



Meeting: **Children and Families Overview and Scrutiny Committee**

Date/Time: **Monday, 6 March 2017 at 11.00 am**

Location: **Sparkenhoe Committee Room, County Hall, Glenfield**

Contact: **Ms R Palmer (0116 305 6098)**

Email: **rosemary.palmer@leics.gov.uk**

Membership

Mr. S. D. Sheahan CC (Chairman)

Mr. G. Hirst Mr. T. J. Pendleton CC
Mr. J. Kaufman CC Mr. J. Perry
Ms. K. J. Knaggs CC Mrs. C. M. Radford CC
Mrs. C. Lewis Mr. E. D. Snartt CC
Mr. L. J. P. O'Shea CC Mr. G. Welsh CC
Mr. A. E. Pearson CC

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– Notices will be on display at the meeting explaining the arrangements.**

AGENDA

<u>Item</u>	<u>Report by</u>
1. Minutes of the meeting held on 16 January 2017.	(Pages 5 - 10)
2. Question Time.	
3. Questions asked by members under Standing Order 7(3) and 7(5).	
4. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.	



5. Declarations of interest in respect of items on the agenda.
6. Declarations of the Party Whip in accordance with Overview and Scrutiny Procedure Rule 16.
7. Presentation of Petitions under Standing Order 36.
8. Ofsted Inspection of Services for Children in Need of Help and Protection, Children Looked After and Care Leavers. Director of Children and Family Services
9. Local Safeguarding Children Board Business Plans 2017/18. Independent Chair of the Safeguarding Boards (Pages 11 - 16)
10. Fostering and Adoption - Details on Adoption Placement Breakdown, Pressures in the LAC System and the Future Strategy for Fostering. Director of Children and Family Services (Pages 17 - 24)
11. 2018/19 School and High Needs Funding Proposals. Director of Children and Family Services (Pages 25 - 52)
12. Quarter 3 2016/17 Performance Report. Chief Executive and Director of Children and Family Services (Pages 53 - 64)
13. Date of next meeting.
14. Any other items which the Chairman has decided to take as urgent.

QUESTIONING BY MEMBERS OF OVERVIEW AND SCRUTINY

Members serving on Overview and Scrutiny have a key role in providing constructive yet robust challenge to proposals put forward by the Cabinet and Officers. One of the most important skills is the ability to extract information by means of questions so that it can help inform comments and recommendations from Overview and Scrutiny bodies.

Members clearly cannot be expected to be experts in every topic under scrutiny and nor is there an expectation that they so be. Asking questions of 'experts' can be difficult and intimidating but often posing questions from a lay perspective would allow members to obtain a better perspective and understanding of the issue at hand.

Set out below are some key questions members may consider asking when considering reports on particular issues. The list of questions is not intended as a comprehensive list but as a general guide. Depending on the issue under consideration there may be specific questions members may wish to ask.

Key Questions:

- Why are we doing this?
- Why do we have to offer this service?
- How does this fit in with the Council's priorities?
- Which of our key partners are involved? Do they share the objectives and is the service to be joined up?
- Who is providing this service and why have we chosen this approach? What other options were considered and why were these discarded?
- Who has been consulted and what has the response been? How, if at all, have their views been taken into account in this proposal?

If it is a new service:

- Who are the main beneficiaries of the service? (could be a particular group or an area)
- What difference will providing this service make to them – What will be different and how will we know if we have succeeded?
- How much will it cost and how is it to be funded?
- What are the risks to the successful delivery of the service?

If it is a reduction in an existing service:

- Which groups are affected? Is the impact greater on any particular group and, if so, which group and what plans do you have to help mitigate the impact?
- When are the proposals to be implemented and do you have any transitional arrangements for those who will no longer receive the service?
- What savings do you expect to generate and what was expected in the budget? Are there any redundancies?
- What are the risks of not delivering as intended? If this happens, what contingency measures have you in place?

