

# Under Pressure

Children's and young people's services  
2010/11 to 2018/19: a summary

May 2020



**NSPCC**



# Introduction

**Local authority children and young people's services cover a range of support, from parenting programmes in children's centres to local safeguarding teams who step in and protect children from harm. Despite the crucial role these services play in the lives of millions of children and families every year, they are in the midst of a financial crisis. With the onset of the COVID-19 pandemic and its profound implications for our social and economic life, the sustainability of these services risks becoming ever more perilous.**

Our two reports, *Children's and young people's services: funding and spending 2010/11 to 2018/19* and *Pressures on children's and young people's services: a deep dive* – both published in May 2020 – bring together a wide range of supporting evidence to demonstrate the urgent need for a sustainable, long-term investment in children's services.

***Children's and young people's services: funding and spending 2010/11 to 2018/19*** provides updated analysis of the most recently available funding and spending trends within children's services across England. Our analysis shows that:

- Local authorities have fought hard to limit the impact of funding cuts on frontline services, and their spending on children and young people's services has fallen at a considerably lower rate than the equivalent reduction in funding available;
- However, this has occurred over a period in which demand for support has increased; and
- The combination of cuts to funding and rising demand has pushed local authorities to shift away from so-called 'early intervention' services that enable professionals to step in early before problems escalate, and forced them to allocate ever greater proportion of their spending to statutory areas such as safeguarding and children in care.

***Pressures on children's and young people's services: a deep dive*** presents findings from more than 20 research interviews with three local authorities across England, drawing upon the experiences and perceptions of staff working on the frontline of funding cuts. It shows:

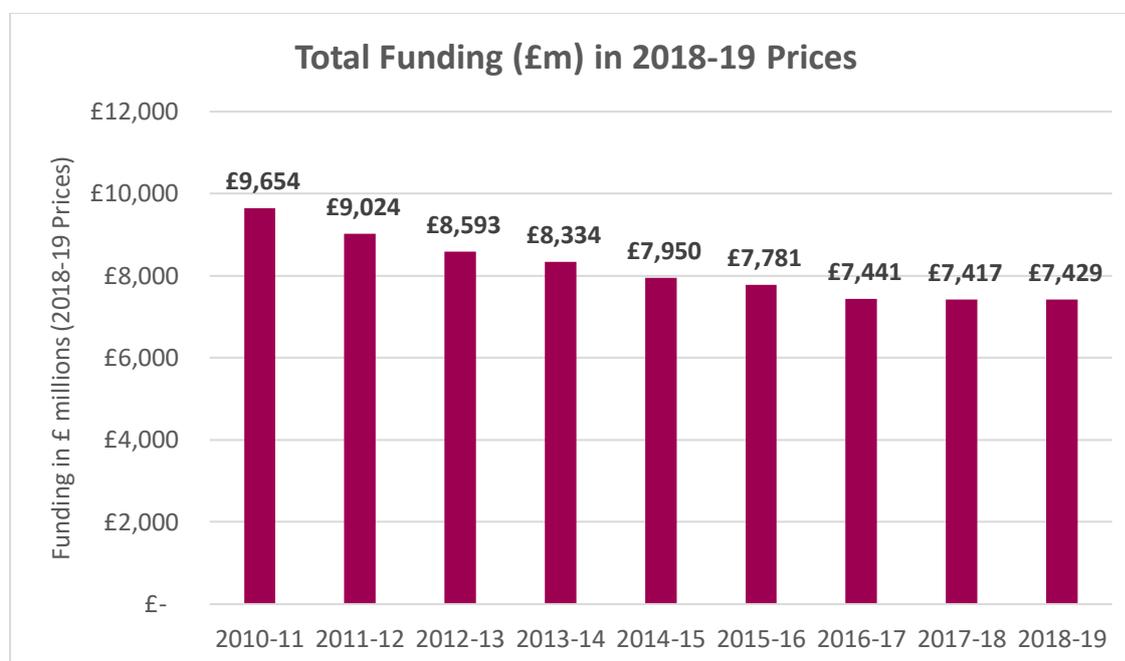
- Funding reductions have resulted in losses and reductions of services, and specific groups have been disproportionately affected.
- Innovative practices have been adopted by local authorities to help mitigate service reductions; and
- The acute worries local authority staff hold about the future in a climate of continued funding reductions.

