringfenced via a more intelligent funding formula that sets a minimum budget for local authority early intervention spending. In this way, additional funding would not be swallowed

216 HM Treasury, [Autumn Budget and Spending Review 2021](#), HC 822, October 2021

217 HM Government, [SEND review: right support, right place, right time](#), CP 624, March 2022.

218 Josh MacAlister, [The independent review of children’s social care](#), May 2022

up by rising placement costs or expensive downstream social care interventions. This would rebalance the system to place greater weight on early intervention, rather than intervening at more costly crisis points downstream.

136. For far too long, some private providers have extracted significant profits from the public purse, operating under a monopoly market. At the same time, they have not demonstrated equivalent value for taxpayer money in terms of improved outcomes for the vulnerable children they care for. The Government must consider whether The independent review of children's social care's recommendation to levy a 20% windfall tax on the 15 largest private children's homes and independent fostering providers would be effective. The Government must also take a wider look at the market, and consider whether it would be more appropriate for children's homes to be run by organisations such as not-for-profit community interest companies, and for negotiations on pricing to be undertaken nationally rather than locally.

137. We continue to be extremely concerned by media reports of children's homes—including the recent case of Calcot Services for Children—failing to meet the needs or ensure the safety of the vulnerable children in their care. In the case of Calcot, their children's homes had been rated good or outstanding by Ofsted. Ofsted must assess its whistleblowing and safeguarding procedures for inspecting children's homes, and must write to us outlining how these have been strengthened in order to prevent future cohorts of children being failed.

Conclusions and recommendations

Introduction

1. We were highly concerned to be told by the Department that their most up-to-date data on characteristics of children in children's homes is from an ad-hoc 2016 data release—now seven years out of date. (Paragraph 5)
2. *The Department must annually publish statistics on looked-after children, disaggregated by placement type, including key metrics on gender, ethnicity, age, special educational needs, and rates of out-of-area placements.* (Paragraph 6)

Overcoming the odds: education outcomes and the lack of post-16 funding

3. The Department's data on the educational outcomes of children in care does not distinguish between placement type. Existing data is not good enough, it does not provide the visibility into the education of children in care that we would expect to see. The poor-quality data is a barrier to scrutiny and accountability, and hinders the development of targeted, evidence-based interventions that could raise the attainment of looked-after children. (Paragraph 18)
4. *The Department must urgently tackle the black hole of data on the educational outcomes of children in children's homes. It must commit to annual data publication through a data dashboard on outcomes for looked-after children which is disaggregated by care placement type, including flagging when the child is living in unregulated provision. We would expect this to include data on progress, attainment, attendance, suspensions and exclusions.* (Paragraph 19)
5. It is welcome that the Department has announced a further year of funding for the extension of Virtual School Head duties to include all children with a social worker. Children with a social worker face significant barriers to education, but unlike looked-after children, have not had the benefit of a Virtual School Head to champion their progress and outcomes. Virtual School Heads will be able to make a difference by intervening early in the child's life to address barriers to poor education outcomes and support their progress. (Paragraph 26)
6. *The new Virtual School Head duty to promote the education of children with a social worker must be given a statutory footing by 2023, with statutory guidance to accompany this. The statutory powers of Directors of Children's Services towards the education of children with a social worker should be delegated to the Virtual School Head. Local authorities must be held accountable via Ofsted for allocating education funding for children with a social worker, and tracking its impact on their education outcomes.* (Paragraph 27)
7. Processes to scrutinise how local authorities are spending their Pupil Premium Plus grant are insufficient. There must be strengthened accountability with clear penalties for local authorities who are not properly spending the grant on raising the educational attainment of looked-after children. (Paragraph 30)

