

## Agenda – Public Accounts Committee

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Meeting Venue:	For further information contact:
<b>Committee Room 3 – Senedd</b>	<b>Fay Bowen</b>
Meeting date: 29 January 2018	Committee Clerk
Meeting time: 13.45	0300 200 6565
	<a href="mailto:SeneddPAC@assembly.wales">SeneddPAC@assembly.wales</a>

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### (Private Pre-Meeting)

(13.45 – 14.00)

### 1 Introductions, apologies, substitutions and declarations of interest

(14.00)

### 2 Paper(s) to note

(14.00 – 14.05)

(Pages 1 – 3)

#### 2.1 Coastal flood and erosion risk management in Wales: Letter from the Minister for Environment (17 January 2018)

(Page 4)

#### 2.2 The Governance Challenges posed by indirectly provided, publicly funded services in Wales: Letter from the Welsh Government (17 January 2018)

(Pages 5 – 17)

### 3 Care experienced children and young people: Evidence Session 1

(14.05 – 15.20)

(Pages 18 – 62)

Research Briefing

Summary of consultation responses

PAC(5)–03–18 Paper 1 – Consultation response from the Children’s Commissioner for Wales

Sally Holland – Children’s Commissioner for Wales

Rachel Thomas – Head of Policy and Public Affairs, Office for the Children’s Commissioner for Wales



**(15.20 – 15.30 – Break)**

**4 Care experienced children and young people: Evidence Session 2**

(15.30 – 16.30)

(Pages 63 – 78)

PAC(5)-03-18 Paper 2 – Consultation response from All Wales Heads of Children’s Services

Irfan Alam – Assistant Director Children’s Services, Cardiff City Council

Kate Devonport – Head of Children, Family & Safeguarding Services, Conwy County Borough Council

Sally Jenkins – Head of Children and Family Services, Newport City Council

Gareth Jenkins – Assistant Director for Children’s Services, Caerphilly County Borough Council

**5 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:**

(16.30)

Item 6

**6 Care experienced children and young people: Consideration of evidence received**

(16.30 – 16.45)

## Concise Minutes – Public Accounts Committee

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Meeting Venue:

Committee Room 3 – Senedd

Meeting date: Monday, 22 January 2018

Meeting time: 14.45 – 17.00

This meeting can be viewed  
on [Senedd TV](#) at:

<http://senedd.tv/en/4504>

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### Attendance

Category	Names
Assembly Members:	Nick Ramsay AM (Chair) Mohammad Asghar (Oscar) AM Neil Hamilton AM Vikki Howells AM Adam Price AM Lee Waters AM
Witnesses:	Tracey Burke, Welsh Government Jo-Anne Daniels, Welsh Government John Howells, Welsh Government Emma Williams, Welsh Government
Wales Audit Office:	Anthony Barrett – Assistant Auditor General for Wales Matthew Mortlock Mike Usher
Committee Staff:	Anthony Barrett Matthew Mortlock Mike Usher



	Fay Bowen (Clerk) Claire Griffiths (Deputy Clerk) Katie Wyatt (Legal Adviser)
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## **1 Introductions, apologies, substitutions and declarations of interest**

- 1.1 The Chair welcomed the Members to Committee.
- 1.2 Apologies were received from Rhianon Passmore AM.

## **2 Paper(s) to note**

- 2.1 The papers were noted.
- 2.1 Lee Waters AM asked for a correction to be made to point 4.2 of the minutes from 15 January 2018.

## **3 The Welsh Government's Supporting People Programme: Evidence Session 5**

3.1 The Committee received evidence from Tracey Burke, Director General for Education and Public Services, Jo-Anne Daniels, Director, Communities and tackling Poverty, John Howells, Director, Housing and Regeneration, and Emma Williams, Deputy Director, Housing Policy as part of its inquiry into The Welsh Government's Supporting People Programme.

3.2 Tracey Burke agreed to:

- Check whether third sector organisations were invited to participate in the stakeholder engagement workshops during the development of the Pathfinder project
- Send a list of the ten grants which form the proposed single integrated grant

## **4 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:**

- 4.1 The motion was agreed.

## **5 The Welsh Government's Supporting People Programme: Consideration of evidence received**

5.1 Members considered the evidence received and agreed that a short report should be prepared.

5.2 It was agreed that the areas of questions regarding the Auditor General's Report on Homelessness which were not reached, should be sent to the Welsh Government in writing.

## **6 The Welsh Government's initial funding of the Circuit of Wales Project: Consideration of Welsh Government Response**

6.1 Members considered the correspondence received on the Circuit of Wales project and the majority view of the Committee was to hold an oral session with the Permanent Secretary on 5 February.



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref MA-P-/HB/0026/18

Nick Ramsay AM  
Chair – Public Accounts Committee  
National Assembly for Wales  
Cardiff  
CF99 1NA

Nick.ramsay@assembly.wales

17 January 2018

Dear Nick,

**PUBLIC ACCOUNTS COMMITTEE REPORT: COASTAL FLOOD AND EROSION RISK MANAGEMENT IN WALES – TIMETABLE FOR COASTAL RISK MANAGEMENT PROGRAMME**

Thank you for your letter dated 14 December 2017 seeking clarification of the timetable for the Coastal Risk Management Programme (CRMP), particularly the completion of the mid-programme review. I am responding to you in my role as Minister for Environment, as flood risk management now falls within my portfolio.

I am pleased to provide you with an update on progress of CRMP. Following the completion of the initial investigations and Outline Business Cases for potential future schemes, we are working with 12 coastal authorities to progress work further. 7 new business cases are being developed following initial investigations, a further 8 schemes are continuing with their business cases and 12 schemes are now moving on to detailed design. Schemes will start to construct from March 2019.

In terms of a mid-programme review this will take place during the financial year half way through the Programme, likely to be financial year 2019/20.

Yours sincerely,

**Hannah Blythyn AC/AM**  
Gweinidog yr Amgylchedd  
Minister for Environment

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1NA

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
0300 0604400

[Gohebiaeth.Hannah.Blythyn@llyw.cymru](mailto:Gohebiaeth.Hannah.Blythyn@llyw.cymru)  
[Correspondence.Hannah.Blythyn@gov.wales](mailto:Correspondence.Hannah.Blythyn@gov.wales)

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

**Shan Morgan**  
Ysgrifennydd Parhaol  
Permanent Secretary



Llywodraeth Cymru  
Welsh Government

Nick Ramsay AM  
Public Accounts Committee Chair  
National Assembly for Wales  
Cardiff Bay  
CF99 1NA

17 January 2018

Dear Mr Ramsay,

Thank you for your letter of 14 December in which you asked for an update on any work that has been undertaken in taking forward the important issues identified in the Auditor General's Discussion Paper on the relationship between the Welsh Government and arms-length companies.

The Welsh Government has found the Discussion Paper from the Auditor General very helpful and informative and it has acted as a springboard for a number of strands of action. All of the public bodies which the Welsh Government sponsors, in their various forms, play an extremely important role in the delivery of the objectives of the Welsh Government and we value their contributions very highly indeed. At the same time, we recognise the importance of getting the relationships right between us, being alert and responsive to early warning signs and dealing effectively with problems when they do arise.

I know that when the Auditor General's Discussion Paper was being finalised in late 2016, my predecessor and his senior team had a high-level summit meeting with the Auditor General and his own senior team to discuss the emerging findings of the report and the actions which the Welsh Government could take forward in response. Following the summit meeting, we set in hand action to codify more precisely the various categories of public bodies that we sponsor, and, in partnership with the bodies themselves, to improve our approach to recruitment, training and induction of their Board members.



Parc Cathays • Cathays Park Ffôn • Tel 0300 025 3289  
Caerdydd • Cardiff PS.PermanentSecretary@gov.wales  
CF10 3NQ Gwefan • Website: [www.gov.wales](http://www.gov.wales)

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

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More recently, we have also commissioned a wide-ranging review of our sponsorship arrangements with our public bodies to identify improvements we could make to the way in which the Welsh Government deals with them as our delivery agents. The review was carried out in accordance with the principles of the Well-Being of Future Generations Act and included interviews with representatives of all of the relevant stakeholders – the Chairs and CEOs of the bodies themselves, the Wales Audit Office, devolved administrations, UK Cabinet Office, Whitehall departments, key officials in the Welsh Government, Special Advisers and Ministers. The review was informed by an Oversight Board which included an external non-executive and a representative of the Wales Audit Office (acting in an ‘observer’ capacity to preserve audit independence). One of the key documents which the review team drew upon was the Auditor General’s discussion paper.

