HOUSE OF COMMONS

Housing, Communities and Local Government Committee

Oral evidence: Funding of local authorities' children's services, HC 1638

Monday 11 February 2019

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Watch the meeting

Members present: Clive Betts (Chair); Lucy Allan; Bob Blackman; Mr Tanmanjeet Singh Dhesi; Helen Hayes; Andrew Lewer; Teresa Pearce; Lucy Powell; Mr Mark Prisk; Mary Robinson; Liz Twist; Matt Western.

Questions 1 - 59

Witnesses

I: Professor Lauren Devine, Director, Social Justice Research Group, University of the West of England; Phil Harding, Independent Expert; Professor Ray Jones, Emeritus Professor of Social Work, Kingston University and St George's, University of London; Dr Miriam Silver, Consultant Clinical Psychologist.

II: Kathy Evans, Chief Executive Officer, Children England; Adam Pemberton, Corporate Director for Strategy and Performance, Barnardo's; Cathy Ashley, Chief Executive, Family Rights Group.

Examination of Witnesses

Witnesses: Professor Lauren Devine, Phil Harding, Professor Ray Jones and Dr Miriam Silver.

Chair: Welcome, everyone, to the first evidence session of the Housing, Communities and Local Government Select Committee's inquiry into funding of local authorities' children's services. Welcome to our guests from the Education Select Committee joining us today; there is some cross-select committee working on this important issue. I will come over to you, witnesses, in a second. Thank you very much for coming. First, I am going to ask Committee members to put on record any particular interests they have that may be relevant to this inquiry. I am a

vice-president of the Local Government Association.

Teresa Pearce: I employ two councillors in my office.

Liz Twist: I employ a councillor in my office.

Bob Blackman: I am a vice-president of the LGA.

Lucy Powell: I employ two councillors in my office, one of whom is the exec member for children's services.

Lucy Allan: I do not have any interests.

Andrew Lewer: I am a vice-president of the LGA.

Q1 **Chair:** Thank you very much for coming to give evidence to the Committee this afternoon. Can I ask you to go down the table and say who you are and the organisation you are representing today?

Professor Devine: I am Professor Lauren Devine. I am the director of the Social Justice Research Group at the University of the West of England, Bristol.

Professor Jones: I am Ray Jones. I am a social worker. I am also a social services director, and most recently I have been a professor of social work.

Dr Silver: I am Dr Miriam Silver. I am a consultant clinical psychologist. I am independent, but I am associated with UCL as a senior research fellow. I also speak on this for the Association of Clinical Psychologists and have contributed to responses for the British Psychological Society.

Phil Harding: My name is Phil Harding. I am an independent expert. I started work by looking after numbers, but moved into managing and then leading and directing services, so I have a numbers and service background. I have a lot of links with a number of different organisations, but one of the principal ones is with CIPFA, which is a body looking after public finance. I am an associate and adviser to them. What I am giving today is an independent view rather than necessarily theirs.

Q2 **Chair:** Thank you very much for coming. I suppose the reason the Committee started to look at this issue is that demand for children's services is rising and the cost for local authorities is rising. The first question is why. Government Departments do not seem to know why, and have gone away scratching their heads about the causes that are driving that. What is your take on it?

Professor Devine: I started looking at numbers running through the child protection and safeguarding system many years ago, when I did my doctorate. I have been looking at trends and demand for many, many years, since the early millennium. My answer to your question would be that the demand is not, in my view—based on my research findings and the data—led by children being abused and children in need. The demand at this point is equally driven by the system itself. The system is creating its own demand, which is causing a problem of funding, because year on

year there are more children travelling through the various stages of the child protection system.

It is not that we have more child abuse, or there is no research evidence to tell us that we have more child abuse, although we do have undetected child abuse. What we have is a situation where, inevitably, at each stage, the system will claw more people in, keep them in and elevate them through the stages, rather than allowing them out again. That is the heart of the problem, in my view.

Professor Jones: We are on a 10-year journey. If we go back 10 years to 2008 and 2009, and the death of Peter Connelly, with the Baby P story breaking and the way it was shaped in the media, there was an instant response across local authorities, not just in England but across the UK, escalating more work to be defined as child protection. That would have happened before. It happened after the inquiry into the death of Victoria Climbié, for example. But, in the past, it always found its own equilibrium again and came away from the peak. This time round, it did not do that.

It did not do it for a number of reasons. First, Ofsted got a bit bruised by the Baby P story as well, in its rating of Haringey. As a consequence of that, it both upped the standards that it inspected against and changed its terminology. What was called "adequate" before, in terms of its judgment, came to be termed "requires improvement". That meant local authorities were always chasing after good Ofsted judgment, but unsuccessfully.

By the time we got to 2010 and 2011, we might have thought that this would all have found a balance again, but it did not. In my view, it did not because of the impact of austerity. In the written submission I provided to you, I talk about the range of impacts on families, in terms of increasing poverty, the withdrawal of help, not just early help within children's social services, the cuts to Sure Start programmes, youth services, family centres, et cetera, but also schools cutting back on pastoral support, policing cutting back on neighbourhood policing and community police officers. Right across the board, wherever we look—health visiting services—there have been cuts.

All of that has an impact on families when they are beginning to struggle. As families get into more severe poverty as a consequence of the benefit cuts, it is more difficult to parent children well. You are very stressed, as parents, and you do not have all the resources for your children. More families are getting into trouble. They are getting less help than they did before, and more work is piling into children's social services. Because they also have had to make cuts—they have made cuts at the early end of provision, in terms of family support—more children are now escalating with families into child protection, as Lauren was saying. We have this escalation in cost, with less help being provided.

Dr Silver: Yes, very much so. What we see in clinical services is exactly as Ray said. We have a whole set of circumstances where austerity is

driving need, and then all the community and preventive services have been stepped away. By the time issues come to the attention of professionals at a statutory level, things are at such a level of crisis that much more intensive, decisive or expensive options are having to be used than would have been used earlier down the chain in previous years. We are definitely seeing a shift.

A whole number of variables are coming together: more recognition of emotional harm, more recognition of child sexual exploitation and the vulnerability of teenagers at the top end, and absolutely definitely a change in being more decisive, earlier in infancy, with a drive towards adoption where that is viable. There are lots of cultural shifts.

Phil Harding: I support everything that has just been said. A couple of extras would be on housing. Families housed away from their family and friends has been increasing, with increases in homeless families and children placed in homeless accommodation. That housing element is significant, and I can give the Committee some more details of that, should they wish. Alongside the criminal and the sexual exploitation by gangs, you have county lines as another emerging issue. That is reflected in spending going up between £340 million and £500 million a year. These are significant amounts of money overall. I would agree that there may be scope to change the processes and the focus, in order to perhaps bend that spending down.

Q3 **Mr Prisk:** On a particular point, Professor Devine, you said there were now certain elements of the system that actually bring more children into the system. Could you give us a practical example of that?

Professor Devine: Yes, I can. The Children Act 1989, which is the enabling Act for both children in need, under section 17, and child protection—abused children—under section 17, was originally enacted, and indeed remains so today, to separate out sections 17 and 47. In other words, if you were a family with a child in need, you had the right, as a family, not just the child, to expect and receive support and help, in order for your child to thrive and fulfil their potential. Section 47, which dealt with children at risk of abuse, was enacted in a separate section and separate part of the Act because it was always intended to be dealt with differently and coercively, if necessary. Obviously, if a child is actually being abused, consent and working with a family operates in a very different way from a child in need.

What we have seen progressively over the years, and it has accelerated since the Munro review and the Munro report in 2011, which was commissioned by the coalition Government, is an increasing statutory guidance conflation of how children in need and children at risk of abuse are being progressed through the system. That has been a major issue.

Taking into account the context that you have heard from the other panel members, all of which is incredibly valid, what I would put into the mix is that, in 2013, when the Munro recommendations were added into

statutory guidance, the initial triaging of referrals in was removed, and now we have something called a continuous assessment. In other words, from a local authority's point of view, if you have a family referred to you, you have no idea, when that referral comes in, if you are dealing with a potential fatality, like Baby P or Victoria Climbié, or whether you are dealing with a child with a few additional needs, maybe requiring some light psychological help. You just do not know what you are dealing with.

It is causing everybody a problem under continuous assessment. Rather than having the seven-day triage—it goes one way or the other and then you deal with the decision you made—we now have families caught effectively, as Ray says, in a risk-averse system, where it becomes progressively more difficult for a social worker to allow a family out. I put it to you that with any family, no matter who, assessed in the way families are under the system, there will always be some risk found, even if it is appropriate risk. The problem this system causes for a social worker is that, in a risk-averse climate, they are more likely to keep families in, even though the reason for the referral is not suspected child abuse.

That is why you are seeing a massive inflation of the ratio between the numbers of children referred in and the numbers of children going all the way through the care system. We are looking directly at these files; we have access to the Ministry of Justice files, giving us full clearance to see exactly why these cases are progressing. With the exception of very, very notable and very rare cases, mostly these are not parents abusing their children, but their children travel all the way through to the end stage. They cannot get out. You can almost see, palpably, the fear of the local authority in allowing them out and being criticised. That is probably the best example I can give.

Mr Prisk: That is a very good example.

Q4 **Chair:** Does anyone disagree with that analysis?

Professor Jones: It is slightly more complicated on the ground. If I am running a local authority, I am trying to hold work off as much as I can now, because I just do not have the capacity to take it all on. In terms of the triaging that Lauren was talking about, when work comes in first of all, the initial re

sponse is to try to say, "It is not for us to deal with". You try to pass it off to another authority, another organisation, a voluntary organisation or whatever, or get a health visitor or the school to hold on to it, to deal with it, because you do not have the capacity to take on work yourself.

When you do take it on—and there is still that triaging between what is called a section 47 child protection investigation or a more general assessment as a child in need—with a child in need, you are likely to close that work down again pretty quickly, if you can, to free up space to take on additional work. You are trying to move it out. Therefore, all you

hold on to at the end of the day is the child protection work. When you hold on to that child protection work, you do not have much resource to deal with it, apart from taking the time to assess what is happening, monitoring and surveying what is going on within a family, and then, if it gets really frightening, escalating it to court proceedings and care proceedings.

The public at large think child protection is about children who have been beaten up and abused, or sexually assaulted. It is not. If you look at the figures, the growth in child protection work has been about children who have been neglected and children who have been emotionally abused. In the past, these are families that we would have worked with not as child protection concerns but as families that needed assisting. Because the assistance that might have been available has been cut back, there is nothing much you can do, apart from escalating it as a child protection concern. We now monitor what is happening and, if we get really concerned about it, we escalate it to court proceedings, and that leads to children coming into care, because we are not actually dealing with it now as a general family assistance requirement.

Q5 **Chair:** Do you think authorities are getting overly defensive about it?

Professor Jones: I think they were over-defensive and, to some extent, they have now got trapped in the fact that the only resource they have is to escalate these as child protection concerns, rather than helping families. The time for social workers and others to spend helping families has been squeezed out.

Q6 **Lucy Allan:** Is the point you are making there that, really, the only tool in the box available to a social worker is a statutory intervention at the extreme end, rather than offering something more preventive in terms of support for families?

Professor Jones: Increasingly so, and it is bound to be so. If you close down a lot of family centres, Sure Start programmes get closed down and youth services are closing down, those are resources that might have done direct work with young families and families with adolescents. Those services are not there in the way they were before. The workloads of social workers means that they are not able to spend time with families, apart from going in and finding out what is happening, then coming back and taking decisions about it. Although local authorities will have available very targeted programmes of intensive work with a family, maybe for a period of a month or something like that, if that does not crack the issue, what are you left doing? You are left escalating it.

Chair: We will come back to early intervention in a second.

