

Pro Bono Economics – Written evidence (PSC0076)

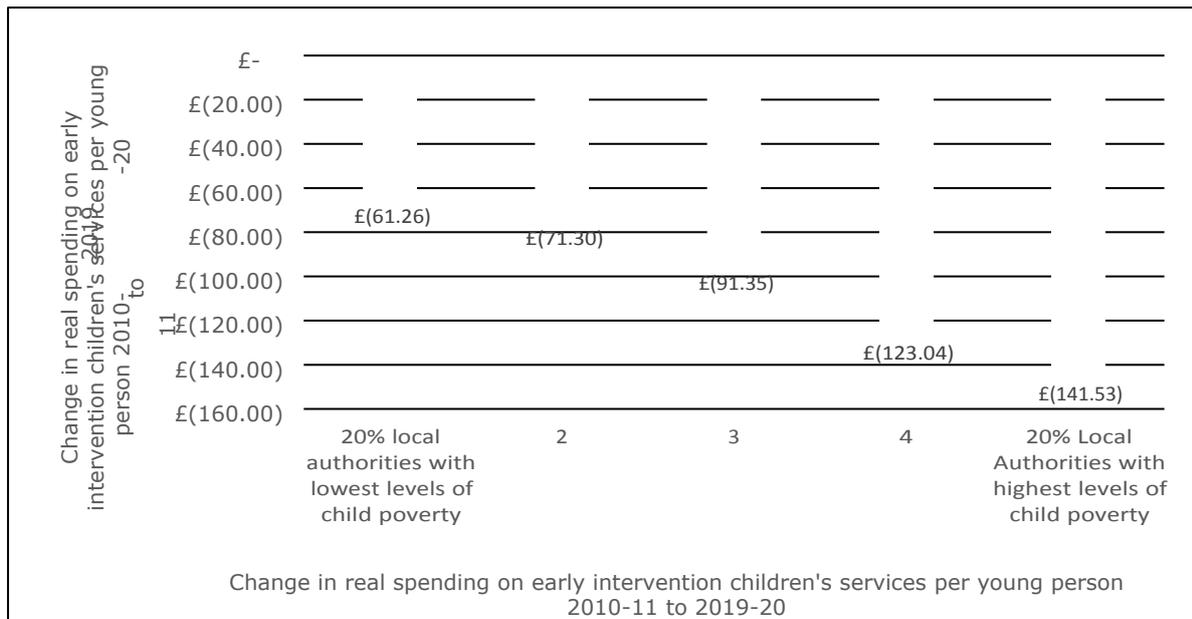
To contribute to your inquiry into the funding of children's services, Pro Bono Economics has conducted new research into the changes to children's services funding that have been made over the past decade. In particular, we have undertaken analysis of how changes to early intervention spending on children's services by local authorities – including children's centres, family support services and services for young people – have developed across the country.

Over the last decade, real terms spending on early intervention services by local authorities has declined by 48%. However, those cuts have played out unevenly across the country. A wide variety of factors have contributed to this, which can lead to major differences from one local authority to another. In Milton Keynes, for example, spending on early intervention services has fallen 47% over the last decade, while next door in Bedford spending has fallen by just 2%. But there are also notable trends that indicate that children in areas of greatest disadvantage and deprivation have experienced greater cuts to these early intervention services than those children in areas of lower disadvantage.

Areas with the highest levels of child poverty have experienced the most significant cuts to early intervention services

In the parts of the country where child poverty is most widespread, cuts to the per-child spend on early intervention services have been double the size of cuts in areas with the lowest levels of child poverty.

Spending on early intervention services in the areas of England with the highest levels of child poverty fell by £766 million between 2010 and 2019, a real terms reduction of 53%. This halving of spend resulted in an average per-child reduction of £141 in the areas where child poverty is highest. In areas of England with the lowest levels of child poverty, spending on early intervention services reduced by £182 million or 38% over that period, an average per-child reduction of £61.