The review has now reported and following discussions with officials I have accepted the conclusions and recommendations as Principal Accounting Officer.

**‘Delivering Together - Strengthening the Welsh Government’s Sponsorship of Arms-length Bodies’** recommends a programme of work to deliver the ambitions of the Review. It sets out 37 recommendations under the following 6 themes:

- Organisational Structures - Form and Function
- A High Value Function
- Supporting Public Leaders
- Public Appointments
- The Control Framework
- Managing the Two-Way Communication

I have appended to this letter a summary of the recommendations. Among the most significant of the recommendations are:

- to establish greater central capacity, via a Public Bodies Unit which would take over some sponsorship functions, act as a centre of excellence, a source of consistent advice and provide greater transparency and assurance to me. This will be cost-neutral and funded through a re-alignment of resources from sponsor teams which will enable us to do the things we do now better and also give some capacity to undertake new functions;
- to develop proposals with our arms-length bodies to join up the provision of the back office functions of the Welsh Government Arms-length Bodies and making better use of large framework contracts to drive out efficiency savings;
- to assess the cost effectiveness of Welsh Government officials providing ‘secretariat’ services to the 16 committees, appeals panels and tribunals and make proposals to consolidate this resource;





- to streamline the administration of the payment of grant-in-aid whilst maintaining rigorous scrutiny;
- to move away from 'annual' remit letters, budget awards and business plans to a 'Term of Government' approach that will facilitate longer term planning and provide greater stability for our Arms-length Bodies, improve efficiency and effectiveness of the oversight arrangements;
- to establish a Public Leaders Forum (networks for Chairs, Chief Executives and sponsors and policy leads) to facilitate improved communication and sharing of information that will lead to more efficient planning and better decision making;
- to develop a Welsh Government 'Governance Portal' to facilitate opportunities for cross-sector working by providing a platform on which to share Arms-length Bodies' business plans and remit letters, and to provide an on-line discussion forum; and
- to build in additional capacity in the Public Appointments Unit to enable the development of a 'talent pipeline' of potential candidates for appointments to boards, improving succession planning and diversity in appointments .

We have begun to implement these recommendations and are doing so in close partnership with the public bodies themselves and drawing upon the advice and expertise of the Wales Audit Office where it is appropriate to do so, and without – of course – fettering audit independence. I will be very happy to keep the Committee informed of our progress, if that would be helpful.

Yours,



**Shan Morgan**

Ysgrifennydd Parhaol/ Permanent Secretary  
Llywodraeth Cymru/ Welsh Government



## Table of Recommendations

### Organisational Structure - Form and Function

Number	Recommendation	By who	Time-Frame
1	Establish Public Bodies Unit	<p>Director of Corporate Services</p> <p>Public Body Implementation Manager</p>	<p>December 17 appoint Public Bodies Implementation Manager</p> <p>April 2018 Public Bodies Unit Established</p>
2	Realign resources currently allocated to sponsorship teams to reflect the move of some functions to the Public Bodies Unit	<p>Directors of Corporate Services and Finance (OFMCO)</p> <p>Directors Generals and Directors of Finance.</p>	Between January and April 2018

		Accounting Officer for CSA MEG	
3	Adopt a 'Sponsorship Hub Model' across Welsh Government aligning sponsorship responsibilities within and across groups to drive efficiency and effectiveness and release resource to support enhanced functions of the Public Bodies Unit and Public Appointments Unit.	Directors General and their Heads of Operations	January to April 18
4	Designate the Cabinet Secretary for Finance as the Minister with oversight responsibility for Welsh Government Public Bodies' landscape and policy.	Permanent Secretary discussions with the First Minister	April 18
5	Establish a policy and procedure for setting up a new Public Body and put in place a central approvals process through the Unit which should: <ul style="list-style-type: none"> <li>• Challenge the need for a new body</li> <li>• Agree appropriate model</li> <li>• Review and scrutinise business cases</li> <li>• Provide challenge and sign off of new model</li> </ul>	Director of Corporate Services  Public Bodies Implementation Manager	April 18

6	Establish a 'tailored review' programme. Sponsor leads to consider annually the need for a Tailored Review of an arms-length body, based on the agreed risk framework, with maximum term of government interval.	Public Bodies Implementation Manager	June 18
7	Consider efficiency savings to the Welsh Government of providing 'back office' functions for smaller arms-length bodies to reduce grant-in-aid to those bodies and whether contracts let by the Welsh Government for professional advice e.g. legal services can be made available to the arms-length bodies to save time and resource in running procurement exercises.	OFMCO Director of Finance and Directors of Resources Arms-length Bodies  Director National Procurement Service	December 2017 – June 2018
8	Consider efficiency savings of administering grant-in-aid payments centrally.	OFMCO Director of Finance	Commence April 18
9	Explore the feasibility of developing the grants system to be able to run reports by Public Body so that management information on funding of bodies can be extracted for the public bodies report	Director of Finance  Grants Centre of excellence	Commence April 2018

### Sponsorship as a High Value Function

Number	Recommendation	By who	Timeframe
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10	Lead sponsor for each arms-length body should be at least Deputy Director band with a commitment to the function reflected in PMR objectives.	Deputy Permanent Secretaries	April 2018
11	Person specification for key sponsorship roles to be identified based on Civil Service Sponsorship Competency Framework	Director Corporate Services	April 2018
12	Training and development package for sponsorship to be developed and offered	Director Corporate Services	April 2018/19
13	Community of Practice to be established for staff in sponsorship roles within the Welsh Government. To include individuals who support teams in other specialist functions e.g. procurement, finance, FOI, Cabinet Office, Human resources	Public Bodies Unit	April 18

### Supporting Public Leaders

Number	Recommendation	By who	Timeframe
14	Establish Public Leaders Network	Director of Corporate Services	April 2018
15	Establish other networks for Board members, Chief Executives, functional heads as demand identified, building on extant groups wherever	Public Bodies Unit	April 18 /19

	possible		
16	Develop Formal induction programme for incoming Chairs and Board members on public sector governance	Director of Governance	January 2018
17	Ensure that all appointees to arms-length bodies receive organisation-specific induction as well as opportunities for ongoing training and development.	Chief Executive Arms-length Bodies  Public Bodies Unit	April 2018

## Public Appointments

Number	Recommendation	By who	Timeframe
18	Increase capacity in the central Public Appointments Unit to allow it to undertake appointments exercises for sponsor teams as internal clients.	Director Corporate Services	April 2018
19	Establish and implement a development programme 'Talent Pipeline' for identified individuals with the potential to serve as public appointees, with a particular focus on underrepresented groups.	Public Bodies Unit	April 18 -April 19

20	Establish and implement a 'Mentoring and Shadowing' programme for new Chairs, for existing appointees with Chair potential and 'near misses' from public appointment exercises.	Public Bodies Unit	April 18 -April 2019
21	Establish and implement a policy on remuneration of public appointees to increase consistency	Public Bodies Unit	April 18 – September 18
22	Consider the introduction of a probation period for new Chairs and Board members.	Public Bodies Unit	April 18
23	Establish escalation procedures for Board members, Chairs and Chief Executives in case of failing relationships.	Public Bodies Unit	April 18

## Control Framework

Number	Recommendation	By who	Timeframe
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24	Control framework (documents, templates, guidance including Managing Welsh Public Money) to be reviewed in light of findings of this report and the Public Bodies Review Group assessment. Re-issued with clarity around mandatory and flexible provisions e.g. Well-being Future Generations.	Director of Governance	April 18
25	Control documents to be held centrally and checked for compliance with guidance.	Public Bodies Unit	April 18
26	Move to “Term of Government” remit letters with ‘Term of Government’ budget allocations (firm for first year, indicative for remaining years with caveats relating to budget fluctuations and timing of any planned tailored reviews) Budget allocations will continue to be confirmed on an annual basis with indicative allocations as appropriate i.e., aligned with WG budget planning horizons.	Public Bodies Unit and Sponsor Teams	April 2018
27	Term of Government remit letters to be issued on approval of ‘Term of Government’ strategies and business plans provided by the arms-length body.	DD Sponsor Team	April 2018
28	Establish Risk Assessment Framework for Public Bodies based on concept of Earned Autonomy and establishing oversight regime. Risk assessments to be undertaken on each arms-length body	Public Bodies Unit, Chief Executive of Arms-length Body and DD Sponsor Team	April 18 _19



