

## Budget debates

29/10/18 – 01/11/18

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### Key messages:

- Children and young people have been ignored in successive budgets.
- The services and support that children and young people rely on are now at breaking point.
- The Prime Minister has announced 'austerity is over'. If this is the case, then children and young people should be the first group that the Government invests in.
- Social workers say that finances available to children's services affect their decisions about whether or not to step in to provide support for children and families.
- It is unacceptable that children's safety is potentially being undermined by a lack of sufficient resources.
- Early help services are facing particular pressures, with demand rising and funding being reduced.

### Key Questions for the Chancellor

- What is the chancellor's assessment of the impact of this budget on children and young people? Does he know how much we are investing in the younger generation overall?
- Will the chancellor work with representatives from the children's sector to ensure that that children and young people can be placed at the heart of the upcoming spending review?
- What assurances can the chancellor give about the adequacy of funding for children's social care? How has rising demand for children's social care services been taken into account in his decisions?
- What conversations has he had with colleagues across local and national government about how investment in early intervention can be shored up?
- What advice would the chancellor give to those lead members for children's services who say they do not have adequate resource to meet their statutory duties?

### Background

Ahead of this year's Budget, more than 130 children's sector coalitions, children and young people's charities and unions who work across education, health, social care, poverty and special educational needs and disabilities came together to call on the Government to provide more funding for the services and support children and young people rely on every day.<sup>1</sup>

## Services are at breaking point

There is a growing body of evidence that shows that the services available to children are at breaking point. For example:

- Ninety children are being taken into care every day – this is a record high<sup>ii</sup>;
- Less than a third of children and young people with a diagnosable mental health problem will get access to NHS funded treatment this year<sup>iii</sup>;
- Only three in a hundred families of disabled children think the health and care services available to their children are adequate<sup>iv</sup>;
- Almost three-quarters of school leaders expect they will be unable to balance their budgets in the next financial year<sup>v</sup>;
- The number of children with special educational needs who are awaiting provision has more than doubled since 2010<sup>vi</sup>;
- Up to 3 million children are at risk of going hungry during school holidays.<sup>vii</sup>

## Reductions in funding are having a big impact

By 2019–20, total spending per child will have fallen by approximately 12% in real terms.<sup>viii</sup> This is hitting the services children rely on. For example:

- While overall education spending has largely been protected in recent years, education spending per student for 16–18 year olds is expected to fall by about 17% in real terms by 2019–20; the education budget has also had to absorb the cost of reforms such as the establishment of free schools.
- Benefit spending per child is expected to fall by about 17% in real terms by 2019-20; and
- Children's services spending will have fallen by about 20% in real terms by 2019-20. While spending on safeguarding and looked after children has been mostly protected since 2009–10, the maintenance of this spending has come at the cost of big reductions (around 60%) in spending on non-statutory services for families with young children (i.e. Sure Start) and programmes for young people.<sup>ix</sup>

Some of the most important services for children and young people are delivered or commissioned by local authorities. These include children's social care, public health and support for children with special educational needs and disabilities. It is important that the Government takes responsibility for ensuring that sufficient resources from the public purse reach local government for these areas. However, under current plans:

- The money that the treasury supplies to local authorities will have fallen by 60p in the pound between 2010 and 2020.<sup>x</sup>
- Councils being able to retain more of their business rates has not made up for this - local authority spending power is forecast to have fallen by 28.7% between 2010-11 and 2019-20.<sup>xi</sup>
- The LGA estimate a funding gap of £2bn by 2020 and 3bn by 2025 for children social care.<sup>xii</sup>
- From 2015 – when local authorities took on responsibility for children's public health - to 2020 the public health grant will have shrunk by 18% in real terms.<sup>xiii</sup>

### Key asks:

- The Government should put children and young people at the heart of government spending and prioritise supporting all children in the forthcoming spending review.

## Implications for children's social care: A shift away from early intervention

Services which intervene early in the development of problems are key to preventing children and families falling into crisis and needing more intensive support. But in recent years there has been a radical shift in the balance of services provided by children's social care. Reductions in funding and increased demand means many councils have had to concentrate their limited resources on work with children with the highest level of need. This means fewer children and families are able to access help when they first need it.



Cuts to early help services not only mean children and families are missing out, and left to face increasingly complex challenges, it also stores up problems for the future, resulting in further demand for intensive support.