Following the onset of the COVID-19 pandemic, this trend towards late intervention spending is at risk of accelerating as local authorities are confronted with a multitude of additional pressures generated by the crisis itself and the broader social consequences of lockdown. At the same time, spending power for children's services will be threatened as business rates, council tax and other revenue streams are diminished by the economic impact of the pandemic. Later this year, the Government is due to announce how much funding is to be made available to local authorities for local services as part of the Spending Review, which has already faced repeated delays. This is a vital opportunity. Without additional investment, local authorities will continue to struggle to respond to the needs of children in their communities.

# Funding and spending 2010 to 2019

## Estimated funding for children and young people's services 2010/11 to 2018/19

Between 2010/11 and 2018/19, our modelled estimate of funding for children's and young people's services has fallen by 23% from **£9.7 billion** to **£7.4 billion** in real terms.<sup>1</sup>



Along with an overall reduction in funding, there has also been a notable change in funding per child and young person. In 2010/11, estimated funding per child and young person was **£571**<sup>2</sup> but by 2018/19 this had fallen to **£425**.<sup>3</sup>

### Funding for early intervention

Early intervention services, like children's centres, used to benefit from dedicated, ring-fenced funding. However, the creation of a new Early Intervention Grant (EIG) in 2010 replaced a number of different funding streams with one, single non ring-fenced allocation.<sup>4</sup> In 2013/14 the EIG was removed, but funding for early intervention has been kept as an identifiable (though non-ringfenced) line within the Local Government Finance Settlement, produced by the Ministry of Housing, Communities and Local Government. Our analysis used this indicative allocation to assess central government financing of early intervention services since 2010. It found that between 2010/11 and 2018/19, the value of this early intervention allocation fell from **£2.8 billion** to **£1.1 billion** – a reduction of **£1.7 billion** funding per year, or around 60%.

<sup>1</sup> Figures have been rounded to the nearest hundred million. For a more detailed breakdown of our funding and spending figures including by region and deprivation level, as well as tables, graphs and methodology, please refer to our full report *Children's and young people's services: funding and spending 2010/11 to 2018/19*.

<sup>2</sup> This figure is reflective of the population in England of children and young people aged 0-25. The figure has been rounded to the nearest pound. In comparison, per capita spending on 0-18 fell from £807 in 2010-11 to £763 in 2018-19. The per capita spend on 0-25 fell from £571 in 2010-11 to £521 in 2018-19.

<sup>3</sup> Figure has been rounded to the nearest pound.

<sup>4</sup> House of Commons Library (2017) *Sure Start (England)* [pdf] available at:

<http://researchbriefings.files.parliament.uk/documents/CBP-7257/CBP-7257.pdf>. Accessed 27 April 2020.

### **Estimated funding by region**

Our analysis has found that all regions have seen a reduction in funding since 2010, with the pattern of cuts showing a noticeable divide between the North and the South of England. The three regions constituting the North of England have all seen a reduction of between a quarter and a third between 2010/11 and 2018/19. London remains the only region outside of the North of England to see a reduction on this scale. In comparison, regions in the South of England have seen funding fall by 17-15%. Combined, local authorities in the North of England have seen a cut of 27% to their funding compared to 23% in the Midlands and 21% in the South of England. Nevertheless, with demand increasing nationwide, nowhere will find cuts easy to absorb.