Q7 **Matt Western:** Following up, you have been elaborating on the child protection plans and talking about some of the causes at the scene, which are really down to emotional abuse and neglect. The incidence of these has increased significantly over the last 10 years. Professor Jones, you have been giving reasons for why you see that. You were talking

about austerity. Are there any other reasons that the rest of the panel could perhaps raise?

Dr Silver: It seems that there is evidence of emotional harm and neglect being more harmful to children's trajectories, in terms of their development and outcomes, than photographable, more tangible things like a disclosure or an injury. The difficulty is in separating them out. The harm of not having trustworthy people around you and not being protected from the risks in your environment is really important. Working preventively and in these community ways made it possible to address the softer side of neglect, and to separate out the ones where action really needed to be taken. As Ray has elaborated very clearly, the absence of the work of getting alongside and doing the preventive and supportive work is really significant.

We also have an issue in the fact that services have got quite defensive. If a parent needs work to help their child, it is often hard to get input for parents in their own right. As the community services have been stripped back, that is becoming tougher and tougher. There is a lot of defensive practice. There is also an element of wariness around complaints that are coming in from care leavers about having been failed to be protected. That is making people more risk averse. There have been a couple of cases where care leavers have sued authorities for failure to protect. That is an interesting angle to make people defensive.

Phil Harding: The only other thing is the general demographic pressure. The number of children aged nought to 17 is growing. That is not uniform, but it is covered in reports like the ADCS safeguarding reports. Manchester, in its submission, highlighted that in the most deprived areas there is a higher proportionate increase in children. The demographic changes in the most deprived areas are growing faster than the population as a whole.

Professor Devine: When you have universal services and you have a lot of people who may be suffering some level of deprivation, accessing those services is what we call in our research a point of contact. It stands to reason that the more points of contact a family has with potential referrers, the more children you will have referred. Now, you can look at that in two ways. You could say, "That is excellent. That is what we want. Child protection is everybody's business". We have all heard those things said. In theory, that would work well, but when you match the referral data trend over the last 27 years, since the Children Act 1989 came into force, with the abuse detection ratio, you see a fall from 24% to 7%.

There is something more going on here. It is this point of contact issue. Certain demographics will, by definition, always have more contact with services, with GPs, with housing, with all those non-child protection and safeguarding services, because they have, de facto, other needs. Every one of those points of contact means that certain demographics will have a higher probability than other demographics of being referred. Then we are back to the point I mentioned earlier. Once referred, it gives

everybody a problem as to how they get out again or whether they should get out.

In the files we are looking at, one of the key drivers for cases progressing is not safeguarding or child protection. It is something else. It is the relationship between social services and the family. There are some families that welcome social service involvement, and they will work very well. The phrase is "work well with". Some families do not understand what "working with" means, or they say, "I do not want you in my family". They have other points of view.

The single most common reason, from our final analysis, for cases to progress is not abuse; it is not neglect. It is compliance or lack of compliance. There is a lot more going on there. It is difficult for the social worker: how do they let a family out if they are simply saying, "Sorry, we do not need you; go away"? On the other hand, if they do not, the consequence is that the family travels through. It is very complicated when you start to unpick it and look at the end result. How many children are removed because they have been abused, and how many children are removed because, ultimately, people have run out of options and they do not know what else to do? As Ray says, they do not want to take the risk of leaving the child with the family.

Q8 **Matt Western:** In your work, are you finding there are simpler, better, more cost-effective ways of helping children and their families?

Professor Devine: I would go back to the original intention. If you look at the Hansard debates and the papers that underpinned the Children Act 1989, what it was trying to achieve and how it thought it would achieve it, it was heralded as a way to preserve family autonomy unless there was a real need for intervention. That was why section 47 was in a different section. It was intended to be used fairly rarely. Since then, in 1995, there was a Government-commissioned piece of research, Gibbons et al. They said, as far back as 1995, "There are problems with the way that children come into the system. We have a lot coming in, and very little substantiated abuse. What is going on?" That was when we had 160,000 referrals a year, of which 40,000 a year were substantiated. There was a problem in 1995.

As a consequence of that piece of research, the way in which referrals in were looked at by social workers changed, to look at them primarily as a needs-based issue. That is where we get to the current situation. At the time, it looked like a wonderful solution to what was clearly a problem. But, all this time on, we now have a lot more data and a lot more knowledge. We have a more complex system and, as others on this panel have quite rightly mentioned, more types of abuse: CSA, county lines abuse.

We may need to rethink how we are conflating or, indeed, whether we continue to conflate sections 17 and 47, particularly given recent research that has come out, as I am sure we are all aware of, which is

casting doubt on early intervention per se as being the panacea that heads off all abuse. The evidence, sadly, shows that some of these innovations and early interventions work intensively with individual families and have some effect, but are very costly, are localised and are not necessarily fixing the bigger problem.

Professor Jones: Some of this is not rocket science, but also there are no magic bullets. We need to think, "What is actually going to help us with our communities, to get to know what is going on within families, and to be beside them when they need help?" To do that, you need stability and continuity in the workforce, not just in the children's social services workforce, but in terms of your colleagues working in community health services and community policing, and within schools. You need to have organisational arrangements that are consistent and not churning and changing all the time, so that people can build those working relationships with each other. Rather than centralising back to make savings away from local communities in central locations, we stay within those neighbourhoods and local communities, so that we are a part of them, rather than just visiting them.

We have moved away from that quite dramatically, over the last decade in particular, but a little bit before as well. We now have more fragmentation. The outcome of having academy schools is that they are not necessarily embedded in our communities in the way they were before. We have had a withdrawal of community policing and neighbourhood police officers back into central locations, so they are not aware of what is going on in the way they were before. Our community health services for children are struggling in terms of capacity. Right across the board, all those different agencies that might be working to help families when they get into difficulty are now more fragmented. They are less stable in terms of the workforce. In children's social services, almost 20% of children's social workers are now interim, short-term agency social workers. They do not know what is going on in the community or in the families. We have a 40% turnover in a year in directors of children's services. We have a load of churn and change at the moment, sometimes encouraged under the heading of innovation. We just need to calm it all down, get some continuity back and stay embedded within our communities. We have moved away from that.

Phil Harding: Essex has what it calls family solutions teams, but that is predicated on the continuation of the Troubled Families money. They have eight teams that they have managed to keep going, which do some of this earlier work, but they need continuation of that funding to keep those family solutions teams in place.

Q9 **Mr Prisk:** Professor Jones, you have been very articulate about the important role of early intervention work. We have had some written evidence on either side of the argument but, if I can ask your colleagues, I am interested in their views on the role of these services. They are non-statutory and have therefore felt the squeeze. What does that mean

for the outcome for the children at the end of the day?

Dr Silver: One of the challenges in my area of work is that psychological needs are very prevalent among these children and their parents. While we have quite limited resources in CAMHS and very limited dedicated resources that link up properly with local authorities' children's services, there is a very limited resource for doing the getting alongside and intervention work. My experience reflects exactly what Ray has been saying: more recently, the person with whom you are joining up to talk about the child might not know the child as well, because of the number of agency social workers, quick-changing people in post and churn. The same is true within the residential care sector. We have very, very high turnover of care staff.

There are lots of issues around building supportive services and being able to really know these children and know their needs early on. People make a lot of assumptions about these children: that everything is down to some kind of underlying medical condition, some kind of social adversity, a learning disability or a naughty kid. People do not look through all those lenses at the child in order to unpick what is going on. I used to say I met two children a year who had been known to social services for a really long time, and it was only through, perhaps, an assessment after a self-harm incident or a particular piece of work in CAMHS that we picked up a learning disability for the first time, which really should have been picked up a long time earlier in the journey through services.

We need to know these children better earlier. Then we need to be able to target the work we do with them, based on that knowledge of need. That need might be not only within local authorities, but in how they join up with, for example, CAMHS, community resources and charitable resources. If all those services are feeling impoverished, you get very defensive boundaries. Everybody is hoping someone else will do the preventive piece and it happens less and less, effectively.

Phil Harding: There are a whole variety of councils that do quite a bit of early help. I have mentioned family solutions in Essex. North Yorkshire has a very good early help offer. It has something called No Wrong Door, which a number of councils are applying. They are all trying to avoid people getting to a stage of intervention where they are a child in care. They are very highly rated council. Interestingly enough, Manchester, which has seen its children-looked-after numbers come up significantly, has both an early help offer and, picking up colleagues' observations, has focused on parenting. I know that area has often been squeezed over time. Ray has talked about this story of trying to achieve change together. There are various initiatives from both Manchester and Wigan to do that.

There are a variety of evidenced approaches to early help. The problem, as we have just highlighted, is that it is not seen as statutory. I was sharing with colleagues a little diagram I did for something else, which

shows the different Acts that have happened from 1948 to today. Unlike adult social care, where there was a review of all the Acts to ask, "How do they all work together to act early and so on?", which I think is what colleagues are asking, there is a view that they perhaps do not, and maybe there needs to be a review of that. If we are going to see the numbers and the spend come down, we are probably talking about a change in policy as well as practice.

Mr Prisk: Or consolidation.

Phil Harding: That might be an option, yes. That is a lot of work for somebody to do, but it happened with the Care Act. There was probably a very similar sort of graph that looked like this, and they went through a process to review that, which led to a new Care Act. One of the benefits of that was that it was very much strength-based and community-based. It was trying to make the most of trying to avoid people. I guess that is what everyone wants to do: to try to give the best opportunity you can for all the children in England.

Q10 **Mr Prisk:** Did you have something to add?

Professor Devine: I would add something to that. If I can speak from a legal perspective for a second, yes, you are quite right: there are different pieces of legislation that piecemeal have been added on to expand on the original Children Act 1989, which remains the enabling Act. Legally, here are two ways to look at this: you could have a review of the law and all of the added-on pieces of legislation and say, "Let us have a new Act and start again"; the other way to do it is to say, "We have some secondary legislation". We have *Working together to safeguard children*, which is the statutory guidance.

One way to deal with this would be to say, "Is there anything fundamentally wrong with the law?" If so, it is the law that needs addressing. If not, what I would add to the mix is that the statutory guidance is not fit for purpose. That is causing a number of problems. The way it is interpreting the law is conflating everything and causing everything to be dealt with in the same way, when what we are hearing is that a lot of these cases could be headed off at the pass with the right interventions at the right time. They do not need to come past the universal service-provision level. Of those that do, the evidence I am bringing is that some of them need to be headed off at the pass at a much earlier stage by this separation out of sections 17 and 47. You could do that without changing the law, but I certainly would argue a review of *Working together to safeguard children* is long overdue. That in itself would bring costs down almost immediately and make the system leaner, more efficient and fit for purpose.

Lucy Powell: Hello to Ray, who has given evidence to our Committee before on a not dissimilar topic. Following up on that, Phil, I was interested to hear what you said about Manchester. Obviously, I am the MP for Manchester, so it is something I am very familiar with. On the

early intervention point, we have the benefit of a very successful Troubled Families programme; we have an early-years delivery model that screens every child eight times between nought and five. Mary is familiar with this, coming from Greater Manchester as well. We have an early-help model in Manchester City Council and across Greater Manchester we have a place-based model, which has really meant that agencies have to work together in an area.

On the early intervention point, how can we properly fund those models? They are very investment-intensive. It takes about 10 years for them to start saving you money. The Innovation Fund perhaps does not do that. How can we better create the space to allow for these new ways of working and those programmes to come together?

Phil Harding: It is a very good point. In Greater Manchester, you have the devolution of health and social care. If colleagues are not aware of it, there was something like £500 million put into this in order to change the way the health and social care system operated. You are right. If you were looking at an equation that says we can improve things, there is an "I" in that, which means you probably need to invest in it in order to do so. Obviously, this is health and social care, but £500 million scaled across the whole country is about £12 billion. That is trying to change the health and social care system. You are talking about a reasonable size of money to be able to do that. Again, I could provide some further information in terms of some thinking about that, if that helps the Committee.