When an assessment does not lead to help, an opportunity to act early is missed and, although these children do not reach statutory thresholds, they are still likely to be vulnerable. Without such early help, it is difficult for problems to get better and vulnerable children risk falling in and out of the system, with some not receiving help until crisis point is reached.

## Funding reductions are impacting decisions about whether or not to provide support to children and families

The gap between demand for children's services and the resources available to local authorities is unsustainable.



The All Party Parliamentary Group for Children's recent Inquiry received evidence suggesting that financial worries and availability of resources are influencing social workers' decisions to intervene to support children and families who need help.

- 60% of social workers report that the finances available to children's services influences their decisions about whether to offer 'early help' or whether to provide statutory support to 'children in need' under s.17 of the Children's Act 1989 either 'very much' or 'to a great extent'.
- 45% of social workers, report that finances affect decisions about applying for a care order.
- 40% of councillors who are lead members for children's services told the Inquiry that a lack of resources prevented them from meeting at least one of their statutory duties for children.

**Crucially, funding pressures are having a disproportionate impact on the most deprived areas.** This means that in these areas, concerns about budgets will loom larger in decisions taken and access to support for children will be more restricted than in other, wealthier, areas.

**As a result, some children are missing out on support, not because they don't need it, but because services, particularly in poorer areas, can't afford to deliver it.**

#### **Key asks:**

- The Government should use the forthcoming spending review to address the gap in funding for local authority children's services, and put in place a sustainable funding formula that takes into account the level of need among children and families living in the local authority. Any financial settlement must incentivise and enable local authorities to invest in early help and preventative services.

#### **About NCB**

NCB is a leading children's charity working to build a better childhood for every child. We listen to children and young people and work with those supporting them to develop evidence on what needs to be done to enable children to enjoy their right to be safe, secure and supported so they can flourish and fulfil their potential.

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- i <https://www.ncb.org.uk/childrenattheheart>
- ii In England and Wales 32,810 children started to be looked after in 2016-17 Department for Education, 2017, Children looked after in England (including adoption), year ending 31 March 2017  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/664995/SFR50\\_2017-Children\\_looked\\_after\\_in\\_England.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664995/SFR50_2017-Children_looked_after_in_England.pdf)
- iii Government estimate for 2018/19 from Implementing The Five Year Forward View For Mental Health, 2016, NHS England <https://www.england.nhs.uk/wp-content/uploads/2016/07/fyfv-mh.pdf>
- iv Disabled Children's Partnership survey of 2,600 parents, 2017
- v National Association of Head Teachers (NAHT), 2018 , Breaking Point 2017/18, A snapshot of the continuing crisis in school and academy funding  
<https://www.naht.org.uk/news-and-opinion/news/funding-news/breaking-point-a-report-of-the-school-funding-crisis-in-2016-17/>
- vi Between 2010 and 2018 the number of children with a statements or Education Health and Care Plans awaiting provision has risen from 701 to 2,060 children Department for Education, 2018, Statements of SEN and EHC plans: England, 2018,  
<https://www.gov.uk/government/statistics/statements-of-sen-and-ehc-plans-england-2018>
- vii Estimate from The All Party Parliamentary Group on Hunger, 2017, Hungry Holidays - A report on hunger amongst children during school holidays,  
<https://www.feedingbritain.org/Handlers/Download.ashx?IDMF=f1305288-754c-4a73-80c9-094331cdd4e1>
- viii Children's Commissioner's Office (2018) 'Public Spending on Children 2000-2020'  
<https://www.childrenscommissioner.gov.uk/publication/public-spending-on-children/>.
- ix *Ibid.*
- x Local Government Association (2018) Councils face almost £8 billion funding black hole by 2025. <https://www.local.gov.uk/about/news/councils-face-almost-ps8-billion-funding-black-hole-2025>
- xi National Audit Office (2018) *Financial sustainability of local authorities 2018*.
- xii Local Government Association (2018) Bright Futures: children's services - Our call for properly funded children's services.  
<https://www.local.gov.uk/about/campaigns/bright-futures/bright-futures-childrens-services>
- xiii The 2015 spending review announced "average annual real-terms savings of 3.9% over the next 5 years" equating to 18% in total over the five year period. (HM Treasury (2015) Spending review and autumn statement 2015, section 11.6)