The largest cuts to early intervention services have been made in the most deprived areas of the country

On average, early intervention spending has declined the most in the areas of the country which experience the highest levels of deprivation. Average early intervention spending in the most deprived local authorities decreased from £291 per young person in 2010-11 to £118 per young person in 2019-20 – a 59% reduction. Manchester, for example, has some of the highest levels of deprivation anywhere in England. Spending on early intervention services in Manchester fell by 75% over the decade. In Liverpool, which is also among England’s most deprived areas, spending fell 65%.

While the least deprived local authorities tend to spend less on preventative measures per young person, they have been able to protect that spending to a greater extent, with an average reduction of 38% from £142 per young person in 2010-11 to £88 per young person in 2019-20. For example, in York which has much lower of deprivation, overall spend on early intervention children’s services fell by just 3% over the decade, while in Surrey it fell by 10%. Buckinghamshire and Rutland local authorities increased their spending on early intervention services between 2010 and 2019.

There have been concerns raised about the scale of cuts in themselves, but most concerning is the risk of a vicious circle affecting both children’s

outcomes and the public purse. Without preventative measures achieved through early intervention services, the number of young people and families that go on to develop more severe difficulties is likely to increase. This will drive up the demand for late intervention services, such as care placements.

The supply constraints that already exist in the market providing late intervention services are likely to be further exacerbated, leading to further cost increases for local authorities. These supply constraints are likely to have contributed to the increase in the costs of these scarce placements over the period, with the average cost per Looked After Child increasing by £11,000 per year, from £53,000 in 2010-11 to £64,000 in 2019-20. If this continues unabated, it will add further pressure to local authority budgets, leading to further reductions in budgets for preventative measures and subsequently a further worsening of outcomes. The impacts of this may not just be limited to local authority budgets but potentially have further implications for demands in health services, benefits and the wider criminal justice system too.

That this vicious circle is playing out particularly acutely within the areas of the country with the highest levels of child poverty and deprivation should concern both those that are invested in children’s outcomes and in the efficiency of public expenditure.

1 September 2021

Pro Bono Economics: Early Intervention Spending in real terms

		Change 2010/11- 2019/20 (£)	Change 2010/1 1- 2019/2 0 (%)
Local authority	Region		
Barking and Dagenham	London	-£8,915,409.92	-45%
Barnet	London	-£8,530,009.03	-35%
Barnsley	Yorkshire and the Humber	-£24,494,114.11	-73%

Bath and North East Somerset	South West	-£3,170,456.30	-38%
Bedford Borough	East of England	-£148,605.60	-2%
Bexley	London	-£9,175,854.83	-57%
Birmingham	West Midlands	-£51,958,363.80	-65%
Blackburn with Darwen	North West	-£9,079,784.38	-55%
Blackpool	North West	-£3,885,365.42	-39%
Bolton	North West	-£15,073,268.83	-57%
Bournemouth	South West		
Bracknell Forest	South East	-£2,367,542.36	-35%
Bradford	Yorkshire and the Humber	-£33,358,577.92	-64%
Brent	London	-£19,129,618.95	-66%
Brighton and Hove	South East	-£5,623,494.08	-36%
Bristol City of	South West	-£3,021,499.27	-13%
Bromley	London	-£6,324,256.74	-53%
Buckinghamshire	South East	£623,053.32	4%
Bury	North West	-£11,059,721.34	-75%
Calderdale	Yorkshire and the Humber	-£3,019,163.17	-20%
Cambridgeshire	East of England	£14,176,525.05	162%
Camden	London	£3,036,836.31	16%
Central Bedfordshire	East of England	-£3,872,272.52	-31%
Cheshire East	North West	-£5,970,333.65	-36%
Cheshire West and Chester	North West	-£2,376,303.15	-19%