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Minutes of a meeting of the Children and Families Overview and Scrutiny Committee held at County Hall, Glenfield on Monday, 16 January 2017.

PRESENT

Mr. S. D. Sheahan CC (in the Chair)

Mr. G. Hirst

Mr. D. Jennings CC

Mr. J. Kaufman CC

Ms. K. J. Knaggs CC

Mrs. C. Lewis

Mr. T. J. Pendleton CC

Mrs. C. M. Radford CC

Mr. E. D. Snartt CC

Mr. G. Welsh CC

In Attendance.

Mr G A Hart CC, Cabinet Support Member
Pat Fraser, Healthwatch Representative

41. Minutes.

The minutes of the meeting held on 7 November 2016 were taken as read, confirmed and signed.

42. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 35.

43. Questions asked by members under Standing Order 7(3) and 7(5).

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

44. Urgent Items.

There were no urgent items for consideration.

45. Declarations of interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting.

Mr D Snartt CC declared a personal interest in all items on the agenda as two members of his family were teachers.

Ms K Knaggs declared a personal interest in all items on the agenda as she worked as a teacher at a school within her division.

46. Declarations of the Party Whip in accordance with Overview and Scrutiny Procedure Rule 16.

There were no declarations of the party whip.

47. Presentation of Petitions under Standing Order 36.

The Chief Executive reported that no petitions had been received under Standing Order 36.

48. Medium Term Financial Strategy 2017/18 - 2020/21.

The Committee considered a joint report of the Director of Children and Family Services and the Director of Corporate Resources on the proposed Medium Term Financial Strategy (MTFS) for the period 2017/18 – 2020/21 as it related to Children and Family Services. A copy of the report, marked 'Agenda Item 8' is filed with these minutes.

The Chairman welcomed to the meeting the Cabinet Support Member, Mr. G. A. Hart CC who was attending for this item.

In his introduction to the report, the Director of Children and Family Services explained that the majority of savings proposed in the MTFS had been identified in previous years, although some adjustments had been made as a result of further work to develop the proposals. The MTFS proposals also reflected the need for growth in two areas. These were: the social care placements budget, where the number of looked after children had increased and was expected to continue to do so, putting significant pressure on the budget; and social care. There were three elements to the social care growth: the need to reduce caseloads to a reasonable level; improvements to the systems and processes for quality assurance; and the capacity of the Children's Rights Service.

Arising from discussion the following points were raised:-

Service Transformation

- (i) The transformation programme for the department would need to respond to expected legislative changes. These changes included the Children and Social Work Bill, a White Paper which would clarify the role of local authorities in education and the proposals for fairer funding for schools which were currently the subject of consultation. It was agreed that a report outlining the proposals set out in the Children and Social Work Bill would be submitted to a future meeting of the Committee.

Growth

- (ii) Concern was expressed that, despite the growth included in the social care placements budget (G1), there was also a savings requirements from the same budget (CF2) which was larger than the growth being made available. The Committee was advised that children's social care had received an investment of approximately £8 million the previous year. The growth proposed in the MTFS would enable the department to meet the increased level of demand, however, it was expected that more cost effective placements would be identified in order to achieve the savings target. Work was already underway to reduce the number of residential placements and increase the number of looked after children placed with

in-house foster carers. Placements in family settings resulted in better outcomes as well as being more cost effective.

- (iii) The Department's strategy to increase the number of in-house foster carers was acknowledged to be challenging, especially as the foster care market had not been fully tested before so its capacity was not known. The need to place unaccompanied asylum seeking children could also present a challenge. There would need to be careful management of the strategy with regular targets set to ensure it was delivering as expected. The largest level of savings would be achieved through a reduction in the number of residential placements, although some savings would be realised through a reduction in the use of independent foster carers. Work was already underway to recruit more in-house foster carers.

