

Council Finances Investigation

How we revealed the “perilous state” of council funding for children’s services

Headline: [Councils on the brink as half plan spending cuts within children’s services](#)

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Overview

After a four-month investigation, the Bureau was able to reveal that [more than half of councils in England were planning to cut costs](#) to children's services. These measures include closing children’s centres, reducing support for disabled children and cutting child protection teams.

We analysed the draft budgets of 150 councils - those who had published their proposed plans by the end of Jan 2018 - and found 57 planning to make cuts in this area. Nearly all of those are already over budget for these services this year.

Our research has also identified the 20 councils with the largest estimated [overspends on children’s services this year](#). Of the top ten, the Bureau has found that nine have been criticised by Ofsted, seven of which receiving “inadequate” ratings for their children’s services in recent years.

Using the detailed guide below, you can find out more on your council’s children’s service. At the end, you’ll also find some quotes that may be useful for your story.

Bear in mind with all of this information - it is only the starting point for a story. Experiment with the data, see what you find, then check all the figures you want to use with the council(s) in question.

But before you start, 3 top tips on local council data

1. The single biggest challenge during this project has been data quality. There are 353 councils in England, yet none publish data in the same way, so this made compiling it a challenging and laborious task. We only included information we were sure was accurate but figures should be checked against original documents and put to councils as well. Check, check, check.
2. Equally, aspects of council spending are constantly changing. The 2017/18 financial performance data and the 2018/19 budget forecasts were correct at the time of collection. But the former is updated quarterly or monthly, and the latter could change between publication and sign off - so check, check, check.
3. We also discovered major discrepancies in the historic council finance figures published by national government, specifically relating to reserve levels. When we

questioned councils on the figures, their response in most cases, was attributed to human error. Check, check, check.

Also, don't forget to check out the reporting recipes below, which act as how-to guides on other areas of the project:

- [Understanding local council draft budgets](#)
- [Checking your council's financial health](#)
- [Checking your council's service-level cuts](#)
- [Regional story leads and budget schedule](#)
- [Understanding council financial resilience reviews](#)

How to check whether your council is cutting children's services spending

This story uses a mixture of data collected from 2018/19 draft budgets, historical data submitted to national government and current-year spending data to show:

- 2018/19 planned service-level cuts
- Historical spending on children's social care between 2013/14 and 2016/17, budgeted spend for 2017/19
- Current-year overspend or underspend

Where to find it 2018/19 planned service-level cuts

The Bureau's investigation made use of draft budget documents for 2018/19 to determine which councils are planning to make cuts in children's services.

There are [150 councils responsible for adult and children's social care in England](#), not including the Isle of Scilly or City of London. By the cut off point for our investigation (January 31 2018) chosen to prepare the data for our [five-city, one-day hack day](#), only 101 of these authorities had published their plans.

These councils are included in [this Bureau dataset](#).

What to look for

To find service-level cuts:

- Click on the tab 'Spending cuts to: children's social care'
- Look for the council you are interested in - some are not in our sample
- Column F shows whether a council has proposed any spending cut here
- Columns G to Q break this down into further subcategories (broadly determined by the Bureau)

In this dataset we also included top-level historical children's services spending data for context, which can be found in columns R to V:

- Columns R to U show the 'outturn' - or spending - on children's services from 2013 to 2017 for each council, as submitted to and [published by national government](#)
- Column V shows the forecast budget for 2017/18, the most recently published data

This is how we found that of 101 councils responsible for children's services, [57 are planning to make cuts to children's services](#).

What else to look for

If you want to report on a council outside our sample - then simply follow the steps below.

- Find the latest budget document on the council's website - that will usually published alongside the agenda of the most recent cabinet or executive meeting
- After early February, the council may have already signed off the budget in a full council meeting - so you will need to check the meetings calendar to locate this
- The budget report will contain a narrative about spending reductions, sometimes including service-level data, along with the bigger picture about the council's finances
- However, for the most part this granular detail is contained within various appendices listed alongside the main report

You may also want to take a look at our 'how to' on reading budget reports [here](#).

Where to find historical spending on children's social care

If you want detail about a council's historical children's services spending, [use this Bureau dataset](#) created from submissions made by councils to national government.

What to look for

- Locate the tab called 'children's social care'
- Click on column C and filter the data for the council you are interested in
- Click on column F to see TOTAL CHILDREN SOCIAL CARE spending and various subcategories

What else to look for

- If the council's draft data for 2018/2019 includes a figure for a total spending cut on children's social care, for context you can compare it to the TOTAL CHILDREN SOCIAL CARE figure for 2017/2018 to see the difference
- Column K gives you the budget for 2017/2018, the most recent figures published by the council
- Columns G, H, I and J provide the 'outturn' - the final spend - for the years in each column heading

The original government datasets can be found [here](#).

Where to current-year overspend or underspend

If you want to know if your council is set to overspend on children's services this year, [then use this dataset](#).

What to look for

- Look for your council name in Column B.
- Check if there is a "Yes" in Column H

- Look at the latest financial report (link in column F) and read more about it.

This is how we found how, nine out of ten councils will spend more money than they bring in by the end of March this year - with one overspending by £14m. Please note: The overspend figures below were correct as of February 2018.

