

Local Government Association briefing

General Debate on spending on children's services

House of Commons

31 October 2019



Key Messages

- Making sure all children and young people have the bright future they deserve is a key ambition of every council. Councils want all young people to be able to enjoy their lives, reach their full potential and make a good transition to adulthood with good health and wellbeing.
- The latest Ofsted data on children's social care shows that, in 2017/18, the proportion of council children's services rated good or outstanding has increased. This demonstrates the positive work of councils in helping our children have the best start in life.¹
- Children should be supported to get the best, not just left to get by. Councils can be empowered to support them if the local authority role goes beyond the provision of statutory child protection services alone.
- Councils' ambition is becoming increasingly difficult to realise as financial pressures force increasing numbers of councils to make difficult decisions about the allocation of scarce resources.
- Although local authority spending on children's social care has risen, it has not kept pace with growing demand. Eighty-eight children entered care a day in 2017 on average, and a child is now referred to children's services every 49 seconds.
- The increase in demand for immediate child protection support has left councils struggling to continue funding vital early intervention services that can help to reduce this pressure in the longer term. This problem has been exacerbated by ongoing cuts to the Government's Early Intervention Grant, which has been reduced by almost £600 million since 2013.
- Over two-thirds of all council spending on children's social care is now directed towards services for looked after children and safeguarding children and young people. Just five per cent of children's social care funding is now spent on the category of Sure Start children's centres, flying start and early years².
- The Spending Round included an additional £1 billion for social care (children and adults) for councils next year. This welcome relief will help them as they strive to support our most vulnerable young people. It is vital that services supporting young people, children and families are fully funded in the long run.
- Whilst the Queen's Speech had some positive announcements, we were disappointed that it did not include any proposals to tackle the challenges facing social care services for children and young people. Government should act to ensure councils have the resources they need to keep children safe and support their wellbeing in years to come.

Briefing

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Background

Funding pressures on council children's services

Children should be supported to get the best, not just to get by. It is however increasingly challenging to turn this ambition into a reality when the financial pressures are forcing an increasing number of councils to make difficult decisions about the allocation of limited resources.

Across the country, local authority children's services are under significant and increasing pressure. Overall council spending on children's social care amounted to almost £8.8 billion in 2017/18, an increase of 4.3 per cent (nearly £370 million) in one year. This is a higher proportional increase than any other area of council spending (adult social care increased by 2.9 per cent), and amounts to an increase of more than £750 million from 2014/15³.

This increase in spend is primarily driven by large increases in the number of children and young people in receipt of services from children's social care, and particularly those in receipt of targeted, statutory, child protection support:

- Social workers are now starting new cases for more than 1,000 children every day on average, more than half of which are for abuse or neglect⁴.
- The total number of looked after children reached a new high of 75,420 in 2017/18, representing the biggest annual rise of children in care in eight years. An average of 88 children are now entering the care of local authorities every day⁵.
- The number of child protection enquiries has increased by 158 per cent in 10 years, from 76,800 in 2007/08 to 198,090 in 2017/18⁶. Councils are now starting more than 500 child protection enquiries every day on average⁷.
- The number of children on child protection plans has increased by 84 per cent in a decade, from 29,200 on 31 March 2008 to 53,790 on 31 March 2018. This equates to almost 25,000 additional children now supported by councils through plans⁸.

This significant increase in demand for statutory child protection support has coincided with a significant fall in government funding for councils, forcing local authorities to make large cuts to other services in order to continue providing support for the most vulnerable. Between 2010 and 2020, councils will have lost £15 billion of core central government funding⁹, amounting to 60p out of every £1 the Government had provided for services¹⁰. The Revenue Support Grant (RSG) is due to be cut by a further £1.3 billion next year, and almost half of all councils - 168 councils - will no longer receive any RSG funding next year¹¹. There is still no clarity over funding levels for councils after that date.

The subsequent pressure that this has caused is not unique to any particular type or group of councils. From large rural counties to smaller inner city boroughs, councils consistently tell us that demand for children's services alongside reduced government funding is putting their budgets under enormous strain.

This is perhaps best illustrated by analysis from the LGA, which has found that a total of 133 out of 152 upper tier councils (88 per cent) were forced to spend more money than they had budgeted for children's social care in the last year (2017/18). This amounted to a total national overspend of £806 million over just twelve months¹².