8. *Local authorities must annually report to Ofsted, accounting for how every penny of their Pupil Premium Plus grant is being spent. The Department must strengthen its guidance on the grant, stipulating that all funding must be allocated via the Virtual School Head, and the Virtual School Head be awarded powers to sign off on the use of the grant. Local authorities must evidence that the grant is being spent on specific educational interventions and not being used to plug funding gaps elsewhere. Ofsted's inspections of local authority children's services must scrutinise the measurable impact Pupil Premium Plus is having on progress and outcomes for looked-after children. Where local authorities are not spending Pupil Premium Plus allocations within the terms of grant, or where it is having insufficient impact on outcomes, local authorities should face clear consequences via capped Ofsted judgements. (Paragraph 31)*
9. *There is a cliff-edge in Pupil Premium Plus funding when a looked-after pupil turns 16. The needs of looked-after pupils do not suddenly cease to exist when they turn 16. It is incomprehensible that the funding is just turned off. 23% of children in care are 16 or older; that is almost one-quarter of the entire care population who are being denied the support they need to do well at this crucial stage of their education. (Paragraph 36)*
10. *The case for extending Premium Plus is clear. The Department must extend Pupil Premium Plus funding beyond age 16 to ensure looked-after pupils are receiving the support they deserve to succeed throughout their education. (Paragraph 37)*
11. *When rolled out nationally, post-16 Pupil Premium Plus funding must be calculated using the same funding formula as for the pre-16 cohort. Virtual School Heads must ensure Post-16 Pupil Premium Plus funding is used on specific, evidence-based interventions to improve progress and outcomes of looked-after pupils. Given that 41% of care leavers aged 19–21 are not in education, employment or training, Virtual School Heads should also ensure post-16 Pupil Premium Plus is being used to commission careers mentoring and advice. (Paragraph 38)*

Getting looked-after children into the best schools: the state as not-so-pushy parent

12. *The School Admissions Code is not working in the interests of looked-after children. The admissions system is weighted in favour of schools, and against the interests of looked-after pupils. The absence of sanctions means it is a risk-free process for schools to refuse to admit a looked-after child. This enables some schools to take an adversarial stance against admitting looked-after children without facing any consequences. (Paragraph 43)*
13. *The Department must take greater responsibility for policing the school admissions system to ensure it is working in the interests of looked-after children. There must be a clear sanctions mechanism in place for schools who consistently refuse or delay admissions of looked-after children. The lever for this accountability should be the impact on the school's Ofsted judgement. Where schools are refusing to admit looked-after children, this should be a limiting factor for their Ofsted rating. (Paragraph 44)*
14. *Under section 497 of the Education Act 1996, the Secretary of State has the power to take legal action against local authorities who are not meeting their statutory duties*

relating to the provision of education. The Department must provide clearer guidance setting out how it will identify and sanction local authorities who are breaking the law in failing to secure school places for their looked-after children. The Department must also set out clearer guidelines on the responsibility of central government when an authority is non-compliant. (Paragraph 45)

15. *The Schools White Paper sets out a new backstop power for local authorities to direct trusts to admit children. This is a very welcome step forward. It would enable the local authority to immediately secure an education place for the looked-after child, putting the onus on the school to justify its rationale for appealing against admitting the child. We call on the Department to introduce this new backstop power without delay. (Paragraph 46)*
16. The lack of national-level data on how many looked-after children are refused admission to schools contributes to the culture of impunity. (Paragraph 47)
17. *The Department must introduce a reporting and accountability requirement for local authorities to provide data on how many admissions of looked-after children have been contested or refused by schools. It should be made mandatory for local authorities to report all instances of schools blocking admissions to Office of the Schools Adjudicator. This data must also be published annually by the Department. (Paragraph 48)*
18. Much more needs to be done to speed up school admissions for looked-after children. We heard from Ofsted that it can take “many months” for a local authority to go through the admissions adjudications process. (Paragraph 49)
19. *Where the involvement of the Schools Adjudicator is required for admissions decisions for looked-after children, these decisions must be made within a maximum 20-day timeframe. (Paragraph 50)*
20. All too often children in care face a David versus Goliath battle to gain admission to their local good or outstanding school. Despite the law clearly stating that good and outstanding schools should be prioritised for looked-after children, children in children’s homes are in fact less likely to attend the best schools than their peers. This is indefensible. (Paragraph 57)
21. *Responsibility and accountability for getting looked-after children into their most appropriate local good or outstanding school should lie with the Virtual School Head. (Paragraph 58)*
22. *We have highlighted the need for clear sanctions for schools who refuse to admit looked-after pupils, enforced through the impact on the school’s Ofsted judgement. We have also highlighted the need for much quicker decisions to be made by the Schools Adjudicator when the admissions code is breached. And the new backstop power set out in the White Paper would give local authorities the power to automatically place a child in an academy. Together, these measures would tilt the system in favour of looked-after children, ensuring they can access the best schools, without suffering delays to their education. (Paragraph 59)*