29	Explore the opportunity for co-operation between the Welsh Government Internal Audit Services and the internal audit functions of the arms-length bodies to develop audit programmes which could provide more holistic internal audit assurances to 'those charged with governance' i.e. ARCs	Head of Governance and Assurance	June 18
30	Clearer guidance to be provided on Accounting Officer accountability and 'calling-in requirements' e.g. actions that fall under the definition "novel, contentious and repercussive"	Public Bodies Unit Director of Governance	April 2018

## Managing the Two Way Communication

Number	Recommendation	By who	Timeframe
31	Confirm a policy on Welsh Government officials' attendance at arms-length bodies boards and audit and risk committees. If attending, consider seniority of official (DD grade), and status (silent observer, participatory observer, or "Public Guardian" ).	Director of Governance	April 18
32	Establish protocol for communication with arms-length bodies - a 'single funnel' approach to include an annual/triennial commissioning framework and mechanism for reducing frequent or repetitive requests for information	Public Bodies Unit	April 18

33	Establish an on-line 'Governance Portal' to facilitate sharing of information (remit letters, business plans, framework documents) between the Welsh Government, Chairs and Chief Executives and enable on-line 'chat/message' facility to provide a forum for sharing best practice, discussion of issues and advice/resolution of problems and to support 'joining up' and working together.	Public Bodies Unit	April 18
34	Ensure Cabinet Secretaries and Ministers are briefed at Machinery of Government changes in respect of any armslength body for which they will have responsibility. Include in the briefing guidance on any intervention powers taking account of the bodies' statutory duties.	Public Bodies Unit Sponsor Teams	April 2018
35	Provide induction training to Cabinet Secretaries and Ministers on arms-length bodies .	Director of Governance Public Bodies Unit	April 2018
36	Establish protocol for communication between an arms-length body, the sponsor team and senior civil servants which ensures consistent messaging with Cabinet Secretaries, Ministers, their Private Offices and Special Advisers.	Public Bodies Unit	April 2018

37

Ensure that sponsors are clear about their role in respect of the Well-being of Future Generations Act and requirements on the arms-length-bodies they are responsible for

Public Bodies unit and  
WBFG Champion

April 2018

# Agenda Item 3

By virtue of paragraph(s) vi of Standing Order 17.42

Document is Restricted

By virtue of paragraph(s) vi of Standing Order 17.42

Document is Restricted



# Comisiynydd Plant Cymru Children's Commissioner for Wales

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## Ymateb i Ymgynghoriad / Consultation Response

**Date / Dyddiad:** 15<sup>th</sup> September 2017

**Subject / Pwnc:** Public Accounts Committee Inquiry: Care Experienced Children

### Background information about the Children's Commissioner for Wales

The Children's Commissioner for Wales is an independent children's rights institution established in 2001. The Commissioner's principal aim, under the Care Standards Act 2000, is to safeguard and promote the rights and welfare of children. In exercising their functions, the Commissioner must have regard to the United Nations Convention on the Rights of the Child (UNCRC), as stipulated in regulation 22 of the Children's Commissioner for Wales Regulations 2001. The Commissioner's remit covers all areas of the devolved powers of the National Assembly for Wales insofar as they affect children's rights and welfare.

The UNCRC is an international human rights treaty that applies to all children and young people up to the age of 18. It is the most widely ratified international human rights instrument and gives children and young people a wide range of civil, political, economic, social and cultural rights which State Parties to the Convention are expected to implement. In 2004, the Welsh Assembly Government adopted the UNCRC as the basis of all policy making for children and young people and in 2011, Welsh Government passed the Rights of Children and Young Persons (Wales) Measure, which places a duty on Welsh Ministers, in exercising their functions, to have 'due regard' to the UNCRC.

This response is not confidential.

## TAKING A CHILDREN'S RIGHTS APPROACH

1. My work is guided by the United Nations Convention on the Rights of the Child (UNCRC) and I strive to ensure that it is implemented fully in Wales, not just by Ministers but by all those whose decisions have an impact in children's lives. I have recently created a guide entitled "The Right Way: a children's rights approach in Wales"<sup>1</sup> with expert advice from the Wales Observatory on the Human Rights of Children and Young People (based at Swansea and Bangor Universities) to encourage public services across the country to commit to the UNCRC and improve how they plan and deliver their services as a result. It contains information on ways to embed children's rights in organisations and the benefits of doing so, for organisations themselves as well as for individual children. Also included within the guide are some inspirational practice examples, which illustrate how some organisations are at the forefront of making rights a reality for children in Wales.
2. If local authorities embed this approach into their working practices, it will ensure that children's rights are at the core of their planning and service delivery. It will lead to better decision making, ensuring there's a real focus on the particular needs of children whose voices can be lost or silenced, creating an environment where public services are accountable to all of their service users. The UNCRC needs to be integrated into every aspect of decision-making, through procedures and actions. At its most basic this requires acknowledgement of the UNCRC as a framework for services impacting on children. Children's rights should guide decisions and actions having a substantial impact on children's lives in areas such as education, health or social care, but also in other areas such as planning, transport and the environment. There should be coordination across departments, and with external organisations, to ensure application of the principles and practice of a Children's Rights Approach. This will help ensure that the best interests of the child are a primary consideration in all decision-making affecting the child (as guaranteed by Article 3 of the UNCRC). Policy, procedures and actions, as well as budgets should all be developed and implemented taking into account their impact on children's rights. It should be clear and transparent where children's rights have been taken into account.
3. I am acutely aware of the current climate of budget cuts that local authorities have to work within to ensure statutory services are delivered in a sustainable way for their whole population. Whilst prioritising and investing in children's human rights may not be at the forefront of minds, my guide is intended to bring to life the real, positive impact public services in Wales can have on delivering a children's rights approach – an approach that will have meaningful impact on how Wales responds to and safeguards the long term needs of its children. By implementing such an approach, I remain convinced that we can live in a country where every child and young person can achieve their full potential.

The Rights of Children and Young Persons (Wales) Measure 2011 was a significant milestone on the journey to fully implementing the UNCRC in Welsh public life. The introduction of the Social Services and Well-being (Wales) Act 2014, which brought forward a duty of due regard to the UNCRC for those exercising functions under the Act was also an important step in ensuring that children's rights filter down to decision makers whose work can have a major impact on the daily lives of the children in their care. This is the clearest way to ensure that children's rights become a lived reality for children in Wales.

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<sup>1</sup> <https://www.childcomwales.org.uk/wp-content/uploads/2017/04/The-Right-Way.pdf>

4. In relation to looked after children, taking a Children's Rights Approach also ensures that there a common set of values shared by everyone, including children, their families and all agencies, and that looked after children have the same rights to care, health, education and to fulfil their potential as all other children. It avoids using a deficit model that would emphasise what looked after children lack in terms of personal or material resources and also avoids casting them as a problem. In my report "*The Right Care; children's rights in residential care in Wales*"<sup>2</sup> young people actually commented on how they dislike use of the term "LAC" as they are not "lac-king" in anything. This is very important to avoid stigma and ensure shared goals and ambitious outcomes can be pursued.

## **INEQUALITIES**

5. A report recently published by a collaboration of Universities and funded by The Nuffield Trust highlights the connection between social inequality and child welfare interventions. The single country quantitative study report for Wales<sup>3</sup> demonstrates that children are far more likely to be on the child protection register and come into care in the most deprived areas in Wales. This appears as a social gradient, with increasing intervention with every level of deprivation. This is broadly in keeping with trends in the other UK nations, but the social gradient is steepest here in Wales. There is also variation in the rates of child protection and children looked after by ethnicity category. It may prove useful for the Committee to consider that report's findings and conclusions further in assessing whether expenditure in public services for care experienced children is being targeted in the right areas and whether prevention and early intervention are seen as a high enough priority in relation to child protection and well-being.
6. Prevention and early intervention is part of the five ways of working under the Well-being of Future Generations (Wales) Act 2015. This autumn I will be publishing a joint resource with the Future Generations Commissioner, aimed at all public bodies and the Public Service Boards in Wales. The resource will include a full guide to the principles of a children's rights approach in the context of the five ways of working and a self-reflective benchmarking tool for public bodies to be able to assess how well children's rights are integrated into their existing ways of working and identify the opportunities to further embed a children's rights approach across their work. I will be happy to share details with the Committee once this resource is published.