Changing profile of spend

With rising numbers of children in receipt of urgent child protection support and no additional funding provided for councils to meet that growing demand, available resources have increasingly been targeted at those children in the most immediate need. This means that

programmes which could prevent children and families reaching crisis point are being cut as funding is diverted to keep children safe. Councils recognise that this is a false economy, but are often left with no choice as demand for high end child protection services continues to rise. A council cannot leave a child in danger to protect an early intervention service, either legislatively or morally.

The Office of the Children's Commissioner recently reported that almost half of all council spending on children's social care is now directed towards support for the 70,000+ children already in the care system, leaving the other half for the remaining 11.7 million children in the country.

This disparity becomes more stark when spend on looked after children is combined with funding for safeguarding children and young people services, the other area of acute targeted support for vulnerable children. This figure has increased by more than £1 billion since 2014/15 and council spend on these services is now in excess of £6.4 billion per year. This equates to 73 per cent of all council spending on children's social care, with just 5 per cent of total spend now allocated towards Sure Start children's centres, flying start and early years.

This imbalance in spend has been exacerbated by ongoing cuts to the government's Early Intervention Grant, which has been reduced by almost £600 million since 2013 and is projected to decrease by almost £100 million more by 2020. This represents a 40 per cent reduction by the end of the decade, with a significant impact on the ability of councils to continue supporting high quality early help services, including children's centres and youth services.

For example, councils were forced to cut spending on local youth services from £650 million in 2010/11 to just £390 million in 2016/17 as a result of funding reductions¹³. More than 600 youth centres closed and nearly 139,000 youth service places were lost in the UK between 2012 and 2016¹⁴.

Youth work and youth services have an important role to play in providing safe spaces for young people and building trusted relationships which can enable young people to share concerns that might otherwise remain undisclosed. However, supporting this work is extremely challenging for local authorities in the current funding climate.

In contrast, there has been £1.2 billion worth of government investment into the National Citizen Service (NCS) between 2016 and 2020, despite just 12 per cent of eligible teenagers taking part in 2016¹⁵. While the NCS is a good programme, we believe this should form part of a much wider offer to young people. We have therefore called on the Government to devolve some of this funding to councils to support work that meets the needs of young people locally.

Government should use next year's Spending Review to invest in children's services, to ensure that young people are not only safe, but getting the best outcomes and living the lives they deserve to lead.

Children's homes and unregulated accommodation

Councils are increasingly highlighting that prices for placements with independent fostering and residential care providers are increasing. The high and increasing costs of care placements, and problems with capacity, have been raised in a range of reports and inquiries, including by the Communities and Local Government Select Committee as part of their inquiry into the funding of local authorities' children's services¹⁶.

Year-on-year increases in the number of children entering the care system means services are under significant and increasing pressure. While unregulated settings are the right accommodation for some young people, rising use is partly driven by shortfalls in places in registered children's homes, often for young people with more complex needs.

Most unregulated provision is supported accommodation, where young people are visited regularly as they move towards independence. Unregulated provision is appropriate to meet the needs of some young people where a suitable support plan is in place to ensure they get the help needed, even where full time care is not required. Where unregulated provision is of high quality, this can provide important flexibility and allow local authorities to meet the needs of young people as they support them towards independence.

Financial pressures on children services are limiting council's efforts to develop and maintain the right provision locally. It can mean they are forced to place children out of area or in placements that are not best suited to their needs.

Providers of unregulated accommodation should work with councils, the police and other partners to ensure the safety and wellbeing of young people in their setting. We welcome calls for increased expectations around the delivery of provider services. While full regulation could limit flexibility, clear standards and transparency would support councils and providers to work together to meet the needs of young people.

Councils, as corporate parents, have a responsibility to ensure that any placement is safe and suited to the needs of the individual young person. Councils will use a variety of methods to ensure the quality of unregulated provision, including putting in place support plans for young people.

LGA Bright Futures vision

Securing the long-term future of children's social care requires a broad strategy that goes beyond short term innovation to consider the wider issues affecting the sector in the long term. We have therefore produced a seven point action plan for coordinated action across the public, community and voluntary sectors, which we believe will help drive the improvement necessary to consistently offer the brightest future for children and families. Taken together, *Bright Futures*¹⁷ represents an ambitious plan, whilst at the same time recognising the challenges and actions we can take in response. If we want to make sure every child and young person can look forward to a bright future, local and national government must be united in their determination to get the best.