Savings

- (iv) With regard to the review of the Children's Centre Programme (CF4), it was confirmed that the review undertaken in 2016 had encompassed the whole range of services provided by Children's Centres and had considered them all on the same basis regardless of which organisation owned them. Work was currently being undertaken with partners to consider how the savings requirement would be met, including exploring options for how Children's Centres could be used differently. It was suggested that the views of service users and volunteers should also be sought. It was confirmed that the proposal would be subject to a business case which would be submitted to both the Cabinet and this Committee for consideration.
- (v) The importance of preventative work to reduce the demands on Children and Family Services was acknowledged. The cross cutting Early Help and Prevention Review would focus on areas where efficiencies could be achieved by joining up services and by departments working together. It was led by the Director of Public Health, with the Assistant Director for Early Help and Education as the lead officer for Children and Family Services. The Early Help Strategy was also being refreshed to ensure that it was aligned to social care priorities and that service provision was targeted in the areas where it would have the biggest impact.
- (vi) It was considered that the Department did not deliver a universal early help service; County Council staff targeted their support to vulnerable parents and families. The Children's Centre provision included some universal services such as stay and play groups but they were run by volunteers. Part of the review of the Children's Centre Programme would focus on enhancing the role of the voluntary sector and parents in the provision of universal services. Members of the Committee emphasised the importance of ensuring that the use of volunteers was sustainable and cautioned against their over use.
- (vii) With regard to the proposal to introduce a charge for academy conversion (CF9), it was clarified that the Diocese could also hold assets for voluntary controlled schools and that the employer in the case of voluntary aided schools was the school governors. Further details relating to why church school conversions were considered to be more complex and costly than community schools would be provided following the meeting. It was noted that the charges proposed by the County Council were reasonable but that other areas did not charge different rates depending on the type of school being converted.

[Subsequent to the meeting, it was confirmed that there was an error in the report. Fees were proposed to be £3,500 for Voluntary Aided Schools and £5,000 for Community Schools. The total proposed saving of £70,000 remained unchanged.]

- (viii) It was confirmed that the County Council did not currently have a policy that required schools to become academies, except in cases of poor performance. The White Paper on Education was expected to clarify the Government's position with regard to academies.

Dedicated Schools Grant and Schools Budget

- (ix) It was confirmed that there was currently flexibility to move funding between the Schools Block and the High Needs Block for 2017/18. However, the future of the High Needs Block was currently subject to national consultation. If it was not possible to move funding between the blocks in the future then the County Council would have to reduce expenditure in these areas.

Savings under Development

- (x) It was proposed that a new service model for disabled children's respite care could be developed. This area had the potential to make savings through reducing the reliance on residential settings for short breaks and increasing the range of provision, for example through foster carers or a buddying scheme. Good practice from other authorities would be considered in developing the proposal and it was confirmed that any proposal would be developed jointly with the NHS. It was likely that, if the proposal was taken further, it could take a few years before it was ready to be implemented.

Other Funding Sources

- (xi) It was considered that the funding from the Department of Communities and Local Government for the Troubled Families Programme was estimated as part of the funding came from a payment by results scheme. The £0.9 million did not include funding from partner contributions.
- (xii) The estimated £0.35 million for supporting unaccompanied asylum seeking children related to funding that would be received from the Home Office. The full cost for this area of work was much greater.

Capital Programme

- (xiii) The capital funding for structural changes to the pattern of education relating to 10+ education would make places available in primary schools to facilitate phased change including building extra accommodation. The first two years of the capital programme were fairly certain as government grants had been confirmed and the estimates of Section 106 contributions from developers were robust. For the second two years of the capital programme there was less clarity; it was difficult to predict the level of Section 106 contributions that would be available.
 - (a) That the report and information now provided be noted;
 - (b) That the comments of the Committee be forwarded to the Scrutiny Commission for consideration at its meeting on 25 January 2017;

(c) That reports be submitted to future meetings of the Committee on the following matters:-

- The implications of Children and Social Work Bill for the County Council;
- The Council's strategy for fostering;
- The review of the Children's Centre Programme.