23. *Ofsted must make outcomes for looked-after children a limiting judgement on a school. If a school is not delivering good or outstanding progress and outcomes for looked-after pupils, it should not be able to gain a good or outstanding judgement. Ofsted should amend its education inspection framework to reflect this. (Paragraph 60)*
24. *Access to specialist mental health support is essential in supporting children in care, and the Government must commit to funding specialist mental health support for every school. It must also invest targeted funding to fully level-up spend per-child on mental health, and to reduce mental health waiting lists to no longer than one month. (Paragraph 61)*

A national scandal: children missing from education and in unregulated 'education'

25. *Research by Ofsted has identified that of a sample of 2,600 children living in children's homes, 9% of children in residential care are receiving 'education' in unregulated settings, and a further 6% are not in education, employment or training. The true picture may be even worse. We've heard concerns that even the Department does not know how many looked-after children not in school, and that its current processes for tracking the education of looked-after children are insufficient. (Paragraph 65)*
26. *All looked-after children should be receiving full-time education in a DfE registered school—it is unacceptable for local authorities to settle for unregulated education provision as an alternative. (Paragraph 66)*
27. *The 2022 Schools White Paper proposes a new statutory framework to govern children's movements to ensure that education placements are made in the child's best interests, especially where the child is vulnerable. Looked-after children, who are particularly at risk of moving between schools and missing education, must be prioritised within this new framework. (Paragraph 67)*
28. *The 2022 Schools Bill sets out a new duty for local authorities to maintain a register of children not in school. Alongside this, the Department must issue guidance to clearly outline how it will hold Directors of Children's Services to account where the looked-after children they are responsible for are not in school. (Paragraph 68)*
29. *As part of the proposed register of children not in school, the Department must set out how it will collect and publish data on how many looked-after children are falling through the gaps by missing education or being 'educated' in unregulated education provision. This data should form part of a regular statistical release, published at minimum, annually. (Paragraph 69)*
30. *Section 19 of the Education Act 1996 places a duty on local authorities to provide children with suitable full-time education. However, there is no Departmental guidance outlining how this responsibility should be implemented, and no clear consequences for non-compliance. Given that Ofsted has identified that 9% of a sample of 2,600 children in children's homes are attending unregulated 'education' provision, and a further 6% are not in education, employment or training, it is clear that the law is not being complied with. (Paragraph 72)*