Professor Jones: I would be very wary of the type of strategy of the Innovation Fund. It is a costly exercise in terms of bidding for the money. It is short-term funding. As you get the projects up and going, you have to close them down again. It is small scale. While it gets trumpeted quite a lot, it is small scale against the size of the cuts that local authorities have been experiencing. It is very wasteful because of that. I recognise that at the moment, if you just put money into the general pot, it will be used to deal with the crisis that we are in at the moment but it will not help to turn the ship around. There is an argument for some specific funding here.

How you make sure that is properly accounted for and it does not just leak out into dealing with the overspends we have already is an issue that you would want to see addressed, but I would have some sizeable—it does need to be sizeable—specific funding, where local authorities can actually use that money without having to look over their shoulder by bidding for it separately in a competitive way. It is a general allocation to local authorities for a specific grant.

On this bit about early intervention, I call it family assistance. I am not sure what is early about it. It is about family assistance and being there with programmes that are embedded in communities, including voluntary and community organisations providing those services. The only way you are going to do that at the moment is to put in a sizeable chunk of money

and to make sure it is safeguarded for that purpose rather than just used to bail out the overspends that local authorities have.

Dr Silver: Absolutely, yes. There is a real "save to spend" deadlock, which is that nobody is able to spend to do the preventative work. I am also really mindful that the only line that has really stuck with me in the "what went wrong in Northampton?" bit was that phrase, "Innovation is not a replacement for getting the basics right". When it comes to testing out new things, innovation is all very well, but you have to get the basics right. You also have to understand your population properly and what the needs are. For me, part of that is about the division between social care and CAMHS, for example. We need to have cut-offs that are at the same age; we need to have teams that join up better together. We need resources that address that mental health element both for the children and the parents, rather than leaving all of that within social care, if it is the ordinary response to adverse experiences, rather than seen as a diagnosable and treatable condition. That has been a really artificial divide.

Q11 **Lucy Allan:** Would you say that "innovation" is often the wrong word to use? It is more about sharing best practice and providing the space and expertise to switch models; I do not mean "switch models" but to go from dealing with the crisis badly to trying to alleviate the crisis in the first place.

Dr Silver: Yes. For me, it is not necessarily innovative to know that you have to prevent the crash from happening rather than responding at the crash scene. All of this stuff that comes earlier in the child's journey through their experiences of services and earlier in terms of how we support families is going to be really important to get right. We have to put back in those pieces, but without expecting to save the money at the other end first, which is never going to—

Q12 **Lucy Powell:** No, exactly. In Manchester we found that it was still not really saving money—far from it. We had to spend millions of reserves. Luckily we are majority shareholders in Manchester Airport; otherwise, we would not be able to do it. Lauren, did you want to say anything on early intervention before we move on?

Professor Devine: Yes. I also have a problem with the word "innovation" in this context. We have to be a lot clearer with the language we are using when we are describing all the things we are talking about. What exactly is children's social care? What does it mean? Does it mean preventing abuse? Does it mean supporting a family in need? Does it mean a universal service? We have to be a lot clearer about what we mean by "innovation". Do we mean something that is novel that might perhaps be the magic bullet we are all looking for? Do we simply mean something that all families might reasonably expect is put in place for them as a right?

I can give you a couple of examples. Sure Start, which was put in place and rolled out in 2001, was a universal service. It was open to all, regardless of financial means or need. Parents could go along. It was delivered in different ways across the country, but in many areas there were facilities for parents of all demographic backgrounds to turn up with their children and take part in activities and get something out of that. That is a universal service. In other areas, Sure Start was more targeted and more restricted, but it was seen as an intervention. We have to be a little bit clearer about what we mean. What is an innovation? What is an intervention? When does an intervention need consent and when does it not need consent?

At the moment, when a case comes to a local authority, what we are seeing is that a lot of money is being spent by them on trying to understand whether what they are trying to do is provide a simple service to a family. As Miriam was saying, is it perhaps a CAMHS service that is needed? That is not children's social care; that is something else. That is a health issue. When we are talking about the crisis in the family, what specifically are we talking about? If it is a mental health crisis, then that falls under a different budget, from our point of view.

If we are talking about simply saying that we want to keep innovating and providing these services that will apparently head off abuse, I would love to see the evidence that some of these services, on a large scale, are really doing that. As others have said very ably on this panel, it is very costly to get things off the ground in terms of start-up money. How many people are really being helped? What is the evidence that is really heading off cases? For example, does a case go away for six months and then come back into the system during a different financial year? That would mean it would be there in the system but it would be invisible on the financial year where the innovation has happened. It is more complicated.

Lucy Powell: Yes, absolutely; I agree.

Q13 **Chair:** We have to move on, but I would just challenge you in one way. Everyone is working on the assumption that early intervention works and eventually it reduces costs further down in the system. The National Audit Office has said to us that there is no evidence to link cases where local authorities have cut back on Sure Start and other early intervention measures and an increase in demand for childcare later in the system. Why is that? You are all saying that it happens, but according to the NAO the evidence is not there.

Professor Jones: I would not start from this conversation, in terms of whether it saves money. If I am a family and I am struggling, and I am struggling because of increasing poverty and increasing housing uncertainty, if my children are getting less happy and they are having difficulty at school, if there is more antisocial behaviour in our neighbourhood because the police have withdrawn and there is no one putting down some of the boundaries that need to be put down

sometimes, things get a bit out of control. What I want is somebody and some services that will help me to be in control of what is happening for myself and my family and will be there beside me.

When I was doing to research on the Troubled Families programme, essentially what I was doing was meeting with single-parent mothers who were suffering from high levels of depression and stress as a consequence of increasing poverty, where they were turning to antidepressants but also to alcohol as a means of getting through the day. Sometimes the children were not getting to school in the morning. The whole thing was just spiralling away. If we cut through this, we just want people to be there beside them when that is beginning to happen, to hold them together. It does not have to be children's social services; it has to be embedded in the community, supporting where that need is pretty quickly in order to get beside those people.

If we can do that, the logic is that we will not have to pass this on to children's social services, with the issue about childcare. We will see it as a family support issue for those families. That will reduce the level of activity in terms of social services. Children's social services will be dealing with less child protection activity and more helping people in the community to care for their children well. There will be savings downstream. There will be savings downstream, because we know why there has been an increase in the cost at the moment.

Q14 **Chair:** Why is the NAO saying that it cannot find the evidence for that?

Professor Jones: It is looking at the money rather than the process. It is trying to look at the data in terms of counting up the cash costs rather than the social cost in terms of what we are doing to families at this point in time. Collecting that data is difficult. This is not just a children's social services issue. This is an issue across a whole range of areas of public expenditure. If this Select Committee can address that as an overriding Committee, which is difficult for the Education Select Committee or whoever else to do, that would be a real achievement. What we are dealing with here is the cumulative impact of cuts on families and cuts on public services. Those cuts have come together to create the crisis we are in at this point in time. If we can help to turn this tanker around and see this as something about helping families within their communities and we all pile in to do that, we will reduce some of the expenditure downstream.

Q15 **Chair:** Does anyone disagree with that?

Dr Silver: The only thing I wanted to add was this. If we have structurally limited resources and we then do interventions that improve things, we might still be using the full capacity of those resources for the need that is still there; we are just hopefully targeting it more effectively. I would not necessarily expect to see immediate cost savings; I would just expect to see services becoming more effective. Becoming more effective does not have savings in the same budgets and in the same immediate timelines. It has impacts in how happy those people are and

where their life trajectories go, which might not be picked up in that same immediate audit.

Q16 **Chair:** I do need to move on. Does anybody want to add to that point very briefly?

Professor Devine: I do not disagree that there are many families who need someone standing beside them and need support, but on page 6 of the evidence I gave this party this Committee in writing, I included what I called the theory of child protection circuit. I talk about early intervention, and I agree that there is no direct linkage between early intervention and the numbers of cases going into or through the system. It is more to do with the system itself and how it is set up. There is more in my written evidence.

Professor Jones: What we do know is there is some correlation between deprivation in communities and children who are being caught in the child protection net and going on to be looked-after children. There is a really strong correlation there.

Phil Harding: I would also just say that the NAO report did say that they only chose a very narrow measure, which was simply the child protection plan. They did not have time to look at other factors. Again, I can give you a more detailed response to that particular question if it helps the Committee.

Chair: Yes, could you give that to us?

Professor Jones: Yes, I am very happy to do that.

Q17 **Liz Twist:** I want to look at spending now. Spending on statutory children's social services is rising, as we have said. It is taking up an increasing proportion of many councils' budgets. Is there any way that councils can realistically control these costs? Is there a case for having some central ring-fenced budget to help local government cope with the demand on children's services?

Professor Devine: That would be one way to look at it. Another way to look at it would be to look more closely at the fact that there are 150 local authorities that are pretty much all, at this point in time, free to innovate and do things in the way that they see fit, as long as they follow the statutory guidance. I will come back to my point that the statutory guidance could and should be revisited. There needs to be more targeted thinking at the central level about how funds are being spent at a local level. At the moment, you have this massive difference in spend between councils, depending on what they do within that envelope.

The answer to the question is that it is more complicated than allowing a budget per child or a bigger budget per council. It is more about how centrally this now needs to be looked at to check that what is going on is actually working and that money is not being spent on, for example,

private providers with innovations that in some cases have very shaky evidence that they are doing anything at all.

Q18 **Liz Twist:** Can I just check that I have understood that? Are you suggesting that there should be a kind of national formula for what services are delivered and how in local authorities?

Professor Devine: No, we are not at a point where it would be advisable to create a formula. The reason I say that is that all you need is one high-profile and very sad child fatality and of course there will be legitimate questions asked about whether we are delivering child protection via a formula, which of course is very difficult to do. Let us just be very careful here. Bear in mind that, at this most serious level, we do have children who have died. There are more than we are comfortable with. There are over 1,000 serious case review reports available publically for anyone to look at. That is 1,000 children too many.

This issue of how we look at those rare but very serious cases needs to be at the forefront of our minds in terms of budget-setting. Rather than having some kind of budget per child or indeed per family, I am suggesting that we need to have a better central handle on how that money is being spent and where it is best spent. At the moment, there is a lot of control left to each local authority and very little central understanding.

Dr Silver: I wanted to say something that is not directly related to that. One of the biggest areas of scope for changing spend is in being able to generate more placement options. If we could make fostering a really attractive option to people, if we could encourage more providers to provide a greater variety of children's homes, there would be less supply and demand decision-making in situations where we need a placement for this child from today and the only options are X, Y and Z.

If we are matching placements by need and we are choosing between provision—because we have cultivated a good range of market and we have given status to foster carers and we have given training to providers—then we are not in a position where some providers can say, "We only have a placement available that looks like this and costs this", or, "This child looks a bit complicated so we want to add this, this and this to the cost". Part of it is a real issue of supply and demand in placements at the far end. Disproportionately, the spend is going on the cost of placements where we have less of a sense of what good quality looks like and what differentiates between them.

Professor Jones: Can I make four comments after that? We do need some more money. We can have as many conversations as we like about how we can do this more efficiently and so on, but the cuts that have kicked in are just so big that, if you do not replenish some of those cuts, there is no solution to this. There is no solution to this. We can be as exciting as we want to be in terms of ideas, but we have just cut too far, full stop.

Secondly, I made that comment earlier about how it would be sensible to have a specific grant. I would make it available for family assistance. I would work out how to make sure it got used for that purpose, but I am repeating myself from earlier. It cannot just be used to fund the overspends at the moment. If we do not start putting in some bridging funding to rebalance the system we have at the moment, I do not see how we are going to achieve very much at all.

