

## Written evidence submitted by Kent County Council [ACS 011]

### Executive Summary

Children's services across local government are experiencing an unprecedented surge in demand and funding pressures, resulting in LAs overspending, struggling to meet the increase in demand. These vital services, including Early Help, that LAs provide to vulnerable families, which make a real difference to their lives, should not be allowed to wither on the vine of constant budget reductions.

Kent County Council (KCC) is working hard to keep children safe in a challenging financial context. Balancing the Council's budget whilst ensuring children's social care performance is maintained to a high standard and key non-statutory services such as Early Help and Preventative Services (EHPS) do not deteriorate any further is a significant financial challenge. In a climate of increasing statutory responsibilities in relation to children's services, KCC invites Government to find new and additional resources in order for us to deliver these additional responsibilities and manage the increasing demand being placed on services.

Reforms to Special Educational Needs & Disabilities (SEND) in 2014 and 2015 have caused an increase in demand and higher expectations from parents. This has led to the system coming under increasing strain. Kent is now maintaining over 10,500 Education Health and Care Plans (EHCPs) which represents growth of over 40% since implementation of the national reforms. Local Authorities (LAs) have an increased age range responsibility from 0 up to 25 for SEND pupils. The number of statutory assessment requests in Kent has increased by 81% in the last 18 months. 75% of these requests are from parents. Capacity within specialist provision to meet the increasingly complex needs of children with SEND is stretched.

The number of statutory duties that LAs have in relation to children's services has risen by nearly 100 according to a list compiled by the ADCS in October 2018. There are now 299 statutory duties compared with 200 in 2011. This 50% increase in the number of statutory duties is in stark contrast to the 50% reduction in funding for LAs since 2010, which is further exacerbated by an increasing number of children and families in need of help and support, facing evermore complex problems.

### Context

Kent County Council (KCC) is ambitious about improving children's life chances. We want every child in the County, whatever their background, to have the opportunity to fulfil their potential. Our Children's Services play an essential role to play in achieving this, whether it be by providing high quality early years and childcare or education for life, keeping children safe from harm, finding the best possible care when children cannot live at home, or creating the conditions that enable children to thrive and achieve.

To make that happen, it is vital that all schools and staff working in the Children, Young People and Education (CYPE) Directorate, alongside our partner agencies, have the appropriate skills, knowledge and sufficient resources and capacity to do their jobs well and transform all children and young people's learning and life outcomes.

KCC has worked hard to minimise the impact of reduced resources in a climate of increasing demand from the most vulnerable in our communities. We know that we need to keep vulnerable families out of crisis, as well as children and young people out of KCC care, unless of course, care is the best place for them. Our Children's Directorate continues to respond creatively to the demands placed upon it by forming new partnerships, reshaping services and adopting new ways of working to ensure children and families are supported where and when they need help.

## **New Ways of Working building on the evidence of “What Works”**

KCC has recently amalgamated Early Help, Education and Children’s Social Work into one Corporate Directorate to provide the platform for improving outcomes for vulnerable children across the County. Our key focus is on greater integration of these services which necessitates working smarter and differently with families to intervene less overall. Accordingly, the CYPE Directorate has launched a Change for Kent Children Programme to successfully integrate all elements of the Council’s work related to supporting children, using a new practice framework and operating model which will be in place from spring 2019.

The driving ambition for the new integrated practice framework is to reduce escalating demand on children’s services, better supporting children, young people and their families at an earlier stage, without recourse to statutory intervention. By ensuring a new whole-systems approach to childhood, we will improve access for children, young people and families to consistent and timely support to meet their needs, enabling them to succeed in learning and life.

By adopting a new integrated practice framework, focused on prevention and working with families to reduce risks of harm to children, we will secure improvements to the efficiency and effectiveness of service delivery and realise sustainable savings to deliver a Children’s Service that is truly joined up and recognised by Ofsted as Outstanding.

