Meg Hillier MP  
Chair of the Committee of Public Accounts  
House of Commons  
London  
SW1A 0AA17  

17 May 2019

Dear Ms Hillier,

Transforming children’s services

Thank you for your report Transforming Children’s Services, published on the 22 March. You will now have seen the Treasury Minute, which sets out how we plan to respond to the Committee’s recommendations.

The issues that the report covers are crucial. I reiterate the comment I made at the hearing, ‘This is by far the most important thing that I do. Children’s lives are at stake’. Since receiving your report, we have also seen the report of the Housing, Communities and Local Government Committee, Funding of local authority children’s services, which explores some similar issues. Both reports highlight the importance of addressing the challenges facing this vital service, and the role that this Department, along with MHCLG and other Government Departments, needs to play to support local authorities.

There is though one essential piece of context. We are approaching a Spending Review (SR), and while I am determined to pursue our reforms rigorously, the pace at which we do that will inevitably be influenced by the outcome of that review. We are all agreed, for example, on the importance of developing a robust evidence base and sharing it widely as the What Works Centre for Children’s Social Care is now beginning to do, drawing on the work of the Innovation Programme (IP). The Strengthening Families, Protecting Children programme, which we discussed with you, is already allowing up to 20 LAs to implement successful projects from round one of the IP, with an investment of £84m. The extent to which we can expand programmes and achieve the improvements in quality we all want to see depends on the financial settlement.

We have agreed with most of your recommendations, and I will be writing to you again later in the year to update you on progress. I would like to address in this letter those recommendations which we do not agree with. The first of those is your recommendation that:

**The Department should set out by December 2019 its future targets for limiting the levels of variation between LAs in cost and quality of children’s social care; and**

**The Department should also set out by December 2019 the thresholds it deems acceptable for (i) rate of children in need episodes, and (ii) amount spent per child in need episode.**

Clearly a major concern of the committee was the variation in levels of spend between LAs, and it is an issue we take seriously too. We agreed that providing more information to LAs
about variation so that they can better understand their own position relative to others and
take appropriate action, is important. Where LAs are receiving Departmental support we will,
of course want to take account of their performance and costs relative to others. We do not,
though, think it would be helpful to set targets to reduce variation around cost, or thresholds
related to children in need. The extent of variation in local circumstances is so significant
that it would be impossible to do so in any way would not risk creating perverse incentives
and putting at risk the integrity of decision-making by expert social workers. But I would like
to emphasise what we say in the Treasury Minute, that while some variation in cost is
inevitable, the Department agrees that inconsistency in the quality of services and practice is
not. We believe that the best way to address these issues is through continuing to implement
our reforms to improve children’s services - tackling poor performance; improving the quality
of social work; and building and spreading evidence of what works.

You also asked that we write in more detail about recommendation 5:

**The Department should write to us setting out the quality of children’s social care it is
seeking to achieve by 2022 and how it will measure this. It should specify a percentage target for how many authorities it is aiming to be rated as “Good” or “Outstanding” by 2022. It should do this in a fuller letter accompanying the Treasury Minute response to our report.**

From a low of only two in 2017, eight local authorities are now judged ‘Outstanding’, and 61
are ‘Good’. This is in part because of our success where we have intervened, and in part
because of the impact of our wider reforms, in particular, perhaps, the Innovation
Programme. We are also, as discussed with the Committee, begun to implement
improvement programmes to move upstream and prevent failure before it happens. The
improvement structures that we have in place, working in partnership with ADCS and LAs,
should also enable more authorities to flourish and gain good or outstanding ratings.
However, we are not in a position to set a percentage target. While we want to be
ambitious, as I have already set out, the outcome of the SR, both for this Department’s
budgets and for local authority budgets, will be crucial in determining how far and how fast
we are able to go.

Finally, you recommended that the Department should lead a cross government strategy for
raising the quality in children’s social care. We are in complete agreement about the
importance of working across government to support the most vulnerable children and
families, and the Treasury Minute sets out more fully some of the activity we already have
underway. We work closely with a number of Government Departments on a wider range of
issues, addressing the many interdependencies, such as the drivers of demand for children’s
social care, the financial impact on services, particular threats to children and young people
and the importance of multi-agency working and co-operation at local level. The reforms we
have implemented on the latter are already being overseen by a cross-Government group.

However, we consider at the present time that bringing together those elements into a single
strategy would detract from existing work, without adding sufficient further value. We would
be happy to update the Committee on progress in working with other departments by
December 2019.

Best wishes

Jonathan Slater
Permanent Secretary