Thirdly, picking up the comment about the money that is leaking out of the system as profit, we are paying more for a poorer service. We are paying more for a poorer service in terms of residential children's homes, because 72% of children's homes are now privately provided for profit. When social workers—these are often agency social workers who do not know the family that well—who are employed by a private for-profit employment agency place children in children's homes, they do not know who they are placing them with. The private agency that is running those children's homes is trying to drive down their costs by having a low-paid and, to be honest, less stable workforce themselves. We are paying more money for a poorer service. There is an encouragement for local authorities to pick up and provide themselves some of these services that they have turned their backs on. At the moment, 40 local authorities do not provide any residential childcare themselves; they buy it all in the market. The market is now escalating the price because they can afford to, because they have local authorities over a barrel. The same is true of independent foster care agencies.

The fourth comment from me on this one is that we do know there is a correlation between deprivation and families getting into difficulty and that escalating into child protection and looked-after children, and yet the funding mechanisms that are being used by central Government at the moment are reducing the funding to the poorer areas by more than the reductions in funding to the more affluent areas. That is not helping to get this sorted.

Q19 **Liz Twist:** Mr Harding, do you have anything to add?

Phil Harding: I agree with everything that has been said. To put some percentage numbers on it, as I said before, spending is growing by between £340 million and £500 million a year. It is somewhere between 5% and 5.5% overall. Some of that is simply inflation, because we get cash figures, and some of it is increased demand; there is an increase in the number of children who are looked after and an increase in workload amongst staff. Those are the two major areas.

I have looked at costs, and 95% of the increase in costs is basically in children who are looked after and safeguarding. That is the reason why it is going up. Unless you change the process and policy of it, that is the way it is going to go up. If you are going to budget, you start with, "What is reality now?" If it is going up by £500 million a year, it does not take many years before it is very substantial. As I highlighted in one of the tables, although there was a little bit of an increase in general funding for

2019-20 as part of the autumn Budget—and this was very welcome—in the years preceding that there has been some innovation funding but nothing specific or general. If you take the end of the spending review, I have a gap of between £2.7 billion and £4 billion. It is a lot of money, and local authorities do not have any space to absorb that scale of cost increase.

Q20 **Liz Twist:** To come back to the first part of the question, is there any way that local councils can realistically control these costs at present? We have heard about the market side of things, by perhaps encouraging more fostering options or more residential options and those kinds of things. Are there other realistic ways in which councils can control costs?

Phil Harding: In the paper I submitted, which is a draft, I looked at the performance of what I called a subgroup of councils rated "good" and "outstanding" that seemed to demonstrate good use of resources, and I then compared that group with the rest of England. In other words, if everybody performed as well as North Yorkshire and East Riding or Essex, et cetera, what would we save? It was not a huge amount of money. As we have highlighted here, what they are doing is shifting the money, quite rightly, into family assistance and so on to reduce what we would all want to see: fewer children coming into care. But this is not saving lots of money, partly because of increases in population, increases in deprivation and a lot of the factors that we have highlighted already.

That is just carrying on. As I say, if they were performing as well as that group, we would not save a lot of money. I worked it out as something like around about £200 million. They also tend to have more staff. In order to do the job well, you need more staff. We should not be thinking that there is some form of magic that is going to come and enable that to happen. There are examples of good practice. There are local authorities that are doing more collaborative commissioning. Greater Manchester is looking at options in that area, but it is early doors.

One thing to take account of, which we may come on to when we look at private provision, is that for those people providing residential care, one of the key determinants of cost is how many people you have in a particular residential care home. If you have a home that has four, five or six people and you lose one or two, then your costs go up dramatically. You need to work with the market very carefully in order to get the best out of it overall.

Professor Jones: That does not necessarily deal with the quality issue either. I used to manage children's services as a part of my job as a social services director. There were occasions when we would allow the numbers in a children's home to run down, because we needed to get the home back in control when it had got out of control. There was an occasion when I closed a children's home for two months completely and deployed the staff and the children elsewhere and then we rebuilt it, because it had got out of control. That is the nature of the beast. If you are a commercial organisation, you cannot afford to do that, or you

choose not to afford to do that. You keep running the service come what may and filling it up. That is why we have some of the problems we have today in terms of some of the risk we are placing our young people within.

Dr Silver: Or you phoenix the home.

Q21 **Andrew Lewer:** Why would it be in the interests of an organisation to run something so badly that it caused all those problems?

Professor Jones: Because they get money from it.

Q22 **Andrew Lewer:** No. Why would anyone re-commission it if it was performing that badly?

Professor Jones: Because we are spot-purchasing. Local authorities are buying places for children at the point when they need a place. They buy it off a prospectus usually from a home that they do not know, which might be some distance from their area. They have never used it before. The prospectus will look really exciting, because it describes itself as providing a really specialist and expert service. You then describe your child in a way that fits into that prospectus, and the child goes there. If it is not good, you may not use it again, but other local authorities will.

Q23 **Andrew Lewer:** Is there room for the private sector in children's services provision in any way, shape or form?

Professor Jones: Not a lot, no.

Dr Silver: I did quite a big piece of service improvement work with one of the big private residential providers. There are quite a lot of interesting dynamics going on. One of the difficulties is that you cannot tell from the brochures at all—and if you are a social worker you cannot even tell from conversations—what the markers of quality for that provision are. There is a real challenge for Ofsted in trying to inspect provision and make judgments about the degree to which this placement really understands this child's needs and is trying to meet and address them versus the degree to which they are just providing a roof, transport and some food.

In a sector where the majority of the workforce are minimally or unqualified, and where there is very high turnover, there are challenges in terms of how we provide really good-quality services for the most needy looked-after children with the most complex needs and the most challenge. We need to go out and really see how we can skill up that workforce, be more individualised and really understand the children. There are some providers that are really good with those kids. It is just really hard for them to differentiate themselves from other providers.

I have seen private providers that are doing a really good job in some cases, particularly small private providers, where they run one, two or three homes and they really know every child and their workforce well. They might be doing a good job; it is just hard to compete against the

marketing. A lot of the placing decision is not about quality; it is about supply and demand, unfortunately. When certain private providers get homes that are not doing well, they close, rebrand and reopen them. They do not appear as visible in the stages when they are not doing well while they continue to earn from them. That is a big challenge.

I absolutely agree with what Ray said in terms of the marketplace. There are things we can do to help the system, but at the moment the system does not have enough resources to meet needs and it does not have enough supply of options because the local authorities are no longer in the placement-providing business. So much has moved out to agency fostering and private residential. That is maybe because of issues around being risk averse and being anxious about all of the institutional abuse scandals and all that kind of stuff.

Q24 **Mary Robinson:** Professor Jones, your description of young people and children being placed in homes after a quick look at a brochure is one that is very worrying, frankly. Even a travel agent would perhaps send somebody abroad to have a look at a hotel that they are going to place somebody in. Is this a matter of culture? Is there something that really needs to be changed in commissioning in terms of the way these things are done?

Professor Jones: We have gone through a major change. Some local authorities now employ teams of people called brokers. Brokers are not social workers. They receive information in terms of an assessment about the child and then they go out to a range of providers and try to negotiate on price for a placement for that child, so the child becomes a commodity in this process. Because we are often buying an individual package for an individual child, we may not use that provider again; we may never have used them before. We just go around the circuit.

It is a real concern that we are placing children with people when we do not know who they are. They may be at some distance from where the child lives and where the social worker is based, so they are not seen that often. When I used to run children's homes, I would be dropping in and out when I was going past. I would know the staff; I would know the children who were there. If I was driving down the road and I had 20 minutes to spare, I would go in and have a quick cup of coffee or whatever to have a look around.

If you are doing this with the private sector, first, you have no right of access apart from going in and seeing the children you have placed there and, secondly, it is not your business in one sense. You are not responsible for it. You may be responsible for the child, but you are not responsible for the service. The risks we are placing the children in are unseen and unrecognised.

Q25 **Mary Robinson:** Would changes to the right of access be something that would be helpful? If the provider is there and nobody has actually had a look at the provision that they are providing, that is an issue.

Professor Jones: It may not even be local. It may not even be within your area.

Chair: We need to move on. I am conscious of the time now, and we are going to have to really focus hard on the next few questions, because we still have lots of questions to follow up on. When asking the question, could you take account of the points made by others? Quite a number of the points in the next few questions have already been dealt with. If you could not duplicate, it would be helpful.

Q26 **Teresa Pearce:** Lauren, you mentioned earlier about the cost per child. The LGA did a report and found that on average the spend on children's services per child varies massively from £200 to £1,200. What does that tell us? Is it just about deprivation, or is it the way it is accounted for in the financial accounting? Do those figures tell us anything? Is there something we should learn from that?

Professor Devine: That is a question that will be hard to answer in the very limited timeframe we have left. If you look at the LGA's report, they do forecast a deficit of £2 billion for 2019-20, which is obviously concerning. I put in my evidence that there are only two possible solutions to that problem. Regardless of how that is operating at local level, that is a big number nationally. You either have to increase the budget on the basis that we are just going to keep doing more of the same—to keep doing the same, you need a bigger budget; we cannot really get away from that—or you have to change some of the variables and make sure you are doing something different to keep the budget down.

In answer to that I would simply say that, rather than looking at deprivation or spend per child, we need to go back to my original point: change the framework; let a lot of these families back out. Most of these families are in but they cannot get out again. Between initial referral and child protection plan, where there is any substantiation, the cost is huge per family. The majority of those families are assessed and then they are stuck in the system with a huge cost. Of itself, that would be a massive saving.

Q27 **Teresa Pearce:** Can you explain the massive difference in spend per child between local authorities?

Dr Silver: To me, that reflects a lot of this supply and demand issue. Sometimes you are making decisions based not on what the child needs but on what is available. We really need to avoid some of the simplistic mapping of need to placement cost. There are some consulting agencies that have very glossy ways of trying to count need and look at placement cost and then say when those are mismatched. Unless you are doing that on a really good evidence foundation in terms of what defines need and what needs are important, and unless you have choice in the placements available to you, trying to look at need versus cost is going to be fruitless. It is really about have enough choice in the placements

available for the children who really need placements that you can choose according to need.

Q28 **Teresa Pearce:** It is a massive difference of spend per child. Is that difference between different local authorities' levels of spend showing us that one local authority has much more deprivation and need, or is it showing us greater efficiency, or is it showing us nothing?

Phil Harding: I must admit that before I came here I was just looking at house prices. I got a range from £140,000 to £3.365 million. Your costs do vary across the country for a whole variety of reasons. The difference between those is a factor of almost 25. I then looked at—again I can provide this to the Committee—that list of "good" and "outstanding". I looked particularly at looked-after children costs and safeguarding costs. They are the principal components of cost.

A bit like with the housing thing, I excluded Westminster and Kensington and Chelsea, because they are not typical of the rest of the country. If I excluded some to the atypicals, I was left with a range of costs for looked-after children between £190,000 and £383,000, which is about double. It was much the same in terms of safeguarding. It was between £112,000 and £218,000. If you probe a bit more—that is part of understanding; it is to look in more depth—you will find that the variation is not that great. Even if you look at deprivation, in many areas it is double what it is in another area. Indeed, in the NAO report it could explain 75% of it. If we add in some of the factors we have talked about today, I feel reasonably confident that we can explain why costs vary in that sort of way.

The other thing is that, even if you have an outlier at both ends, there is probably a good reason why there is an outlier. Maybe the way they have added up the costs, the way they have done the overheads and everything else has not been as astute as might be; that could be the other end. That is why you should exclude the outliers. If you then look at the range in between, much as I have said before, it is not going to give you lots of new savings if everybody spends at the lowest level. If you allow for deprivation, if I look at this list, most of them are around the £300,000 mark for looked-after children, which is about the average, and most of them are around about £150,000 or £160,000 in terms of safeguarding costs. There is not a huge variation.

As you say, sometimes people take particular outliers and compare them with others, but you could do that with housing costs. It does not actually tell you anything. How would we make the costs in Westminster the same as they are in Bolton? That could be good, but there will always be some variations, if you see what I mean. I can provide the Committee with more detailed analysis of that in response.