To enhance the development of this integrated approach to supporting children and families in need, four pilot projects were established in Kent in January 2018, running for six months. These local pilots have been evaluated and have helped us understand what works. Successful pilots included a project around reducing the number of children requiring Early Help and Children’s Social Care by keeping children in mainstream school and intervening earlier to reduce risks. This was achieved by co-locating an integrated multi-disciplinary team in schools in East Kent, to build school and community resilience. Support provided by the multi-disciplinary teams based in schools resulted in a 72% reduction in referrals to children’s social care. A further pilot focussed on improving fostering placement stability; where there is a risk of placement breakdown, we wanted to provide intervention and support from Early Help for children and young people with activity- based day respite. Providing this respite for foster carers of children in care has resulted in improved placement stability and supported foster carers in need.

Along with the lessons learned from the DfE Innovation Programme for children’s social care, this research and evidence about what works will inform the shape, approach and delivery of our change programme. Evidence about ‘what works’ can also be found in the recent Ofsted Inspection Judgements of local authorities’ Children’s Services. Colleagues in North Yorkshire, East Sussex and Bexley have achieved the first overall “outstanding” judgements of the new Inspecting Local Authority Children’s Services (ILACS) regime. Those reports show three authorities where great social work is underpinned by well-integrated Early Help and Preventative Services (EHPS), put together in a planned way by outstanding leaders. Without EHPS, outstanding safeguarding performance is much more difficult.

### **Realising the Potential of Early Help and Preventative Services (EHPS)**

Early Help, Children’s Social Work and Education can offer the support some children and young people need to reach their full potential and prevent problems occurring or address them before they get worse. These services deliver improvements in important child outcomes, such as school achievement, physical health, increased mental wellbeing and reduced youth crime and antisocial behaviour. These benefits not only help the child and their family, but also local communities and Kent as a whole.

KCC is convinced that Early Help offers a cost effective alternative to placing children in care. Supporting children and families with complex problems requires a resource intensive long-term response. Early Help intervention is at the heart of our approach to supporting children and families. Our Early Help Services are reducing pressure on children’s social work by addressing the risk factors associated with child maltreatment.

However, government funding for the Early Intervention Grant has been cut by almost £600 million since 2013 and is projected to drop by almost £100 million more by 2020.

In concert with other LAs, we have sought to protect early help as much as possible, but we face a dilemma when funding is reduced but demand for statutory services rises. Reluctantly despite recognising the long-term benefits of early help and intervention, we have had to reduce spend on our non-statutory services. Since 2013, the amount spent on EHPS in Kent has reduced by 35% (equivalent of a reduction of £73 per children of the 0 -17 population). In addition, there has been increasing reliance on the use of grants to fund this Service, including the Troubled Families Grant. There is uncertainty as to whether this grant will continue after March 2020 which would lead to further reductions to this vital service.

Without maintaining investment in EHPS, support for vulnerable children will be reduced and innovation in terms of changed professional practice and new mechanisms of service delivery to achieve improved performance, become much more of a challenge for LAs.

KCC believes that reducing the Early Help budget any further is a false economy which will lead to greater pressures on children's services in the future.

*"Vital funding must be found to provide essential early support services. If families are helped to tackle issues early on, this reduces the likelihood of problems developing and leading to longer term difficulties. By investing in these services, we are investing our future."*

[Javed Khan, Chief Executive, Banardo's], cited in an LGA press release 15 November 2017

### **Evidence of growing demand outstripping existing resources**

Over the past decade, demand for children's services has risen dramatically. The LGA have concluded that by 2020, local government will have lost 75p out of every £ of core central government funding that it had to spend in 2015. Overall, LAs are facing a £3 billion funding gap for children's services by 2025.

*"We are working with more pressure in the system now than ever before and working with a level of pressure that the system was not designed to cope with. And, as any engineer will tell you, the more pressure there is in a system, the more likely it is to go wrong..... There's not enough money in the system. Full stop."*

[Stuart Gallimore, president of the ADCS, in his speech to the National Children and Adult Services conference, November 2018].

