

# Understanding the drivers of spend in children's services



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## *What is the aim of the project?*



The LGA has conducted analysis that shows children's services will face budget shortfalls of £2bn by 2020.

It is known that the amount authorities spend is not directly linked with outcomes. What is not known is what the drivers of spend actually are and how big a role each one plays.

The LGA have therefore commissioned Newton on behalf of our member councils to complete a diagnostic giving a deeper, more complete picture of council spend on children's services. This will include identifying areas of good practice and the underlying factors that drive spend locally.

This will help inform our members and the sector as a whole as to what should be done to ensure a sustainable financial position for children's services to 2020, and beyond.

## ***THE PROBLEM:***

*£2bn children's services funding shortfall predicted by 2020*

*Differences in financial returns make reliable comparisons difficult*

## ***THE QUESTION:***

*What factors are driving spend in children's services and how big an impact does each one have?*

## *What is the plan and timescales?*

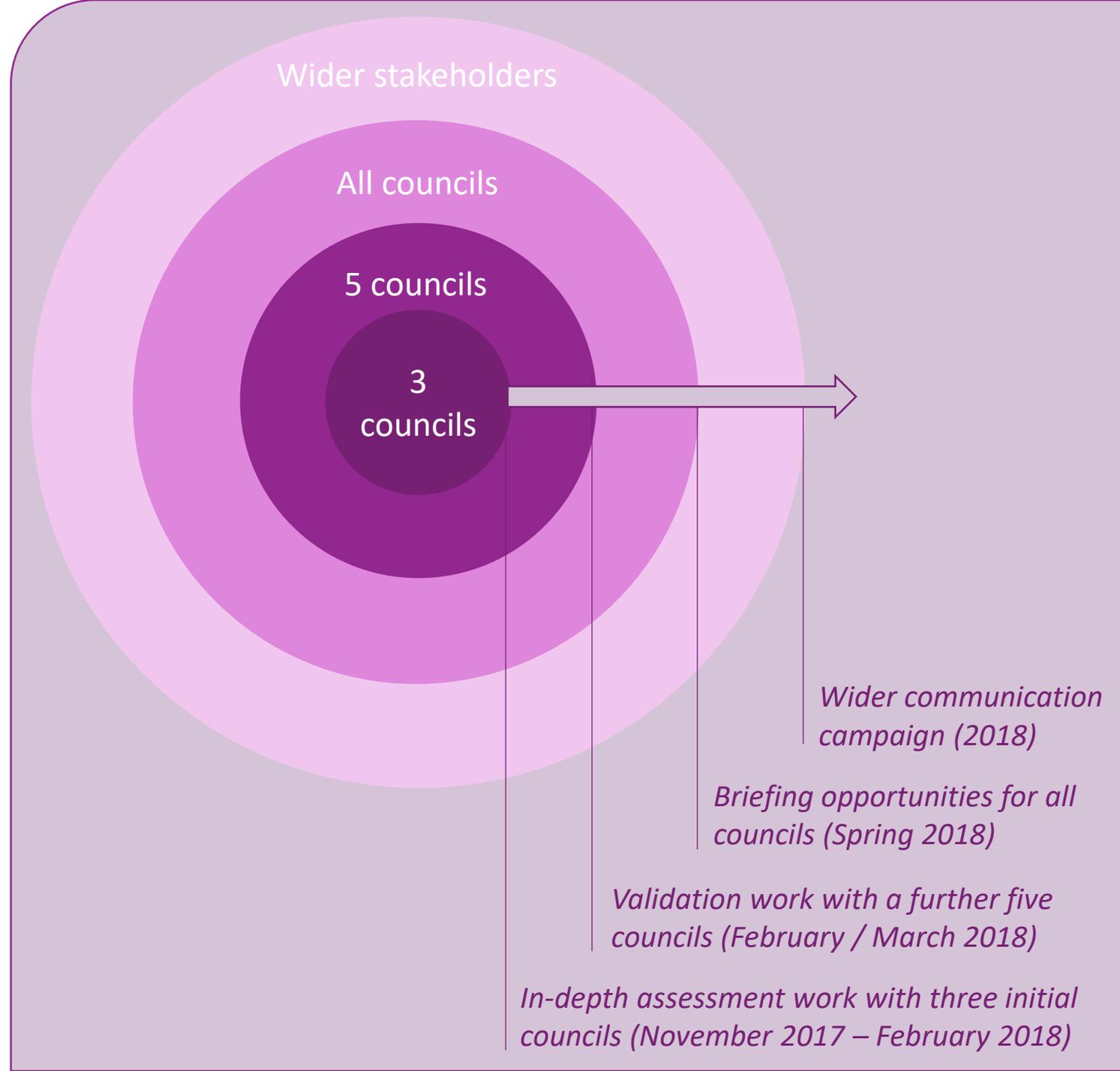


Newton have experience of analysing the root cause of national issues, including Integration and Delayed Transfers of Care. Knowing the limitations inherent in financial data, the approach will be to work on-site with a group of authorities to understand more accurately what is driving spend.