## **BUDGETS AND PROFIT**

7. Whilst there is increasing pressure on public services budgets due to an ageing population, a focus on children and young people and the issues pertinent to them in budget setting will ensure that children's issues are not marginalised and the importance of early intervention, prevention and investment is appropriately considered.
8. Fostering and Residential Care provision are essentially 'marketplaces' and the range of placements available includes provision by private companies alongside local authorities. A placement with a private provider will typically incur a higher weekly cost to the placing local authority. In Scotland, all adoption agencies and fostering agencies must be "not for profit" but this is not the case in Wales.

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<sup>2</sup> <https://www.childcomwales.org.uk/wp-content/uploads/2016/06/The-right-care.pdf>

<sup>3</sup> <http://sites.cardiff.ac.uk/cascade/files/2017/02/Child-Welfare-Inequalities-Project-Wales-Country-Report.pdf>



9. There is no prohibition on profit making in residential care services in Scotland currently, however a report from Audit Scotland entitled “Getting it Right for Children in Residential Care”<sup>4</sup> has highlighted the need to know the “true cost” of the service that is being delivered and establishing value for money from a service. It recognises that certain services will cost more if they are put in place to cover higher risk circumstances or particular specialist needs, but that councils need to be aware of the true costs when commissioning services.
10. Sir Martin Narey has also looked at cost and commissioning arrangements in his 2016 report “Residential Care in England”<sup>5</sup>. He was interested in the opportunities presented by regional commissioning and procurement, and joining together to provide services where there may not be a sufficient need for places within every local authority area but regionally this could address placement shortages. The work of the National Fostering Framework (NFF) is exploring commissioning in Wales and the provision of services at local, regional and national levels. Residential care is not part of the NFF but any shortage of places in foster care will necessarily have an impact on the range of provision in children’s homes. My office has also heard a number of examples recently where pressure on places in children’s homes has then created pressure on secure accommodation also. It is therefore perhaps artificial to separate out the different types of placement when the issues are interlinked. In general, placements closer to home will assist in maintaining links to family members through regular contact and identity links to the area where a child is from. This is an important factor in promoting positive well-being for children in care, and in planning for the future when they move on from local authority care.
11. I recognise the need to ensure that all children in care are cared for by suitably qualified carers, and that carers are available to meet any specialist needs of children and young people. Many carers linked to private fostering agencies are experienced and highly trained in dealing with disability, supporting teenagers through difficult periods and transition, and in managing challenging behaviour. I recognise of course that it would not be a viable short term solution to simply prohibit profit making in children’s services from a given date as this would create a risk of children in care not receiving the right care and support that they need in order to achieve positive outcomes. However this may provide a useful line of inquiry for this Committee to take forward, perhaps when the topic of placements is explored in more depth.
12. The duties under Section 16 of the Social Services and Well-being (Wales) Act 2014 should ensure that local authorities involve children and young people in the design and delivery of services, including services for looked after children. Increasing the range of not for profit services should mean that money invested in social care services can be spent on improving outcomes for children rather than providing returns for share-holders.
13. Grant funding for new or additional requirements on local authority provision is usually time limited, and money then rolls over in to the Revenue Support Grant (RSG) after the initial period. Ring fencing money for particular purposes will likely require regulatory or legislative changes in order to protect the purpose and the source of money for achieving a particular aim. Grant funding is also subject to reporting requirements to ensure that money is being spent in accordance with the stated aims and outcomes; once the money forms part of the RSG there is no requirement on local authorities to continue to fund that particular piece or work or priority area. Whilst I recognise that elected members at a local level need to retain a level of control over priorities for funding, and accountability back to citizens in their area, there are some

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<sup>4</sup> [http://www.audit-scotland.gov.uk/docs/local/2010/nr\\_100902\\_children\\_residential.pdf](http://www.audit-scotland.gov.uk/docs/local/2010/nr_100902_children_residential.pdf)

<sup>5</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/534560/Residential-Care-in-England-Sir-Martin-Narey-July-2016.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/534560/Residential-Care-in-England-Sir-Martin-Narey-July-2016.pdf)

recent policy changes that may be at risk of discontinuance if not backed up by statutory requirements.

14. Examples of current grant funding for care experienced children that will go into the RSG, and therefore cannot be guaranteed past the end of the grant, are:
  - a. Money for the “Active Offer” of advocacy provision under the National Approach to Statutory Advocacy for Children in Wales;
  - b. The “St David’s Day” fund for additional support for care leavers, as identified through my “*Hidden Ambitions*”<sup>6</sup> report published March 2017; and
  - c. Funding for Personal Advisors for all care leavers up to the age of 25, which the Welsh Government has committed to as part of their response to my “*Hidden Ambitions*” report.
15. Children who are adopted will usually be care experienced, whether this is for a short time or for a number of years, and it is recognised that additional support should be available to adopted children and their families because of their early life experiences. In England the Adoption Support Fund is ring fenced money that can help pay for essential therapy services for adoptive families as and when they need it. It was set up because many families needed some kind of support during and following adoption but may have struggled in the past to get the help they needed. The funding does not replace the services that Local Authorities are required by statute to provide, but is protected to only be used for the specified purposes, and to achieve positive outcomes for these children and their families. There is no such equivalent in Wales and my Investigation and Advice service have been contacted by families struggling to access adoption support and therapeutic services in Wales.

## OUT OF COUNTY PLACEMENTS

16. I am aware that the Committee intends to undertake a separate strand of work in relation to placements, but feel that it is important to note the high cost of out of county private placements and the associated problems that this can create when bringing a placement to an end, when considering overall value for money.
17. In my report “*The Right Care; children’s rights in residential care in Wales*”<sup>7</sup> I undertook fieldwork with a sample of 34 young people living in residential care across Wales. A 16 year old girl who took part and is referred to in the report as Sonia, had been placed in an out of county placement, but her home local authority decided to bring her back to a more local placement. She had been expecting to stay where she was living until the age of 18 and felt settled and had a support network and friends in that area. She was acutely aware that this was a financial decision rather than a decision based on her best interests and focusing on outcomes for her. She said “*They said I was going to be there until I was 18 but because it was so expensive to school me and everything, cos school is onsite, they had to move me back down... they waited until I got my GCSEs, I thought that was fair, but didn’t like a decision about my future based on money given they had put me there in the first place*”.
18. This is a familiar picture; when I have engaged with care experienced children at annual engagement events run by my office, or visited projects that support children in care and care leavers around Wales and at other events, I am struck by how often young people are aware of

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<sup>6</sup> <https://www.childcomwales.org.uk/wp-content/uploads/2017/02/Hidden-Ambitions.pdf>

<sup>7</sup> <https://www.childcomwales.org.uk/wp-content/uploads/2016/06/The-right-care.pdf>

the financial considerations around their placements and how openly and candidly they refer to this. Young people have described to me that they feel like “*commodities*” and have said that if a placement is ended because it is ‘*costing too much money*’, this can make them feel that they are not worth that investment and that their wellbeing and outcomes are perhaps not as important as others.