Mr Gallimore cited ADCS Safeguarding Pressures, Phase 6 Research that found it was poverty "as a result of the cumulative impacts of 10 years of austerity" that was behind the increase in demand for local authority safeguarding services. Severe cuts to local authority funding and the freezing of welfare benefits for four years have made the effects of austerity worse for the poorest. The research found that 66% of children currently living in relative poverty live in working households. It paints an unrelenting picture of a growing demand for children's social services at a time of declining financial resources to deal with that growing demand.

For example, nationally:

- There has been a 78% increase in initial contacts to children's social care over the last decade.
- Referrals to children's social care went up by 22% in the same period. During this time the number of children subjects of Child Protection (CP) plans increased by 87%.

- Abuse and neglect continue to be the primary reason for referrals to children's social care and for children becoming looked after. Twice as many children became subjects of a CP plan due to neglect in 2017/18 compared to ten years ago.
- There has been an increase in the number of children in care of 24% in ten years. The number of 16-17-year olds subject to a CP plan increased from 0.5% of all children to 4% in a decade.

Kent is experiencing similar rises in demand:

- Number of initial contacts to children's social care has increased by 68% over the last 9 years.
- The number of referrals to children's social care in Kent has increased by more over the last 2 years (26% comparing 17-18 to 15-16) than it has in England over the last 10 years.
- The number of children subject to CP plans in Kent has increased by 53% over the last 6 years. This is a markedly higher rate of increase than the 25% increase in England over the same period.
- Domestic violence, mental health, drug and alcohol abuse are the primary reasons for referrals to Children.
- Even with this rising demand, the number of LAC in Kent has remained relatively unchanged and has in fact reduced by 3% in the last 7 years; the number of unaccompanied asylum-seeking children has resulted in volatility in the total number of LAC during this period, with a peak in 2015-16 following the UASC crisis. Over the same period, England's number of LAC has increased by 15%.
- The proportion of CP plans relating to 16-17 year-olds was 3.1% in 09-10, rising slightly to 4.1% in 17-18.

The causes of these increases are complex, but poverty is a constant.

According to an LGC analysis of LAs projected and actual spend on children's social care services, published on 23 August 2018, LAs overspent by 10% in 2017-18, equivalent to £816.5 million. The overspends were due to escalating demand for services. According to figures from the County Council Network (CCN), the number of vulnerable children in counties placed under a Child Protection Plan was 25,259 in 2017 compared to 18,702 in 2011, a 35% increase. The number of children taken into care in England's counties stood at 26,000 in 2017 compared to 22,600 in 2011, a 15% increase.

This position was also reflected in Kent where there was an overspend in children's social care services in 2017-18 of £6 million, equivalent to 5%. The number of looked after children in Kent has remained steady over recent years however, the complexity of children entering care is increasing, resulting in the need to place children in higher cost placements. In the last year the number of children placed in residential care increased by 47%. The number of CP plans starting has also increased by 73% over the last 9 years (from 900 in 2008-09 to 1559 in 2017-18).

*"Small, ad hoc, short-term pots of funding from central government in response to single issues, made available for some but not all local areas, are particularly unhelpful and simply not good enough. They fall woefully short of the sustainable and equitable long-term investment strategy we need to ensure that children receive high quality, safe services at the earliest possible opportunity. This approach can absorb significant resource locally in putting together bids for different funding pots from different parts of government. All too often it seems the effectiveness of the bid writer is rewarded over actual need."*

[Stuart Gallimore, President of the ADCS – extract from Speech to the National Children and Adult Services Conference November 2018.]

## SEND and High Needs Funding

One of the areas of biggest change arising from the funding reforms has been the way in which support for pupils with Special Educational Needs and Disabilities (SEND) is funded. Since the introduction of the Children and Families Act 2014 and the SEND Code of Practice, there has been a year-on-year increase in the demand placed on the High Needs Block (HNB) due to increased numbers of children and young

people with Education Health and Care Plans (EHCPs) and requiring additional support. This continued increase in demand is reflected nationally and is resulting in a significant shortfall in High Needs Funding (HNF).