The diagnostic will start with in-depth assessment work with 3 authorities starting in November 2017.

After this, we will look to validate the initial findings by working with a further 5 councils in the early part of 2018.

We expect to be briefing all councils on the diagnostic findings in the spring of 2018, as part of building the national dialogue on the subject of spend in children's services.



## Who is involved?

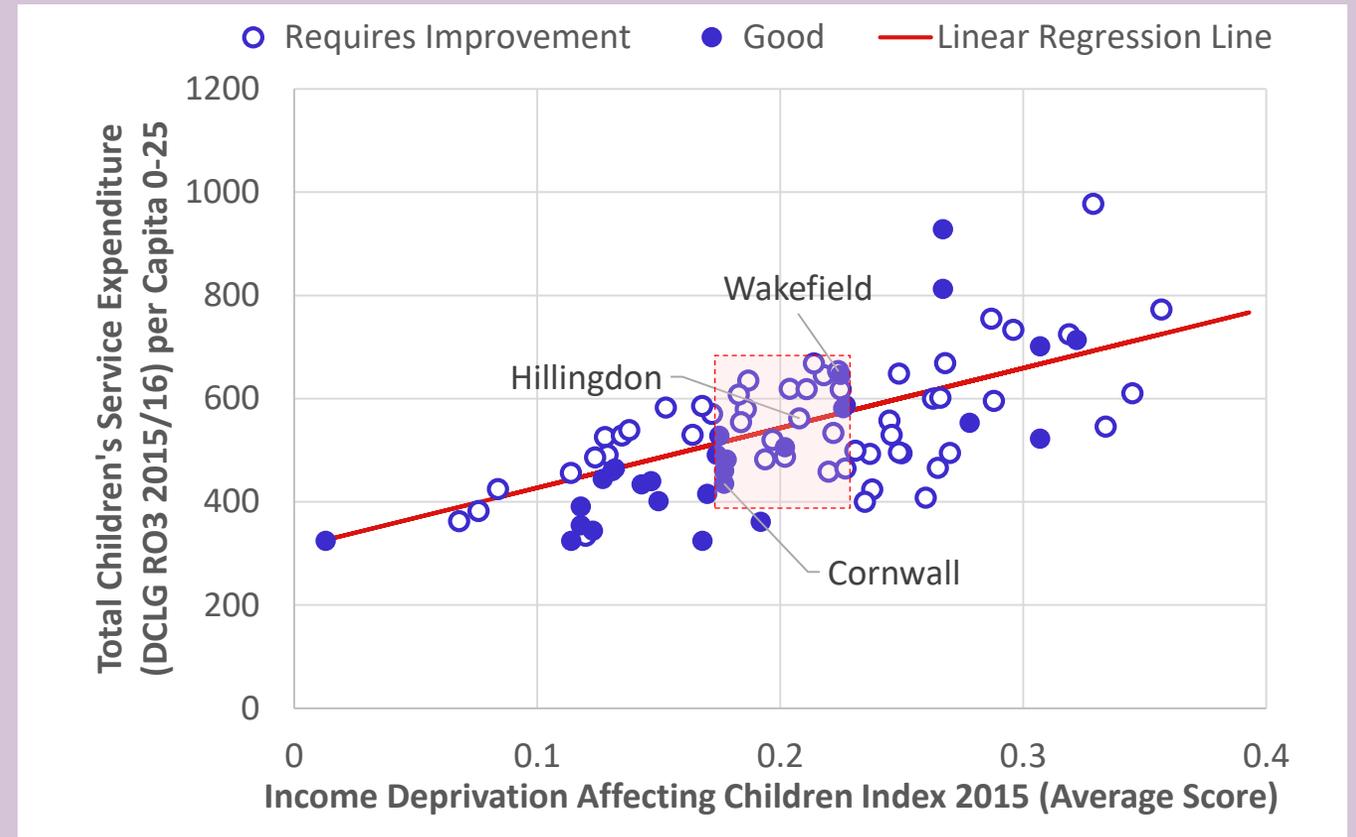


Ian Dean, LGA Senior Advisor for Children's Social Care, is leading the project on behalf of member councils. Edwina Grant, as National Children's Improvement Advisor, will be providing specialist guidance.

