

**Councillor Barry Lewis**

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Ref: BL/RC

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Rt Hon Sajid Javid MP

Secretary of State for Communities

and Local Government

2 Marsham Street

London

SW1P 4DF

cc: All Derbyshire MPs

Dear Mr Javid

**Re HM Treasury’s Autumn Budget 2017**

The County Council has made representations in respect of the above concerning the pressures on local authority budgets over the coming few years and attached to this letter is a copy of the submission made. Whilst there are a range of issues that will need to be addressed over the medium term it is welcome that Government has found additional resources to help with key adult care pressures. However, there is now growing concerns over children’s social care.

As an upper tier authority, the Council is responsible for providing children’s social care services including looked after children, children and families with complex needs, and ‘early help’ support for families.

Local authorities have recently warned that services for children’s social care are reaching breaking point, with the Local Government Association (LGA) estimating that there will be a funding shortfall in the region of £2bn by the end of the decade.

The LGA’s Budget Submission Autumn 2017 to HM Treasury highlighted that 75% of councils overspent on their children’s services budgets by more than half a million pounds each in 2015-16. Collectively, councils surpassed their children’s social care budgets by £605m in order to protect children at immediate risk of harm.

Recent analysis illustrates rising demand for children’s services nationally including:

* The number of Looked After Children has increased from 67,070 in 2012 to 70,440 in 2016, representing a 5% increase;
* Total spending by local authorities on Looked After Children has risen from £3.08bn in 2012 to £3.94bn in 2016;
* The average spend per Looked After Children has increased from £33,078 in 2012 to £39,099 in 2016;
* Total spending on residential care for Looked After Children has increased from £0.99bn in 2012 to 1.10bn in 2016.

The County Council’s Network (CCN), has called on Government for *A New Deal for Counties* which highlights the increase in children’s social care against a backdrop of reductions in other local authority areas. CCN member councils have been subject to the largest increases of any local authority type in the number of children subject to a child protection plan; of Looked After Children; and a significant increase in the total number of Children in Need. These pressures have resulted in a number of counties being left with little choice but to divert funding towards crisis intervention activities, rather than preventative services such as children’s mental health.

The national picture is being reflected in Derbyshire with substantial strain placed on the children’s social care budget. The Children’s Services budget overspent by £5.5m in 2016-17 and is currently forecast to overspend by a similar figure in 2017-18. The following paragraphs highlight the increased demand in services in Derbyshire:

* **Children subject to a child protection plan** – in 2010-11, there were 554 children that were subject to a child protection plan in Derbyshire (a rate of 35 children per 10,000 population). By the end of 2015-16 this had risen to 738 – this being 48 children per 10,000 population – higher than the England rate of 43 per 10,000 population and the rate of the Council’s statistical neighbour benchmarking group of 41 children per 10,000 population. Since 2015-16, numbers have increased by a further 25% to an all-time high number of in excess of 900 children.
* **Social care referrals** – whilst the number of referrals to social care has remained fairly stable in recent years, the referral rate per 10,000 population continues to be higher than the rate nationally and the rate of the Council’s statistical neighbour group. In 2015-16, the referral rate in Derbyshire was 561 per 10,000 population compared to 532 per 10,000 population for England and 520 for the Council’s statistical neighbour group.
* **Children in need** – the number has increased in Derbyshire from 271 per 10,000 population in 2010-11 to 318 per 10,000 population by 2015-16. This is above the statistical neighbour group rate of 310 per 10,000 population. This reflects a 17% rate of increase for Derbyshire over this period compared with 2% for our statistical neighbor group.
* **Special Guardianship Orders** – the number of children subject to an order has increased year-on-year from 141 in 2012-13 to 370 in 2016-17.
* **Children in Care** – whilst the numbers of children in care have decreased up to 2015-16, there has been a 5% increase in numbers during the last year. The number of Unaccompanied Asylum Seeking Children in care also remains comparatively low, this has increased from 16 in 2015-16 to 31 this year, and is expected to rise over the medium term to a potential figure of 120.
* **Social worker caseloads** – the average social worker caseloads are high in Derbyshire at 20.2 per full time equivalent (fte). This places Derbyshire as the 6th highest shire local authority, the average being 17.6 per fte, with the statistical nearest neighbour average being 16 per fte.
* **Risk identified for teenagers** – the county is significantly worse for a number of indicators relating to risks and concerns regarding teenage behavior, including admissions due to substance misuse (aged 15-24), under 18’s admitted to hospital for alcohol-specific conditions and hospital admissions as a result of self-harm (aged 10-14 years).
* **Children with additional needs** – the number of children in Derbyshire schools with complex educational needs is estimated to have risen by approximately 30% since 2004. The proportion of pupils with statements or Education Health and Care Plans (3%) has increased since 2010-11 and is higher than the England and our statistical neighbor group averages which have remained stable – both at 2.8%. The proportion of pupils with Special Educational Needs (SEN) support has reduced since 2010-11 but at a slower rate than England and our statistical neighbor group.
* **Proportion of children in poverty** – the proportion of children in Derbyshire living in low income families is significantly better than the England average and has been reducing year-on-year since 2010. However, both indicators illustrated an increase between 2013 and the latest 2014 figures, 0.9% for under 16 and 1.2% for dependents under 20. These increases are in-line with national and regional trends.

Local Government has sustained a 7 year period of austerity where it has been asked to realise substantial budget savings. Throughout this period local authorities have maintained high satisfaction levels in the delivery of services, which was acknowledged by the Secretary of State for DCLG in a speech earlier this year. However, critical front-line services, such as children’s social care, are starting to feel the financial strain from the increased demand.

We reiterate the comments made by the LGA in their Autumn Budget submission in that children’s services are rapidly becoming unsustainable, with a £2bn funding gap expected to grow unless urgent action is taken to address the children’s social care system.

In recent years, the Government has responded to local government’s call for additional funding for adult social care by allowing local authorities to raise Council Tax income through the Adult Social Care precept and by providing additional improved Better Care funding of £2bn over the three-year period 2017-18 to 2019-20. This funding is welcome and has contributed towards closing the funding gap for those vital adult care services. However, similar measures now need to be taken to address children’s social care funding. Notwithstanding, any additional funding needs to be ‘new’ funding into the system as top-slicing from other departmental budgets simply shunts the problem of delivering vital ‘front-line’ services elsewhere.

It is vital that additional funding for children’s social care is allocated to local authorities as part of the Local Government Finance Settlement 2018-19. However, any additional funding provided must be on-going to help local authorities plan their budgets over the medium-term – one-off funding will only serve as a “sticking plaster” solution for these critical front-line services.

Should you require further information on the matters outlined above, we would be happy to meet with you to further discuss this problem. As we have previously stated, as an administration we will work closely with all our MPs to make any campaign to address financial issues, as pro-active and positive as possible. It is by working together, in open dialogue, that we believe we can affect a better outcome for Derbyshire. I therefore hope we can rely upon your support.

Yours sincerely

Councillor Barry Lewis

Leader of Derbyshire County Council