Q29 **Mr Dhesi:** Ladies and gentlemen, I want to explore the private provision of children's services. According to the Revolution Consulting submission, more than £1.5 billion is spent every year on outsourced foster care and

children's homes by local authorities in England, but I was most shocked when I read the *Foster Care in England* review. To quote the review, "Historically, as IFAs have been bought—and sometimes after a relatively short period—sold again, investor returns realised upon the sale of the business have been very high … This is significantly ahead of returns from both mainstream stock markets and private equity fund returns during the same period". Indeed, Professor Jones, in your own submission, you wrote, "Hundreds of millions of pounds are now being taken out of children's social services as profits by private companies and distant venture capitalists". Rather than leaking out of children's services, should that money not instead be spent on assisting children's services?

Professor Devine: Yes, I completely agree. There are two issues there. One is about the layer of profit that is going into private providers' pockets rather than benefiting the children for whom the services are provided. The second issue is the quality. I would simply add this. If you are a head of commissioning for a local authority and you are looking at tenders, you are not necessarily in the best position to understand the quality of the service being provided. That applies to everything from foster care to residential care and some of these new algorithmic prediction systems that local authorities are buying in to look at the other end, at the families that should go into the system. But the profit layer is extremely worrying.

Q30 **Mr Dhesi:** Would everybody be in agreement on that?

Dr Silver: Yes, absolutely. Actually, when you dig into the figures it looks like the cost per child is not that dissimilar in a private placement to a local authority placement once you put in all the overheads, but the quality and the amount fed out into the profits, interest on borrowing against the company, agency work and all of the things that are different in how they staff it are making a difference in the quality of delivery but also in the support available for the workforce.

What we want is a workforce that is psychologically available to these children and that sticks with these children over a long period of time. If you pay minimum wage, if you do not train and support those staff and if you do not provide sick pay and the terms and conditions that public sector organisations used to, your workforce are more depleted, turn over faster and are less qualified. They do a less good job of that important primary care relationship with that child.

Q31 **Mr Dhesi:** Despite what you have all just said and agreed, unfortunately more and more local authorities are ever more reliant on the private and third sector for providing services for looked-after children. How has that affected the funding and the provision of care?

Professor Jones: It has made it less good, because of the reasons that we have talked about already. There is less oversight of what is happening in terms of children. We lose that relationship with the children, because they are being passed around a marketplace. I am not

opposed to outsourcing full stop. I used to work for Barnardo's. You will be meeting with colleagues from Barnardo's in a moment. When I was working as a senior middle manager in Barnardo's, I used to negotiate with local authorities on the provision of family centres, for example.

I see that there is a space for specialist providers to come in with particular expertise and to work beside local authorities in partnership within their local areas. What I do not see is an advantage in that generating a profit that is taken out of the services, where the motivation of people in terms of providing that service is to keep the costs as low as they can to generate as much of a profit as they can, which is the process we have. There is a difference between having partnerships with not-for-profit organisations and buying services from private organisations that are trying to keep their costs low so that they can generate a bigger profit.

Q32 **Mr Dhesi:** Indeed, I note from your submission, Professor Jones, that you noted that the process of privatisation is also leading to fragmentation, unnecessary complexity and uncertain and confused accountability. Mr Harding, if I can come to you, you noted that independent foster agencies are charging on average two-thirds more than the local authority foster carers. To what extent is that because they are looking after more complex cases in terms of children with more complex needs, or is it profiteering?

Phil Harding: Let me come back to another element related to Barnardo's. Sir Martin Narey did a review of foster care. Indeed, you have a table on page 19 of my submission that compares foster agencies on a comparable basis. If you like, they are trying to extract complexity. The difference is about £300 a week, which is significant. For me, the significance comes in terms of what the local authority is doing to recruit more foster carers itself. There may be a case for it paying more in terms of allowances, because you will see there is a difference in terms of the allowances that are paid between the IFA and the LA. Clearly, if someone can go to an IFA and get a higher allowance and perhaps more support, they will tend to do so.

Nationally, there is still a big issue around the recruitment of foster carers. In someone's submission that I read, they were saying we need more national promotion of the benefits of foster care. The key thing is trying to support the recruitment of more carers that the local authority can oversee.

Q33 **Lucy Allan:** I would like to talk about outcomes for children, because we all want children's services to improve the lives of children. One measure of that is Ofsted, which tells us that local authorities are improving. Do you agree that local authorities are improving in terms of the outcomes for children, Professor Jones?

Professor Jones: We have to be quite wary and patient about Ofsted judgments. Ofsted has had a change of management and leadership. It

has become much less of a "hit and run" inspectorate, which it was before. That was quite damaging in terms of its judgments, which left local authorities having to survive. Now it is staying close to local authorities and helping them in terms of being developmental. That is an improvement we are seeing in Ofsted, but we therefore have to be measured about how we see the better judgments that local authorities are getting now compared to what they were getting two or three years ago, because Ofsted itself has changed its approach.

In terms of outcomes for children, one of the things that Ofsted stress is the benefit of continuity in relationships. The local authorities that are doing well in terms of Ofsted judgments are the local authorities with stable leadership and a stable workforce. They stay close to their children, they know the children and they know the families. That is a big help in terms of families and children trusting the workers they work with but also in terms of dealing with some of the stress and chaos in those children's lives. Creating that stability and continuity is one of the ways we can improve outcomes.

Q34 **Lucy Allan:** Professor Devine, can I just ask you about outcomes? I know you have mentioned the increase in the numbers of children being taken into the system. Clearly, that is not a positive. Is that something that you are saying you would like to see reduced? If they were improving services, would there be a reduction in numbers?

Professor Devine: If the service was working correctly, we would see children in need being offered services to support their need and we would see children who are at risk of significant harm, which is the legal threshold for intervention under section 47, being treated as potential child abuse cases. I have an issue with Ofsted inspections and how the current framework is being dealt with. Child abuse is currently the responsibility of the Department for Education, whereas I would argue that child abuse could well also be described as a public health issue; safeguarding and wellbeing could well be an issue for the Department for Education. To some extent, Ofsted are a little bit hamstrung in how they can assess what are two completely different things under the same hat.

Q35 **Lucy Allan:** Just saying that more are getting "good" and "outstanding" does not really indicate what they are doing for children.

Professor Devine: No, it does not tell us anything about the level of child abuse in society or how good a local authority is across the board, in terms of detecting child abuse in society or heading it off. All it tells us is what Ofsted have been able to glean from their inspection of an individual local authority working within the current framework it has. In that sense, Ofsted is limited in what it can do, but it is very limited in what it will tell you about how the system is really working.

Professor Jones: Ofsted judgments about good and outstanding authorities do have certain variables and factors within them that are absolutely consistent. You can have a typology of authorities. The Ofsted

overview reports will show you what is making them good, and what it is is that they have calmed everything down a bit. They have that stability and continuity right. They are embedded within their communities, they are working well with other agencies, and they know their families. None of it is rocket science, but it is hard to achieve at the moment.

Q36 **Lucy Allan:** Does anyone else want to add anything to that?

Phil Harding: The only other thing is in terms of the point Ray made about turnover. There was a social work survey indicating that a lack of resources was one of the reasons why turnover amongst social work staff is quite high. I strongly suspect it is also a reason why some service directors get to a point where they just cannot reconcile what they are trying to do with the money that is available. Addressing the resources issue would improve stability in terms of both social workers and senior leadership as well.

Q37 **Lucy Allan:** Dr Silver, you said that in Scotland there were better qualified staff. Does that provide better outcomes for children?

Dr Silver: There has not yet been enough evaluation to make certain of that comparison, but it is an interesting state of affairs. The most complicated kids we have are effectively being looked after by the least trained and least supported workforce. There are lots of interventions that are really helpful in supporting foster carers in terms of helping foster carers use better mentalisation or better understand trauma and attachment. Those things are really helpful. We can make residential care staff, personal advisors for care leavers or social workers have better knowledge of all of the mental health need, attachment and trauma stuff and skill up the workforce.

The difficulty is that, at the moment, for a lot of people, it is a slightly more interesting job paid on a par with working in the supermarket. A lot of these residential providers have turnover of a third or more of their staff. Some of the bigger companies have done international recruitment drives. They are bringing in staff who also have a language barrier and a cultural barrier to acclimatise to before they can deliver that quality of relationship. There are lots of different variables, but I do not know whether degree-level qualifications, as they are in Scotland, are the answer. But skilling up that workforce, and recognising and supporting the contribution of the front-line carers, whether they are in residential care or foster carers, is super important. Otherwise those people get traumatised and burnt out and leave. That is not good for anybody.

Professor Jones: You might want to hear from Professor Paul Bywaters at the University of Huddersfield, who has done some research with colleagues on what is happening in Scotland, England, Northern Ireland and Wales and the different patterns that are emerging. He would be a good person to tell you about that.

Chair: Thank you very much for coming to give evidence to the

Committee this afternoon. Thank you very much.

Examination of witnesses

Witnesses: Cathy Ashley, Kathy Evans, and Adam Pemberton.

Q38 **Chair:** Thank you for coming to give evidence this afternoon as our second panel. Could you go around the table and say who you are and the organisation you are representing today, please?

Kathy Evans: My name is Kathy Evans. I am the chief executive of Children England.

Cathy Ashley: I am Cathy Ashley. I am chief executive of Family Rights Group.

Adam Pemberton: I am Adam Pemberton. I am corporate director for strategy and performance at Barnardo's.

Chair: Thank you very much for coming.

Q39 **Helen Hayes:** Chair, can I first of all apologise for being late and put on record my interests in this inquiry? I employ a councillor in my team, I am a vice-president of the Local Government Association and I am also a member of the Parliamentary Taskforce on Kinship Care, which is working closely with Cathy Ashley and her organisation at the moment as well. Thank you for coming to join us this afternoon.

Demands on the children's social care system are rising. Sir James Munby, the former President of the Family Division of the High Court, considered that some of the increase in the numbers of care cases must be due to changes in local authority behaviour. Do you agree with this? What are local authorities doing differently that might be causing the increase? What other factors are driving this increased demand?

Cathy Ashley: In response to Sir James saying in 2016 that we had a crisis and that, truth be told, we did not know what to do about it, Family Rights Group facilitated a sector-led review. That was a child welfare and family justice system review into the crisis in relation to the record number of care order applications but also the fact that the number of looked-after children was at the highest level since the mid-1980s.

As the previous session discussed, there is a range of factors that have contributed to this crisis. Some you can explain through factors such as people struggling with deprivation. I would say that one of the gaps is that there has been no assessment of the impact of the welfare reforms on the numbers of families in the child welfare system. Some of it can be explained by some cuts to preventative services, but some can be explained by a shift in the way the system responds to domestic violence

and neglect. There was a change in the law in relation to domestic violence, where a child witnesses domestic abuse.

I would say we have not become more sophisticated in how we respond. Certainly, mothers contacting our advice service often feel that they end up being both a victim of the perpetrator but also in relation to the way the system responds to them. There is some assumption that they have failed to protect as opposed to actually being the one who raised the alarm bell. It is similar in relation to neglect. Therefore, what we have seen is an increasingly risk-averse blame culture that permeates both the child welfare system but also the family justice system. It is not just a crisis in relation to the way local authorities are coping but also in relation to the court system.

Adam Pemberton: Our view on this is that there is a perfect storm in children's services of rising demand, increasingly complex needs and a system that is struggling to cope with that. Vulnerable children and young people are facing new and overlapping risks. Just this week, Barnardo's has focused on the fact that children as young as eight are being sexually exploited and smartphones add a whole new level of risk for children and young people. Those children and young people who are entering care are increasingly very vulnerable. They are older; they have more complex needs. Therefore, it is harder to establish a permanent or semi-permanent placement for them.