City of London	London	-£156,216.77	-8%
Cornwall	South West	-£8,177,556.39	-23%
Coventry	West Midlands	-£11,015,618.39	-58%
Croydon	London	-£1,459,973.58	-5%

Cumbria	North West	-£4,365,756.00	-17%
Darlington	North East	-£3,480,367.78	-51%
Derby	East Midlands	-£13,699,743.60	-55%
Derbyshire	East Midlands	-£41,205,434.88	-72%
Devon	South West	-£11,681,380.08	-32%
Doncaster	Yorkshire and the Humber	-£12,786,203.36	-55%
Dorset	South West	-£11,477,677.04	-47%
Dudley	West Midlands	-£13,474,768.79	-60%
Durham	North East	-£27,152,485.92	-66%
Ealing	London	-£22,583,666.66	-71%
East Riding of Yorkshire	Yorkshire and the Humber	-£4,865,946.42	-26%
East Sussex	South East	-£304,096.79	-2%
Enfield	London	-£13,083,819.57	-54%
Essex	East of England	-£53,513,544.11	-59%
Gateshead	North East	-£8,279,373.47	-58%
Gloucestershire	South West	-£13,700,744.45	-41%
Greenwich	London	-£21,997,953.11	-66%
Hackney	London	-£13,342,470.10	-33%
Halton	North West	-£9,482,488.07	-58%
Hammersmith and Fulham	London	-£2,465,998.61	-17%
Hampshire	South East	-£38,336,244.69	-69%
Haringey	London	-£14,001,419.26	-57%
Harrow	London	-£1,863,655.77	-17%
Hartlepool	North East	-£7,086,414.28	-61%
Havering	London	-£6,498,846.14	-53%
Herefordshire	West Midlands	-£10,357,282.94	-77%
Hertfordshire	East of England	-£50,160,664.41	-55%
Hillingdon	London	-£4,782,466.29	-33%

Hounslow	London	-£7,655,084.12	-48%
Isle of Wight	South East	-£6,539,437.94	-74%
Isles Of Scilly	South West	-£252,011.38	-77%

Islington	London	-£13,861,662.86	-41%
Kensington and Chelsea	London	-£5,224,135.06	-41%
Kent	South East	-£37,784,026.71	-52%
Kingston upon Hull City of	Yorkshire and the Humber	-£13,568,354.39	-49%
Kingston upon Thames	London	-£769,932.17	-9%
Kirklees	Yorkshire and the Humber	-£20,320,003.51	-53%
Knowsley	North West	-£4,846,946.83	-37%
Lambeth	London	-£12,370,408.60	-45%
Lancashire	North West	-£60,740,261.26	-57%
Leeds	Yorkshire and the Humber	-£40,261,312.02	-59%
Leicester	East Midlands	-£24,041,844.19	-66%
Leicestershire	East Midlands	-£10,567,191.32	-39%
Lewisham	London	£3,073,168.94	28%
Lincolnshire	East Midlands	-£19,297,319.24	-46%
Liverpool	North West	-£26,873,345.87	-65%
Luton	East of England	-£6,998,725.03	-46%
Manchester	North West	-£50,709,941.47	-75%
Medway	South East	-£11,734,508.85	-60%
Merton	London	-£2,482,396.42	-25%
Middlesbrough	North East	-£11,246,309.99	-64%
Milton Keynes	South East	-£9,011,009.43	-47%
Newcastle upon Tyne	North East	-£14,740,472.46	-53%
Newham	London	-£16,027,838.39	-47%
Norfolk	East of England	-£9,343,448.29	-23%

North East Lincolnshire	Yorkshire and the Humber	-£5,775,545.82	-31%
North Lincolnshire	Yorkshire and the Humber	-£5,099,989.82	-37%
North Somerset	South West	-£2,175,142.04	-25%
North Tyneside	North East	-£6,192,661.71	-50%
North Yorkshire	Yorkshire and the Humber	-£11,421,489.78	-37%
Northamptonshire	East Midlands	-£13,686,973.82	-75%
Northumberland	North East	-£13,355,726.53	-56%
Nottingham	East Midlands	-£16,980,406.57	-59%