31. *Before the start of the next academic year—at the very latest—the Department should issue robust guidance on how the section 19 duty on local authorities to provide children with a suitable full-time education should be fulfilled by local authorities. Where local authorities are failing to discharge this duty, the sanction should be in the form of limiting their Ofsted rating. (Paragraph 73)*
32. The Department has banned unregulated accommodation for children under 16. We hold deep concerns that children aged 16 and 17 can still be placed in unsafe, unsuitable accommodation without care or oversight. No looked-after child should be living in a setting without some form of regulation by Ofsted. It is right that the Department will be introducing a set of mandatory national standards, overseen by Ofsted, for governing unregulated settings for 16- and 17-year-olds. (Paragraph 79)
33. *The Department must aim towards banning unregulated provision for looked-after children once it has addressed placement sufficiency issues using the mechanisms outlined by The independent review of children’s social care. In the meantime, while these reforms are being undertaken, the new set of standards for unregulated provision should be implemented on a sliding scale so as to provide regulated care, with flexibility for children for whom greater independence is in their best interests. (Paragraph 80)*
34. 41% of looked-after children are placed outside of their local area, and 8,098 children had at least two placement moves over 12 months. A system that is working well does not boast these numbers. Frequent placement moves are destabilising for the child, and all too often result in missed education, especially when the child is placed outside of their local area. (Paragraph 86)
35. *Where this is in the child’s best interest, every looked-after child should be cared for in a local care placement, receiving their education at a good or outstanding local school. The Department must take greater responsibility for overseeing the placements system and for driving funded system change to reduce the current dependence on out-of-area placements. A national approach to commissioning of care places must consider the location of children’s homes in relation to local good and outstanding schools. Except in exceptional evidence-based cases, children should not be moved to residential placements where they cannot reasonably access good or outstanding local schools. (Paragraph 87)*
36. Current national-level data is not available to illustrate the scale of gaps in education for looked-after children. It should be a priority for the Department to ensure this data is collected and published, so that responsible parties can be held to account when looked-after children are missing education. (Paragraph 92)
37. *The Department must make it a priority to collect and publish national data on how often school places are not being provided within the statutory 20 school days timeframe for looked-after children under an emergency care order. The lack of data means there is currently no visibility into the scale of the issue. (Paragraph 94)*
38. *The Department has set out a new legal requirement for local authorities to maintain registers of children not in school. The Department must issue clear guidance to local authorities on the definition of a child missing education, to ensure that all looked-after children not in the roll of a DfE registered school are recorded. (Paragraph 95)*

39. *The Department must take overall responsibility for monitoring the register of children not in school, and must set out clear and robust accountability for local authorities who fail to secure full-time places at good or outstanding DfE registered schools for the children they are responsible for looking after. (Paragraph 96)*
40. The Department must ensure looked-after children are quickly able to access vital mental health support services in a timely way despite being placed out-of-area or moved around. The child must not be disadvantaged in terms of waiting times if they are placed out-of-area, and consideration must be given to maintaining continuity of service. (Paragraph 97)

Improving outcomes for looked-after children with SEND

41. The Government's SEND reforms must move towards a less adversarial system that places less strain on children and families. (Paragraph 100)
42. Over 90% of SEND tribunal decisions are made in favour of the parent and child. But where a child with SEND lives in residential care, and does not have a school place or Education, Health and Care plan that meets their needs, they may effectively have no right of appeal to a tribunal if they have no parental figure willing to pursue an appeal on their behalf. We are concerned by the potential conflict of interest inherent in a local authority's simultaneous roles as a looked-after child's corporate parent, and decision-maker for a SEND appeal on the child's behalf. A local authority is clearly unlikely to appeal against itself at a SEND tribunal. Although the child's Independent Reviewing Officer (IRO) has a vital role to play here, we have heard that IROs do not consistently ensure that the child's special educational needs are effectively identified, assessed and met. (Paragraph 106)
43. *All looked-after children must have an independent advocate whose function is to champion their best interests, ensuring they are admitted to the best, most appropriate schools, and that they are fully supported to appeal to SEND tribunals where their Education, Health and Care (EHC) Plan does not meet their needs. Virtual School Heads should play a key role here, advocating for the child's needs to be identified, understood and met, ensuring that the child's EHC Plan is appropriate, and where it is not, supporting the child to appeal. (Paragraph 107)*
44. *The Government's 2022 SEND Green Paper sets out proposals for a more inclusive education system with enhanced mainstream provision for learners with special educational needs. As these reforms are taken forward, the Government must set out its plan to ensure greater numbers of children in residential care—who are currently 20 times more likely than children nationally to be in special education—will be supported to enter and to thrive in good and outstanding mainstream schools, where this is in their best interests. (Paragraph 108)*
45. *The Government must also increase its investment in SEND provision to ensure that children in care, alongside all pupils with SEND, get the support they need to thrive in education. Children in care are more likely to have experienced educational disruption compared with children not in care. We recognise that those with special educational needs are more likely to be impacted by educational disruption. (Paragraph 109)*

