

Impact of the Comprehensive Spending Review on Health and Social Care

Submission to the House of Commons Health Select Committee Inquiry from the National Children's Bureau



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Summary

- Ongoing investment in **children's mental health** and new investment in perinatal mental health is welcome but it is unclear if this will meet demand.
- Due to the types of services that the **Public Health Grant** is intended to fund, ongoing cuts to this funding stream have a disproportionate impact on children and young people. The combination of these cuts with reductions in local authorities early intervention funding and the Education Services Grant will make it very hard for local authorities to realise the opportunities presented by their new role in public health.
- Local authorities' spend on **children's social care** has reduced in recent years, but has held up relative to their overall spending power. Evidence of increased demand and the announcement of further cuts to local authority funding in the Spending Review is concerning.

1. Introduction

- 1.1 The National Children's Bureau is a leading charity that for over 50 years has been working to improve the lives of children and young people, reducing the impact of inequalities. We work with children and for children to influence government policy, be a strong voice for young people and practitioners, and provide inspiring creative solutions on a range of social issues. We undertake a range of work in partnership with statutory services and decision makers to improve children and young people's health and wellbeing. NCB is one of 21 voluntary sector strategic partners to Public Health England, the Department of Health and NHS England, and together with 4Children, lease the Children's Partnership – the Department for Education's voluntary sector strategic partnership.

2. Mental Health

- 2.1 We understand that an investment of £1.25bn over five years in children and young people's mental health, announced in the previous Parliament, is to go ahead as planned. The Spending Review also included an announcement of a significant investment in perinatal mental health. Mothers' mental health is known to be an important factor in children's health and development, and it is well known that 50 per cent of adult mental illness starts before the age of 15, and three quarters by 18¹ so it is good to see investment in mental health early in the life course.

¹ Kim-Cohen et al 2003

2.2 While the investment in children, young people, and mothers' is significant – totalling more than cuts reported by sector organisations in recent years² – it is still not clear if this will be adequate to meet need. Children's mental health was being described as a 'Cinderella service'³, i.e. not receiving the attention it needed, even before the Coalition Government of the last Parliament started to implement deficit reduction measures. In June 2012, a report by the London School of Economics' Centre for Economic Performances Mental Health Policy Group revealed that only a quarter of the 700,000 children and young people with behavioural problems, depression and anxiety are currently receiving treatment.⁴ Funding reductions in public health, early intervention and children's social care (see below) since then may mean that children and families have to wait longer for support, and develop more mental health problems as a result. Data on prevalence of mental health conditions in children and young people is also out of date.⁵

2. Investment in children's health and wellbeing

- 3.1 The Spending Review announced that funding for public health will be cut by an average of 3.9 per cent in real terms each year. This means that the annual budget will have shrunk by about 18 per cent by 2020/21. We estimate that over £500 million will be taken from local authorities' public health grant. This a worrying continuation of a trend that suggest preventative work, particularly with children and young people, is not being given the priority it should.
- 3.2 Government consulted earlier in 2015 on the funding formula and allocations to local authorities for public health services for children under the age of five.⁶ However, before these allocations had even reached local authorities, an in year cut of £200m was made to the Public Health Grant as a whole. The Department of Health stated in the consultation document that it will be open to local authorities to make savings from provision for under-fives, but makes no comment about the risks of doing so.⁷ We feel this, combined with the further announcement of reductions in the spending review sends the wrong message about the importance of early intervention and of protecting vital services such as health visiting.
- 3.3 The services that the Public Health Grant pays for include sexual health services and substance abuse services which many young people will need to access but also child-specific services such as school nursing and health visiting. Consequently any

2 Pulse 'GPs face growing pressure on child mental health referrals as CCGs impose further cuts' 24 April 2014 <http://www.pulsetoday.co.uk/clinical/mental-health/gps-face-growing-pressure-on-child-mental-health-referrals-as-ccgs-impose-further-cuts/20006496.fullarticle>; Young Minds (2014) *Local authorities and CAMHS budgets 2012/2013* http://www.youngminds.org.uk/about/our_campaigns/cuts_to_camhs_services

³ *Getting it right for children and young people: Overcoming cultural barriers in the nhs so as to meet their needs*, A review by Professor sir Ian Kennedy, September 2010

⁴ Layard, Lord Richard et al, (2012), *How Mental Illness loses out in the NHS*. London: Centre for Economic Performance, London School of Economics

⁵ The last major study by the Office of National Statistics was carried out in 2004. A new study is being commissioned by the Department of Health but may not report for several years.