19. My office organised a consultation event with care experienced young people from across Wales in October 2016, and we ran a workshop on housing needs. Young people were asked to write newspaper headlines and bullet points for a story about their experiences. One group’s headline was “*I feel I'm for sale*” - ‘*Auctioning*’ children” and their bullet points included the involvement of private companies and the “*price tag*” on looked after children.
20. Out of county placements can also create problems for care leavers accessing housing lists in that area. Where a young person has lived for many years in an out of county foster placement and wishes to remain living in that area, they do not have the same priority access to the housing list as a young person from care who originates from that area. In other words the only way to achieve priority status is for them to return to their home local authority area, regardless of how far away this is or how long it has been since they lived there.
21. Here is an illustrative example of a case on this issue, which came through to my Investigation and Advice service in the last year:
  - A looked after child from Authority 1 is placed in Authority 2
  - The child remains in Authority 2 for 12 years, with no connection to Authority 1 and fully regards themselves as a young person from the Authority 2 area. On reaching 17 and wishing to move towards independent living when they turn 18, the young person enquires about accessing supported accommodation in Authority 2
  - The supported housing provision he wishes to access is specifically for looked after children from Authority 2
  - As such the young person is informed they are not eligible for the provision and one possibility is that the young person will have to return to Authority 1 to receive comparable accommodation-something which they do not want to do.
22. Despite the intervention of my office, this young person has not been able to access supported accommodation in Authority 2, and is now having to wait until they turn 18, and hope that Authority 1 will be able to “spot purchase” support for them in the area of Authority 2 through the third sector instead.
23. “Out of county” in this context can simply mean a neighbouring or nearby local authority, just crossing the county boundaries, as opposed to always meaning a child from South Wales being placed a great distance away in North Wales or vice versa. Where a young person has established their life in a particular area but is unable to remain living there past the age of 16 or 18, this may well incur additional public spending costs in the long term, due to the potential risk of experiencing greater difficulties with homelessness, loneliness and depression and lack of other support options. The current guidance under the Social Services and Well-being (Wales) Act 2014 does not make reference to any ‘reciprocity’ between local authorities, whether in providing housing, support, or access to leisure activities. Understandably any local authority will be reluctant to offer services to people from outside of their area if it is unlikely that a reciprocal arrangements would be made in a similar situation. Whilst each local authority is designated as being responsible for children from their own area, ultimately the question of

whether or not the 'state' is recognising and meeting their needs is an issue that goes beyond county boundaries.

## OUTCOMES

24. The Welsh Government has set up the Improving Outcomes for Children Ministerial Advisory Group (MAG), which I attend. This is not solely concerned with care experienced children but includes children and families on the "edge of care" also. The MAG has a lengthy and detailed work plan which covers three key themes; Professional Practice, Assessment of Risk and Edge of Care Services, and Permanency Planning and Building Stable Placements.
25. The focus of the group is specifically, and rightfully, about improving outcomes for these children in Wales. Whilst I recognise that policy or societal change does take time to achieve and become embedded, it is important that this work plan contributes directly to improving outcomes rather than just generating information and research. The Committee may wish to look at the work of the MAG around professional practice in relation to Corporate Parenting, and Building Stable placements when those particular stages of the inquiry are reached.
26. The work of the Adverse Childhood Experiences (ACEs) Hub will also be important in measuring outcomes for care experienced children. The 2015 Children in Need (CiN) Census in Wales<sup>8</sup> noted that experience of ACEs such as domestic abuse, parental substance misuse and parental mental health were primary reasons for referrals being made to social services. Care experienced children are more likely to be disproportionately affected by ACEs and have poorer health or education outcomes as a result.
27. A recently published paper on the School Health Research Network's work comparing substance use, subjective well-being and interpersonal relationships among young people in foster care and private households<sup>9</sup> notes that young people living in foster care experience significantly worse outcomes than young people not in care. This is likely to be due to a range of care and pre-care factors, which impact adversely on subsequent social relationships. Substance misuse and lower life satisfaction are partially explained by poorer quality social relationships, and so supporting healthy social relationships should be part of any interventions to reduce substance use and improve well-being.
28. One item of work on the MAG work programme focuses upon the 'Reflect project' in Gwent, which works with mothers who have had multiple children removed from their care. Both the fact that some parents may lose successive children to the care system, and the fact that care-experienced parents are over-represented amongst their number, are social tragedies. I therefore welcome the plan for the Reflect project to be rolled out across Wales. We know from recent research in Wales conducted by CASCADE<sup>10</sup> that young people in and leaving care are more likely than the general population to become parents at a young age. There is some emerging evidence of high levels of intergenerational interventions by social services. Using data from the Wales Adoption Cohort Study, researchers have found that more than a quarter (27%) of birth mothers and a fifth (19%) of birth fathers with children placed for adoption were themselves care leavers. There were no significant differences between care leaver and non-care

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<sup>8</sup> <http://gov.wales/statistics-and-research/wales-children-need-census/?lang=en>

<sup>9</sup> Long SJ, Evans RE, Fletcher A *et al.* Comparison of substance use, subjective well-being and interpersonal relationships among young people in foster care and private households: a cross sectional analysis of the School Health Research Network survey in Wales. *BMJ Open* 2017; 7:e014198. Doi:10.1136/bmjopen-2016-014198

<sup>10</sup> <http://dx.doi.org/10.1016/j.chilyouth.2017.06.030>

leaver birth parents in terms of their involvement in crime or substance misuse, but care leaver birth parents were distinguishable from other birth parents by their own experiences of abuse and neglect. Care leaver birth mothers were also more likely than their non-care leaver counterparts to have diagnosed mental health problems. The profiles of children placed for adoption between care leaver and non-care leaver birth parents were similar. Further work may be required in light of this research to support care leavers as they become parents and to address the problems of over-representation and stigmatisation of young care experienced parents.

29. It is my view that healthy relationships education should form part of the new curriculum in Wales, as part of a wider focus on children's human rights education. It will be necessary however to look specifically at the needs of care experienced young people in order to ensure that they are not disadvantaged in accessing universal education and improving their own personal outcomes as a result of their early life experiences. This may also be a relevant part of the subsequent strand of the Inquiry looking specifically at the Pupil Development Grant.

Submitted by:



**Professor Sally Holland**

**Children's Commissioner for Wales**

Cynulliad Cenedlaethol Cymru / National Assembly for Wales  
Y Pwyllgor Cyfrifon Cyhoeddus / Public Accounts Committee  
Ymchwiliad i blant a phobl ifanc sydd wedi bod mewn gofal / Inquiry into care  
experienced children and young people  
PAC(5) CECYP - 15  
Ymateb gan ADSS Cymru, WLGA a Gwasanaeth Mabwysiadu Cenedlaethol /  
Evidence from ADSS Cymru, WLGA and National Adoption Service

# Agenda Item 4

## 1. Introduction

We welcome the opportunity to comment on the Public Accounts Committee's inquiry on care experienced children and young people. Given that all too often children's needs are not prioritised it is appropriate to take time to consider the issues covered by the inquiry and look at how we can all best meet the needs of children and young people.

We know that outcomes for Looked After Children (LAC) do not compare favourably with other children. They are less likely to achieve good educational qualifications, have greater health and housing needs, are more likely to become involved in substance misuse and come into contact with the criminal justice system. However, we must recognise looked after children and their families will have accessed a plethora of universal services and interventions prior to reaching the door of Children's Services and their needs for the future will reflect their history of less access to resources and greater disadvantages prior to entering public care.

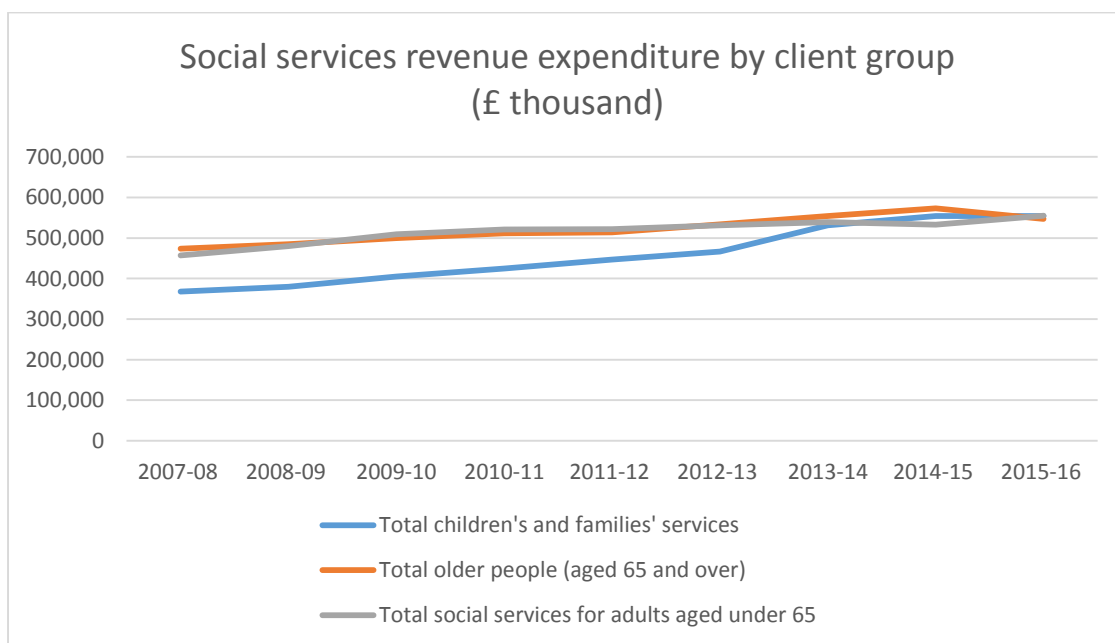
The reasons why children become looked after and their needs while in the care system are complex. Children who are looked after will have experienced forms of loss, abuse and neglect prior to entering the care of the local authority. Ensuring they can achieve their full potential and lead happy childhoods followed by enriching adult lives requires compensatory resource and care from all agencies beyond that provided routinely to their peers. Achieving an impact on the child's outcomes that is both positive and enduring requires their needs to be prioritised by all agencies while they are looked after and, in some circumstances, afterwards. For some children this will be regardless of whether they return home, remain looked after or are placed permanently elsewhere through adoption, special guardianship or residence.