The cliff-edge transition from residential care to independent living

46. 41% of care leavers aged 19–21 are not in education, employment or training, up from 39% in 2020. This is a shameful reflection of an education and careers system that routinely—and without consequences—fails far too many looked-after children. Too often, the potential of care leavers is not being realised. With enhanced support and guidance more care leavers would go on to achieve their ambitions. (Paragraph 113)
47. *The Department must publish education, employment and training outcomes data disaggregated by care placement type. The absence of disaggregated data is a barrier to scrutiny and accountability and hinders the development of targeted, evidence-based interventions.* (Paragraph 114)
48. *Careers and employability outcomes for care-experienced young people up to age 25 should be a core part of the Virtual School Head remit. Every Virtual School should have a designated careers lead whose function is to promote and support the career outcomes of looked-after young people. This should be done through the extension of Pupil Premium Plus funding past age 16, which would resource career leads to commission bespoke careers mentoring and support for every looked-after child from primary up to age 25. Virtual School Heads should work with local charities and businesses to identify community support and mentoring opportunities.* (Paragraph 115)
49. *The Government must expand existing the existing Civil Service care leaver internship scheme and other employment schemes, increasing the number of places so that more care leavers can take advantage of, and benefit from, these opportunities.* (Paragraph 116)
50. Just 2% of care leavers go on to do an apprenticeship. The apprenticeship wage rate—£4.81 per hour for apprentices aged 16–18 or aged 19 and over and in the first year of their apprenticeship—is prohibitive for young care leavers living independently. This rate is not designed with the needs of care leavers in mind. The £1,000 bursary for care-experienced apprentices is welcome, but the Department must eliminate economic barriers for young care leavers who want to do an apprenticeship. (Paragraph 120)
51. *Just 2% of care leavers go on to do an apprenticeship. To address this, the Department must strategically weigh the apprenticeship levy in favour of care-experienced young apprentices under age 25. Too much of the levy is going unspent, the Department reports that £250 million was unspent in 2020/21. Unspent levy funds should be used for an uplift to the apprentice minimum wage for care leavers, enabling them to receive the National Living Wage in recognition of the financial barriers young care leavers face.* (Paragraph 121)
52. *Where a care leaver is over 25, and an apprenticeship would be their first qualification since leaving compulsory education, the Department must raise the age limit for receipt of the £1,000 apprenticeship bursary from age 25 to age 30. This would recognise that some looked-after children take longer to fulfil their educational potential due to the multiple disadvantages they have faced. As a care-experienced young person asked us, why, “After 25, should you just be dropped”?* (Paragraph 122)

53. The current lack of statutory support for young people leaving residential care is deeply unjust. The Department's own evidence rightly acknowledges the "cliff-edge" transition from residential care to independent living at age 18. Staying Close offers a chance to fix this and the pilot has shown promising results including 75% reduction in eviction rates, 50% reduction in the proportion of young people not in education, employment or training (NEET) and 55% increase in reported emotional well-being. A national rollout would end the current postcode lottery of support for young people leaving residential care, supporting care leavers to stay in their local areas where they have put down roots. (Paragraph 126)
54. *The Minister for Children and Families agrees that the Staying Close pilot has produced "very, very good evidence". Without further delay, the Department must roll out Staying Close nationally as a statutory entitlement. Care leavers must have the right to opt-out of participating in Staying Close if they wish. Ahead of leaving residential care, each young person should have a mandatory meeting with the key adults responsible for their care and continuing education to ensure that participating in Staying Close is in their best interest.* (Paragraph 127)

