

Thousands of young people were placed in council care more than 20 miles away from their home last year due to a lack of available alternatives

A new report reveals that a third of vulnerable young people in council care last year had to be placed in accommodation miles from their home, with local authorities warning 'far too many' children are disconnected from their local community.

The research from the County Councils Network (CCN) and IMPOWER finds that an increasing amount of young people who come into local authority care are being placed in children's residential homes, due to demand outstripping supply and foster carer capacity flatlining. Consequently, more are having to be placed in homes far away from where they live.

Launching the report to over 200 delegates at CCN's Annual Conference, the network's children's services spokesperson will tell delegates that this has an 'enormous cost for both young people and local taxpayers', with residential placements the most expensive form of care. He will say today's report should be 'turning point' for children's services in England, and said the government's commitment to reform in the Spending Review is welcome – but must be delivered within 12 months from next Spring.

Since 2019, the number of children and young people placed in care has risen by 7% (5,690). However, there has been a 45% increase in young people being cared for in children's homes and supported accommodation, an increase of over 4,500 individuals. Councils spent £6.6bn on children in care last year and the report projects that local authorities will be spending almost double this amount - £12bn – in just six years' time if nothing changes. If this happens, councils will have less funding to spend on preventative care services such as family support and children's centres, which they recognise is a 'false economy'.

Due to a chronic lack of availability in local areas and demand continuing to rise, 32% of children in local authority care in 2023 lived in a residential or semi-independent homes over 20 miles from their local area, school and family: 4,600 young people in total. This is an 18% increase since 2019.

If nothing changes, new analysis in the report finds that there could be a record number of young people placed in children's homes: over 22,500 individuals by the end of the decade which would be more than double the amount (10,000) in residential care in 2019.

A survey for the report reveals that no local authority believes private residential placements are currently good value for money overall. Due to a lack of availability and councils responding to a market often dominated by larger private providers, the average cost of providing a placement for a child in care is now £300,000 a year.

In total, the report projects that almost 10,000 more young people could end up in care by 2030, the total number topping 93,000 across England. The study finds that education and employment outcomes for children entering care have not improved over the years despite expenditure increasingly dramatically.

Despite the extreme pressures on their budgets, councils say that the ‘biggest losers’ from the current system are the ‘young people who are finding themselves placed many miles from home at a time they are experiencing the trauma of being removed from their family.’ A child who comes into local authority care are those at the most serious risk of harm or neglect.

The report also notes that due to a lack of available alternatives for young people other than children’s residential homes, and dysfunction within the care market, many are placed in the wrong type of care for their needs.

The CCN and IMPOWER recommend that the government invests £2.6bn into children’s services as recommended by the 2022 Independent Review of Children’s Social Care. This will allow councils to invest in preventative services to keep more children with their families. It also calls for a comprehensive review of foster carer recruitment and retention, and long-term partnerships with care providers which share risk, skills and investment to deliver the right homes for children and young people’s needs.

The report calls for a requirement for all children and young people to be cared for within their local area or region, with legislative support and a phased transition. The implementation approach should be designed alongside councils and providers to manage the transition over time.

In addition, the report’s survey found that 94% of councils believe that better co-ordination and planning for placements could help address cost challenges. The report finds that the current system has favoured short-term ‘transactional’ interactions between councils and care providers, rather than long-term commissioning alongside local partners such as health services. The report recommends a number of measures to place children and young people’s needs at the heart of care commissioning and planning.

Cllr Roger Gough, Children’s Services Spokesperson for the County Councils Network, said:

“This report should act as a turning point for children’s services in England. It finds a system broken, with councils in the false economy of increasingly paying astronomical sums for placements and less on preventative services. But the biggest losers from the current system are young people themselves, with far too many children being placed many miles from home at a time when they are experiencing the trauma of being removed from their family.

“If we carry on as we are currently almost 10,000 extra young people could end up in care by the end of the decade, at an enormous cost for both young people and local taxpayers. It will leave us locked into a vicious circle of higher spend and poorer outcomes.

“The government’s commitment to reform is a step in the right direction, but change needs to come urgently and within 12 months of the Spending Review next year. The government has promised to fix the foundations: it should start by fixing the foundations of children’s services.”

Dominic Luscombe, Director at IMPOWER Consulting, said:

“The findings of this report highlight a system in desperate need of attention. Fundamental change is needed to tackle this complex challenge and prevent further reductions in support for children and families, as the costs of care continue to rise.

Far too many children are in the wrong care for their needs because of the lack of available alternatives, the dysfunctionality of the care market, and a system that can place too much focus on 'risks' rather than young people's needs and aspirations.

Councils, providers and local partners must work differently to address this challenge, supported by legislative and regulatory change and the right investment from government.'

Notes to editor

- The County Councils Network (CCN) is the national voice for England's county and unitary authorities councils. It represents 20 county councils and 17 unitary authorities. Collectively, they represent 25 million people, or 47% of the country's population. Read more [here](#).
- Founded in 2000, IMPOWER brings together public and private sector experts to address complex challenges. We have partnered with over 150 UK councils, improving performance, enriching lives, and strengthening public services. Read more [here](#).
- Download the report *The way we care: responding to challenges in the care market for children and young people* [here](#).
- The methodology for the data included in this press release is on page 18 of the report.
- The survey carried out for this report was issued during the summer of 2024 and was distributed to CCN's member councils. It received a 46% response rate.
- Residential care is a form of group care for children who are looked after by a local authority, where care is provided by teams of paid staff. Semi-independent living is a way that allows young people to take steps towards independent living after leaving an alternative care setting, while still receiving some support.

Analysis on the number of children in care across England placed 20 miles or more away from where they live – 2019 to 2023

Distance from child's home Children's homes, semi-independent living and secure units	1. 20 miles or less	2. over 20 miles	Distance not Known or not recorded	Total
2019	4,870	3,900	1,290	10,050
2023	6,530	4,610	3,440	14,580

Projections on children in council care and placement type across England, from 2024 to 2030, with actual figures from 2019 and 2023:

Forecast - placements	2019 (actual)	2023 (actual)	2024	2025	2026	2027	2028	2029	2030
Foster placements	55,760	57,020	57,621	57,565	57,745	57,917	58,149	58,222	58,435
Living independently	3,020	2,300	1,748	1,783	1,844	1,682	1,530	1,556	1,448
Other	1,530	2,220	2,241	2,432	2,639	2,837	2,964	3,178	3,355
Placed for adoption	2,470	1,990	2,039	1,931	1,733	1,629	1,556	1,398	1,276
Placed with parents	5,320	5,730	5,955	5,947	5,889	6,031	6,071	6,073	6,133
Children's homes, semi-independent living accommodation and secure units	10,050	14,580	15,403	16,601	17,909	19,026	20,123	21,372	22,533
Total	78,150	83,840	85,007	86,260	87,759	89,123	90,393	91,799	93,180