Despite improvements over recent years and a continued focus from government on the needs of Looked After Children (LAC), educational and other outcomes for this group still fall far behind their peers. This is partly because of structural problems within the education system, and the links between education and social services, which disadvantage Looked After Children and partly because of the lack of a strong parental role to advocate on behalf of the child.

Current educational reforms that aim to place greater control in the hands of parents and increase choice within the school system risk overlooking LAC, or even increasing current disadvantage. This paper addresses this issue by setting out a system of financial incentives that give ‘corporate parents’ the same power and interest in their children’s education as any other parent.
THE CURRENT SITUATION

There were 60,900 looked after children in England as of March 2005, of which approximately 68% were in foster care.\(^1\) A further 25,000 moved in and out of the care system over the course of the year.\(^2\) In addition, 3,800 children were adopted and 7,500 children aged 16 or over left care during the same period.\(^3\) Some 64% of children currently looked after are of school age (5–15).\(^4\)

The term Looked After Children refers to a diverse group that varies in terms of age, ethnicity, the reason for being looked after, age of first entry into the system and duration within that system.\(^5\) Broad assessments of outcomes for Looked After Children, and the resulting policies, can be misguided if they do not recognise the heterogeneity of the group.

However, it is fair to say that, while some people in care can go on to enjoy success, as a group educational and other outcomes tend to fall significantly below those of the general population.\(^6\)

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2 Ibid.
3 Ibid.
4 Ibid.
5 Mike Stein, What Works for Young People Leaving Care? (Ilford: Barnardos, 2004).
6 Robert MacDonald, Youth, the Underclass and Social Exclusion (Oxford: Routledge, 1997) and Social Exclusion Unit, A Better Education For Children in Care (London: SEU, 2003).
The key attainment measures used to judge school performance show a large disparity between Looked After Children and their peer groups:

**Fig 1 – Educational outcomes for Looked After Children**

![Chart showing educational outcomes for Looked After Children](image)

Source: DfES (2006)\(^7\)

Such large shortfalls are not just concerning in themselves, but also as predictors of later life chances. As a group, Looked After Children are at far greater risk of experiencing social exclusion:

- between a quarter and a third of rough sleepers were once in care\(^8\)
- more than a quarter of adult prisoners were in care as a child\(^9\)
- young people who have been in care are two and a half times more likely to become teenage parents as their peers\(^10\)
- children whose mother has spent time in care are themselves two and a half times more likely to go into care than their peers.\(^11\)

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\(^7\) DfES (2006).
\(^11\) S. Cheesebrough, *The educational attainment of people who have been in care; findings from the 1970 British Cohort Study* (London: SEU, 2002).
Sparkes and Glennerster highlight growing up in institutional care, or a turbulent foster care placement, as a powerful determinant of educational attainment. \(^{12}\) They suggest that these outcomes are ‘primarily determined’ by the trauma that leads to initial care placements; 80% of LAC placements are due to abuse or neglect, acute family stress or family dysfunction. \(^{13}\)

It could also be argued that Looked After Children’s poor educational attainment is attributable to the over-representation of social groups that already tend to do less well in education. However, the Social Exclusion Unit found that “even taking account of these factors, children in care as a group do significantly worse than their peers.” \(^{14}\)

There is, however, evidence that educational attainment can be an important protective factor against later social exclusion and other poor adult outcomes. \(^{15}\) Hence it is important that educational outcomes for Looked After Children are improved, alongside improvements in other support services.

The last six years have seen a series of initiatives and targeted programmes to improve outcomes for young people in care including:


\(^{14}\) SEU (2003), original in italics.

Quality Protects, the implementation of the Children (Leaving Care) Act 2000 and, more recently, Every Child Matters, leading to the Children Act 2004. However, local authority performance and practice is extremely variable and, despite some excellent individual schemes, wide scale improvement has been much slower than anticipated. In fact, structural factors within the education system may be undermining some of these improvements and compounding the barriers faced by Looked After Children.