Where children need extra support to achieve, KCC working in partnership with schools, has a vital role in supporting their development and helping them to achieve the best possible educational and other outcomes. However, with demand for SEND support rising and the Council becoming increasingly fiscally constrained, meeting need is becoming ever more challenging.

Greater numbers of statutory assessment requests for EHCPs, a greater proportion of pupils with SEND attending special and independent schools in and out of the county, the growing cost of high needs funding to support children with complex needs, requires us to review demand and available resources.

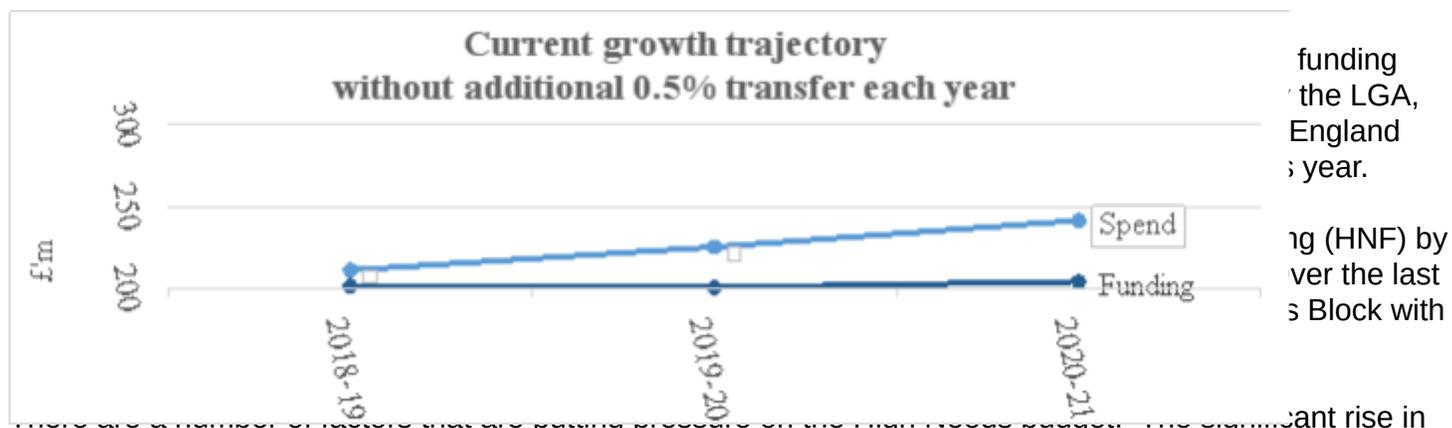
## Financial Impact

In 2018-19, KCC's High Needs budget for placement costs (excluding alternative provision and statutory LA responsibilities) is £158m. We are currently overspending this budget by approximately £10m.

	2013-14	2014-15	2015-16	2016-17	2017-18	Estimate 2018-19
High Needs Pupil / Student Numbers	5985	6254	7229	8340	9057	9018
High Needs Expenditure	£119m	£125m	£135m	£151m	£158m	£168m

The number of young people who require support for their high needs is rising exponentially and funding is unable to keep pace with this demand.

## Kent High Needs Forecast



There are a number of factors that are putting pressure on the high needs budget. The significant rise in demand for statutory assessment and the issuing of EHCPs has been a national trend since 2014 and the increase and volume are unprecedented:

- Between 2016 and 2018 there was an increase of 33% of children and young people with EHCPs.
- Reduced parental confidence in mainstream school SEND provision, evidenced by rising demand for EHCPs and special school placements.
- The proportion of assessment requests over the last three years has grown significantly.
- A greater proportion of those with EHCPs are being educated in special schools rather than mainstream. In 2015-16, 43% of Kent pupils subject to an EHCP were receiving their education in a Special school but, by October 2017 this was 54%. During this time the number of children with an