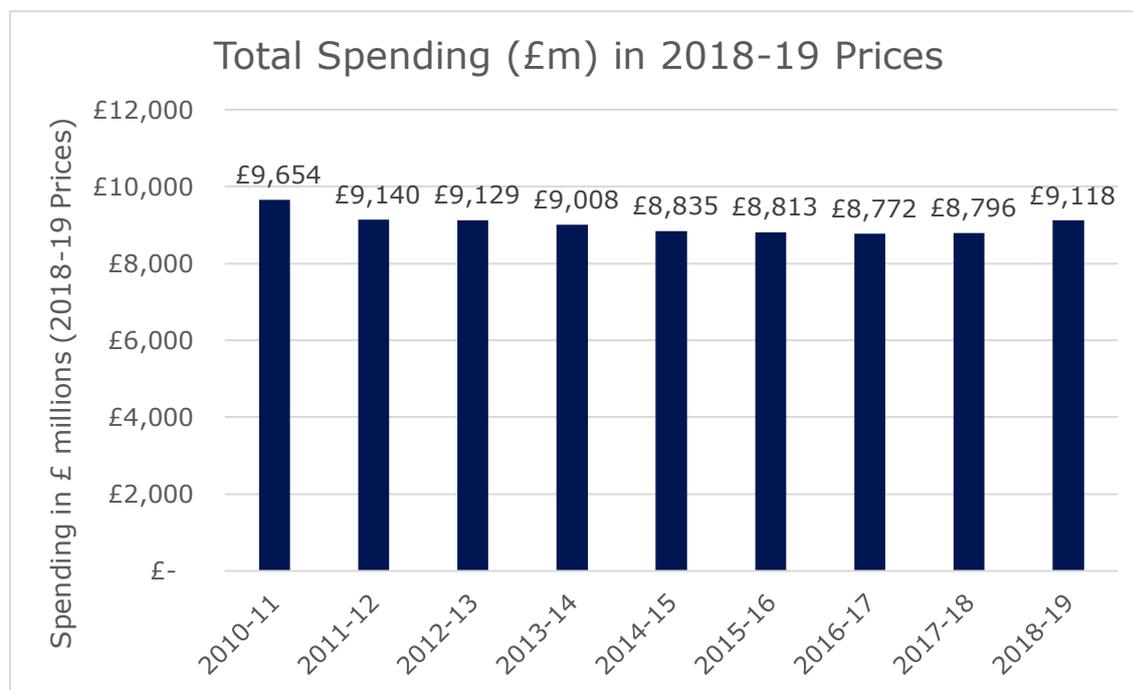
### **Estimated funding by levels of deprivation**

As with regional variations in the scale of cuts to funding, there are distinct variations in the scale of cuts based on levels of deprivation. Since 2010/11, the most deprived local authorities have seen more than twice the size of cut to funding as the least deprived areas.

### **Local authority spending on children's and young people's services 2010/11 to 2018/19**

The reduction in funding available has inevitably led to a fall in local authority spending on children and young people's services. However, there is a clear difference in how far spending has fallen compared to cuts in funding.

Between 2010/11 and 2018/19, local authority spending on children and young people's services fell by 6% from **£9.7 billion** to **£9.1 billion**.<sup>5</sup> In comparison, funding available has fallen by 23% in the same period.



Despite the overall downward trend since 2010, local authorities increased their spending in the 12 months between 2017/18 and 2018/19 - rising from **£8.8 billion** to **£9.1 billion** to reach its highest level since 2012. This was largely driven by an increase

<sup>5</sup> Figures have been rounded to the nearest hundred million.

in spending on late intervention services, particularly for services for children in care – which have risen by 40% in the last decade. Meanwhile, spending on early intervention services continued its downward trajectory, falling by **£63 million** between 2017/18 and 2018/19.<sup>6</sup>

Councils have fought hard to protect children’s services in the face of reductions in the funding available. At the same time, spending in some areas has been pushed up because the cost of statutory provision is led by demand, rather than available funding. This has led to a funding gap between what local authorities need to spend and how much funding is available to them. This gap has been steadily rising and reached **£1.7 billion** in 2018/19.<sup>7</sup>

Local authorities might take different approaches to make up shortfalls year-on-year, from drawing on their reserves to reallocating funding from other spending areas, but neither are sustainable. Reserves are finite, whilst reallocation will simply create shortfalls in other service areas. The Local Government Association found that in 2018/19 alone, local authorities overspent on children’s social care by **£770 million**.<sup>8</sup>

### Local authority spending on early intervention services 2010/11 to 2018/19

The most recent local authority figures show that spending on early intervention has continued to fall, with a reduction of **£63 million** between 2017/18 and 2018/19.<sup>9</sup> Collectively, spending on children’s centres, family support services and services for young people was **£1.6 billion** lower in 2018/19 compared to 2010/11, a decline of 46%.

In 2010/11, early intervention represented 36% of local authority spending on children and young people’s services. This had fallen to 20% by 2018/19.

Area of spending	Spend in 2010/11 (mn)	Spend in 2018/19 (mn)	Change from 2010/11 to 2018/19 (mn)	Change from 2010/11 to 2018/19
Children's centres	£1,426	£508	-£918	-64%
Family support services	£885	£1,020	+£135	+15%
Services for young people	£1,171	£335	-£836	-71%
<b>Total</b>	<b>£3,483</b>	<b>£1,864</b>	<b>-£1,619</b>	<b>-46%</b>

The fall in early intervention spending is driven by reductions in two main service areas – children’s centres and services for young people, which have both seen budget cuts of well over half since 2010. In both cases, reduced spending has impacted on frontline services. Over 1,000 children’s centres have closed since 2009<sup>10</sup> and 763 youth centres

<sup>6</sup> Rounded to nearest million.