CURRENT STRUCTURAL BIAS AGAINST LOOKED AFTER CHILDREN

Since the 1988 Education Act, England and Wales have had a (limited) form of school choice, with parents able to express preferences for which school they want their child to attend. This has been strengthened by the expansion of school testing and the publication of league tables, in part to provide parents with better information on which to base decisions.

There are a number of factors which mean that Looked After Children face disadvantages within this system. These include school performance measures and incentives, and parental factors.

School performance measures and incentives
School performance measures and particularly league tables are determined by a small number of high-level indicators, aimed at the bulk of pupils. The number of pupils achieving 5 GCSEs at grades A* - C is the most prominent of these. And while overall performance against this target has significantly improved overall, some groups have been left further and further behind, including Looked After Children. As shown in Figure 1, just 11% of Looked After Children meet this target, compared to 56% of all children. While being monitored against such targets, there
is a real danger, supported by anecdotal evidence, that teachers spend less time and attention with those judged unable to succeed.

This may be exacerbated by teachers’ tendency to attribute educational or behavioural problems directly to children’s ‘in care’ status rather than seeking to identify individual needs and to put appropriate support in place.\textsuperscript{16} It can be difficult to obtain a Statement of Educational Need (SEN) for Looked After Children, and it can take longer to implement them. Even so, levels of statementing are high, with 29% having an SEN, compared to 3% of the general population.

A more serious form of this tendency concerns truancy, suspension and school exclusions. Looked After Children are nine times more likely to be permanently excluded than their peers.\textsuperscript{17} This may be partly due to greater frequency of behavioural issues but, again anecdotally, Looked After status can lead to stronger sanctions being taken than might otherwise apply. And there is a danger that truancy amongst Looked After Children is overlooked amongst teachers, particularly amongst those seen to be disruptive.\textsuperscript{18} Such bias is predictable, given the emphasis on mainstream performance that is in place, but it can have a dramatic impact on a group of young people who may need much greater support than their peers in order to make the most of educational opportunities.

There is also a problem of schools accepting Looked After Children in the first place. Schools may be unwilling to take on pupils who they view as ‘problematic’, and the normal routes into popular schools (catchment areas, siblings within a successful school) are often lacking

\begin{itemize}
\item \textsuperscript{16} SEU (2003).
\item \textsuperscript{17} DfES (2006).
\item \textsuperscript{18} SEU (2003), Rainer internal interviews.
\end{itemize}
for Looked After Children. Furthermore, covert or even overt negative selection of care leavers has been highlighted in the literature.

“Some of our schools don’t do children in care”.19

These problems are compounded by the fact that Looked After Children may be forced to move school frequently due to instability in care placements. Almost a quarter of care leavers interviewed for one study had moved schools three times in the preceding year.20 Receiving schools can be reluctant to accept new pupils partway through an academic year, particularly if they are assumed to have behavioural or other problems. The most successful and therefore most popular schools are also likely to be full mid-year.

Moreover, while there is a range of performance indicators for local authorities that monitor outcomes for Looked After Children, these are not effectively translated into school-level targets. Gaps persist between social services, local education authorities and individual schools.

In short, almost all of the incentives driving school performance either have little effect on, or prejudice against, Looked After Children.

Parental factors
The counterpart to barriers within the school is the lack of a strong parental advocate for Looked After Children. A large element of the ‘school choice’ model involves parents actively evaluating different school options, selecting the best option, and then advocating on behalf

19 Local Authority representative quoted in SEU (2003).
20 SEU (2003).
In short, almost all of the incentives driving school performance either have little effect on, or prejudice against, Looked After Children.
of their child throughout their school career. Parents play a central role in holding the school to account, in appealing against exclusions, and in making sure children get to school in the first place.