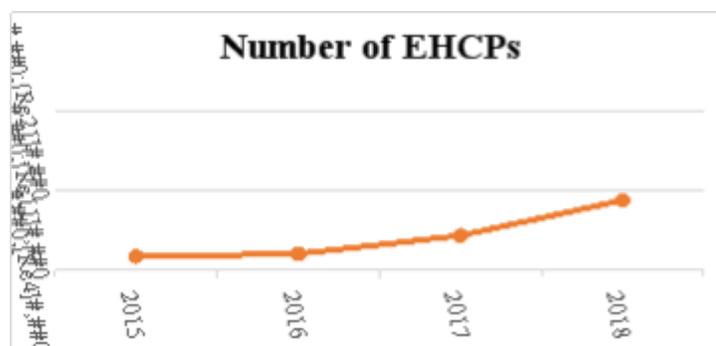
EHCP in mainstream schools has remained around 40%. The proportion of Kent pupils educated in a mainstream is below the national average of 45%. (Source: Kent school census data). In maintained schools, the first £6,000 of the school place is covered by the notional SEND budget so the cost of a special school place is much higher.

- There has been a 50% increase between 2015-16 and 2018-19 in the number of children with EHCPs attending Independent Non-Maintained Special Schools (INMSS). These additional children are placing an additional pressure on the High Needs block funding as they tend to be more expensive at meeting the most complex needs; we are currently spending over £44 million on INMSS placements.
- There has been a dramatic increase in the number of EHCPs identifying Autistic Spectrum Disorder (ASD) need; 47% of children in Kent Special schools have ASD which is far higher than the national rate of 25% (Source: Local Area SEND Report from DfE). This has resulted in increasing pressures on special school places for ASD which cannot be met and has led to the need for placement within the independent sector.
- The extension of pupils' statutory SEND from 0-25, where previously it was 5-18, was not funded by the Government and it is contributing to the pressure on HNB funding.
- The addition of young people over the age of 19 having EHCPs has put extra pressure on the High Needs block funding without sufficient additional funding.
- A significant rise in the number of appeals to SEND Tribunals.
- The percentage of pupils with EHCPs in Kent is higher than nationally with 3.1%, compared to 2.9% respectively.
- The increasing reliance on INMSS placements has not been for the want of action in expanding maintained specialist provision. Despite an increase of 300 extra specialist places commissioned in special schools and specialist resourced provisions in the last 3 years, we have been unable to meet the demand for places due to the unprecedented increase in the numbers of children with EHCPs.

This combination of factors has placed a significant pressure on the HNB budget.

### **Budget pressures resulting from changes in demand for specialist provision between 2015-18**

The table below shows that EHCPs have increased from 6,884 in 2015 to nearly 10,500 (our latest estimate) in 2018. This represents an increase of 51% over this period, and the graph clearly demonstrates that the rate of increase in 2017 and 2018 is much greater. The number of requests for statutory assessment has increased by 81% during the last 18 months. These assessments are costly and time consuming to complete, but the on-going costs to the HNB are the reason the budget is under such pressure. The growth is almost entirely accounted for by parental referrals which have grown to three out of every four referrals received.



### **National Funding for High Needs in the Future**

KCC's ambition is to have the right local provision to meet the special educational needs of individual children and young people within a sustainable funding envelope.

Accordingly, KCC is working with school leaders, the Local Government Association (LGA) and the f40 Group (the 41 lowest funded education authorities) to lobby Government to accept that the current funding settlement for High Needs is insufficient to address the needs of the most vulnerable children. Alongside the Institute for Fiscal Studies, the National Audit Office and the National Association of Headteachers (NAHT) who have all reported the significant impact of a shortfall in school funding, (estimated at up to £3 billion by 2020), KCC will work with Kent MPs to provide evidence of the impact the High Needs pressures has on the quality of education children receive, schools, other providers and the Local Authority.