(d) That further details relating to why church school conversions were considered to be more complex and costly than community schools be provided to the Committee.

49. Quarter 2 2016/17 Performance Report.

The Committee considered a joint report of the Chief Executive and Director of Children and Families Services which provided an update of the Children and Families Service performance at the end of quarter 2 of 2016/17. A copy of the report marked 'Agenda Item 9' is filed with these minutes.

Arising from discussion the following points were raised:-

- (i) Members welcomed the sustained improvement in performance for the number of children becoming subject to a child protection plan for the second or subsequent time.
- (ii) With regard to the percentage of care leavers in suitable accommodation, it was noted that the County Council was responsible for care leavers until the age of 25, although they were not obliged to keep in contact with the Council. Accommodation that was considered to be unsuitable included bed and breakfast accommodation, custody, prison and mental health in-patient wards. The Committee was assured that officers regularly reviewed all care leavers, including those who were not in contact, and supported them as much as possible to help them make good life choices. Work was also being undertaken to improve data quality in this area.
- (iii) The figure for care leavers in education, employment or training was not directly comparable with the general figure of young people not in education, employment or training as the age range for each indicator was different. However, some concern was expressed that the care leaver figure was low. The Department had a strategy to address this which would be looked at in more detail by the Children in Care Panel and reported back to this Committee.
- (iv) It was confirmed that supporting families back into work was still a priority for the Supporting Leicestershire Families Programme. Areas of focus included improving the access that families had to employment advisors.
- (v) With regard to the percentage of reception pupils with free school meal status achieving a 'good' level of development, it was noted that the Leicestershire Education Excellence Partnership (LEEP) had a significant focus on vulnerable learners. The school readiness and early years strategy was also being refreshed jointly with partners including children's centres with a view to improving performance in this area.

RESOLVED:

- (a) That the Children and Families Service performance at the end of quarter 2 of 2016/17 be noted;
- (b) That a report on accommodation for care leavers and the numbers in education, employment and training be submitted to the Children in Care Panel and to a future meeting of the Children and Families Overview and Scrutiny Committee.

50. Date of next meeting.

It was noted that the next meeting of the Commission would be held on 6 March 2017 at 1.30pm.

1.30 - 3.25 pm
16 January 2017

CHAIRMAN

CHILDREN AND FAMILIES OVERVIEW AND SCRUTINY COMMITTEE:
6th MARCH 2017

**REPORT OF THE INDEPENDENT CHAIR OF THE LEICESTERSHIRE AND
RUTLAND LOCAL SAFEGUARDING CHILDREN BOARD (LRLSCB)**

LOCAL SAFEGUARDING CHILDREN BOARD BUSINESS PLANS 2017/18

Purpose of report

1. The purpose of this report is to bring to the attention of the Children and Families Overview and Scrutiny Committee the Business Plan priorities for 2017/18 for the Leicestershire and Rutland Local Safeguarding Children Board (LRLSCB). This is brought for consultation and comment.
2. The Business Plan priorities were considered by the LRLSCB at its meeting on 27 January 2017 with final approval of the plan anticipated to be secured at the meetings of the LRLSCB and the Leicestershire & Rutland Safeguarding Adults Board (LRSAB) on 31 March 2017. Comments from the Scrutiny Committee will be incorporated in to the final plan that will be submitted to the Boards at their meeting in March.

Policy Framework and Previous Decisions

3. The LRLSCB is a statutory body established as a result of Section 13 of the Children Act 2004 and currently operates under statutory guidance issued in Working Together 2015. There is no statutory requirement to report the annual Business Plan to scrutiny but it is considered best practice to do so.
4. The Annual Report of the LRLSCB was considered by the Children and Families Overview and Scrutiny Committee on 5 September 2016 and emerging priorities for the new Business Plan for 2017/18 were discussed at that meeting. The views expressed by the Committee at that stage were fed into the formative process for the Plan and are reflected in the priorities.

