

Local authorities have seen an increase in the number of looked after children coming through the system. **Clare Connell** and **Lilya Tata** of Connell Consulting delve deeper



Increased demand



The impact of the coronavirus pandemic has been widespread, causing social and economic upheaval, and placing increased pressure on children's services that were already facing considerable strain.

The number of looked after children (LAC) has increased at over twice the rate of the total children's population in England in the past five years (Figure One) and, while the number of LAC entering care remains relatively stable, the number of LAC leaving care is decreasing (Figure Two).

Positively for independent children's service providers, it is expected there will be a significant knock-on effect from Covid that will drive further increased demand for both independent fostering agencies (IFAs) and children's homes.

Increasing numbers are entering care

The pandemic has placed vulnerable families under increasing pressure, with job losses, poverty, and poor mental health exacerbating breakdown of family units.

The risk of children suffering from abuse or neglect has also been exacerbated by the pandemic, particularly as many children have been unable to go to school.

Before the crisis, risk of abuse or neglect was already the most common reason for children entering care, with almost two-thirds of LAC in England in 2018-19 placed into care for this reason. As a result, local authorities (LAs) have seen an increase in the number of

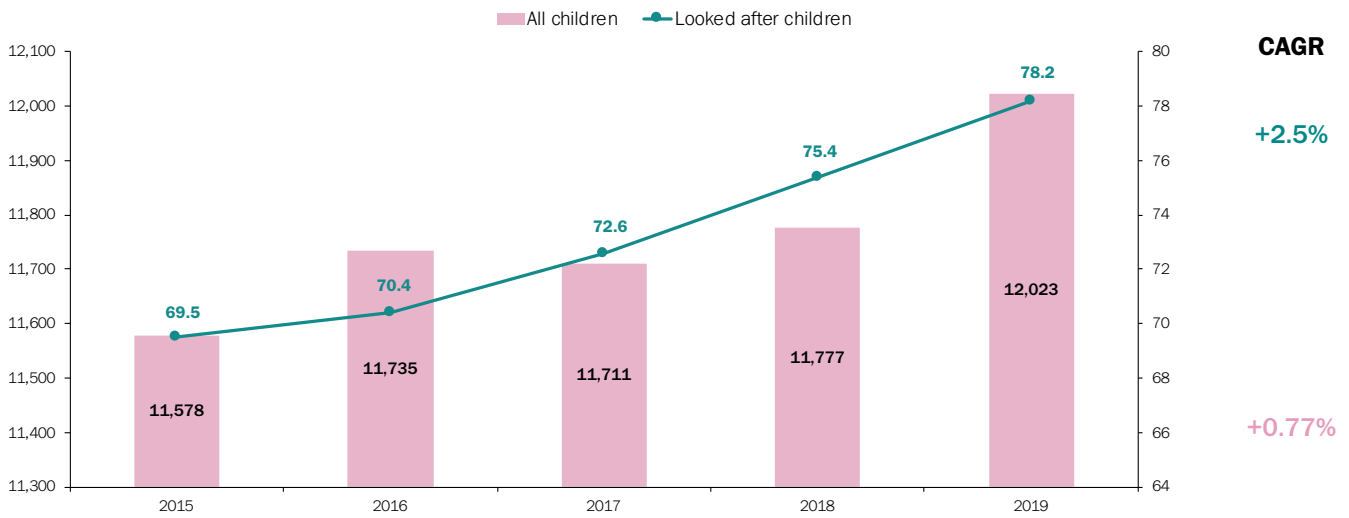
LAC coming through the system.

'Every operator that we speak to expects that the pandemic will drive up the number of children going into care, and indeed many are seeing increased caseload already,' said David Saunders, managing director of Results Healthcare. 'Demand was already rising pre-Covid, but the conditions of lockdown have taken many families beyond crisis point, and history shows that periods of higher unemployment and economic turmoil feed into higher volumes [in care], potentially for quite a long time.'

Between 23 March and 6 May, School Home Support, a children's education charity, reported a 750% increase in the number of children who needed to be referred to social services, compared to the same period in 2019¹.

FIGURE ONE

THE NUMBER OF CHILDREN (BAR), AND NUMBER OF LOOKED AFTER CHILDREN (LINE), 000s ENGLAND 2015 - 2019



SOURCE DEPARTMENT FOR EDUCATION; CONNELL CONSULTING RESEARCH AND ANALYSIS

In May, the NSPCC helpline reached a recorded number of calls at 8,287 in one month, more than a 48% increase on the pre-lockdown average (Figure Three).

The helpline also saw an increase in the number of calls that were followed by a referral to the LA or police for further action. These figures highlight the negative impact Covid and its lockdown measures have had on vulnerable children across the country.