<sup>7</sup> This figure has been rounded to the nearest hundred million.

<sup>8</sup> Local Government Association (2019) *Children’s care crisis* [online] Available at: <https://www.local.gov.uk/about/news/childrens-care-crisis-councils-forced-overspend-almost-ps800m-childrens-social-care>. Accessed 16th April 2020.

<sup>9</sup> We have taken a broad approach to defining early intervention, incorporating some universal and targeted services. This reflects the government’s own approach; it has expected local authorities to use their early intervention funding allocation – previously called the Early Intervention Grant – to pay for a range of universal and targeted services, including information and advice for young people, Sure Start children’s centres, teenage pregnancy services, respite care for families of disabled children, and other support for families.

<sup>10</sup> Smith, G., Sylva, K., et al (2018) *Stop Start* [pdf] Available at: <https://www.suttontrust.com/wp-content/uploads/2018/04/StopStart-FINAL.pdf>. Accessed 17th April 2020.

have closed since 2012.<sup>11</sup> Since our last report, which looked at spending up to 2017/18, both have seen further cuts. Between 2010/11 and 2017/18, spending on children’s centres fell by 59% and spending on services for young people fell by 69%. This has jumped to 64% and 71% respectively for 2018/19.

### Local authority spending on late intervention services 2010/11 to 2018/19

Figures for 2018/19 show that local authority spending on late intervention has continued to rise.<sup>12</sup> Collectively, spending on children in care, youth justice and safeguarding<sup>13</sup> was **£1.6 billion** higher in 2018/19 compared to 2010/11. This is a 29% increase.

The increase in late intervention spending is driven by two main areas – safeguarding and children in care. The vast majority of local authorities have increased spending in these areas, with some more than doubling their budgets for looked-after children and safeguarding between 2010/11 and 2018/19.

In particular, there has been a large increase in spending on looked-after children. Between 2010/11 and 2017/18, local authority spending on this area increased by 30%, but by 2018/19 this had risen to 40%. Spending on safeguarding - those statutory services that protect children at risk of immediate harm - also rose by 23% between 2010/11 and 2018/19.

Area of spending	Spend in 2010/11 (mn)	Spend in 2018/19 (mn)	Change from 2010/11 to 2018/19 (mn)	Change from 2010/11 to 2018/19
Looked-after children	£3,334	£4,659	+£1,324	+40%
Safeguarding	£1,906	£2,342	+£435	+23%
Youth justice	£314	£153	-£161	-51%
<b>Total</b>	<b>£5,554</b>	<b>£7,153</b>	<b>+£1,599</b>	<b>+29%</b>

Per capita spending on looked-after children has steadily increased from **£51,724** in 2010/11 to **£61,805** in 2018/19, a rise of 19%. As the National Audit Office and our own research with local authorities show, local authorities face very significant challenges in placing children with complex needs into foster care, which drives up costs as they are forced to turn to more expensive residential care or independent providers.<sup>14</sup>

Rising demand is leading to late intervention representing a greater proportion of children’s service budgets than ever before. In 2010/11, late intervention represented 58% of local authority spending on children and young people’s services. This has risen

<sup>11</sup> Unison (2019) *Youth services at breaking point* [pdf] Available at: <https://www.unison.org.uk/content/uploads/2019/04/Youth-services-report-04-2019.pdf>. Accessed 17th April 2020.

<sup>12</sup> Late intervention refers to those areas of spend primarily dealing with children who have reached a higher level of need. Spend in this area is targeted at specific needs and will include children in care and youth justice. Please see the methodology in *Children’s and young people’s services: funding and spending 2010/11 to 2018/19* for more information.

<sup>13</sup> In this context, we refer to ‘Safeguarding’ as the area of statutory spend on child protection and safeguarding services, rather than the broad principle of safeguarding children. This includes spending on local safeguarding children’s boards, functions under the child death review processes and social work.

<sup>14</sup> National Audit Office (2019) *Pressures on Children’s Social Care*. [pdf] Available at: <https://www.nao.org.uk/wp-content/uploads/2019/01/Pressures-on-Childrens-Social-Care.pdf> and our full supplementary report *Pressures on children’s services: a deep dive*.

to 78% in 2018/19. The continued demand on these services makes it difficult for local authorities to reverse the shift towards late intervention without additional investment.