Background

5. As in 2016/17 the LRLSCB has formulated an individual Business Plan supplemented by a plan that addresses priorities it will share with the LRSAB. This is intended to secure a balance between achieving a strong focus on children's safeguarding issues and recognising that some safeguarding matters require approaches that cross-cut children and adults services and focus on whole family issues.
6. The future improvement priorities identified in the Annual Report 2015/16 have been built into the Business Plans for 2017/18. In addition to issues arising from the Annual Report the new Business Plans' priorities have been identified against a range of national and local drivers including:

- a. national safeguarding policy initiatives and drivers;
 - b. recommendations from regulatory inspections across partner agencies;
 - c. the outcomes of serious case reviews, serious incident learning processes, domestic homicide reviews and other review processes both national and local;
 - d. evaluation of the business plans for 2016/17 including analysis of impact afforded by the quality assurance and performance management framework;
 - e. best practice reports issued at both national and local levels;
 - f. the views expressed by both service users and front-line staff through the Boards' engagement and participation arrangements;
 - g. recommendations contained in the Ofsted review of the LRLSCB published on 13th February 2017 and the recommendations in the Ofsted inspections of Leicestershire and Rutland Councils published on the same date.
7. The new Business Plan has been informed by discussions that have taken place in a number of forums since the autumn of 2016. These include:
- a. the annual Safeguarding Summit of chief officers from partner agencies held on 23rd November 2016
 - b. meetings of the Scrutiny bodies in both Leicestershire and Rutland at which both the LRLSCB and LRSAB Annual Reports 2015/16 and future priorities for action have been debated;
 - c. meetings of the Leicestershire and Rutland Health and Wellbeing Boards at which both the LRLSCB and LRSAB Annual Reports 2015/16 and future priorities for action have been debated;
 - d. discussions within individual partner agencies.
8. The proposed strategic priorities were formulated through the annual development session of the two Safeguarding Boards held on 2 December 2016.

Proposed Business Plans 2017/18

9. The Board is considering making a differentiation between Development priorities and Assurance priorities. Assurance priorities are solely identified as priorities for seeking assurance regarding safeguarding practice, risk or impact, rather than carrying out any specific development work. Development priorities are ones that require specific development work led by the Board, these may also include some element of assurance.
10. The priorities below incorporate the specific recommendations from Ofsted report to improve LRLSCB performance:
- Evaluating the quality and effectiveness of return home interviews and risk management when children go missing;
 - Strengthening the Section 11 audit process to ensure this is more probing and robust;
 - Enabling children more fully to influence the LSCBs priorities and their delivery;
 - Improve awareness raising of private fostering across the partnership and wider community.
11. The LRLSCB will be seeking assurance and monitoring performance on the areas of improvement identified in the Ofsted Inspection Reports for the two local authorities, and would expect to do this in collaboration with this committee and the relevant scrutiny body in Rutland.

12. The proposed Business Plan Priorities for 2017/18 considered at the LRLSCB meeting on 27th January 2017 are outlined in the tables below.

LRLSCB Development Priorities

Development Priority	Summary
1. CSE, Trafficking & Missing (Missing and online safety)	Developing assurance regarding missing children process and intervention and developing online safety responses.
2. Children with Disabilities	Assessing organisational responses and safeguarding risk understanding with regard to these children and their families.
3. Signs of Safety	Further embedding this across the partnership, particularly schools.

LRLSCB & LRSAB Joint Development Priorities

Development Priority	Summary
1. The 'Toxic Trio'	Assessing and developing approaches to safeguarding adults and children where domestic abuse, substance misuse and mental health issues are present.
2. Participation and Engagement	Establishing visible effective participation by children and vulnerable adults at Board level.
3. Emotional Health and Wellbeing	Develop understanding of emotional health and wellbeing across the partnership and gain assurance regarding Better Care Together and the Sustainability and Transformation Plan that work is addressing safeguarding issues, particularly regarding mental health
4. Multi-Agency risk management / Supervision	Develop a multi-agency supervision approach for risk management in safeguarding adults and children.