Central to the vision is a call for all government departments to unite behind a shared ambition for children and young people, recommending the introduction of a 'children and young people impact assessment' to bring a greater focus to the implications of national policy decisions on our younger residents.

The vision outlines seven principles for effective children and young people's services:

- A stronger focus on outcomes for children
- Consistently strong local leadership
- A culture of continuous improvement
- The right support for children at the right time
- Sustainable funding to help children thrive
- A better understanding of what works for children
- Strengthened morale and support for social workers

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- ¹ <https://www.gov.uk/government/collections/childrens-social-care-statistics>
- ² Local authority revenue expenditure and financing statistics: <https://www.gov.uk/government/collections/local-authority-revenue-expenditure-and-financing>
- ³ Local authority revenue expenditure and financing statistics: <https://www.gov.uk/government/collections/local-authority-revenue-expenditure-and-financing>
- ⁴ National statistics: Characteristics of children in need: 2017 to 2018
<https://www.gov.uk/government/statistics/characteristics-of-children-in-need-2017-to-2018>
- ⁵ National statistics: Children looked after in England including adoption: 2017 to 2018
<https://www.gov.uk/government/statistics/children-looked-after-in-england-including-adoption-2017-to-2018>
- ⁶ Comparison of Referrals, assessments and children and young people who are the subject of a child protection plan or are on child protection registers, year ending 31 March 2008:
<https://webarchive.nationalarchives.gov.uk/20101008165003/http://www.dcsf.gov.uk/rsgateway/DB/SFR/s000811/index.shtml>
and National statistics: Characteristics of children in need: 2017 to 2018
<https://www.gov.uk/government/statistics/characteristics-of-children-in-need-2017-to-2018>
- ⁷ National statistics: Characteristics of children in need: 2017 to 2018
<https://www.gov.uk/government/statistics/characteristics-of-children-in-need-2017-to-2018>
- ⁸ Comparison of Referrals, assessments and children and young people who are the subject of a child protection plan or are on child protection registers, year ending 31 March 2008:
<https://webarchive.nationalarchives.gov.uk/20101008165003/http://www.dcsf.gov.uk/rsgateway/DB/SFR/s000811/index.shtml>
and National statistics: Characteristics of children in need: 2017 to 2018
<https://www.gov.uk/government/statistics/characteristics-of-children-in-need-2017-to-2018>
- ⁹ Local Government Association. (2018) *Local Government Funding: Moving the conversation on*. Available from:
https://www.local.gov.uk/sites/default/files/documents/5.40_01_Finance%20publication_WEB_0.pdf [Accessed 26 September 2018]
- ¹⁰ Local Government Association. (2018) *Local Government Funding: Moving the conversation on*. Available from:
https://www.local.gov.uk/sites/default/files/documents/5.40_01_Finance%20publication_WEB_0.pdf [Accessed 26 September 2018]
- ¹¹ Local Government Association calculations based on data published by Ministry of Housing, Communities & Local Government. (2018) *Local authority revenue expenditure and financing*. Available from:
<https://www.gov.uk/government/collections/local-authority-revenue-expenditure-and-financing> [Accessed 26 September 2018]
- ¹² Local authority revenue expenditure and financing statistics: <https://www.gov.uk/government/collections/local-authority-revenue-expenditure-and-financing>
- ¹³ Comparison of:
<http://webarchive.nationalarchives.gov.uk/20130103215746/https://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefunding/section251/archive/b0068383/section-251-data-archive/summary-level-la-outturn-data-reports>
And: <https://www.gov.uk/guidance/section-251-2016-to-2017>
- ¹⁴ Unison (2016) *A future at risk: cuts in youth services*; <https://www.unison.org.uk/content/uploads/2016/08/23996.pdf>
- ¹⁵ <https://www.nao.org.uk/report/national-citizen-service/>
- ¹⁶ Housing, Communities and Local Government Committee, *Funding of local authorities' children's services*:
https://publications.parliament.uk/pa/cm201719/cmselect/cmcomloc/1638/163807.htm#_idTextAnchor053
- ¹⁷ <https://local.gov.uk/about/campaigns/bright-futures/bright-futures-childrens-services>