A team from Newton will be supporting throughout the project.

Selection of the 8 councils who will be involved in the in-depth and validation exercises will be decided analytically by the team from Newton. The first three councils are confirmed as being Cornwall, Hillingdon and Wakefield. The remaining five will be confirmed soon after the first assessments have been planned.

We are keen that all councils have opportunities to participate in the project along the way. [Click here for details.](#)



**The first three councils have been identified by Newton based on the following criteria:**

1. They have similar levels of deprivation according to 2015 IMD data
2. There is a spread of Children's Social Care spend within the authorities ranging from £435 per child in Cornwall to £652 in Wakefield (RO3 data from 2015/16)
3. Using a blend of Ofsted judgements and Local Authority Interactive Tool indicators they rate as 'good' or 'requires improvement'
4. They represent three different types of authority: county, metropolitan and outer-London borough
5. They represent a balance of political control and geographic spread

## *What is the approach going to be?*

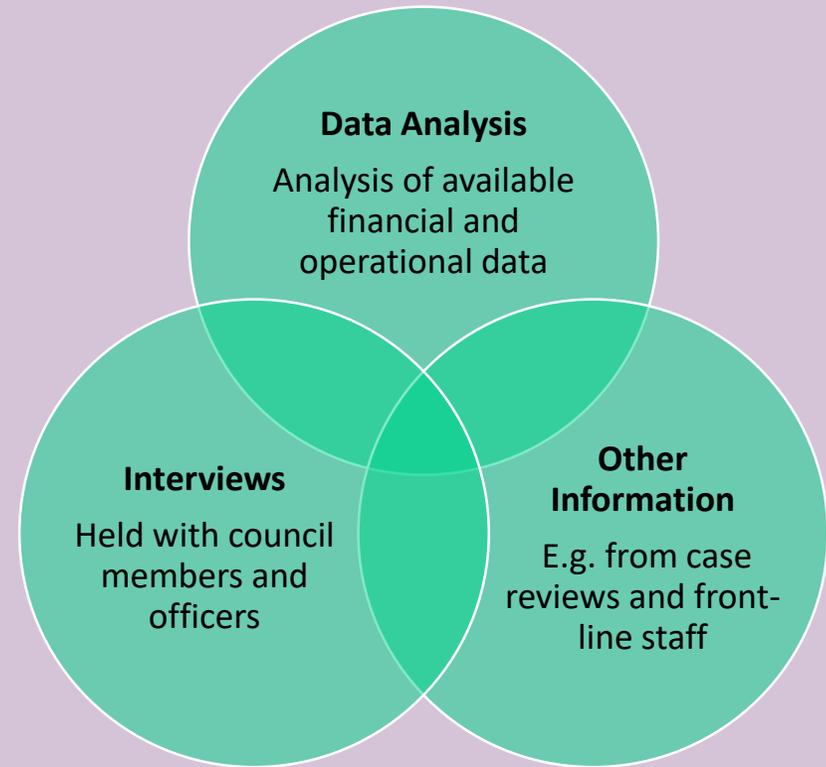


The five factors impacting on spend that we want to investigate are:

1. **Population size**
2. **Levels of deprivation**
3. **Partner agencies**
4. **Local market conditions (e.g. labour costs)**
5. **Internal operational and financial management (including the impact of historical decision-making)**

The impact of some of these can be determined through analysis of available data; where a clear and strong correlation exists between spend and a particular factor, we are able to quantify how much of an effect it has.

Other factors, such as partner agency working and internal management, cannot be assessed in this way. This is why we're planning on working on-site with councils, going beyond the data and generating new insight.



Newton base their work on a structured, evidence-based approach.

They have experience working with councils in both Children's and Adult social care and recognise the limitations inherent in both financial and operational data.

In drawing robust, representative conclusions about what factors have the greatest impact on spend, we will make use of available data and back this up with further quantitative analysis as well as interviews with relevant members and officers.

## *How can I find out more or get involved?*

We will keep our members informed and actively involved in the dialogue during the diagnostic via our own LGA channels, as well as through relevant sector groups and events.

If you would like further information in between these opportunities then please contact the project team using the details provided.

## *Programme team and contact*



**Ian Dean**

*Senior Advisor, Children's Social Care*  
Local Government Association



**Edwina Grant**

*National Children's Improvement Advisor*  
Local Government Association



**Rich Lum**

*Associate Director*  
Newton



**Luke Tregidgo**

*Programme Lead*  
Newton

For more information on the programme please contact

[Ian.Dean@local.gov.uk](mailto:Ian.Dean@local.gov.uk)