⁶ The Consultation, *Funding for 0 to 5 children's services: 2016 to 2017*, ran from 26 February to 27 March 2015 <https://www.gov.uk/government/consultations/funding-for-0-to-5-childrens-services-2016-to-2017>

⁷ Department of Health (2015), *Local authority public health allocations 2015/16: in-year savings* <https://www.gov.uk/government/consultations/local-authority-public-health-allocations-2015-to-2016>

cut to this funding will disproportionately impact on the young. We are therefore very concerned about plans announced in the 2015 Spending Review to make further reductions over the course of this Parliament.

- 3.4 These services will often be delivered by NHS staff and, rightly, continue to be marketed as such. In fact our recent survey of school nurses has found that they spend significant time supporting children with existing conditions ranging from cancer to asthma. A Treasury announcement in June suggested that a £200m cut would be made to 'non-NHS' spending.⁸ It is very disappointing that a change in commissioner appears to be being used as an excuse to cut funding for these services. They form a significant portion of the health service's 'offer' to children, young people and their families, who may struggle to understand why they are not being protected along with other NHS services.
- 3.5 Other sources of funding for services and interventions that support children's health and wellbeing continue to be reduced. In the 2015 Spending Review, Government announced reductions in the Education Services Grant, as well as its intention to reduce local authorities' role in education. This will make it harder for schools to be linked into local services that support children through, for example, health-related or therapeutic services and education welfare services for children who are disengaging from school).
- 3.6 Local authorities receive an early intervention funding allocation (previously called the Early Intervention Grant), which Government expects them to use to pay for a wide range of universal and targeted services. These include, for example, information and advice for young people, Sure Start children's centres and teenage pregnancy services. *Cuts that Cost*, a report by NCB, The Children's Society and Children and Young People Now⁹ found that between 2010 and 2015 government funding for local authority early intervention services had been cut by £1.8 billion.¹⁰ The combination of all these cuts in funding will make it very hard for local authorities to realise the opportunities presented by their new role in public health.
- 3.7 There is a wealth of evidence about the efficacy of intervening early to ensure better health throughout the life course and about the potential savings to the taxpayer from avoiding illness and other poor outcomes. An analysis in the Chief Medical Officer's 2012 report estimated the cost of childhood obesity to be around £600m a year.¹¹ The report stressed the huge return on investment in health promotion in the early years and highlighted the fact that five of the 'top 10' risk factors for the total burden of disease in adults are initiated or shaped in adolescence.¹² The Marmot Review of 2010 highlighted the need to prioritise action

⁸ HM Government (2015) News Story 4 June 2015: Chancellor announces £4½ billion of measures to bring down debt
<https://www.gov.uk/government/news/chancellor-announces-4-billion-of-measures-to-bring-down-debt> [Last Accessed 20/08/2015]

⁹ National Children's Bureau and The Children's Society (2015) *Cuts that cost: Trends in funding for early intervention services* London: NCB <http://ncb.org.uk/cutsthatcost>

¹⁰ National Children's Bureau, The Children's Society and Children and Young People Now (2015), *Cuts that cost: Trends in Funding for Early Intervention Services* <http://www.ncb.org.uk/cutsthatcost>

¹¹ Chief Medical Officer (2013) *Our Children Deserve Better: Prevention Pays*, Chapter 3: the economic case for a shift to prevention, Department of Health: London
<https://www.gov.uk/government/publications/chief-medical-officers-annual-report-2012-our-children-deserve-better-prevention-pays>

¹² Chief Medical Officer (2013) *Our Children Deserve Better: Prevention Pays*, Chapter 8: life stage: adolescence, Department of Health: London

in the first five years of life in order to tackle health inequalities and called for an increased proportion of spending in the early years.¹³