For a more detailed breakdown of the top 20 highest projected overspends in this area, [use this dataset](#). Here are the top ten councils and some notes on each:

1. Somerset's £14.7m projected overspend on children's services is the highest in England. The council has attributed the budget pressure to a lack of foster families, meaning looked after children are spending longer in costly privately-run children's homes. If the current forecast continues until the end of 2017/18, it will be the fourth consecutive year the council's funds have fallen short of what was needed in this area. Like eight other councils in the top ten largest projected overspends this year, Somerset's children's services have previously been criticised by Ofsted. They [were rated as "inadequate" in 2015 and "requires improvement" in its most recent report last month](#).
2. Sheffield's £11.1m projected overspend on children's services is the highest in Yorkshire & Humber, and the second highest in England. The council has [attributed this budget pressure](#) to "unprecedented demand". If the current forecast continues until the end of 2017/18, it will be the third time in four years the council's funds have fallen short of what was needed in this area. Like eight other councils in the top ten largest projected overspends this year, Sheffield's children's services have previously been criticised by Ofsted, [receiving a "requires improvement" rating in 2014](#). It has [not been re-inspected since](#).
3. Tower Hamlets £10.8m projected overspend on children's services is the highest in London, and the third highest in England. A council [report](#) attributes the budget pressure to an increase in looked after children due to the lowering of thresholds for help last year. This was prompted by its [children's services being rated as "inadequate" by Ofsted in April 2017](#). [It has not been fully re-inspected since](#). If the current forecast continues until the end of 2017/18, it will be the fourth consecutive year the council's funds have fallen short of what was needed in this area.
4. Cumbria's £9.7m projected overspend on children's services is the highest in the North West, and the fourth highest in England. The council says the budget pressure is the result of a [lack of foster placements](#) exacerbated by the inability to find families for "older teenagers with complex high needs behaviours". If the current forecast continues until the end of 2017/18, it will be the fourth consecutive year the council's funds have fallen short of what was needed in this area. Like eight other councils in the top ten largest projected overspends this year, Cumbria's children's services have previously been criticised by Ofsted, [receiving an "inadequate" rating by Ofsted in 2015](#). [In January 2018 they were rated as "requires improvement"](#).
5. Wandsworth is projecting an £9.6m overspend on children's services this year, the second highest in London and the fifth largest in England. The [council says this is the result](#) of changes enacted after its children's services were [rated "inadequate" by Ofsted](#) in 2016, leading to an increased number of looked after children. [The council has not been subject to a full re-inspection](#). If the current forecast continues until the

end of 2017/18, it will be the third consecutive year the council's funds have fallen short of what was needed in this area.

6. Oxfordshire is projecting an £8.6m overspend on children's services this year, the highest in the South East. The council [has invested an additional £7.8m in this area this year](#) but continues to experience rising demand for social care and special educational needs transport. If the current forecast continues until the end of 2017/18, it will be the third consecutive year the council's funds have fallen short of what was needed in this area.
7. Lambeth estimates it will overspend on children's services by £8.6m this year. If the current forecast continues until the end of 2017/18, it will be the fourth consecutive year the council's funds have fallen short of what was needed in this area. Like eight other councils in the top ten largest projected overspends this year, Lambeth's children's services have previously been criticised by Ofsted, receiving an ["inadequate" rating in 2015. It has not been subject to a full re-inspection since.](#)
8. Surrey's children's services are forecast to be £8m overspent this year due, [it says](#), to "exceptional demand" which has led to the need to recruit 30 more social workers than had been budgeted for. Despite the current year's overspend, the council plans to cut its children, schools and families budget by £25.6m in 2018/19. Like eight other councils in the top ten largest projected overspends this year, Surrey's children's services have previously been criticised by Ofsted, [receiving an "inadequate" rating by Ofsted in 2014.](#)
9. Tameside is forecasting a £7.8 million overspend on children's services this year, the second highest in the North West. The council says this budget pressure is the result of "unprecedented demand". If the current forecast continues until the end of 2017/18, it will be the fourth consecutive year the council's funds have fallen short of what was needed in this area. Like eight other councils in the top ten largest projected overspends this year, Tameside's children's services have previously been criticised by Ofsted, [receiving an "inadequate" rating in 2016. It has not been subject to a full re-inspection since.](#)
10. Lewisham is forecasting an £7.7m overspend on children's services this year. There are currently 478 children in the care of the borough, [according to a council report.](#) If the current forecast continues until the end of 2017/18, it will be the third time in four years the council's funds have fallen short of what was needed in this area. Like eight other councils in the top ten largest projected overspends this year, Lewisham's children's services have previously been criticised by Ofsted, [receiving a "requires improvement" rating in 2015.](#) It has not been reinspected since.

Quotes from experts you can use

"These findings are deeply concerning. Unless the government finally listens to the demands of councillors, parents and politicians of all parties, and makes a change of direction, then more vulnerable children will go without the care that they need, and councils will be pushed dangerously close to the financial brink."

- Labour's shadow secretary of state for Housing, Communities and Local Government, Andrew Gwynne

“These stark figures reveal an all-too familiar picture of the perilous state of children’s services...it’s no surprise that they are over-spending as they struggle to cope with slashed budgets and soaring demands.”

- Dr Sam Royston, director of policy and research at the Children’s Society

“Local authorities have seen significant cuts to their funding while facing rising demand for children’s services. These pressures have forced them to cut back on spending on early intervention, which could reduce costs and help children and families before their problems escalate. It is little wonder that many councils are struggling, budgets are woefully inadequate for the challenges they face.”

- Anna Feuchtwang, chief executive of the National Children’s Bureau

“This government is helping the children’s social care sector deliver higher quality services. Councils will see a real term increase over the next two years in resources, more freedom and fairness and with a greater certainty to plan and secure value for money.”

- A spokesman from the Ministry of Housing, Communities and Local Government