The children’s charity Barnardo’s has gone as far as declaring a ‘state of emergency’. It has seen a 44% increase in the number of children needing foster care during the pandemic; from 1 March

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to 23 April, there were 2,349 referrals to Barnardo’s fostering services across England, Wales and Northern Ireland, an increase from 1,629 for the same period in 2019.

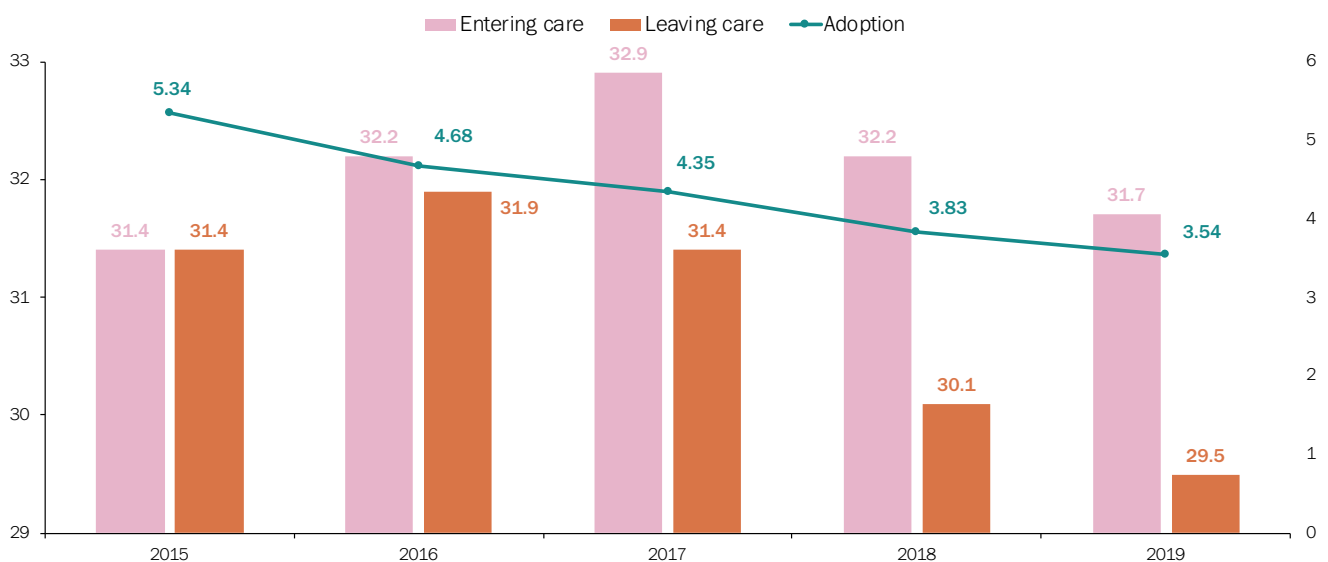
Limited existing supply of capacity

Over the same period, Barnardo’s has seen the number of enquiries from people looking to become foster carers for the charity fall from 302 to 161, a drop of 47%.

We believe that families who previously might have considered applying to

FIGURE TWO

THE NUMBER OF LOOKED AFTER CHILDREN IN ENGLAND ENTERING CARE/LEAVING CARE/PLACED IN ADOPTION, 000s ENGLAND, 2015 - 2019



SOURCE DEPARTMENT FOR EDUCATION; CONNELL CONSULTING RESEARCH AND ANALYSIS

become foster carers are not choosing to because of future economic uncertainty as a result of the pandemic.

In addition, with increasing numbers of people working from home, spare bedrooms that otherwise could have allowed a family to foster a child are increasingly being converted, typically for use as office space.

Another blow to the number of registered foster carers is the fact that its workforce is typically older, with 42% of carers over 55.

With a workforce more susceptible to Covid, some carers have become severely ill, further reducing an already limited pool.

Even prior to Covid the recruitment of foster carers was a national challenge, with the Fostering Network predicting a shortage of 9,000 fostering families to meet the needs of children across the country.

It is expected this number will continue to rise, with thousands of new foster families needed every year.

Indeed, existing children's services have been facing increasing pressure for several years.

BBC News reports the number of LAC who have restrictions placed on their freedoms has more than tripled in two years².

Deprivation of Liberty Safeguards, which are typically for adults who lack

the mental capacity to manage their own care, have increased from 43 orders in 2017 to 134 in 2019 on children and young people in England and Wales. LAs

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insist the orders are used because there is not enough secure accommodation.

The rising economic uncertainty caused by Covid is likely to only increase the number of children at risk of exploita-

tion and increase demand for secure accommodation.