That is all going on in a context where the spending that is available is focus on meeting those statutory needs. Increasingly, that means attention is moving away from early intervention and prevention work, which is absolutely key. The LGA has identified a £3 billion gap in funding by 2025. It is a combination of all of those things. It is the environment, but the need that is out there is more complex, which is only exacerbating a problem in terms of a lack of funding.

Kathy Evans: We are very much led and informed by the *Care Crisis Review* work, so we reiterate all of that. In 2012, we produced an assessment of what we thought were the operating conditions in children's services, both in the voluntary sector and councils in localities. This will not make sense to you to look at it from here, but I am happy to share it with the Committee: we call it our "spaghetti meatballs" diagram. It describes how there are real physical forces at work. It is not quite accurate to say that there have been cuts and it just so happens that there has also been rising demand. These are forces which draw resource towards the heavier end of the intervention and cost spectrum and away from resolving problems early, but they also transfer risk and caseloads.

We think there are multiple factors at play in what is called rising demand. It is worth considering whether "demand" is the right word. In many cases this is not people knocking on a door for a service in any way, shape or form; they are just being abandoned.

One aspect of it is what Locality and Vanguard Consulting called failure demand: as rationing decisions have been made and as difficult decisions have been made about closing services of whatever kind, the people who would otherwise have gone there do not tend to do nothing. They tend to go looking for help from whoever they might tend to get it from, even if they are not necessarily the best equipped or most skilled to get it. We hear, for example, about housing officers having to turn into Citizens Advice workers, because there is such a long waiting list at Citizens Advice to get the advice that they need about their immediate situation. Failure demand is part of what is driving up this idea that there is too much need to meet.

Particularly concerning for us is if look at the base in terms of what we know all human beings need, from Maslow's hierarchy of need. All human beings need warmth, shelter, food, a safe place to live and security. Many of the factors driving families either feeling anxious or having really strong presenting needs that end up being a concern for children's services are being driven by homelessness and the housing crisis, DWP reforms to benefits and income, the gig economy, insecure work and low pay. These all feed into the experience of a child in their family, in ways that generate concern and a need for help that was not there before.

Q40 **Helen Hayes:** Cathy Ashley, the *Care Crisis Review* report highlighted a mistrusting and risk-averse environment, which prompts individuals to seek refuge in procedural responses. Could you elaborate a little bit on that?

Cathy Ashley: You can see it all the way through the system. Social workers are often concerned that if they make a wrong judgment, they will be blamed by their managers. Managers are worried that, if the case ends up subject to court proceedings, the judge will criticise them because it did not go through the process fast enough, et cetera. All the way through there is an element that people end up looking after their own back, in a very crude sense, and passing over the risk. In doing so, they end up escalating. This is even more the case if they are not reassured that there is some service on the ground to be able to pass that family over to.

We see that all the way through. An example in the family justice system, for example, would be around the 26 weeks in relation to care proceedings. There you have a situation where, completely understandably, the Government decided or Parliament decided that proceedings should be conducted in 26 weeks in order to avoid delay for a child. But at a local level your local family justice boards get obsessed by that 26 weeks. Instead of getting an understanding of why in some cases it may be absolutely right to extend it past 26 weeks—for example, to be able to assess a wider family member who could look after that child—instead the focus is on that 26 weeks. It becomes an obsession about performance indicators as opposed to the local family justice board being a place to understand what is happening between agencies in

relation to their child population. That is just one illustration, but there are lots more.

I should also say that there is significant variation across the country. There is regional variation. For example, in the north-west you often get care orders at home made. You just do not have that down in London. There is a certain sort of culture in relation to pre-proceedings work. Again, you see some very significant variations. In some local authorities, exploration about how to support a child to stay with parents or, if not with parents, with wider family is done before you get to the pre-proceedings stage. In other local authorities, none of that work has been done until you get to that point. If that work has not been done until you get to that point, the danger is that you end up having very fast decisions and no proper exploration about the support. We see that particularly with, for example, care leavers who have had babies where no or very little work has been done whilst those young parents-to-be are pregnant, and then you end up with fast removal.

I do not know whether you have seen, but 17,000 infants under the age of seven days were removed or subject to care proceedings over the period from 2007 to 2008. In 50% of those cases, those parents had never had a previous child removed. You are effectively basing it on a projection of future harm as opposed to any evidence of actual harm. Unless that work is done early, there is a real danger that those parents do not stand a chance.

Q41 **Helen Hayes:** Many of the written submissions we have received have said there has been an increase in families with more entrenched and complex problems. Is that something you recognise, and what are the underlying reasons for that?

Kathy Evans: That is certainly what we hear consistently from our members. We ask them in various different ways through surveys. It is a trend that we started seeing when we did that report in 2012. It has been reiterated most recently in our report called *Beneath the Threshold* in London. I would want to say it is all of those things. It may be about there being more complex and different needs present in one family, but in some cases it is simply because the same problem has progressed to a later stage before receiving help or before arriving at the door. Certainly in the case of our members and the voluntary and community sector that they come from and represent, their definition of complex and high-risk needs is defined by reference to what they thought they were there to do, if you see what I mean.

One of the things we are most concerned about is the fact that the general level of unmet need, failure demand and anxious families with perhaps complex problems, some of which may be very soluble but some of which could be at risk of becoming worse, is falling increasingly now to voluntary organisations that previously would have been jointly working with the council but are now trying to deal with that on their own. Their sense of anxiety about how they can support a child and what they can

do with a child like this is quite particular to their circumstances. They do not have statutory powers.

One of the bigger concerns we have is the number who said, "We still refer to child protection in the same kind of rate and circumstances as we ever would. We get no response more regularly. That leaves us with a child and a family, where previously we would have seen some collective action".

Adam Pemberton: The answer is yes. In initial referrals we are seeing many more issues of neglect, poverty, homelessness and the toxic trio, as it is known: domestic abuse, parental mental ill health or parental substance abuse. We are seeing much more of this as a pattern coming through, which makes the needs more complex and harder to meet.

Cathy Ashley: Can I just throw something in here, though? Whilst not in any way minimising some of the complexities that we face at the moment, you have also ended up with a system of thresholds where a lot of energy is effectively spent gate-keeping. In order to be able to access a particular service, you have to show that a parent, for example, not only suffers from some elements of learning disability or mental health issues, but actually that they have reached this threshold. A whole sort of game gets played, because you have to prove it.

It is quite interesting in Leeds, for example, where they are actually looking at getting rid of that whole threshold. It needs to be based on a culture of a) asking the family what the problem is, rather than just prescribing a service, and b) actually using judgment in order to be able to access services. At the moment, we do not regularly enough ask families and those experiencing difficulties what it is that would make a difference.

Q42 **Helen Hayes:** You have described a great deal of pressure in a system, which is driving a certain type of culture and behaviour, which is also leading to families not getting support early on. Therefore, sometimes those issues and problems are becoming more entrenched and harder to solve. What needs to be done to be able to create a different type of system and culture to relieve some of that pressure?

Cathy Ashley: On the optimistic side, what we found from the *Care Crisis Review* across the board, both from those working in the system as well as families and young people, was that relationship-based practice works. Part of what we need to do is to create the context in which relationships are nurtured rather than broken. Some years ago we did a care review where we found that too often the way our system works is to break relationships. That could be in relation to the turnover of social workers, removing children from their siblings in terms of care, or not enabling children to be able to live safely with wider family if they cannot live with their parents.

One of the discussions in terms of the last evidence session was about the scale of the number of children in the looked-after system. Some of those children would be able to safely live with wider family members, if not their parent, if the right exploration and support was in place, rather than us assuming that the solution to the high numbers of looked-after children is solely around trying to find more residential and foster care placements. There are some authorities doing some really good stuff exploring it. I would say Leeds is one, where they are using family group conferences.

The legislative framework is sound, on the whole. That was one of the key findings from the *Care Crisis Review*. There are grounds for optimism and there is a lot of will, by both families and practitioners, to improve the system.

Adam Pemberton: We do need to spend more. We also need to spend smarter as well. In terms of more, we really think the Government should be using the spending review to try to address the funding gap with a particular emphasis on the early intervention and prevention side of things. There is a slight tendency here. We talk about early intervention now as if it is the step just before the crisis. The clue is in the title: early intervention should come much earlier. There really needs to be a focus on that. As Cathy mentions, there is good and innovative practice out there. We should be looking to see how we can foster and encourage more of that so that we can meet some of the challenges.

Kathy Evans: We think of children's services at local levels as being like an ecosystem. It is a complex ecosystem, and it is too simplistic to say, "We need more of this and less of that". What has been happening is like putting a vacuum cleaner on to a plastic bag and then sucking the air out. You cannot change what is happening in terms of the way the forces are working on that ecosystem without reversing the air flow.

So firstly you do need to reinvest. We should call it "investment" rather than "increased spending", because it is quite a strange proposition to be told that the defining feature of a great children's services department is that it spends as little as possible per child. I am not sure we ever decided that was the case, but it seems to have become de facto the case. It is not proving very healthy for children, families or communities. From our perspective, we have two different proposals. Part of this is about trying to keep separate the interest in investing in communities and investing in families because it is good for us and them, rather than rationing and threshold management.

We also need significant investment in the capacity of the care sector to provide better invested and better trained care. If we allow those to just sit alongside each other as two objectives for the same reinvestment, the hard-earned capacity will eat the money. We know that. We argue for a Children Act funding formula to come from the Treasury, but out to local councils for them to decide on how to spend at their discretion. We have

to move away from some of the pre-targeting, the ring-fencing and the control mechanisms, because what you need is free-flow reinvestment. We also then argue for a complete redesign of how money comes out from the taxpayers, through the Treasury, to meet the costs and invest in the long term for a better capacity and diversity of care provision than children currently have, particularly in residential care but not exclusively.

Q43 **Mr Dhesi:** Let us explore the impacts of early intervention in some detail. The National Audit Office report, *Pressures on children's social care*, states that local authorities have seen their overall real spending power reduced by 28.6% since 2010. Authorities have responded to this pressure by reducing spending on non-statutory children's service and increasing spending on statutory social work. Mr Pemberton and Ms Evans, Barnardo's and Children England have stated that cuts to non-statutory services such as children's centres, parenting programmes and early help are leading to an increased demand for statutory services. What is your evidence for this?

Kathy Evans: In our evidence, we were particularly talking about the sheer volume of open access community provision, which we have seen disappear in the voluntary community sector, rather than specifically what we would call early help programmes. We believe that we need to sit alongside each other the trajectory of care numbers going up and the trajectory of cuts to early intervention. While of course we have taken on board and looked at the NAO findings, that is a very simple and, I would suggest, a very simplistic snapshot of comparing children's centre closures and subsequent care numbers. Children's centres are a myriad of different things in the first place. The assumption that if children's centres had any preventative impact then you would see it in the care numbers is over-simplified.

One of the ways in which open access community level activities have, if you like, been hoisted by the wrong petard is by being held to an account for preventing things that do not happen later. That is actually scientifically and statistically speaking impossible to do. They have been drawn into a world where we say, "If you do something, can you prove that it did not have any effect and that did not happen because of you?" That is not possible. It has been falling into a strange place, in terms of the justification of good supportive social infrastructure at community level. I do not know what I am saying about that. I am saying that maybe the early intervention yardstick is the wrong one to apply to what we are seeing as the impact of the loss of social infrastructure.

Q44 **Mr Dhesi:** Mr Pemberton, can you describe Barnardo's perspective in terms of the evidence that you have?

Andrew Pemberton: It is actually very similar to what Kathy has described. It is too early to know the impact that children's centre closures are having, to draw a direct line from one to the other. This is also about the change in the need that is out there, the change of what is

going on in children and young people's lives, and the challenges they are facing today. It is a more complicated relationship between the two.

