

Local Government Association Briefing

Westminster Hall Debate on findings of the Care Crisis Review

House of Commons

5 September 2018



Key messages

- The increase in care applications highlighted by the Care Crisis review is alarming. However, it must be set within the wider context of rising demand and pressure across the children's social care system, which illustrates the growing number of children and families who now rely on state support.
- Solving the current situation requires an understanding of the root causes of this growing level of need amongst children and families. It is important that we have a clear focus on addressing the issues facing children and families, rather than simply keeping children out of care. This needs a workable and fully funded long term strategy for change. It is essential that any care strategy is developed effectively on a cross-Whitehall basis.
- We support the Care Crisis review recommendation that the Department for Work and Pensions (DWP) and Department for Education (DfE) examine the impact of benefits reform on children and families. It reflects our call for the introduction of a children and young people impact assessment to encourage public bodies to fully consider the impact of policy and legislation on children.
- Many of the approaches recommended in the report are welcome, particularly a stronger focus on pre-proceedings work and a recognition of the importance of relationships in social work. Clearly, these approaches can only be delivered consistently if local authorities are given the financial ability to do so. We need immediate and sustained increase in the funding available to children's services. Councils face a children's services funding gap of almost £3 billion by 2025, and urgently need additional resources on top of this to deliver the vital early help services that can help prevent the need for more formal intervention further down the line.

Further information

Funding children's services

In the last year alone, there was a £816 million overspend in councils' children's social care budgets. Perhaps unsurprisingly, the largest overspends are found in reactive services such as looked after children and child protection.

The National Audit Office has found that local government funding has been reduced by 50 per cent in real terms since 2010.¹ We have calculated that children's services are facing a funding gap of around £3 billion by 2025, just to maintain their current level. This does not allow for any enhancements in services.

Councils have worked hard to protect budgets for essential child protection services, but funding pressures have led to difficult decisions elsewhere, often leaving children and young people unable to access support until they reach crisis point. The latest revenue spending statistics, published by Ministry for Housing

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Communities & Local Government (MHCLG), show that overall council spending for 2017/18 was down by £447 million on the previous year.ⁱⁱ At the same time, the figures show there has been an increase in spending on children's social care (up to £368 million). This shows that councils are increasingly having to divert money from other vital services which keep our communities running to meet an unprecedented surge in services which support our children and young people.

Despite this growing pressure, councils continue to work hard to help children and young people have the best start in life. This is illustrated by the latest Ofsted data on children's social care which shows that, in 2017/18, the proportion of council children's services rated good or outstanding has increased. Councils have worked tirelessly to protect children's budgets but the increased demand and resource pressures are putting the system under strain.

The Care Crisis Review's recommendation of an additional ring fenced funding stream for local authorities to bid into to tackle the crisis locally may help in some areas, but this should not be seen as a replacement for adequate government funding for children's services. We are concerned that time-limited funding streams of this nature are rarely sustainable and are insufficient to solve to fully address the scale of the issue across the country.

Our analysis shows that government funding for the Early Intervention Grant 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.

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 2016. While the NCS is a good programme, we believe this should form part of a much wider offer to young people. We are calling on the Government to devolve some of this funding to councils to support youth work that meets the needs of young people locally.

Rising demand

The Children's Commissioner has warned that more than two million children in England are growing up in families where there are dangers including domestic violence and parents struggling with alcoholism. Earlier in the year, we highlighted the unprecedented demand that councils' children's services teams are facing:ⁱⁱⁱ

- The number of children subject to child protection enquiries has increased 151 per cent in ten years, from 73,800 in 2006/07 to 185,450 in 2016/17.
- Over the same period, the number of children on child protection plans has increased by more than 23,000.
- 90 children a day entered care in the last year, and councils saw the biggest annual increase of children in care since 2010, reaching a new high of 72,670 in 2016/17.

Social workers, carers and teachers work tirelessly to help every child have the best start in life, and councils need the powers and funding to make sure this continues to happen. Maintaining a stable, high quality social care workforce is central to the delivery of effective support for children and families, particularly the relationship based working that is highlighted in the Care Crisis review, but recruiting and retaining social workers remains a big challenge for councils across the country.

We are calling on the Government to do more to support councils to help recruit and retain high quality social workers.

Children's mental health

Supporting child and adolescent mental health and wellbeing continues to be a priority for councils. Looked after children are four times more likely to experience mental health issues than their peers. Despite the increasing demand, funding for children's mental health has stagnated and only 6.7 per cent of mental health spending goes to children and adolescent mental health services (CAMHS).

In our response^{iv} to the Government's children and young people's mental health green paper, we highlighted that measures to tackle the crisis in children and young people's mental health are long overdue and we are pleased the Government's response confirmed it is taking steps to address this. Our Bright Futures campaign includes a call to prioritise CAMHS and calls on the Government to properly fund councils' children's services departments. We recommend that Government:

- Releases the promised £1.7 billion for CAMHS to ensure adequate and sustainable funding.
- Improves standards and makes sure funding is spent wisely. This includes strengthening the governance over how funding is spent and recognising the expertise of health and wellbeing boards locally.
- Prioritises prevention and early intervention funding to councils to allow them work with schools to commission independent school based counselling.

Bright Futures

Our Bright Futures report is a seven point action plan for coordinated action across the public, community and voluntary sectors, which will help drive the improvement necessary to consistently offer the brightest future for children and families. Taken together, the vision 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.

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

We have also published Bright Futures: Our Vision for Youth Services. This outlines our aspirations to support councils in providing youth services and provides a starting point to take a fresh look at youth provision, encouraging true collaboration between all providers. It also highlights six key principles of effective youth services to support young people's transition to adulthood:

- Youth-led
- Inclusivity, equality and diversity
- Respect
- Quality, safety and well-being
- Empowerment
- Positivity

ⁱ NAO, Financial Sustainability of Local Authorities,
<https://www.nao.org.uk/wpcontent/uploads/2018/03/Financial-sustainability-of-local-authorities-2018-Summary.pdf>

ⁱⁱ Local authority revenue expenditure and financing statistics:
<https://www.gov.uk/government/collections/local-authority-revenue-expenditure-and-financing>

ⁱⁱⁱ LGA response to Children's Commissioner report on children in care,
<https://www.local.gov.uk/about/news/lga-responds-childrens-commissioner-report-children-care>

^{iv} LGA response to Government response on children's mental health Green Paper,
<https://www.local.gov.uk/about/news/lga-responds-childrens-mental-health-green-paper-consultation-response>