13. Against each of these priorities the Board is in the process of identifying key outcomes for improvement and the actions that will need to be taken over the next year to achieve these improved outcomes. This process has been delayed this year in order to incorporate the outcome of the Ofsted inspections.
14. The following are the identified assurance priorities arising from current priorities and the considerations from the development day. Seeking assurance on these would be built into the work of the Safeguarding Effectiveness Group (SEG) and the LSCB and SAB Multi-Agency Audit Groups as appropriate.

Assurance Priorities

LSCB	<ol style="list-style-type: none"> 1. Early Help (step up and step down) 2. Sports and other independent settings (test regarding historic abuse disclosures) 3. Thresholds 4. Supervision 5. Initial Health Assessments for Looked After Children (IHAs) 6. Young People's Mental Health
Joint LSCB and SAB	<ol style="list-style-type: none"> 1. Domestic Abuse 2. Information Sharing

15. The Quality Assurance and Performance Management Framework for the Board will be revised to ensure that it reflects the new Business Plan and enables ongoing monitoring of performance of core business that is not covered in the Business Plan.
16. The views of a range of forums are being sought on the Business Plans. This includes the Cabinets, Children and Adults Scrutiny bodies and the Health and Wellbeing Boards in both local authority areas.
17. The Board office is arranging for consultation on the priorities with young people and adult service users through existing forums.
18. Feedback from this Committee and these forums will support the development of the action plans for these priorities. The final Business Plan will be signed off at the meeting of the LRSAB and LRLSCB on 31 March 2017.

Proposals/Options

19. The Committee is asked to consider the Business Plan priorities and to make any comments or proposed additions or amendments that will then be considered at the meeting of the Board due to be held on 31 March 2017.

Consultation

20. All members of the Boards and their Executive have had opportunities to contribute to and comment on the Business Plans. The Board office are arranging for consultation on the priorities with young people and adult service users through existing forums.

Resource Implications

21. There are no resource implications arising from the recommendation in this report. Both the LRLSCB and LRSAB operate with a budget to which partner agencies contribute to under an agreed formula that reflects their size, operating budgets and legal safeguarding responsibilities.
22. The contribution from Leicestershire Children and Family Services Department is due to reduce by £40,000 in 2017/18, from £123,415 to £83,415. This reduction is part of the Council's Medium Term Financial Strategy savings to 2020/21. Steps have been taken to match projected spend accordingly, but this will reduce the

capacity of the Board with regard to the Independent Chair and the Board Office support staff.

23. The total budget within which the Boards operate in 2017/18 will be £346,090. The LRLSCB has a budget of £241,692 and the LRSAB a budget of £104,478, added to which the Boards receive £40,500 from the community safety partnerships to support the undertaking of Domestic Homicide Reviews.
24. In addition to the contribution from Leicestershire Children and Family Services Department Leicestershire County Council contributes £52,798 to the LRSAB and in addition hosts the Safeguarding Boards' Business Office.

Conclusions

25. The Children and Families Overview and Scrutiny Committee should note and comment on the LRLSCB Business Plan Priorities for 2017/18.

Officer to Contact

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Relevant Impact Assessments

Equality and Human Rights Implications

26. The LRLSCB /LRSAB seek to ensure that a fair, effective and equitable service is discharged by the partnership to safeguard vulnerable children, young people and adults. At the heart of their work is a focus on any individual or group that may be at greater risk of safeguarding vulnerability and the performance framework tests whether specific groups are at higher levels of risk. The Business Plans 2017/18 will set out how the partnership will seek to engage with all parts of the community in the coming year.

Partnership Working and associated issues

27. Safeguarding is dependent on the effective work of the partnership as set out in national regulation, Working Together 2015, published by the Department for Education and the Care Act 2014.