Prior to addressing the four key points laid out by the Committee we will set the background of the current funding and pressures across Children's Services.

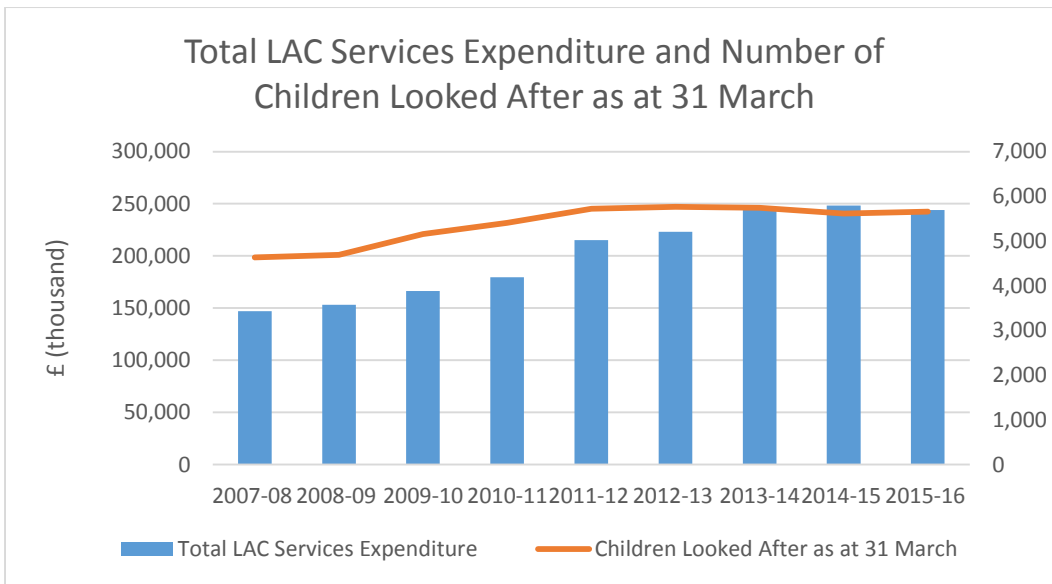
## 2. Overall Cost

Over the past decade the number of children in the care system in Wales has risen, with a 25% increase in children looked after and a 32% increase in children placed on the child protection register compared with 10 years ago. This has been reflected in the expenditure on Children's Services over the same period.

The graph below demonstrates how the revenue expenditure on children's and families' services has increased over the last 10 years, with a 51% increase between 2007 and 2016. This increase has brought spend on children's and families' services in line with that of expenditure on both adults under 65 and on older people. Children's and families' services now make up a third of social services expenditure:



The most significant area of spend within children's and families' services is in relation to services for Looked After Children which has seen a 66% increase in expenditure over the same period of time. The graph below shows this spend against the number of recorded looked after children by authorities as at 31 March, which demonstrates that both follow a similar trajectory.



This increase in spend evidences the commitment that has been made by local authorities to meet the demands being placed on services by the rising numbers of looked after children. However, this is becoming unsustainable, with most local authorities now anticipating significant overspends on their children’s services budgets for this year.

This increase in expenditure comes during a period of significant financial austerity faced across the public sector. In his Financial Resilience Report, the Auditor General has calculated that between 2010–11 and 2016–17, there was a real-terms reduction of £761 million (17%) in aggregate external finance (core grant) for local government. This has had varying impacts across local public services with some areas experiencing real terms reductions of over 50%, and spending at levels not seen since the 1990s. Pressures are set to continue, with the work undertaken for Wales Public Services (WPS) 2025 on Future Pressures demonstrating that pressures in social services budgets drive around 2.9% growth each year, which is around £47m annually up to 2021–22. This includes increases in LAC as well as the elderly population.

The recent draft budget announcement will mean a further reduction in the revenue settlement (Aggregate External Finance) of 0.5% compared with 2017–18. This is in addition to local government’s spending pressures which will total around £212m in 2018–19 which will have to be absorbed by councils.



### 3. Children's Services Pressures

In particular we would wish to highlight the following four key areas where pressures are being experienced in relation to children's services:

#### **Workforce**

Child and family social work is challenged by high turnover and vacancy rates and a reliance on agency staff, with demand for permanent, experienced workers outstripping supply (with children's social work now on the national occupational shortage list). The average working life for social workers is under eight years, compared to 16 for a nurse and 25 for a doctor<sup>1</sup>. This represents a low return on the investment in training and real challenges for building and retaining professional expertise.

The number of individuals wishing to train as social workers has fallen with colleges experiencing gaps in social work degree courses. The public perception of particularly children's social work is likely to be contributing to the fall in those wishing to train.

Experienced social workers leaving the profession impacts on the quality of services since it is through experience that workers develop the expert knowledge and analytical skills that are vital elements of complex child protection and looked after children casework. Similarly, less experienced social workers often do not have the range of knowledge or skills to comprehensively plan for or directly deliver services to move on children with very complex needs. Since new practitioners learn through interaction and peer support, a shortage of experienced staff also reduces the quality of the 'community of practice' for those entering the profession.

The flow of staff out of the profession impedes a culture of "growing" managers and hence decision makers. Safe decision making and a willingness to safely manage risk in Children's Services is crucial and churn in relation to middle management posts presents high degrees of risk and uncertainty. The pressures exerted on some managers from partner agencies who may be risk averse adds to the burden of personal responsibility and stress levels experienced.

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<sup>1</sup> Curtis L, Moriarty J and Netten A (2010) 'The expected working life of a social worker'. *British Journal of Social Work* 40(5), 1628-1643.

A lack of skilled workers reduces service users' and other agencies' confidence in social workers and the gaps left by those who leave cause additional pressure for remaining workers. Continuity of relationships for service-users can be compromised by high staff turnover and can exacerbate the issues children and young people face. This increases particularly the stresses for children in long term foster care and/or residential care.

The nature of social work with children and young people is increasingly complex and focused on the most complex child protection, often with children and young people who have experienced significant trauma from their earliest years. This is particularly challenging for those less experienced social workers, with the knock-on effect being that more people leave the profession earlier. This has meant that for some authorities the use of agency staff has been hard to avoid when trying to recruit experienced staff. This can further destabilise teams, since agency workers have the apparent flexibility to leave difficult situations. Those workers who remain can become more unsettled and may look to leave themselves.

Parts of Wales have seen challenges in retaining staff when better rates of pay have been offered in other areas. For example, some authorities have reported losing staff, particularly across the border, to other local authority children's services placed in special measures who are able to offer better pay as a way of recruiting experienced staff to help improve performance.

### **External demands and complexities**

We are seeing unprecedented pressures on families for a range of reasons. Cuts to those services that previously kept people's heads above water have meant more families are finding their way through to even more expensive child protection services. The ongoing introduction of welfare reforms and a decade of austerity has amplified the challenges for families.

On 12.10.2017 the Local Government Association reported during the ten years 2008 – 2017 a 90% increase in child protection referrals with a 130% increase in care proceedings. Currently in England 90 children a day come into local authority care with a two billion shortfall in funding. The trajectory in Wales is similar with Children's Services increasingly being confined to fire fighting.

As with the rest of the UK the declining emotional well-being and increasing poor mental health of children and young people whilst not fully understood impacts directly on the need for family support as does the increasing number of children being presented with behaviours which families struggle to manage. We can theorise as to the impact of social media, increased bullying, academic expectations and societal fragmentation but the outcome for families is a need for support and an increasingly complex web of difficulties.

