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NAO report (2019): Pressures on children’s social care

Introduction: a flawed analysis.

The National Audit Office’s (NAO) latest report on ‘Pressures on children’s social care’ rightly called for greater equality in services to children and families. However, this is a flawed report which fails to build justified conclusions from transparent methodologies and good evidence. The work is misleading in implying that there is clear evidence that inequity in children’s services is primarily a product of local authority characteristics rather than socio-economic conditions affecting families, the ethnic composition of the population, the funding levels of individual local authorities or other factors.

Two general points are important and should be underlined. First, the NAO report argues that reducing variations in children’s chances of being in need, on a child protection plan or a looked after child should be a national policy objective. It says the Department of Education should take lead responsibility in understanding demand pressures, commissioning research into variations between local authorities and working with the sector to reduce unnecessary variation between authorities in levels of looked-after children. However, by focusing on inequity between local authorities rather than between children, ethnic groups or UK nations, it obscures the most important evidence about inequalities in the system and, therefore, the most important factors in pressures on children’s services.

Second, the NAO report confirms that children’s services in England have faced huge financial pressures as a result of austerity policies and rising demand since 2010. While local authorities have protected children’s services to some extent, they have done so largely by reducing spend on prevention from 41% of total spend to just 25% over this period, creating a vicious spiral which has resulted in an increasing focus on late intervention despite the high costs involved. These cuts have been much more severe, on average, in more disadvantaged mainly urban local authorities (Webb and Bywaters, 2018), despite recent publicity about financial difficulties in shire counties. This degree of change constitutes an unannounced, undiscussed policy change in the role of children’s services with damaging consequences for the relationship between the state and families.

However, particularly in Section 3 of the report, the methodology used and the conclusions drawn are most problematic.

Key Weaknesses

The NAO focuses on local authorities because they are the administrative unit responsible for children’s services, who set budgets and receive funding from central government and other sources. They conclude that the largest factor affecting the numbers of children receiving interventions is the characteristics of local authorities rather than the demands placed on them. There are a number of reasons for questioning this opinion.

First, this conclusion is based on only one metric: the numbers of children starting child protection plans in a year. There is little justification for this choice in the report. For example, why choose a measure that relates to a small proportion of overall spending rather than – say - the numbers of looked after children on which approaching 50% of children’s services expenditure is now concentrated, or the proportion of children being deflected from child protection measures by early help, family support for children in need, or simply by rationing access to services. In making this
choice the NAO appears to be unaware that the proportion of children receiving a particular form of intervention reflects supply as well as demand factors. In other words that local authorities ration services according to the resources available to them, balancing demand with supply. Using the proportions of children starting plans as if it were an objective measure of total demand fails to recognise the role of supply factors, of rationing, or the complexity of the system as a whole.

Second, there is no transparency about the six ‘fixed effects’ factors said to constitute the local characteristics: custom and practice in children’s social care; local market conditions; geographical peculiarities distinct to a particular local authority; characteristics of children and their families within the local authority; historical patterns of demand for children’s social care; community composition; and historical funding. These are not defined in the main text or the appendices. There is no information about how they were measured and there is little information about how the analysis was carried out.

For example, what is meant by the ‘characteristics of children and their families’? The central problem here is that there are no data available on the circumstances of individual families in contact with children’s services. The DfE collect only data on children and not on their parents’ demographic or socio-economic characteristics. So it is unclear on what evidence this factor is constructed. Demand for children’s services will never be properly understood until this data gap is closed. It is what happens in families and the context of family life that leads to demand, so the absence of demographic or socio-economic data about parents is critical.

Research from the Child Welfare Inequalities Project (CWIP) funded by the Nuffield Foundation (www.coventry.ac.uk/CWIP) has shown that children in the most deprived 10% of the population are over ten times more likely to be in care or on a child protection plan than the most advantaged 10% (Bywaters et al., 2017). Extraordinarily, the NAO report does not explicitly discuss the impact of family or parental circumstances on demand. There is no evidence that the NAO attempted to measure pressures on families.

Further, what does the NAO mean by ‘community composition’? Again the report gives no details of how this is operationalised. Ethnicity is not mentioned as an issue affecting demand in the NAO report but the CWIP research has shown that rates of children’s services intervention vary hugely by ethnic category (Bywaters et al. 2018). White British children are ten times more likely than Asian Indian children to be in care and Black Caribbean children twenty times more likely. The children in some local authorities are over 95% White British in heritage; in other LAs 80% of children come from minority ethnic groups. Asian Pakistani and Bangladeshi children are three or four times more likely to be in care than Asian Indian children; African children half as likely to be in care as Caribbean children.

Third, the NAO report makes the claim that ‘deprivation’ is the cause of (only) 15% of variations between LAs but do not say how deprivation is measured for this purpose and how it was separated from the list of ‘local characteristics’. In the CWIP research on deprivation referenced in the report, deprivation is used as a proxy for family socio-economic circumstances. When this is done very large differences can be seen between LAs. In some local authorities no child lives in the 40% most affluent neighbourhoods in the country. In others none live in the most deprived 20%. Using whole local authority average deprivation scores – as we suspect has been done in the NAO report - fails to reflect variations: two LAs can have the average same score but very different patterns of deprivation and affluence. None of this complexity is discussed by the NAO.
Fourth, the CWIP also demonstrated that when comparing small neighbourhoods (lower super output areas) of equivalent deprivation, low average deprivation local authorities were intervening significantly more frequently than high deprivation local authorities (Bywaters et al., 2015). There is increasing evidence that this ‘Inverse Intervention Law’ reflects funding levels, with low deprivation local authorities having experienced lower levels of budget cuts and hence having to ration expensive services less acutely (Webb and Bywaters, 2018). This finding reinforces the evidence that rates of intervention, such as the proportion of children on protection plans, are not an objective measure of need but reflect the balance of demand and supply factors. This is not recognised in the NAO report.

Fifth, in its more detailed analysis the report makes the claim that local authorities which have closed children’s centres have not had any consequential increases in child protection plans. While this may be true in a narrow sense, it fails to contextualise the finding. First, it only compares Sure Start closures with centres staying open, even if the services provided by centres remaining open have been decimated. But, second, this again fails to recognise that the local authorities which are most short of funding will be both closing centres and also rationing services more tightly. In other words, it is inappropriate to select an increase in child protection plans as a measure of the consequences of Sure Start closures.

Sixth, the report claims that there is no correlation between expenditure per child in need and the Ofsted rating for the local authority for 2017-18. The methodology is not transparent but seems to only include one element of the overall children’s services’ expenditure. Previous research has shown that while Ofsted judgements are independent of funding levels in low deprivation local authorities, for high average deprivation local authorities it is only those who spend more who have a chance of a good or outstanding Ofsted (Bywaters and Webb 2018). Again the NAO report fails to recognise the complexity of interacting factors.

Conclusion

While it is valuable for the NAO to recognise that inequalities in the proportion of children receiving children’s services interventions is a significant policy issue which should be explicitly addressed, this report contains many claims which are either poorly evidenced, lack transparency or fail to recognise the complexity of children’s services. The call for better understanding of demand is important but such understanding is not aided by this report’s analysis.

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References


*February 2019*