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CHILDREN AND FAMILIES OVERVIEW AND SCRUTINY
COMMITTEE: 6 MARCH 2017

FOSTERING AND ADOPTION – DETAILS ON ADOPTION
PLACEMENT BREAKDOWN, PRESSURES IN THE LAC SYSTEM
AND THE FUTURE STRATEGY FOR FOSTERING

REPORT OF THE DIRECTOR OF CHILDREN AND FAMILY
SERVICES

Purpose of report

1. The purpose of the report is to provide the Committee with an up to date picture of adoption placement breakdown, pressures in the Looked After Child (LAC) system and the future strategy for fostering, and to seek the committee's views on this strategy.

Policy Framework and Previous Decisions

2. On the 7th November 2016, the Committee considered both the Fostering and Adoption Service Statutory Quality Assurance and Performance report for 1 April 2016 – 30 September 2016.
3. The purpose of the reports was to bring the Committee's attention the activity of the Fostering and Adoption Service during that specified period.
4. The Committee asked for additional information to be presented to a future meeting regarding adoption breakdown, pressures in the LAC system and the future strategy for fostering. This report seeks to cover the requested additional information.

Background

Pressures in the LAC System

5. Leicestershire's permanence strategy is that children and young people be supported to live with their families, if it is safe for them to do so.
6. For those who are unable to live with their families and who need to be in the care of the local authority, the County Council's aim is to secure family based placements. These can either be within their extended family and friend network or with a foster family, or for some through adoption.

7. For a small number of children and young people with complex health and/or emotional-behavioural needs, residential care will be needed.
8. In March 2016, there were 469 children in care. The placements spend for 2015/16 was £22.3 million.
9. In January 2017, there were 510 children in care. The projected placements spend for 2016/17 is £21.830 million (*the Placement Budget Analysis 2016/17 vs 2015/16* is attached as Appendix 1)
10. Overall, there has been an 8% increase in LAC numbers but a 9% reduction in spend.
11. Placement stability has continued to improve over the past year (15% to 10% placement instability), indicating that children are being matched well to type of provision and carers are able to meet their needs.
12. In addition to this, the service has strongly supported the placement of children within their extended families or friend network, either as connected carers (carers approved as foster carers for that child) or under a permanence court order.
13. At the end of March 2016 there were 77 children living with connected foster carers and 92 in January 2017 (a 19% increase); and at the end of March 2016 there were 287 children living with connected carers under a permanency arrangement and 312 in January 2017 (a 8.7% increase).
14. These types of connected care arrangements not only allow the child or young person to be cared for by people they know and to remain within their communities, but represent a significant financial saving (compared to regulated placements).

The future strategy for fostering

15. The departmental activity in respect of careful care planning, management oversight of outcomes for children and young people, quality of assessment, placement tracking and oversight through a panel process, recruitment activity and improved support to foster carers has contributed positively to the Council's ability to provide good quality placements and care for our children and young people within a pressured budget.
16. The challenge now lies in the continued recruitment and support of carers to meet the growing demand. The Council not only need to increase its 'standard' foster care placements over the next year, but need placements for children and young people of particular profiles.
17. Nationally, there is a shortage of carers for specific groups of children, notably sibling groups, older children, unaccompanied asylum seeker children and children with disabilities. The need is similar in Leicestershire.