Recent high profile scandals have increased our understanding of the likelihood of risk of child sexual exploitation (CSE) and the wider understanding of the imperative to act to protect children and young people at risk of sexual exploitation has increased referrals. We have seen an increase in the number of initiatives that are aimed at early identification and intervention such as the Violence against Women, Domestic Abuse and Sexual Violence (Wales) 2015 Act, the evidence based work in respect of Adverse Childhood Experiences (ACEs), Flying Start and Families First. An unintended impact that we perhaps need to consider is the resulting increase in referrals received by local authorities. Anecdotally, the overwhelming increase in cases coming forward are concerned with neglect with significant increases in domestic violence, issues which are increasingly highlighted as a result of the support that is provided as part of earlier intervention services.

In response local authorities are looking at different ways of mitigating the additional costs arising from these pressures including the use of reserves and additional funding to support the development of preventative 'Edge of Care' Teams. Local authorities have also revisited their prevention strategies as well as their LAC strategies in recent years. This has been a necessity, not only to face the increase in LAC population but also increasing financial pressures facing local authorities and more latterly in order to plan for and implement the Social Services & Well-Being (Wales) Act 2014.

Considerable investment has been put into support teams which work directly with children and young people and their families to work at levels of need at intensive and remedial intervention levels. Most of these work with families to try to prevent children coming into care, work with families to return children home within weeks of becoming looked after as well as working with rehabilitation plans for those children who have been in long term care.

The development of the National Adoption Service for Wales, the collaborative of all 22 local authority adoption services, has placed a focus on improving adoption support services so that the ongoing needs of this group of children, rooted in their early childhood experiences but often unmitigated by their care experience, can be met. Research has demonstrated that within the cohort of children placed for adoption in Wales in 2014–2015 47% had experienced 4 or more Adverse Childhood Experiences (ACES) before they were placed. This places them at the highest risk of later life impact and compares to just 14% of the general population. It is likely that there is a comparable level of ACES in the other groups of children whose needs we seek to meet.

Recent years has seen significant investment in Children and Adolescent Mental Health services (CAMHS) through the Together for Children and Young People Programme (T4CYP), with Welsh Government announcing an additional annual investment of £7.65m in mental health services for children and young people in Wales in 2015. We recognise the fact that CAMHS in Wales are under more pressure than ever before, and in spite of additional investment and staffing, does not have the capacity to meet demand. However, despite some very committed work by individuals within health, local authorities continue to face a challenge in sourcing health services to offer sufficient priority to the emotional and mental health needs of children in care and care leavers. This results in the burden of responsibility being placed on local authority children's social services. There has been a long standing disconnect between the access threshold applied by CAMHS and the presenting emotional resilience needs of looked after children and care leavers. The issue of looked after children and care leavers' rights to an appropriate range of provision to meet their psychological and emotional health needs, when they need it and for as long as they require it, including the transition into adulthood, needs to be urgently addressed on an all Wales basis. There are isolated examples of psychological therapies being deployed to good effect by health services to meet the needs of specific groups of looked after children which, if extended across Wales, could go some way to addressing this.

The requirement for psychological and psychiatric assessment, intervention and support through the Family Courts and then into placements continues to be an area of unmet need. Local authorities are resorting to filling the gap with expensive and often unsustainable solutions to broker between the demands of the courts and the availability of the health services.

## Placements

The majority of children who are looked after are cared for by foster carers where children receive positive and nurturing care in stable placements. Residential care also provides many children with positive care and across local authority and agency providers for both foster care and residential care there are committed, enthusiastic and positive carers.

However, the increasing complexity of cases and the growing numbers of children are negatively impacting on both the availability of appropriate placements and the cost of placements. An ageing foster carer population and the increasing costs of providing residential care are draining the sector. Despite the initiatives of the National Fostering Framework, the work of the Welsh Government Residential Task and Finish group, the commitment of local authority placement teams and the work of the Children's Commissioning Consortium Cymru (4Cs) the lack of appropriate placements for looked after children is approaching a crisis position.

Despite local authorities' strong commitment to ensuring placement choice and stability most have struggled to recruit foster carers in sufficient numbers to provide the range and choice of placements needed, particularly for those young people with challenging behaviour and with additional needs. Local authorities report similar shortages in the independent sector. This apparent deficit in the foster carer market raises complex challenges across Wales. A similar deficit is increasingly apparent in residential provision and particularly in the availability of placements for children presenting with the most complex needs.

The table below details the relative spend across local authority placements and independent fostering agency placements for Welsh children placed in foster care in 2014-15.

Provider	Costs	No of Placements	Average cost of placement per year
Local Authority	£51,320,599	2,200	£23,327
Independent Agency	£52,271,037	1,205	£43,378

The provision within independent agencies is spread between not for profit organisations and those seeking to profit. The businesses providing care are multimillion pound enterprises with some being traded on the stock markets and with income for directors and shareholders running into millions.

The pressure of the cost of placements is exacerbated by the difficulties in placing children within or near to their home local authority and the lack of consistency in outcomes for children.

The cost of residential placements is similarly stretched with significant variations. The current lack of placements is contributing to a position where a provider's market is able to charge opaque rates with placements being currently purchased by Welsh local authorities ranging from £2,500 – £16,000 per week. The desperation of local authorities to secure placements has led to children being placed across the UK. The planning for placements becomes lost in the need to place a child anywhere at that point in time. Meaning that good practice in matching and planning for safe and positive placements can be lost in crisis situations.

Our understanding of the costs of providing support to children who exit the looked after system, into adoption for example, is still developing. Work undertaken by the Institute of Public Care for the National Adoption Service in 2017 indicates that the cost of providing support would be significantly less than the current costs of the small level of adoption breakdowns and ongoing placement costs for children whose adoption placement is delayed due to the complexity of their needs.

### **Legislation and work with the Courts**

Although recent years have seen a stabilising of overall numbers of looked after children in Wales a number of authorities are very recently reporting substantial increases in the number of looked after children in their care which places significant pressures on budgets. The last few years have seen a substantial increase in the number of care applications that have been made, with a significant increase in the number of children subject to care proceedings, rising from 1,371 in 2015–16 to 1,642 in 2016–17. Despite this increase cases in Wales were completed in an average of 24.5 weeks compared to an England and Wales performance of 27 weeks. The completion of cases within the timescales and all

the concomitant work is placing substantial demands not just directly on Children's Services but also on the legal teams within local authorities.

The total number of children involved in public law proceedings in 2016–17 was 3,012, an increase of 17% on the previous year. Public law applications have increased over the past three years, with a 24% increase since 2014–15. The main driver in public law work is Section 31 (care) applications. Section 31 applications are made to the court by a local authority where it has significant concerns about the safety or welfare of a child, which saw a 25% increase on the previous year. These issues as well as the expectations from the judiciary continue to add to the pressures and burdens being placed on children's services staff, as well as coming with significant costs attached.

The expectations emerging from legal judgements have created a challenging environment for staff and managers in individual care planning as well as unexpected trends in outcomes which impact on the ability to strategically plan services. A 38% fall in Placement Orders for adoption granted over a two year period was sharply and unexpectedly reversed by a 15% increase in 2016–17.

Of those applications coming before the courts the majority are deemed to be sound applications by both the court and CAFCASS. An enduring criticism of the courts is that the local authority should have sought orders earlier with a perception that the local authorities are failing children by not commencing proceedings. Addressing the reasons for the rising numbers of looked after children and the increasing rate of proceedings extends far beyond the door of Children's Services. The interventions of Children's Services are for the most vulnerable and the most at risk. The challenge is to address why there is such a seeming increase in the numbers of vulnerable and at risk children and young people.

#### **4. The overall cost to and value for money of the range public services aimed at improving outcomes for care experienced children and young people**

In March of this year the Welsh Government announced a £1 million St David's Day fund for children who have experienced care in response to the Children's Commissioners 'Hidden Ambitions' report which asked the Welsh Government, local authorities, charities and private enterprise to pledge their support to make sure that young people leaving care have the right support to realise their ambitions. Funding is being made available to eligible young people aged between

16 and 25 and either still in local authority care or care leavers to help them progress towards independence. Whilst this new initiative, and the funding that has been provided alongside, is to be welcomed in recognition that there is still more to be done to be able to support children and young people in Wales and to promote their wellbeing, we do need to appreciate that this is funding for additional responsibilities and does not support in the meeting of on-going pressures being faced.