- 3.8 Many children and young people suffer poor health outcomes which could be prevented. Around a quarter of all five year olds are affected by tooth decay, a total of over 150,000 children, nearly two fifths of all children are judged as not having reached the right level of development by the end of reception class, and there are nearly fifty thousand children aged under five admitted to hospital with an injury every year.¹⁴ The latest figures on obesity show an increase for school aged children and growing inequalities linked to deprivation.¹⁵

3. Children's Social Care

- 3.1 Children's social care is organised and paid for by local authorities whose funding from central government is projected to fall. The Treasury states that there will be a real terms reduction of 1.7 per cent each year in the amount of money local government has to spend over the course of the Parliament. This is dependent on the Office of Budget Responsibility's forecasts for how much local authorities can collect themselves. Core funding from government will fall by 24% in this time. Local authorities will be given the ability to raise council tax by an extra two per cent but the money raised can only be spent on adult social care, not children's social care.
- 3.2 English local authorities overall spending power has decreased by around 20 percent since 2010-11.¹⁶ Their spending on safeguarding children and young people services (including social work, child protection, commissioning, and Local Safeguarding Children's Boards) has reduced by 11 per cent between 2010-11 and 2015-16 and on services for looked after children (including those in residential care, foster care, under special guardianship, recently adopted, leaving care or seeking asylum) by 4 per cent over the same period.¹⁷ Local authorities therefore appear to have protected children's social care to some extent compared to other spending, although there has still been significant reductions across the country. It is unclear if this will continue in the same trend as local authorities try to find the further savings required by the spending review.

<https://www.gov.uk/government/publications/chief-medical-officers-annual-report-2012-our-children-deserve-better-prevention-pays>

¹³ The Marmot Review (2010) *Fair Society, Healthy Lives* London: The Marmot Review

<http://www.instituteofhealthequity.org/projects/fair-society-healthy-lives-the-marmot-review>

¹⁴ National Children's Bureau (2015), *Poor Beginnings: Health inequalities among young children across England*

www.ncb.org.uk/poorbeginnings

¹⁵ Health and Social Care Information Centre (2015) National Child Measurement Programme 2014/15

¹⁶ House of Commons Library (2014) Local Government Finance Settlement 2014/15

¹⁷ Local authority section 251 returns data <https://www.gov.uk/government/collections/section-251-materials>

(For 2010-11: <https://www.gov.uk/government/statistics/local-authority-and-school-expenditure-on-education-childrens-services-and-social-care-2010-to-2011>)

Outcomes for children looked after by local authorities -

<https://www.gov.uk/government/statistics/outcomes-for-children-looked-after-by-local-authorities>).

Characteristics of children in need: <https://www.gov.uk/government/collections/statistics-children-in-need>

3.3 Demand for children's social services is increasing. In the last five years:

- The number of referrals to children's social care has increased by 3 per cent
- The number of children in need has increased by 2 per cent
- The number of section 47 (child protection) inquiries carried out by local authorities has increased by 43 per cent
- The number of children subject of a child protection plan has increased by 16 per cent
- The proportion of children looked after by their local authority has increased by 6 per cent.¹⁸

Should these trends continue local authorities will inevitably face challenges in ensuring vulnerable children receive the support they need.

3.4 In the spending review government announced it will maintain in cash terms the Department for Education's (DfE) central children's services budget at over £300 million per year. This is the funding that DfE spends at a national level and it is stated that this level of funding is being maintained 'to help drive up social care workforce standards to improve support for vulnerable children'. This, along with ongoing projects across the country funded by DfE's Innovation Programme (launched in 2013) could potentially help local authorities find ways of delivering children's social care more efficiently. However there is no guarantee of this, particularly as there is a need to improve the quality of services at the same time, which has been well articulated by Government recently.

¹⁸ Department for Education, *Outcomes for children looked after by local authorities* <https://www.gov.uk/government/statistics/outcomes-for-children-looked-after-by-local-authorities>; Characteristics of children in need: <https://www.gov.uk/government/collections/statistics-children-in-need>