Early intervention funding

55. A record 80,850 children are in care. Early intervention is key to tackling the needs of vulnerable families and children before they escalate. The record rise of children in care cannot be disconnected from the 48% reduction in early intervention spending over the last decade. Short-changing early intervention is a false economy and represents poor value for taxpayers, who end up funding less effective and costlier interventions downstream. Most importantly, it means children are suffering harms that could and should have been addressed earlier in their lives. Investing money early in the lives of vulnerable children offers better value for the taxpayer, better outcomes for the child, and would overall reduce the number of children needing to enter care in the first place. (Paragraph 133)
56. *Local authorities must tackle the imbalance between the 48% reduction in early intervention spending, and the 34% rise in spending on costlier downstream interventions over the last decade. Local authorities cannot simply achieve this by reshuffling spending priorities and reducing essential support for children at the crisis end. The independent review of social care recommends increasing the overall funding envelope for early family help through a £2 billion one-off injection of cash over five years. This one-off injection has clear cost-benefit implications—it could ensure better overall value for the taxpayer by reducing spending in the longer-term, and could ensure greater numbers of vulnerable children are not subject to preventable harms.* (Paragraph 134)
57. *The Department must set out their response to the £2 billion expenditure proposed by The independent review of children's social care, indicating how much additional funding they believe is necessary to ensure the care system is fit for purpose, how the additional funding would be deployed and the longer-term cost-benefit analysis. If Government sign off on the £2 billion funding injection, it must ensure this is ringfenced via a more intelligent funding formula that sets a minimum budget for local authority early intervention spending. In this way, additional funding would not be swallowed*

up by rising placement costs or expensive downstream social care interventions. This would rebalance the system to place greater weight on early intervention, rather than intervening at more costly crisis points downstream. (Paragraph 135)

58. *For far too long, some private providers have extracted significant profits from the public purse, operating under a monopoly market. At the same time, they have not demonstrated equivalent value for taxpayer money in terms of improved outcomes for the vulnerable children they care for. The Government must consider whether The independent review of children's social care's recommendation to levy a 20% windfall tax on the 15 largest private children's homes and independent fostering providers would be effective. The Government must also take a wider look at the market, and consider whether it would be more appropriate for children's homes to be run by organisations such as not-for-profit community interest companies, and for negotiations on pricing to be undertaken nationally rather than locally. (Paragraph 136)*
59. *We continue to be extremely concerned by media reports of children's homes—including the recent case of Calcot Services for Children—failing to meet the needs or ensure the safety of the vulnerable children in their care. In the case of Calcot, their children's homes had been rated good or outstanding by Ofsted. Ofsted must assess its whistleblowing and safeguarding procedures for inspecting children's homes, and must write to us outlining how these have been strengthened in order to prevent future cohorts of children being failed. (Paragraph 137)*

Formal minutes

Wednesday 29 June 2022

Members present:

Robert Halfon, in the Chair

Caroline Ansell

Miriam Cates

Anna Firth

Tom Hunt

Dr Caroline Johnson

Kim Johnson

Ian Mearns

Angela Richardson

Draft Report (*Educational poverty: how children in residential care have been let down and what to do about it*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 133 read and agreed to.

Paragraph 134 read.

Motion made, to leave out paragraph 134 and insert the following new paragraphs:

Funding to local authorities has been deeply depleted by 12 years of austerity, as has the Tory Government's closure of over a thousand Sure Start centres and the systematic defunding of early years support services. This has also had the effect of levelling down left-behind areas, who are less able to raise funds through local taxation – leaving children in these areas with less spend per head on mental health and other welfare support than wealthier areas.

Local authorities must be granted immediate central government support to the tune of at least £2 billion over five years to reinstate this support, level up spending on mental health and early intervention across the board, and provide children in care with the support and services they need and deserve to thrive in and after their education.—(Kim Johnson).

Question put, That the new paragraphs be read a second time.

The Committee divided:

Ayes, 2	Noes, 6
Kim Johnson	Caroline Ansell
Ian Mearns	Miriam Cates
	Anna Firth
	Tom Hunt
	Dr Caroline Johnson
	Angela Richardson

Question accordingly negatived.