### **Financial impact of COVID-19 on children's and young people's services**

The impact of the COVID-19 pandemic on children and young people is likely to be deep and long-lasting, and local authorities are currently experiencing immense additional pressures on their finances as they carry much of the burden of responding to this unprecedented crisis.

At the time of writing, the Government has provided an additional **£3.2 billion** for local authorities to help them to meet additional demands stemming from the severe economic and social dislocations generated by the crisis. However, these new funds must be understood as crisis funding; they were not intended, nor will have they done much to address, the long-standing funding gap within children's services. The Secretary of State for Housing, Communities and Local Government has made clear that the initial **£1.6 billion** that was provided was "very heavily targeted towards adult social care" to bolster the COVID-19 response. A large proportion of the second tranche of **£1.6 billion** was directed at lower-tier councils – who do not have responsibility for children's services – to support them with costs associated with rough sleeping and to stabilise their finances at a time when they have experienced significant reductions in council tax, rates, charges and other revenue sources.<sup>15</sup>

---

<sup>15</sup> Housing, Communities and Local Government Committee (2020) *Oral evidence: Work of the Department, HC 302* [online] Available at: <https://committees.parliament.uk/oralevidence/343/html/>. Accessed 11 May 2020.

# Impact of cuts on local authorities

In order to better understand the impact of funding cuts on children's and young people's services, we undertook a research project involving in-depth interviews with 21 children's services professionals within three local authorities across England. Some of the key themes are summarised here, but for a much more detailed exploration of our research findings and methodology, please see our full report *Pressures on children's and young people's services: a deep dive*.

## Service reductions and losses

All of the local authorities we interviewed for our full report described some level of service reduction or losses that they had experienced in recent years, as a direct result of decreases in the available funding.

Participants noted that there was a negative correlation between decreased funds and a growing increase in the need for services, and cited increases in cases involving a myriad of factors including: mental health problems, high levels of deprivation, domestic violence, substance misuse, knife crime, migration across local authority lines, and children with special educational needs and disabilities (SEND). Participants spoke frequently with regard to the increase in complexity and demand within local need: *"I've never seen the type of need from some of our families that we're seeing now"*.

Whilst authorities faced different issues in terms of their most pressing concerns, there was wide acknowledgement that the funding available had not increased to meet the additional need. The disconnect between level of need and funding simply did not add up in participants' eyes: *"There is not enough money for everyone to do everything or help everyone"*. Whilst various measures had been employed to protect and prioritise children's services, staff acknowledged difficult decisions needed to be made:

*"We've got a declining overall budget at a time when demand is significantly increasing. So what the council's then faced with is with the choices of you're starting to get into the statutory and non-statutory services and obviously it's the non-statutory services that start to go but as you get smaller and smaller it becomes increasingly difficult to cut the non-statutory services."*

It remained a reality that due to the legal protection of statutory services, these were least likely to experience cuts:

*"You can't suddenly say well we're not going to take these children into care, or we've got all these children in care we can't pay for them now. The nature of the service is such that you can't just decide to cut... It's almost a demand led budget effectively isn't it?"*

In contrast, cutting early intervention services and/or non-statutory services was acknowledged as an easy or *"quick win"* as they were the most vulnerable services, considering the current financial climate: *"Because they're not statutory, because they're extra, people find them easy [to cut], they are low hanging fruit to just cut off and say we can afford to save that because we don't have to do that."*

Staff acknowledged that from both an evidence and experience-based perspective, they knew where funds 'should' be targeted, i.e. in preventative or early help services, in order to improve the outcomes for children and prevent the escalation of emerging issues unnecessarily. However, staff across all three local authorities expressed frustration that with the funds available, this model was not always practical:

*"We're saying early help is most important in the lives of these children and young people. And that juxtaposition of having to say this is really important but this is where we're going to take the money from, I think, is the real challenge of where we're at in this point in time."*

Staff observed that resources were being directed disproportionately at the high end of the spectrum of need, generally encompassing the most vulnerable cases, without the time or resources to commit to planning to intervene earlier.

### **Impact of funding reductions on different communities**

Interviewees in all three local authorities were asked whether particular communities or groups had been affected by reductions in funding and, potentially, reductions in service provision. Four key areas of service provision were identified as being disproportionately affected by reductions in funding available.

**Universal services:** Given the prioritisation of need at the higher end of the spectrum, focusing on statutory duties, staff highlighted the reduction of universal services as an area of work that had been disproportionately affected by reductions in funding. Subsequently, there were feared to be knock on effects for children, families, carers, and the community as a whole.