Yet it is often unclear exactly who the ‘parent’ for Looked After Children is. Children may have contact with a wide range of professionals, in addition to a foster carer. And individual roles can become confused, with the risk that key duties fall between agencies and are unfulfilled. During the transition from primary to secondary school for example, social workers can be unclear about their responsibilities.21 Children who have experienced multiple placements or have changed placement prior to starting school may also suffer from a lack of adequate planning and preparation and there is a danger that they are placed with the closest school, or the easiest to access, rather than the one which best meets their needs.

Parents can also appeal against decisions where preferred schools are denied to them, with just over a third of such appeals upheld.22 Yet if social workers are unclear about their role in choosing a school in the first place, it is highly unlikely they would be involved in appealing against decisions.

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Once in school, this confusion over roles can continue, and some of the key tasks that parents perform may be overlooked. The SEU points to some evidence that truancy is a significant issue for many Looked After Children, with ‘a culture of non-attendance’ within some care homes.23

As noted above, teachers may become complicit in this, either because they have low expectations of children in care or because they view non-attendance as the removal of a disruptive influence from the classroom.

When it comes to formal exclusions, questions have been raised over the ability and willingness of corporate parents to challenge decisions, with some children and carers not being properly supported during exclusion hearings.24

As with outcome measures, these roles have been clearly placed with local authorities, particularly through the requirement that every Looked After Child has a Personal Education Plan spelling out their educational needs and achievement targets.25 Yet there is still confusion and variation as to how they are carried out in practice, or used to hold school performance to account.

Overall, there is no clear parental advocate for Looked After Children, but rather a network of professionals and carers with disparate areas of expertise and interests. Given the fundamental importance of the parent in choice-based school systems, and combined with the problematic incentives for schools outlined above this is a significant, and deeply embedded, problem. It is also likely to be exacerbated by the increasing role that choice and parental agency is likely to play under the current proposed reforms, as set out in the Education and Inspection Bill.
School targets and other incentives will need to be changed significantly if we are to make improvements to educational outcomes for Looked After Children and corporate parents will need to be given a much clearer role and greater agency in determining the education that children in their care receive. Otherwise, there is a very real danger that Looked After Children will continue to be overlooked.

**REALIGNING SCHOOL CHOICE FOR LOOKED AFTER CHILDREN: THE CORPORATE PARENTING PREMIUM**

School funding is largely determined on a per-pupil basis, with a formula allowing for a range of additional factors such as numbers of families in receipt of certain benefits, the proportion of children in low-achieving ethnic groups and additional costs of recruiting staff in certain areas. This is referred to as the Educational Formula Spending Share (EFSS).

This is complemented by a number of specific funding streams from the DfES, particularly the Standards Funds (£1.9 billion per year) and Vulnerable Children’s Grant (£83 million per year aimed at vulnerable groups, including Looked After Children). However, these initiatives are either spent at local authority level or calculated and allocated to schools as part of their standard funding arrangement. They therefore lack visibility amongst schools and are distanced from individual pupils. There is a danger that they become absorbed into the general budget of the school, rather than providing specific services. Current funding, on average, equates to £5,500 per pupil.26

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We propose a highly visible, additional premium that is attached to Looked After Children of school age.\textsuperscript{27} This total fund (EFSS equivalent plus premium) would be payable on a term-by-term basis and would be held by a named, lead professional on behalf of the child and, where appropriate, their carer. Such a premium would provide schools with an immediate, visible incentive for accepting Looked After Children and, crucially, for keeping them in school. It would also give the lead professional greater control over the education each child receives. Finally, by requiring a named individual to control the premium budget, it would also clearly allocate corporate parenting responsibilities in choosing schools, appealing against negative decisions and liaising with teachers.

This builds on similar proposals for other groups of disadvantaged pupils produced elsewhere.\textsuperscript{28} All make the argument that such a premium would tie funding directly to individual pupils that most need support, that they would make such pupils more attractive to potential schools and that they would offset efforts to ‘cream skim’ within the system (where schools accept or reject pupils based on likely attainment).