The WLGA has consistently called for the need to protect and invest in social services as one of our most vital public services, supporting people of all ages across a wide spectrum of need to live as independently as possible and providing valuable protection from harm in vulnerable situations.

We need to acknowledge that whilst the additional funding announced for social services in the budget is helpful this will not cover the expected increases in cost and demand facing social services. The additional funding made available as a result of consequential funding in 2017-18, which included an additional £8m to prevent children from entering care and improve outcomes for those leaving care, from the UK government's March budget was awarded for specific areas of work with restrictions placed on what it could be used for, rather than providing local authorities with flexibility to meet local demand and needs. If part of this additional funding is for new responsibilities then it cannot be said to be funding any existing pressure.

Some children leave care at an earlier age and we would wish to ensure that these children do not have repeat looked after episodes. There is a cost to providing this support that is not easily found in a system that requires a level of 'throughput' in order to be able to 'ration' and 'stretch' scarce resources in the face of changing (usually increasing) need, demand and legal duties. A small amount of the consequential funding has been made available to for adoption support services but it is unclear how the ambition of a consistent adoption support offer will be fully realised even if existing expenditure could be guaranteed and focused.

**5. Whether the Welsh Government's desired outcomes for care experienced children and young people are being delivered by the current levels of public expenditure**



As outlined in the four key areas of workforce, external demands and complexities, placements and legislation and work with the courts the current and growing pressures within Children's Services are preventing the delivery of positive outcomes for care experienced children and young people. The increasing numbers of looked after children would at any point in economic cycles place pressure on the resources available to meet their needs but when the increase comes at a time of increasingly strained budgets in local authorities the prospect of being able to deliver good outcomes becomes ever more elusive. The structural challenges of placements and the resultant failures to adequately meet children's needs is far from achieving desirable outcomes.

Comparing outcomes across the range of options for looked after children is not easy nor is it currently undertaken in Wales. There are other challenges in this not least of all the ability to track children who are no longer in receipt of a significant level of intervention. In the context of understanding cost and value for money compared to outcomes however it is something that should be considered. There is some relevant research available for England where a wider data set is collected by government and facilitates such analysis. Expanding the data may be something for Wales to consider. This may well assist in the longer term in ensuring that resources are effectively targeted to supporting, enabling and extending the promotion of positive outcomes for looked after children and those who leave the system at various ages and stages.

#### **6. Whether the extent of spending specific to care experienced children and young people is sufficiently transparent across the range of public services**

Gaining a full picture of the resources being spent within social care and in other services is challenging.

The spend within local authorities is identifiable within budgets but achieving common understanding and reporting of the spend is less straightforward. While some work has been undertaken to address cost benefit analysis of some interventions recognising all of the financial inputs across the time of a child's involvement with a local authority is at an early stage.

Direct placement costs can be identified. However, breaking down those costs to understand component elements and particularly profit is rarely achieved.

Other areas have shown that whilst pooled budgets in some circumstances may provide potential benefits there are significant complexities around their delivery. In the case of the National Adoption Service for example only one of the NAS regions has committed to a shared funding arrangement for some of its functions; whilst that has achieved some early savings it has not been possible to re-investment this. There are similar challenges in other public services; NAS has been working with the Welsh Government since it extended the Pupil Deprivation Grant to adopted children in an attempt to monitor spend and impact on adopted children. This has not been possible thus far for this grant.

There is considerable data available in Wales focussed on looked after children but tying said data to budgets across universal services is currently immensely complex. Looked after children access all the same services as all other children in Wales and first separating those costs and then identifying those that have arisen because of the looked after or care experienced status of a child is riven with difficulties.

**7. Whether public bodies have placed sufficient emphasis on a long-term preventative spend approach, in line with the Well-being of Future Generations (Wales) Act 2015, to maximise the benefits of public expenditure for this group of children.**

The Welsh Government has developed grant funded early intervention services, in particular through Flying Start and Families First Initiatives. We believe that there is a need to consider these existing funding streams and how best they can be aligned to facilitate approaches that contribute to this agenda and provide additional support for families, resulting in the maximum prevention / well-being impact. Local authorities continue to face challenges with the use of specific grants, they come with separate and individual accountability and reporting obligations; with authorities having minimal discretion over how the grants are used and over what period they can be spent. They are also subject to change which can make long-term planning difficult. The Independent Commission on Local Government Finance Wales published last year recognised that, “the increased bureaucratic burden falling to local authorities diverts focus and local priorities without demonstrably improving outcomes for service users.” As such consideration needs to be given to the incorporation of existing grants within the RSG, unless there is a compelling case for a time-limited use of a specific grant.

The Early Intervention Foundation's latest analysis, 'The cost of late intervention: EIF analysis 2016', puts the cost of late intervention at almost £17 billion a year, £6.2 billion of which falls directly on children's social care. Councils have found it increasingly difficult to invest in the early help services that can prevent children entering the social care system, and help to manage needs within families to avoid them escalating.

We retain a firm belief that investment in preventative services must be the core priority for Welsh Government, in line with the philosophy of both the Social Services and Well-being Act and the Wellbeing of Future Generations Act and in terms of sound budgetary policy. Many preventative services in local government, such as leisure centres, parks, youth work and community facilities are provided at the discretion of local councils. Unfortunately, in recent years it is these services that have faced the brunt of cuts to local authority budgets as statutory services such as education and social services have been protected.

It is imperative that we stem the decline of local preventative services and that we find a way to make some significant investment into new and existing preventative services. The WLGA has previously called for the establishment of a new Preventative Integrated Care Fund for Wales. This fund, focussed throughout the life-course, would enable some double running of new investment in preventative services alongside 'business as usual' in the current system until savings are realised and reinvested back into the system.

Preventative spend requires an understanding of the root cause of the problem and tackling that, not just the symptoms of the problem. If there is a lack of understanding and a lack of willingness to address the root causes then services will be faced with a never ending and increasing number of these cases for future generations. Simplistically, common root causes if not addressed will exacerbate the situation and if addressed and funded there will still be a 'backlog' of those currently affected which also needs funding until the preventative measures have their full effect.

A further issue is the time that it takes to realise significant savings or improvements in social outcomes. One of the few studies that attempts to quantify the preventative impact of the Social Services and Well-being Act is the LE Wales' Paying for Social Care report. Over a 24-year period the costs of Adult Social care are estimated to increase by 114% in the base line scenario, under the preventative scenario they increase by 108%. Whilst this should provide some savings in the

long term holding off the need for more costly interventions, which are worth realising, these preventative services still need to be supported and developed, requiring additional investment. Whilst the LE Wales report is only based on Adult Social care it does highlight the challenges in realising savings in taking a preventative approach across the whole of social care. It is unlikely that this approach will release the significant savings expected, particularly within the context of increasingly complex needs which need more intense support for longer periods of time.

We have highlighted the fact that local authorities have already placed considerable investment into preventative approaches, however, investment in preventative services requires an invest-to-save approach and there are very real challenges that local authorities face in making this a reality, which is why in some cases local authorities are having to use reserves to be able to make this investment. Local authorities, and in particular those with higher rates of LAC are spending a higher proportion of their total council budget on services for looked after children. As a result, local authorities are being asked to invest in prevention and early intervention on top of an already high spend on LAC services (in real terms and proportionally).

## **8. Conclusion**

Councils are doing their best in very difficult circumstances but services are rapidly becoming unsustainable and nearing breaking point. Councils have done everything they can to respond to the growing financial crisis in children's social care, including reducing costs where they can and finding new ways of working. However, they are at the point where there are very few savings left to find without having a real and lasting impact upon crucial services that many children and families across the country desperately rely on.

Unless urgent action is taken to reduce the number of families relying on the children's social care system for support, this gap will continue to grow. The huge financial pressures councils are under, coupled with the spike in demand for child protection support, mean that the limited money councils have available is increasingly being taken up with the provision of urgent help for children and families already at crisis point, leaving very little to invest in early intervention. Alongside this improvement initiatives such as the National Adoption Service, the National Fostering Framework will not deliver to their full potential unless they are resourced.

The reality is that services for the care and protection of vulnerable children are now, in many areas, being pushed to breaking point. Government must commit to the life chances of children and young people by acting urgently to address the growing funding gap.