What we can absolutely point to, through the children's centres and family hubs that Barnardo's works in, is that we know that the people coming to us have more complex needs. I will not reiterate the things that I said before, but they come to us with more complex levels of need and issues that would have been better addressed sooner in the process. They are actually often only coming forward when they are at a crisis point. This is based on the evidence of the children and young people we are working with and what our caseworkers see day to day.

Q45 **Mr Dhesi:** Ms Evans, in terms of Children England, you say that what makes non-statutory services so accessible and so valuable to all sorts of families and surrounding communities is also what makes them difficult to measure and evaluate. Can you just elaborate a bit further on that and explain to us how we might evaluate such interventions better?

Kathy Evans: To give you some examples of things that I am particularly aware of, there is much of what we are calling social infrastructure, rather than particularly early help, but certainly at the community level, where people can join in, gain a sense of bonds, friendships and support networks within their community, and feel known, seen and belong to. First, it increases the range of contact points, as was being described, but also that is one of the ways that many families meet their own needs and each other's.

Whether that is open active play schemes, babysitting circles, peer group support groups that members of communities hold, or community halls and all of the activities that might take place there over a whole range of different kinds, those are not modalities that are either assessing or admitting someone and then tracking their outcomes in the first place. It is not casework. It is not saying, "You have a problem. Did we make it any better?"

Secondly, a lot of the time it is collective, so it is accepting and encouraging everyone to join in. You are not actually monitoring an individual pathway. Some people may use it all the time. Some people may never use it. Just on a modality basis, it is not very easy to fit into the paradigm that most of our services currently have to meet, which is to prove their impact on children's outcomes and the financial impact of achieving that. They have struggled in that area, but particularly because we are often talking about small local voluntary action with very low turnover. Most of them are below the commissioning threshold or zone of interest for children's services.

They would not describe themselves necessarily as children's services, but they are part of the infrastructure that families need and want in their area. A library will not be described or commissioned as a children's service, but it may be doing an extraordinary amount of work with learning needs, reading encouragement and supporting parents. It is

that. Those kinds of provisions in a local area may be very financially fragile, irrespective of whether or not they have any local authority money for children's services or whether it has been withdrawn. For a community group that has been meeting regularly, if the place where they hold those meetings puts their room hire up by £10, it might break them. It might just mean that they cannot do it.

Andrew Pemberton: In terms of these universal non-stigmatising services, which are open communities, we delivered to about 140,000 people last year, through Barnardo's children's centre. They play a vital role in identifying and responding to emerging problems as early as possible. This is early intervention in action. This is how you see things much sooner and you have the ability to address them. It is why they are so important, but they are difficult to measure.

Q46 **Mr Dhesi:** You are definitely right. In terms of a recent report from the All-Party Parliamentary Group for Children, they found that social workers and teachers were seeing a shift to later and more complex interventions. In fact, 83% of local authorities are attesting to that. Let us look into your own submissions. You raised concerns about a move away from universal provision, towards a more targeted intervention. Is there any evidence, Ms Ashley, in terms of whether this leads to worse outcomes overall?

Cathy Ashley: Can I slightly shift your question? At the moment, just take the example of family and friends care, of children who are being raised by wider family. If they step in early, before the child is looked after, that child's access or right to support is severely less. In fact, it is almost negligible compared to those children who have been looked after. At the moment, the way that we have constructed children's services is that, actually, if you try to avoid a child ending up in the care system or if you try to avoid a child having to be subject to child protection systems, the support infrastructure around you is often pretty minimal.

That has become more problematic as you have seen cuts to preventative early intervention services, so those relatives are really struggling when those children need, for example, therapeutic support. Also, it is really problematic because of some of the benefit reforms where we have seen, for example, family and friends carers subject to the benefit cap and therefore they are actually facing very severe poverty. That is just a small illustration of some of the difficulties of the way that we currently structure the system.

Q47 **Mr Dhesi:** Are there any further comments before I draw that to a close?

Kathy Evans: We certainly believe in the value of early intervention.

Mr Dhesi: Do you mean universal provision?

Kathy Evans: In the sense that prevention is better than cure. It is really about saying, "How promptly can we meet a need or a desire for help?" In some degree, we have ended up over-managerialising the

concept of early intervention. It has become narrowed down to very intensive high-cost programmes that are intended to change the life path of individuals. When I started in the sector in my career, early intervention just meant having a rich range of services that were appropriate to different kinds of need. Perhaps we might have overcomplicated that proposition and then been held for failure to prove it.

Q48 **Matt Western:** Can we just turn now to funding and how we can improve the funding of services? The LGA is on record as saying that there is going to be a funding gap of £3 billion by 2025. I am just interested to hear your views on the current mechanisms for funding children's services and whether it would be better to have more central Government funding, rather than being reliant on local government. This is open to you all.

Kathy Evans: I am happy to go first. Absolutely, there should be a far more significant contribution from the Treasury and from the income-tax-paying public. We do not view it as either sustainable or appropriate to leave particularly children's social care and adult social care as being the only things that depend entirely on business rates and council tax. That was the trajectory that we were looking at up until at least the intention to review the fair funding formula. We believe, and certainly our campaigning suggests, that most people understand one of the primary purposes of their income tax to be to support children in care. It is an expression of our collective corporate parenthood.

From our perspective, we particularly want to see whatever comes through the fair funding review incorporate a realistic understanding of the nature of the costs and burdens created by the Children Act 1989 as they were intended. They are absolutely right and Cathy is right—and as pretty much everyone on the previous panel said—that the sector endorses that legislation. It is both comprehensive and it is still right-headed about what we should want to achieve for children. There has never been a commitment to match the funding stream to the desire and the aspiration of the Children Act, particularly not in relation to resourcing section 17 duties to all disabled children and to any child in need of additional support in order to thrive.

We want there to be a Children Act funding formula, either as part of what comes through and is incorporated into the fair funding review or considered explicitly in order that there can be clarity about what is coming to a local area intended for use for children in the round, for children at implementation. We also think that for the cost and the reinvestment and the long-term planning and procurement control of the care system, those children who are taken into care by any family court should be the financial responsibility of the Treasury through a care bank mechanism, rather than leaving the question of whether or not they get the care that they need financially to a local authority.

Local authorities should retain the welfare duty that they have to that child to find them the best place first time. There should be a straightforward matching responsibility from the Treasury to pay for it.

Q49 **Matt Western:** Professor Jones is on record as saying his submission that there should be a separate and distinct grant for this. That is what you are saying.

Kathy Evans: I am open-minded, because our view on the Children Act funding formula is that it should come to local authorities not ring-fenced and without targets and strings. I am unclear how that would sit alongside what might come out for other funding at local authority level. I have absolute trust, from long years of experience, that local authorities will spend and invest as much as they can in children and families. Actually, the evidence is that they have been keeping their budgets as high as they possibly can for children's services, compared with all of the other Solomon's choices they have been having to make on finance. That suggests to me that that will continue to be true.

Cathy Ashley: Can I just throw in one of the ideas that came from the Care Crisis Review? It does not in any way diminish the importance of local authorities being properly funded in relation to children's services and addressing what is clearly a very significant gap at the moment. We looked at what previous funding regimes seemed to have had most effect. One of those that we were attracted by was the old Quality Protects, which was not a particularly expensive funding pot, but it actually did appear to be a catalyst in relation to shifting quality in the care provision.

What we were looking at there was the potential for a ring-fenced pot of money, which is specifically for all local authorities to apply for to address the current crisis in relation to the care system, to see how they could put in place a plan with their partners to act as a catalyst in relation to joint working that would address national concerns about the fact that, at the moment, there is this escalation into proceedings. How do you basically shift the system? As I say, that is not a replacement for the main investment, but there is something that is required to act as a catalyst at the moment, for local authorities who are clearly struggling.

Andrew Pemberton: There is clearly an urgent need for the Government to address the funding gap. The key things are to do that in a way that ensures the funding is sustainable, long term and focused on prevention and early intervention, as I have said before. However, it is also important just to recognise that national Government funding will never solve the whole problem. There is a really important role for Government in trying to help change the commissioning system. The commissioning system is wasteful and it is broken. We need to be looking at a different way in which services are commissioned.

Q50 **Chair:** The assumption is the funding gap will be there, but that assumption is based on the fact that the demand just carries on rising at

the same rate. Why is everyone assuming that?

Kathy Evans: I am not a sceptic of the calculation of the funding gap, but I am sceptical of its assumption of anything staying as it is at the moment, which is the basis on which it has been calculated. I am not going to sit here and say that the demand will rise incessantly and that is a fact, any more than I am going to say that costs cannot be lower than they are now or anything else. We are under absolutely no illusion that there has been a sustained withdrawal of funding, since 2008 but particularly since 2010. Those withdrawals of capacity have their own effect on what is happening now in terms of what children and families need.

As I said, the "demand" word tends to project an idea that people just keep getting needier and wanting more. That would not be an accurate sense of what we were seeing. In terms of the plight in which so many children and families currently find themselves, and without sufficient support either helpfully or to avert crisis, it is hard to see that getting any better at volume. For individuals who are getting the help, maybe so, but we have eight years now of seeing that this is a rising tide of food bank demand, homelessness and homeless families in temporary accommodation. There is no immediate prospect in sight of those things changing back radically.

Cathy Ashley: This increase has been going on since the early 1990s, with a bit of a dip in the mid-2000s. If you take the combination of projected increase in terms of child poverty, the reductions in preventative services and some of the welfare reforms affecting families, as well as what we see as no shift across the board—with some exceptions in relation to some local authorities but no real shift—in an increasing blame culture, it is a fair assumption to make that you are not going to turn the curve unless something quite significant changes. It is reasonable.

If you are a relative thinking about taking on a child and you are looking at the options out there, if you are lucky enough to be able to get early advice, then you are very likely to choose at this point, in a way that you may not have had a few years ago, that you would prefer the child to be assessed as a foster child, and therefore be in the looked-after system, albeit hopefully with you as the foster carer, then basically taking on a special guardianship order. That is because your allowance may be reduced, you will not be able to get benefits and you are not going to be in the position to get that child therapeutic care. The push is that way. We need to significantly shift the system if we are going to be confident.

Q51 **Lucy Allan:** I would like to understand your views on whether children's services departments are improving or deteriorating. How are they performing in your view? How do we measure that performance, which is a key issue as well?

Andrew Pemberton: We see improvements in some places, but it is variable. It is difficult to generalise. Certainly, with the reduction in the number of Ofsted inspections as well, it is harder to see. We do see some things that make us anxious about the continuing trends in exclusions. We do not see mental health needs being well supported; that is very important. A lot of this comes back to the early intervention point, which is that the pressure is making them focus on their statutory duties.

Q52 **Lucy Allan:** They are getting that right, are they?

Andrew Pemberton: It is hard to generalise entirely across the board. They are focusing on the things that are the statutory duties, but when you think about the big picture and a lot of what we have been talking about this afternoon, that is actually dealing with the immediate presenting issue, but it is storing up trouble for the future, because it has just taken the focus, attention and the funding away from trying to prevent people getting into difficulties in the first place.

It might be seen as an understandable response to the pressures and the decisions that they are being forced into, but there are increasing signs of some local authorities thinking creatively and thinking innovatively about how they can do things differently and how they integrate budgets. I would not say that is consistent across the piece. It is something that we are very keen to work with local authorities on, to do that kind of co-design and rethink things, potentially, from the bottom up. At the moment, that is patchy across the country.

Q53 **Lucy Allan:** Cathy, do you see something better and improving?

Cathy Ashley: You get some brilliant leaders in children's services and you get some brilliant individual social workers. You see developments in places such as Hertfordshire that give you hope, even though you know that across the board in those authorities it does not mean that there are not some things that are still going wrong. We get over 17,000 families trying to contact our advice service. We are currently only funded to be able to assist just over 5,000 of those. The picture is very variable, and it is very inconsistent.