Schools which taught a number of Looked After Children would have significant extra resources in order to meet their individual needs. Crucially, these resources would be tied closely to pupils’ presence at the school. Should they move, or be excluded, the funding would go with them – giving schools a healthy incentive to fully support their needs and liaise closely with other professionals, particularly the person identified as corporate parent.

\textsuperscript{27} The length of time spent in care before qualifying for the premium needs to be carefully considered. Too long, and the premium might not take effect, too short and there may be a perverse incentive to take deprived children into care for short periods in order to give them access to greater educational funds.

The Corporate Parenting Premium (CPP) would need to be large enough to fund additional support needs, and to be valued by individual schools. It would also need to follow the pupil into alternative schooling or education arrangements. As such, the lead professional would need to have the freedom and information to select any appropriate school, or to use the premium to fund specific educational programmes for pupils not in school. This could be through pupil referral units or other alternative provision. In this way there are similarities with the practice-based commissioning model in healthcare. The lead professional could draw on the expertise of ‘choice advisors’ (as set out in the Education and Inspections Bill) in the same way as other parents.

For some Looked After Children, the most appropriate placement may be offered through independent schools, including boarding schools. The DfES has already indicated it is considering such placements for some Looked After Children and there are currently 1,100 LAC in residential school settings. The CPP could provide funding towards such placements, helping Looked After Children to access schooling in the independent sector where this is appropriate.

There would also be scope for City Academies or other more specialised schools to prioritise Looked After Children within their admissions policies, attracting additional funds to provide specialist educational support. This would, in part mirror the ‘Charter Schools’ movement within the United States, which has seen significant gains in attainment for disadvantages pupils, and provide additional choice and competition for suitable places that cater to this group.

The CPP could make available additional funding to open up choice across both these areas for Looked After Children. In other instances, it could be partly used to maintain successful school places which would otherwise be jeopardised by changes in care placement. This might be through providing one-to-one teaching during difficult periods,
There would also be scope for City Academies or other more specialised schools to prioritise Looked After Children.
or ensuring free transport to school where distance might otherwise prevent pupils continuing in their current school placement. This could be reinforced by statutory guidance to the effect that care and school placements must be maintained during key periods such as year 10 and 11.

The CPP budget should be closely tied to individual Personal Education Plans and lead professionals should be held account, along with the schools, for how the premium has helped to achieve the targets set out in the Plan. This should form a core part of Inspections for both local authorities and individual schools.

It is envisaged that the funding for CPP could be provided from one of the Standards Funds, after being properly costed using existing budgets for successful support programmes. In particular, a fraction of the funding available to reduce truancy may be better spent on meeting the needs of Looked After Children through the CPP.

We believe that the CPP approach, set out here, would fundamentally re-align the incentives within the education system, as well as providing genuine power, choice and accountability to corporate parents across the country.
PERSONALISATION FUNDING: A MISSED OPPORTUNITY?

The 2006 budget allocated an additional £220 million in 06/07 and £365 million in 07/08 to help provide more personalised services in and beyond the school day in disadvantaged areas. As part of the Schools Standards Grants however this will be paid directly to schools, based on a formula according to local levels of deprivation.

This represents a major missed opportunity. There is a very real danger that funding is absorbed into the overall school budget and its potential impact on vulnerable groups, and Looked After Children in particular is diluted. This approach still leaves social workers unable to influence school provision and, to a large extent, omitted from the education of those they support. It also does nothing to keep Looked After Children within the school.

Given that such a large funding stream is in place, one potential stop-gap measure would enable lead professionals to ‘claw-back’ amounts similar to the CPP outlined above, should the young person they support be excluded from school. This funding could then still be transferred to the new school or used to fund alternative provision. This approach would at least provide a disincentive for schools to exclude Looked After Children and would ensure funding followed the individual. However, it would not provide a clear incentive for schools to accept such children in the first instance. In fact refusal would be preferable since they would retain the same funding level and avoid the risk of losing funding.

A stronger proposal would grant lead professionals a budget that could be used to ‘match fund’ money already secured through the personalisation fund. This would provide both a positive incentive to accept Looked After Children and a strong negative incentive against excluding them.