*"Children centres nationally are an early intervention, anybody can access. We've lost children's centres through austerity. We've always had children's centres as part of our social care provision. Our family centres are for families that, if they've got a social worker and we're actively working with them. It's not open access, you can't walk up to our family centre and say can you give us some parenting support?"*

**Special education needs and disabilities:**<sup>16</sup> Some participants highlighted support for children with special educational needs and disabilities (SEND) as disproportionately affected. In one local authority, there was a view that the legislation around EHCPs and SEND had good intentions for providing support for children and young people but had resulted in some new challenges for staff members. Due to the new legislation, an EHCP was now viewed by parents as the "gold standard". As a result, there had been a perceived increase in the number of children and young people with SEND diagnoses and EHCPs within this local authority without funding available for a simultaneous increase in the services to support them. Thus, a large proportion of staff time was being spent assessing children and young people's needs, despite the fact there were not always follow-on services to refer to:

*"All our staff are pushing themselves into assessment, and you can't assess the death out of people. I've got people saying, I've got half an hour to assess you, but I don't have 3 hours to do anything to help you."*

**Looked-after children and those on the edge of care:** Participants highlighted concerns about escalating costs of care placements – including both residential care and fostering placements. Limited marketplace availability in terms of providers available to local authorities was a particular concern, meaning that some authorities had no choice

---

<sup>16</sup> While funding for SEN services is provided by the High Needs Block of the Dedicated Schools Grant, the purpose of the Children and Families Act 2014 was to improve multiagency support across Education, Health and Social Care, emphasising the importance of joint assessments and commissioning of services. It is clear from our interviews that the increased cost of SEN provision is a major contributor to the overall funding pressures facing local authorities' children's services.

but to commission placements from independent agencies, who in some cases, generated substantial profits from the placements they provide. This affected both the support available to children and the financial impact of the increased cost of private placements. Thus, disproportionate funds were being spent on the small number of the most vulnerable children and young people. Indeed, the costs of providing support for looked-after children were found to be high and, in some cases, were driving local authorities' reliance on reserves.

*"We are seeing children becoming looked-after because we are struggling to get traction on the level of demand and to turn the curve of that level of demand, and we do everything we can to support children within their families, but their lived experiences, those adverse childhood experiences, their trauma is having such a significant impact on them that we are still seeing higher numbers of children looked-after. That in turn is creating the budget pressure in children's services and that budget pressure is my biggest concern for the future."*

**Social care workforce:** Service reductions and losses were also seen to have a profound impact on the social care staff working in local authorities. These professionals were cited as those who bore the brunt of funding cuts, in spite of the fact they worked in statutory services. There were worries that there were insufficient numbers of social care staff to effectively support the needs of looked-after children and those on the edge of care. One local authority staff member simply commented: *"We still haven't got enough social workers to meet all the needs of all the children"*. This was particularly concerning in the local authorities where the numbers of looked-after children had increased dramatically over recent years.

Consequently, with fewer members of staff this required those that were there to wear many hats to make up for the shortfall. It also resulted in problematically high caseloads for some - one participant described how social workers had caseloads *"coming out of their ears"*. These large caseloads were counterproductive to building relationships with vulnerable children and families. There were also worries about the retention of these members of staff:

*"It creates delay and drift for outcomes for children. It means you are leaving children in situations which you would ideally not be because the person who was completing the parenting assessment has left and the new person coming in has got to read it all again. You know it is a real challenge and that does create problems."*

### **Service innovation and effectiveness**

Reductions in funding available prompted local authority staff to reconsider and re-evaluate what and how they were delivering services, with the aim of re-organising or re-energising existing services to cater to the best interests of children and families. Four key themes were identified in relation to approaches to innovation in practice.

**Outcomes focused approach:** One of the key changes within innovative practice could result from looking at issues from a different angle. Indeed, this shift in perspective was discussed in two, out of the three, local authorities that were interviewed. Both local authorities 1 and 3 felt they had made a move away from an output focused approach, which had a focus on direct deliverables such as the number of people that a service has been in contact with, or the number of activities carried out. Instead, there had been a move towards a more outcomes focused approach, emphasising the impact of these services in effecting change rather than the mode of delivery.