It was interesting that the chief social worker, when she presented to the Public Accounts Committee in relation to Ofsted, said that she thought they had a good grip on what safety looks like, but that there could be more examination of what we can do to keep families together. There is something about how you shift where the lens of Ofsted is focused. It can exacerbate that risk adversity, as opposed to risk management and supporting children to live safely within their families where possible.

Kathy Evans: I am no expert with whom to counterbalance the question of what Ofsted have been finding, for a start. I would not put myself in a pseudo-judgment position about children's services teams' performance. There are some councils and some children's services departments who absolutely bewilder me with what they have been able to do, in the

context of the severity of cuts with which they have been having to do it and the rapidity of change around the whole system, not only their own. I am routinely just knocked out by some of the genuine improvement. I do not just mean "in the context" improvement but serious turning around in terms of, "This is what we think we are here for. This is how excited we are about it. Look at some of the ways in which we have turned the system around and said that we are going to do much better, not just better".

Q54 **Lucy Allan:** Children and families being well supported—is this a benchmark? Would you say you see that?

Kathy Evans: What I am saying is my judgment of those places where I think that is amazing is not necessarily one and the same as an Ofsted judgment. I am a member of Ofsted's social care advisory group. They have put some incredible work into improving their approach to not just children's services teams' inspections, but also children's services providers, fostering and residential care. They are more human than it was maybe six years ago, in terms of the way Ofsted judges "good" in these areas. However, they remain almost prevented from even paying attention to some things. It is about compliance with regulation as an intrinsic good or bad: "You should have been able to achieve this regardless".

We do not do extrinsic judgment of saying, "In the context you are in, this is pretty amazing". There is a desire to say, "Intrinsically, there is an objective standard and we can assess you by that. We do not get into looking at your local poverty levels, what has been going on with migration levels or what has being going on in your local economy or your local council since we last came here, to make that relative judgment". There are lots of things that are the realities for officials, staff and leaders that do not make it into the question of what their Ofsted rating is.

We will probably be getting to some more of this as well, but there is also the fact that Ofsted do not really have a line of sight on the commissioning practice as part of how children's services departments deliver on their duties. You can have one council where there is no independent provision. They have it all publically funded. There are not many but there are some. That would show no different in the way that Ofsted goes about its business than an area that has no residential care, is paying through the nose for a premium for care that may or may not be good enough for the child. Another council might be paying a different price. Ofsted has no sight over that. There are lots of areas where it does not tell us what it might need to.

Q55 **Mary Robinson:** Mr Pemberton, you commented earlier that the commissioning system is wasted; it is broken. It begs the obvious question, therefore, about how the way that local authorities' commission and purchase care can be improved.

Andrew Pemberton: There are a number of things. There is a role for Government, actually, in trying to help facilitate this as well and to try and get better commissioning. There are a number of things around it. You need to encourage those responsible for commissioning to think about how they are joining up children's services, health services and adult services, in particular. We are seeing more of this through integrated health and social care budgets. That is driving some of this.

The key thing is to get away from being short term and bite-sized about this. We need to be able to understand the big picture holistically, in terms of what is challenging children and young people, and be prepared to think about this in terms of different ways of doing things, rather than having a service that does this here and a service that does that there. How can we think about it more creatively?

"Creative" is the key word for me. We are increasingly seeing this in some local authorities and some of the ones that Barnardo's works with. It is about that ability to think about system change, about system-wide change and about how we co-design from the start, rather than the way commissioning works, where a commissioning department writes a brief, they send it out, twelve people write a bid, they all submit it in, they get assessed, everyone gets interviewed, one person wins and the other eleven get on. That is wasteful. It is about the idea that you can work in a mature, creative way, and actually say, "Let us think about how we can co-design things. How can we work together to think about doing things differently?"

There is some really exciting practice out there, and we are really excited about some of the opportunities that we have to move into that space. It is certainly not true across the piece. It is about encouraging local authorities to take that leap and think of a different way of doing things, but also it is potentially about national Government helping to put in place a framework, and maybe even some seed funding of some kind, to encourage that as well, which could be used by local authorities, not to top up and fund existing services but specifically about thinking of new ways of working.

Cathy Ashley: Can I just add about co-design? One of the findings from a piece of research that we were involved in is that for families who have some experience in the system, whether that is being subject to child protection inquiries or whatever, there are actually very few mechanisms for them to feed back their experience except through the complaints process. There are some exceptions in relation to some local authorities that are trying to do things differently, but we need young people's voices and we need families' voices in that co-design. Otherwise, we are ending up with a system that is not designed for the people who are most likely to use it.

Andrew Pemberton: I absolutely agree with that.

Kathy Evans: I agree with both of those, except conceiving of care as a marketplace can never be the way in which to meet the needs of the people who need it. There is actual economics behind that; I do not just say that on an ethical basis. The Public Administration and Constitutional Affairs Committee last June produced an incredibly powerful and very detailed report on the need across public commissioning and procurement to absorb the lessons from the Carillion collapse and to take ownership of the kind of risk that we face in overzealous or un-careful contracting, in outsourcing of all kinds.

One of the things that they highlighted in that, which is something that we have been writing about for some time, is that there are some parts of what the public commissions that economically are called monopsonies. Care is a monopsony. Care for children is a monopsony. A monopsony is the opposite of a monopoly. It is where there is one paying customer and however many suppliers you might think of trying to get. If you provide care for a child and that is your business, then you have no other lawful customer other than the state. It is illegal to run a children's home that is not registered and secured and therefore referred to.

This is not a market. It is not a market that has sprung up and then the state got involved. It is a monopsony in which the state decided to go out and create competition. All of the forces in a monopsony are costly and counterproductive. They will end up in new monopolies and cartels. There is plenty of evidence for that and the fact that it is happening. I am not someone who takes a demon view of the private sector all being bad. There are brilliant people working their best in all sorts of organisations—charitable, public, et cetera. The economics and the financial dynamics of commissioning and procuring care as a marketplace are absolutely doomed, unless we turn them around.

Anyone would be able to recognise that spot-purchasing, buying retail for thousands and millions of pounds worth of anything, is literally the most expensive way to buy. It also gives zero control over quality. We need public investment and a rethinking. Because it is a monopsony, I would argue that we need a national care bank model to do the procurement and to take single-eye public open book account scrutiny over anyone, whatever their status, providing care for children. Then councils can procure from a collectively approved and monitored range of care providers.

Q56 **Mary Robinson:** Would that not include private providers at all?

Kathy Evans: At the moment, it is difficult. I could have an ideological view about that and my own personal view, but the reality is that for thousands of children in foster care and in residential care, they are currently cared for in a private sector establishment. We are nowhere near having the capacity with which to say we will drive out the private sector tomorrow. In terms of the right way through this, it is not making profit alone that is the concern. My concern for the public sector and the

Government, which have duties to children, is the sheer volume of debt through private equity on which the care system is actually premised.

If you created this national dynamic purchasing system and a care bank idea, to which anyone providing care, whether they are private sector, small, large, private equity-funded or otherwise, would been to be procured on an open book account basis., that would enable the proper scrutiny of their pricing, of their shareholder fee withdrawal, and of whether or not their private equity financing arrangements are actually an acceptable risk for the public.

My view is that because it is a monopsony it is only ever going to be the taxpayer who pays off those debts and who pays those profits. For that reason alone, I would question the long-term value of that. In the immediate term, we cannot afford to just decide on principle no profit and then wonder what happens to the children. Many private companies are providing essential care for children right now.

Q57 **Mary Robinson:** There is a lot of private provision already in the system, as we know. Just to touch on this again, why are local authorities choosing to use private provision rather than charities or providing services in house? Is it just financial, or are there other reasons?

Kathy Evans: I do not know if I could put confidently the mind-set of those who are making those commission decisions. Those people with whom I confer most regularly in local authority procurement and commissioning feel like they do not have much choice of what is available in a situation where there is a high degree of pressure to use kinship care first, sometimes for cost reasons rather than it being best for the child.

We found price-driven hierarchies within some local authorities when we did a residential care market review, where there was a view that even though I might apply my judgment differently, my cost control systems in this council require me to go through cheapest in house and cheapest external independent fostering before I can get any approval to go to a residential care service that I know this child needs.

Q58 **Mary Robinson:** It is procedure as well; it is a flawed procedure.

Kathy Evans: A flawed procedure—a procedure driven by cost control rather than by the right place for this child.

Andrew Pemberton: Is there scope to potentially just reinvent that, and cast aside the procedure and the process and actually say, "Is there a better way?" It takes leadership. It takes mature conversation. It is very different to the commissioning system that we have come to know; I will not say we have become comfortable with it. There are barriers in play. There are cultural barriers in place to making that shift, but it is happening. That is the encouraging thing. Some people are taking steps down that route, but it is still quite early days to see how that flourishes.

Kathy Evans: There was a particularly good phrase that Sir Martin Narey came up with in the Residential Care Review, which was, "Too much shopping, too little commissioning". It pretty much sums it up.

Q59 **Chair:** I realise that we have to close things down, because we are coming to the end of our time, but I have one last thing. How much monitoring is actually done, and assessment, of when a placement happens, whether it actually adds value to that child and they come out having had their issues, their concerns and their problems addressed? As Miriam Silver said in her evidence, is it simply about putting the child there, you put a roof over their heads and you feed them, and a few weeks or months later you let them out of that residential care and put them somewhere else? Is there any assessment of whether that care placement actually deals with the particular issues the child has got? Is that a factor in placements?

Cathy Ashley: There should be. There is a child review. There should be an independent reviewing officer who is questioning whether the plan in place is meeting the child's needs. There should be. It is variable. It is very hard to describe, in a sense, what the system is like. It is not operating across the country as a coherent system. In some places, you will have a rigorous independent reviewing system, where the IRO is encouraged to challenge. In other cases, we know that IROs have been leant on and there have been some recent court judgments that show some really very poor practice.

Trying to give you an answer about what the system is like is difficult, because of the fact that it is extremely variable. In some parts of the country, you may indeed get pressure on relatives to take a child without the support in place. In other cases, we know of relatives who are literally banging on their door to be assessed properly and just not getting heard. It is very patchy, but the answer is that there should be.

Chair: For residential placements, that should happen.

Cathy Ashley: It should.

Andrew Pemberton: This is the great challenge we wrestle with every day at Barnardo's. Are we making a difference to the children and young people we are working with? Are we making a difference to their lives? It is entirely right that in contractual terms, in different parts of the country that would be being measured in different ways. There is one thing about how it is measured locally, but then for us there is a question when we look at it as a round: are we making that difference? It is really difficult and there is some really good practice around this, but there is some that is just—did you say "shopping"?

Kathy Evans: Too much shopping, too little commissioning.

Andrew Pemberton: It is exactly the right question to ask, but it is certainly not being measured in a consistent way across the piece.

Kathy Evans: Very quickly on that, we really need to bring questions of quality of service and evaluation of impact around each child, instead of finding immensely and progressively more and more complicated ways to hold different agents individually accountable for what they may or may not have done or achieved or been credited with. A caseworker in the children's services department, so a child's social worker, may or may not be with them through their pathway through care. Many are not the same person. There is a real interest in trying to get to the bottom of what is good and bad in social work, and what that looks like for the child. That social worker will invariably be allocating that child to a carer of some description and some degree of professionalism as well, who is looking after them for a proportion of the week in parallel, but we still want different outcomes, outcome evidence and different impact data. None of that wraps itself around the child.

One of the silver lining additional benefits of my care bank idea would be that you could use each child's real life pathway through the care system as the inspection framework for everyone.

Chair: Thank you all very much for coming and giving evidence to the Committee this afternoon. That has been very helpful to us. I apologise that members had to leave, but we are getting a lot of delegated legislation going on in Parliament at present, so members are required to go off to other committees. That is what has happened. It is no reflection on the contribution that you gave to the Committee this afternoon. Thank you very much for coming.