Such an approach has difficulties in implementation but would ensure that the funding already committed would have maximum impact.

**ALTERNATIVE INCENTIVES AND VARIATIONS ON THE CPP**

*Quota systems or directing schools to accept LAC*

An alternative approach could give LEAs the power to direct schools to accept a certain number of Looked After Children, or to have a quota of places in each school. In fact such an approach has been set out in the Education and Inspections Bill currently before parliament. This may have some merit in the short term, and will certainly widen the options with which Looked After Children are presented.

However, such ‘Command and Control’ approaches have a limited impact beyond the short term. They can have powerful demotivating effects on schools, with schools feeling that quota pupils are being foisted upon them. It is therefore unlikely that this approach would change any of the perceptions that Looked After Children are problematic.

Another problem with quota systems is even more serious. While they can force schools to accept pupils from within the care system,
there remains a very real risk that such pupils are excluded, suspended or simply miss large periods of schooling through non-attendance. And the school has little motivation to correct this – indeed quite the reverse.

*Bursary schemes*

Some local authorities have introduced a form of bursary to provide additional funding for Looked After Children. However, such schemes have tended to either offer very small bursaries to a large number or large bursaries to just a handful of young people. In the former case bursaries do not appear able to have a large enough impact on educational attainment; in the latter the impact is clearly limited to a small fraction of those in need of support.

In either case, while providing additional financial support they fail to create the clear incentives discussed above. Corporate parents must be given a clear remit to advocate on behalf of the young person, clearly linked to financial incentives and accountability. The danger is that a bursary becomes absorbed into the existing school budget, without the young person seeing the benefit. Such schemes do little to foster the corporate parent’s role in choosing and securing appropriate schooling.

*Performance-related CPPs*

A more radical form of the CPP would see a proportion of the budget paid to the school (or alternative provision) retrospectively, once the targets within the Personal Education Plan have been successfully achieved. This would be more complex to administer but would further align school incentives with the individual needs of the pupil.
OTHER CONSIDERATIONS

Beyond school age

This paper has focused on Looked After Children of school age but the importance of pre-school support and, crucially, support for 16 and 17 year olds leaving care has been highlighted extensively elsewhere.  

The need for a pre-school Personal Education Plan is particularly important, given the growing focus on early years intervention.

The reforms set out in this paper are also unlikely to succeed if Looked After Children are preparing to leave care while completing the crucial period in Year 10 and 11. Considerable work has been done assessing the negative impact of early transition out of care.  

The importance of assets

A second reform to promote the importance of a ‘corporate parent’ role is tied to the establishment and investment in a Child Trust Fund for Looked After Children. These funds are intended to ensure that young people have an asset base on reaching the age of 18, a particularly important age for Looked After Children as they move from local authority care towards independence. The mechanism for establishing Trust Funds for Looked After Children exists, but corporate parents are currently unlikely to invest further funds into the Trust account in the way that other parents would. Child Benefit payments for Looked After

30 Stein (2004).
31 Ibid.
32 Ed Balls announced the extension of the Child Trust Fund on the day before this publication went to press.
Children stop soon after they enter the care system. The potential for such payments to be instead paid into the Trust Account should be investigated as this would provide a significant asset base to support care leavers at age 18.33

CONCLUSION

Improvements in the support services available to Looked After Children and care leavers have been seriously undermined by structural factors within the education system. If we are to make serious inroads into narrowing the gap between care leavers and the general population, we need to fundamentally re-align the incentives within primary and secondary education.

Given the increasingly choice-based approach to education, the most effective way to ensure the needs of Looked After Children are met is to structure the market so that it places a premium on those needs. Combining this with a fundholding role for lead professionals also strengthens their role and responsibilities.

The Corporate Parenting Premium, funded through cuts to the truanting standards fund, offers the best way to drive up educational attainment, and improve the life chances of a highly vulnerable group.

33 See Le Grand (2003) for further discussion.
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