With no certainty over when the pandemic will end, it is anticipated that children's services will continue to see increased pressure for some time to come.

Anne Longfield, the Children's Commissioner for England, raised concerns in April that due to Covid '...there would be a significant knock-on effect on children's social care, which was already under heavy pressure.'

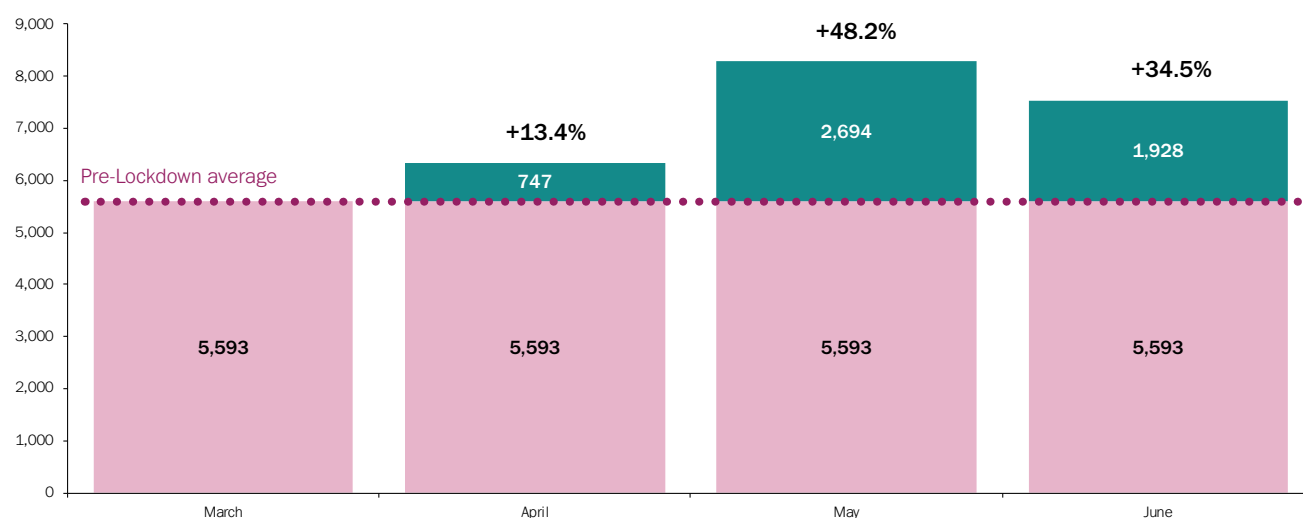
Opportunities for growth

With strong supply-demand dynamics, children's services have seen sustained investment. 'We have been pleased to get our first adolescent care deal completed since lockdown, demonstrating continued investor support and appetite in the sector,' said Peter Jennings, corporate finance partner at Grant Thornton.

'Commissioner demand is as high as it has ever been reflecting the wider socio-economic issues. Carer recruitment continues to be the biggest challenge; [however], this may begin to ease as a greater pool of potential workers become available and are motivated by a career in care.'

As Jennings highlights, children's services were already experiencing an increasing demand pre-Covid.

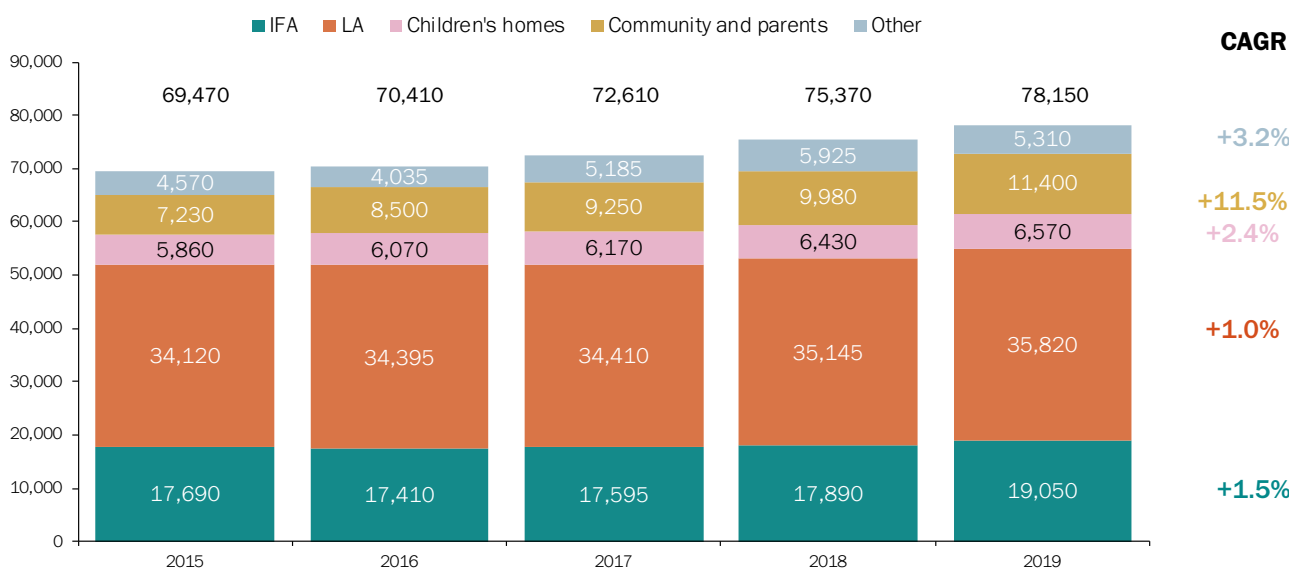
FIGURE THREE
THE NUMBER OF CALLS TO THE NSPCC HELPLINE DURING APRIL TO JUNE 2020