### **Enhancing access to support – particularly through partnership working:**

Innovative practices highlighted in interviews focused on building capacity, to free up or

increase resources, and efficiency, to use resources in a cost-effective way. Staff members noted that developing stronger relationships within the locality was integral to enhancing access to support for individuals and families and increasing capacity and efficiency of local authority services. Increased access to support came from many avenues including community-based support, changing thresholds of access to support, and moving away from working in silos to more integrated approaches.

**Reimagining services for looked-after children and those on the edge of care:**

Given the statutory duties on local authorities to support looked-after children the high costs associated with this, all local authorities discussed the importance of innovative practice with regard to looked-after children and those of the edge of care (as a way of reducing the number of children who need to become looked-after in future). Indeed, innovation within this area was seen as necessary to improve outcomes for children, manage the (often high) numbers of looked-after children, and attempt to keep children out of care (where this was safe to do so).

**Challenges for innovation:** Whilst participants spoke of areas of innovation within their work, concerns were also raised over the ability to maintain innovative practice. Indeed, staff articulated concern that if funding for local government reduced further, it is likely that this would reduce innovation in future: *"What [continued funding reductions] could do is it could knock innovation out the system really. And it's through innovation that some of this change stuff happens and the magic happens with families."*

Consequently, innovation was viewed as a double-edged sword. Up until a certain point, reductions in the funding landscape were identified as motivating efficiencies and innovative ways of working for local authorities. However, after a certain point it was acknowledged that reduced funding hindered innovation, which requires upfront investment.

## A sustainable future?

In our research with local authorities, participants expressed concern over the potential impact of continued funding restrictions and losses, as well as their hopes for future funding. There was a general acknowledgement that the sector needed more money to sustain services and to allow staff room to deliver services in the best and most efficient way possible. Whilst authorities were doing all that they could with the funding available, it was highlighted that *"we try and stretch that cash as far and as wide as possible and be as efficient as we can, but it will run out at some point"*.

As highlighted previously, one of the main areas of concern was the rising number of looked-after children. As well as the impact on children and families, the high costs associated with this population were also repeatedly highlighted during interviews, which were viewed as being a significant concern for budgets. Staff felt like they were doing everything possible to support families and mitigate the impact of funding cuts, however it sometimes felt like a futile exercise due to the realities of local demand.

*"It sounds a bit dramatic, doesn't it? But there are a proportion of our children who you almost see their life flashing out ahead of them and I think, if our resources were pulled even more, then they will be lost."*

With the uncertainty over the future funding climate and the growing disparity between the funding available and the needs within the local area, staff members across all local authorities expressed worries over the unsustainability of the continued downward projection of funding and continuing reliance on reserves: *"We can't continue to afford what we've got at the moment, and that's the sadness of it"*. Despite the additional **£3.2 billion** in crisis funding provided to local authorities to support the COVID-19 response, the lack of emphasis on children's services suggests that the scale of the funding challenge local authorities face in this area is yet to be properly recognised in Government.

Children's services staff we spoke to acknowledged that without any improvements to the funding landscape, some councils may be reduced to providing statutory only provision within children's services, available only to those with higher levels of need. For staff members, the possibility of ending up as a *"purely social care statutory service...nothing else"* was expressed as a genuine concern if funding cuts continued. Talking about looked-after children specifically, one participant reflected on these statutory duties:

*"If we talk about children in care, the issue that we have is demand and price is increasing but you still have that statutory responsibility for safeguarding of that child so sometimes because of supply and demand you have to make that spend regardless of anything else so that may well lead to you overspending your budget."*

Priorities for any extra funding were, unsurprisingly, focussed on early intervention services and further enhancing access to support. As one participant said *"any sensible worker would say that if we had more money, you should put that into early intervention"*.

## Responding to COVID-19

Since data collection for this report was completed, we have seen the provision of children's services put under extraordinary pressure as a result of the COVID-19 pandemic. A number of organisations across the children's sector have been working to gather intelligence from professionals working in children's services about the issues and challenges they are seeing on the frontline in the context of COVID-19.

Above all, there is an overriding concern in regards to how the lockdown has impeded the ability of professionals to reach and support the most vulnerable, with children hidden from view and issues going undetected whilst schools have been closed: "*[these children] are not being seen by professionals, even their social workers*". Practitioners have warned of increased incidences of children going missing despite the lockdown and that "*the risk of exploitation is currently high*". There is real anxiety amongst professionals around what the future holds, with services unable to plan for the medium or long-term and concern around the impact on children, with early indications pointing to an increase in future demand for safeguarding, mental health and other high-need services.