Paragraph 134 agreed to.

Paragraphs 135 and 136 read.

With leave of the Committee, a single question was put on paragraphs 135 and 136.

Motion made, to leave out paragraphs 135 and 136 and insert the following new paragraphs

The Government must accept the recommendations of the independent review of social care, and inject at least a £2 billion one-off injection of cash over five years. This has clear cost-benefit implications – it would ensure better overall value for money for the taxpayer by reducing spending in the longer-term, and would ensure greater numbers of vulnerable children are not subject to preventable harms. They must work in tandem with local authorities to ensure this budget is focused on effective early intervention models, including reinstating the Sure Start model of integrated early years services. This will ensure systemic rebalancing with a greater weight on early intervention, rather than intervening at more costly and challenging crisis points downstream.

The independent review of children's social care calls on the Government to levy a 20% windfall tax on the 15 largest private children's homes and independent fostering providers, and could generate £100–200 million to improve the care system. We think this constitutes an argument for taking profit out of children's care homes altogether, so that this money can be permanently reinvested in improving educational outcomes and life chances for children in care. For far too long, private providers have extracted significant profits from the public purse, operating under a monopoly market. At the same time, they have not demonstrated equivalent value for taxpayer money in terms of improved outcomes for the vulnerable children they care for. This government must take decisive action to put an end to this, and ensure the needs of children in care are put above the profiteering of private providers – and bring these services back in house and fund them fully.—(Kim Johnson).

Question put, That the new paragraphs be read a second time.

The Committee divided:

Ayes, 2	Noes, 6
Kim Johnson	Caroline Ansell
Ian Mearns	Miriam Cates
	Anna Firth
	Tom Hunt
	Dr Caroline Johnson
	Angela Richardson

Question accordingly negatived.

Paragraphs 135 and 136 agreed to.

Paragraph 137 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Second Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Adjourned till Tuesday 5 July 2022 at 9.30 am

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Tuesday 20 July 2021

Anne Longfield, Former Children's Commissioner; **The Rt Hon. the Lord Adonis**; **Josh MacAlister**, Independent Review of Children's Social Care [Q1–52](#)

Tuesday 19 October 2021

Victoria Langer, Interim Chief Executive, Become; **Patrick Ward**, Chair, National Association of Virtual School Headteachers (NAVSH), Headteacher, Lewisham Virtual School; **Mark Russell**, Chief Executive, The Children's Society; **Hannah McCowen**, Manager, National Care Leavers Benchmarking Forum, and Catch 22 [Q53–144](#)

Tuesday 16 November 2021

Andrew Isaac, Independent Chair, Children's Services Development Group; **Charlotte Ramsden OBE**, President, Association of Directors of Children's Services; **Jonathan Whalley**, Chief Executive, St Christopher's Fellowship; **Michelle Lee-Izu**, Interim Co-CEO, Barnardo's [Q145–195](#)

Tuesday 11 January 2022

Dame Rachel de Souza, Children's Commissioner for England, Office of the Children's Commissioner for England; **Juliette Cammaerts**, Director of Policy and Planning, Office of the Children's Commissioner for England; **Yvette Stanley**, National Director for Social Care, Ofsted [Q196–252](#)

Tuesday 1 February 2022

Young person A, Young person B, Young person C and Young person D [Q253–308](#)

Tuesday 1 March 2022

Will Quince MP, Minister for Children and Families, Department for Education; **Fran Oram**, Director of Children's Social Care, Department for Education [Q309–389](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

CHH numbers are generated by the evidence processing system and so may not be complete.