Nottinghamshire	East Midlands	-£12,660,675.90	-27%
Oldham	North West	£2,830,455.41	23%
Oxfordshire	South East	-£17,926,844.45	-49%
Peterborough	East of England	£6,901,562.92	121%
Plymouth	South West	-£7,486,491.76	-39%
Poole	South West		
Portsmouth	South East	-£9,453,987.94	-58%
Reading	South East	-£6,778,999.49	-57%
Redbridge	London	-£8,122,675.44	-57%
Redcar and Cleveland	North East	-£9,261,194.97	-56%
Richmond upon Thames	London	-£3,164,812.00	-29%
Rochdale	North West	-£9,729,027.33	-49%
Rotherham	Yorkshire and the Humber	-£753,295.46	-6%
Rutland	East Midlands	£242,192.57	13%
Salford	North West	£4,888,961.77	145%
Sandwell	West Midlands	-£15,847,587.05	-69%
Sefton	North West	-£8,522,410.36	-41%
Sheffield	Yorkshire and the Humber	-£18,722,664.02	-41%
Shropshire	West Midlands	-£10,196,843.95	-70%

Slough	South East	-£5,661,750.91	-58%
Solihull	West Midlands	-£6,287,781.21	-48%
Somerset	South West	-£13,891,985.57	-60%
South Gloucestershire	South West	-£5,791,033.44	-45%
South Tyneside	North East	-£6,969,442.54	-58%
Southampton	South East	-£5,591,833.72	-36%
Southend-on-Sea	East of England	-£2,870,506.23	-31%
Southwark	London	-£19,920,313.07	-64%
St Helens	North West	-£9,089,358.02	-59%
Staffordshire	West Midlands	-£25,380,449.97	-70%
Stockport	North West	-£11,737,136.13	-56%
Stockton-on-Tees	North East	-£6,705,601.52	-54%
Stoke-on-Trent	West Midlands	-£20,290,613.00	-77%
Suffolk	East of England	-£10,215,195.46	-36%
Sunderland	North East	-£16,696,025.00	-83%
Surrey	South East	-£4,086,754.51	-10%
Sutton	London	-£11,312,995.06	-72%
Swindon	South West	-£9,175,760.97	-76%
Tameside	North West	-£16,570,956.51	-56%
Telford and Wrekin	West Midlands	-£3,237,493.93	-32%
Thurrock	East of England	-£11,184,041.09	-54%
Torbay	South West	-£4,121,623.06	-45%
Tower Hamlets	London	-£33,640,685.20	-63%
Trafford	North West	-£9,172,835.23	-65%
Wakefield	Yorkshire and the Humber	-£18,133,117.15	-59%
Walsall	West Midlands	-£22,645,395.66	-81%
Waltham Forest	London	-£4,311,880.51	-25%
Wandsworth	London	-£8,235,288.89	-35%
Warrington	North West	-£7,161,863.04	-55%

Warwickshire	West Midlands	-£8,173,851.62	-34%
West Berkshire	South East	-£6,313,865.11	-63%
West Sussex	South East	-£12,718,992.16	-33%
Westminster	London	-£11,341,960.71	-68%
Wigan	North West	-£13,981,863.67	-54%
Wiltshire	South West	£5,301,218.24	62%
Windsor and Maidenhead	South East	-£2,428,848.41	-32%
Wirral	North West	-£11,431,030.56	-43%
Wokingham	South East	-£920,118.88	-24%
Wolverhampton	West Midlands	-£10,914,141.68	-54%
Worcestershire	West Midlands	-£18,452,412.22	-61%
York	Yorkshire and the Humber	-£185,043.24	-3%
Total		- £1,731,447,502 .47	-48%