As the immediate demands of managing the crisis recede, it is likely that children's and young people's services will be busy dealing with the spill-over effects for some time to come, whilst facing an even bleaker outlook in terms of their ability to match resources to demand. In one instance, the manager of a service that supports some of the hardest to reach children in the care system noted that the difficulties in maintaining and building relationships has led in some cases to "*a change in behaviour from the young people that has undone almost a year's worth of work*".

Children's services are working tirelessly to support vulnerable children through the current pandemic, but the findings from the two reports discussed in this summary show how inadequate funding for children's services over an extended period of time have left them ill-prepared for responding to a crisis like this. It makes it all the more important that a better funding settlement is provided in the future to ensure services are able to both respond and recover.

## What is needed?

A few months ago, before COVID-19 and the lockdown to contain it hit the UK, children's services were already in a precarious position attempting to manage increasing demand for statutory children's services while absorbing reductions in funding of **£2.2 billion**.

The correlation between decreasing funds and increased need was seen to be an area of significant concern for children's services staff we interviewed. Considering this, local authorities had undergone prioritisation exercises – on the understanding that maintaining statutory provision had to be their main focus. Subsequently, early intervention and non-statutory services were most vulnerable to losses. However, both evidence and experience left professionals frustrated that whilst this was the reality of the way local authorities had to operate, it would inevitably lead to a need for increased spending later on.

Despite all efforts to protect services, prioritise statutory duties, and use innovation to do more with less, local authorities were acutely concerned that there continued to be a rising disparity between need and demand and there was no anticipation of this changing in the near future. Subsequently, staff members articulated genuine concern over local authorities being faced with delivering statutory-only provision, accessed only by those with the highest level of need.

After 10 years of austerity, the Government had begun to take some welcome, initial steps towards addressing the funding black hole at the Spending Round 2019 and Budget 2020. However, this investment – amounting to an extra **£1 billion** a year split across both children's and adult's social care services - had only made small headway into closing the gap between funding and spending, and the funding settlement remained unsustainable.

The introduction of COVID-19 has radically changed the landscape of children's services. The response to the pandemic has shone an unprecedented light on the people working tirelessly to protect and support children, but also highlighted, and exacerbated, the strains on the system as it responds to perhaps the biggest social and economic crisis in living memory. The impact of this crisis has the potential to be deep and long-lasting. The reserves which many local authorities have relied on to plug the gap between funding and spending for children's services are at risk, as business rates, council tax and other revenue streams are affected by the economic impact of the pandemic. Whilst an immediate injection of funds for local authorities in England has temporarily plugged some of this gap, it has simply served to prop up the response to the crisis. Meanwhile, there are risks that a fall in income will come at a time when the demands on children's and young people's services have never been greater.

Before COVID-19, reduced funding had already forced local authorities to prioritise their statutory child protection work, leaving the non-statutory children's services, which intervene early, to operate on a significantly reduced budget or be cut altogether. We know that lockdown increases the risk of children experiencing adversity. The number of children and young people who will require support to cope with a complete upheaval of their lives will necessitate those depleted early intervention services being rebuilt.

We know children's experiences of COVID-19 will be unequal. Those facing additional economic and social pressures will be most at risk of having the disruption of lockdown compounded by a lack of access to resources, family pressures, intensifying mental health issues and the risk of abuse and neglect. Local authorities with the most deprived communities have suffered the greatest reductions in spending power over the last decade. Their increased needs must both be acknowledged and determine funding provided in the future.

## Central government should:

- Reinststate the **£2.2 billion** per year lost from funding available for children and young people's services over the last decade.
- Set out a sustainable plan to increase investment in children's services beyond 2010 levels in order to respond to rising levels of need – particularly in light of the COVID-19 crisis.
- Ensure that this additional funding is delivered in such a way as to facilitate a re-balancing of spending between early and late intervention. Local authorities must be equipped with the resources and freedom to rebuild their early intervention services and drive innovation in order to sustain a consistent offer of early intervention.
- Develop a social care workforce action plan that provides proper recognition and remuneration for the uniquely valuable role played by children's services staff in their capacity as critical workers, and which sets out specific measures to address long-standing issues in relation to staff well-being, recruitment, retention and reliance on agency staff.
- Recognise that children's experiences of lockdown and other lasting effects from COVID-19 will be unequal and disproportionately weighted towards more deprived communities. Local areas must have the resources they need to support their children after COVID-19, according to the likely level of need and funding available in each area.