- 1 Article 39 ([CHH0029](#))
- 2 Association of Educational Psychologists ([CHH0031](#))
- 3 Barnardo's ([CHH0040](#))
- 4 Become ([CHH0017](#))
- 5 Break ([CHH0038](#))
- 6 Career Matters ([CHH0033](#))
- 7 Children England ([CHH0007](#))
- 8 Children's Services Development Group ([CHH0023](#))
- 9 Department for Education ([CHH0041](#))
- 10 Department for Education ([CHH0039](#))
- 11 Erlam, Jayne (PhD Student, Lancaster University) ([CHH0005](#))
- 12 Fitzpatrick, Dr Claire (Senior Lecturer in Criminology, Lancaster University); Dr Katie Hunter (Research Associate, Lancaster University); Dr Julie Shaw (Senior Lecturer in Criminology, Liverpool John Moores University); and Dr Jo Staines (Senior Lecturer, University of Bristol) ([CHH0013](#))
- 13 Five Rivers Child Care ([CHH0011](#))
- 14 Home for Good ([CHH0027](#))
- 15 Hudson, Katy ([CHH0010](#))
- 16 ICHA ([CHH0035](#))
- 17 IPSEA ([CHH0014](#))
- 18 Just for Kids Law ([CHH0018](#))
- 19 Knight, Miss Shirley Sarah ([CHH0037](#))
- 20 Knowles, Mrs Amanda Jane ([CHH0008](#))
- 21 Local Government Association (LGA) ([CHH0020](#))
- 22 Local Government and Social Care Ombudsman ([CHH0022](#))
- 23 Maynard, Mr Paul (Member of Parliament) ([CHH0006](#))
- 24 NAGALRO, The Professional Association for Children's Guardians, Family Court Advisers and Independent Social Workers ([CHH0034](#))
- 25 National Leaving Care Benchmarking Forum ([CHH0036](#))
- 26 Nixon, Mr Ed (Chair, Every Child Leaving Care Matters) ([CHH0002](#))
- 27 Office of the Children's Commissioner for England ([CHH0032](#))
- 28 Ofsted ([CHH0026](#))
- 29 Plymouth City Council ([CHH0028](#))
- 30 Refugee and Migrant Children's Consortium ([CHH0016](#))
- 31 St Christopher's Fellowship ([CHH0012](#))

- 32 The Association of Directors of Children's Services ([CHH0019](#))
- 33 The Children's Society ([CHH0021](#))
- 34 Thoburn, June (Emeritus Professor of Social Work, University of East Anglia Centre for Research on Children and Families) ([CHH0003](#))
- 35 What Works for Children's Social Care ([CHH0024](#))
- 36 YMCA England & Wales ([CHH0001](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website.

Session 2022–23

Number	Title	Reference
1st Report	Not just another brick in the wall: why prisoners need an education to climb the ladder of opportunity	HC 56
1st Special	Is the Catch-up Programme fit for purpose?: Government response to the Committee's Fourth Report of Session 2021–22	HC 273

Session 2021–22

Number	Title	Reference
1st Report	The forgotten: how White working-class pupils have been let down, and how to change it	HC 85
2nd Report	Appointment of the Chief Regulator of Ofqual	HC 512
3rd Report	Strengthening Home Education	HC 84
4th Report	Is the Catch-up Programme fit for purpose?	HC 940
1st Special Report	Strengthening Home Education: Government Response to the Committee's Third Report	HC 823

Session 2019–21

Number	Title	Reference
1st Report	Getting the grades they've earned: Covid-19: the cancellation of exams and 'calculated' grades	HC 617
2nd Report	Appointment of the Children's Commissioner for England	HC 1030
3rd Report	A plan for an adult skills and lifelong learning revolution	HC 278
4th Report	Appointment of the Chair of the Office for Students	HC 1143
1st Special Report	Special Educational Needs and Disabilities: Government Response to the Committee's First Report of Session 2019	HC 668

Number	Title	Reference
2nd Special Report	Getting the grades they've earned: COVID-19: the cancellation of exams and 'calculated' grades: Response to the Committee's First Report	HC 812
3rd Special Report	A plan for an adult skills and lifelong learning revolution: Government Response to the Committee's Third Report	HC 1310