NOTE TEAL BARS SHOW THE NUMBER OF CALLS ABOVE THE PRE-LOCKDOWN AVERAGE. PERCENTAGES SHOW THE PERCENTAGE INCREASE OF CALLS FROM THE PRE-LOCKDOWN AVERAGE. THE PRE-LOCKDOWN AVERAGE IS FOR 30 DAYS FROM CALL NUMBERS BETWEEN 6 JANUARY AND 22 MARCH 2020

SOURCE WWW.NSPCC.ORG.UK/ABOUT-US/NEWS-OPINION/2020/2020-10-07-HELPLINE-RECOVERY-PLAN/

FIGURE FOUR
LOOKED AFTER CHILDREN PLACEMENTS, ENGLAND 2015 - 2019



SOURCE DEPARTMENT FOR EDUCATION

Related pressures may mean many families are less able to cope, particularly where children are vulnerable or at risk of abuse.

The pandemic is also likely to exacerbate issues with existing foster care arrangements, leading to an increase in placement breakdowns.

While some LAs have been able to provide foster carers with additional financial support in response to the pandemic, this has not been the case across the board.

Foster families caring for children with complex medical needs and disabilities have been placed under particular strain, with children not being able to attend school, and limited or no access to respite provision to provide the relief they desperately need.

Jane Collins, director at Independent Foster Carers Alliance, said that she fears 'reduced support for families will mean even more children needing new homes in the future.'

Collins also raised concerns that 'the coronavirus outbreak could further the anxiety of children in care, causing 'very challenging behaviour' and the breakdown of many placements.'

This provides an opportunity for further investment in new children's services capacity that can meet the needs of LAC with more complex needs and challenging behaviours.

Local authorities will continue to respond

Between 2015 and 2019, LAs have continued to fund rising numbers of LAC in both foster placements and children's homes (Figure Four).

With increasing complexity of need, combined with additional Covid-related pressures, there is expected to be an increase in the proportion of LAC placed with IFAs and in children's homes. Bristol City Council, for example, has seen the number of children funded in an IFA placement increase by 9%, from 149 to 163 placements (30 June 2019 to 30 June 2020). IFA placements as a proportion of all foster placements funded by the city council also increased from 30% to 32% over this period.

The strategic commissioner at the council is interested to see what will happen in the next three years as a result of Covid.

The council is 'anticipating an increase in the children in care population, but we would hope to support those children in a foster care setting in the first instance. We're looking to increase our number of foster carers, both in our in-house foster service and IFAs.'

It is clear, where possible, LAs aim to support LAC in foster care settings in the first instance, with children's homes typically used as a placement of last resort.

Some LAs have, however, become increasingly reliant on children's homes

due to lack of suitable available foster care placements.

For example, in the East Midlands, the number of LAC in children's homes increased 33% between June 2019 and 2020³.

Where a child's challenging behaviours have been exacerbated as a result of the pandemic, LAs will start to see breakdown of foster placements.

In response, the LA may be forced to consider a children's home as the most suitable placement to best manage the child's needs.

Alongside the children's services sector seeing positive market dynamics, with Covid driving further increases in demand for IFAs and children's homes, a number of children's assets have reached a scale and maturity that makes them attractive investment opportunities.

With continued opportunities for growth in the sector, investing in children's services is a favourable proposition, particularly in the current economic climate.

NOTES

1 <https://www.schoolhomesupport.org.uk/news/shs-in-the-media-safeguarding-referrals-increase-sevenfold-during-lockdown/>

2 <https://www.bbc.co.uk/news/uk-53641136>

3 Local Authority FOI data requested by Connell Consulting June 2020