KCC also believes that the National Funding Formula (NFF) does not take sufficient account of the interaction between school funding and High Needs Funding. The 0.5% flexibility provided at present is only short-term and if the full 'hard' NFF is implemented in the near future as planned, this will provide significant challenges to many local authorities given the current pressures on the high need block and the under-funding position they are in. It is our view that each block should be funded sufficiently, thus removing any need to make transfers between them. KCC wants Government to recognise the clear correlation between funding and level of need, so that the future distribution of HNB funding matches our level of need. If the Government moves to a hard funding formula, there will be a complete divorce between the Schools Block and the High Needs Block, making high needs funding exclusively the responsibility of LAs and reducing any potential incentive for schools to become more inclusive

### **Managing SEND and High Needs Demand**

KCC has developed an SEND Action Plan which is seeking to address the funding pressures by reducing spend, reducing demand and ensuring that the right provision is in place to meet the needs of children and young people.

In addition, a service review of SEND is being undertaken to ensure our processes are robust and as efficient and effective as possible in order to: streamline processes; manage the demand; improve communication (including reviewing the Local Offer); improve the quality of EHCPs and improve transition planning for adulthood.

Over the next 18 months, to reduce demand, KCC will also work with school leaders to focus on building capacity in mainstream schools for inclusive practice, supported by good SEND Continuous Professional Development (CPD). This will have the effect of reducing the resource spent on EHCPs, which in turn will release money to provide bespoke non-statutory early intervention for individual pupils, helping schools to meet the needs of both current and future cohorts.

If Kent mainstream schools are supported to be more inclusive, the authority would avoid paying expensive independent placement costs and be able to use some of this saving to provide additional support to mainstream schools through enhanced needs specific top up rates to fund specialist interventions.

### **Capacity to meet our Statutory Duties in relation to children**

The growing funding gap in children's services nationally is putting at risk the ability of LAs to meet their statutory duties.

The number of statutory duties that LAs have in relation to children's services has risen by nearly 100 according to a list compiled by the ADCS in October 2018. There are now 299 statutory duties compared with 200 in 2011.

This lengthy and growing list of legal responsibilities, in relation to children, young people and families, is in stark contrast to a 50% reduction in funding for LAs since 2010, further exacerbated by an increasing number of children and families in need of help and support, facing evermore complex problems. The growing statutory responsibilities list highlights the urgent need for a sufficient, sustainable core funding

strategy for children's services. Without this, LA's ability to make good, safe decisions in the best interests of children and families will increasingly be compromised.

The recent focus on delivery of statutory duties by LAs has resulted in East Sussex defining its core offer for residents. They have outlined in detail, the minimum core offer of services they can reasonably expect to provide in the future, in the context of their significant medium term funding gap. The Council has warned that preventative services are set to be hit hardest even though their Chief Executive has acknowledged their "removal may lead to increased costs in the long term".

*"Local government is sustainable if the amount of resources available to it can deliver the statutory services which it is required to do. This is what Parliament has laid out and that is our primary focus."*

Melanie Dawes Permanent Secretary, DHCLG, 26 November 2018 at the Public Accounts Select Committee

Put another way, if local authorities can deliver the bare minimum then that appears to be acceptable to central government. The LGC have argued that it is becoming a race to the bottom.

### **Concluding Remarks**

KCC will continue to protect children's services budgets as much as it is able within the current challenging funding climate, however, KCC can only continue to deliver essential high quality services for vulnerable children and families in the future, if we are adequately funded to meet the surge in demand for services to support children in need.

*"In a climate of rising demand, inflation and substantial funding reductions imposed by central government, counties have delivered extraordinary efficiencies, but without extra resource the worst is yet to come in service cutbacks to prevent such huge margins of overspend in statutory services. Demand-led costs largely beyond our control mean that County authorities face funding pressures of £3.2 billion over the next two years."*

[Paul Carter, Chair of the County Councils Network and Leader of Kent County Council]

*December 2018*