18. The placement demand, particularly in relation to young people with disabilities, emotional-behavioural needs and sibling groups, requires careful matching considerations, for example, keeping siblings together requires particular planning. Where the Council cannot meet the need from within its own foster carer provision to keep siblings together, it seeks to commission a placement through an external provider.
19. For some children and young people their needs are so complex and risks are so high, they require the structure and levels of care available through residential homes. Where the Council makes the decision that this is the most appropriate decision for the child or young person, 'trajectory' planning is essential. This means that the social worker must think about how long that child or young person needs that level of care and when they will be able to return to a family-based provision, and where appropriate to Leicestershire. It is essential that there is local provision with the skills, training and support to offer the necessary care. The types of provision needed includes:
- Specialist foster carers (called One2One carers and parallel carers)
 - Supported Lodgings provisions
 - Specialist Supported Lodgings provisions, and
 - Supported accommodation
20. In addition to this, there is a growing demand for short-breaks provision to support children, young people and their families. These are usually children and young people with very complex needs or disabilities.
21. Having sufficient carers is only part of the picture. Foster carers provide loving homes to children and young people who have very complex emotional, behavioural, education and health needs. Ensuring that these carers have access to a range of support is essential. Over the past year the Fostering Service has amongst other development activities:
- Lowered supervising social worker caseloads to ensure better levels of support and oversight.
 - Reviewed Hubs where foster carers meet to be more responsive to their needs.
 - Improved the training offer.
 - Introduce fostering community events.
 - Introduced Child and Adolescent Mental Health Services (CAMHS) consultation sessions for the social worker and carers.
 - Introduced a Dedicated Placement Support Team to work with children, young people and carers to stabilise placements or help the child or young person return home.
22. The Care Placement Strategy will be translated into a range of initiatives and activities, a number of which have already started and will continue throughout 2017-2020 and others will be new. These include:

- Revise the recruitment process including the introduction of business rules and targets for completion of stage 1 assessments.
- Run the range of core campaigns (in-house, supported lodgings, Unaccompanied Asylum Seeking Children (UASC)).
- Introduce new campaigns for sibling placements and launch a pilot foster carer payment scheme.
- Focused campaigns for Independent Fostering Agency carers with Leicestershire children in their care to encourage them to become carers for the Local Authority.
- Ongoing campaigns to recruit more One2One and parallel carers.
- Run a new campaign for Specialist Supported Lodgings carers for young people with learning difficulties or a disability.
- Run a campaign to increase short break care provision.
- Review the Statement of Purpose for Welland House Children's Home regarding age range and working with children who have suffered trauma.
- Align the Welland House Children's Home training plan to the changing profile needs of children requiring residential care
- Launch a framework for 16+ placement and support.
- Further corporate events (already 3 large sponsors have been identified)
- Extend the Dedicated Placement Support Team to include a psychologist and/or a Community Psychiatric Nurse
- Review the CAMHS commissioned provision.
- Continued use of panels to review placement provision.
- Increased the Fostering Service to meet the recruitment, assessment, supervising social worker and support requirements (including connected carers) to encourage potential foster carers to choose Leicestershire County Council as their fostering agency.
- Publish our foster carer and connected carer offer on a dedicated website.

23. Annual performance targets for generating enquiries to each stage are set out below:

	Annual target
Requests for information	600
Invited to info event	60%
initial visits	50% (inflated)
Stage 1 starts	22% (inflated)
Stage 2 starts	15%

Panel approvals	10%
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Adoption breakdown (disruption)

24. Leicestershire County Council is responsible for a Local Authority Fostering Service. It undertakes statutory responsibilities relating to Fostering. This report is from the Leicestershire County Council Fostering Service. Leicestershire County Council is also responsible for a Local Authority Adoption Agency.
25. Adoption Agencies are required to provide one six month and one annual report to the Executive¹ regarding the activity and work of the Adoption Agency and Adoption Panel. On the 7th November 2016, the Committee considered the report and asked for further information about the reported adoption disruptions.
26. During this period, there were 2 adoption disruptions. One of these children is now living in semi-independent accommodation by mutual agreement of the young person and his parents. He continues to be supported by the local authority. This young person is happy in placement and feels well supported by his carers. The other young person received support for a brief period from the Council before it was established that his support and care is the responsibility of Leicester City.
27. For many reasons, adopted children, young people and their parents have difficulties and these become more complex over time as the child or young person tries to understand their life experiences, they deal with loss and they build new relationships (amongst many other challenges).
28. Some adopted children struggle because they have an attachment disorder (a broad term used to describe disorders of mood, behaviour and social relationships arising from a failure to form normal attachments to primary carers in their early childhood).
29. Good assessment and matching is undertaken by the Adoption Team and adopted parents report feeling well supported during this period and up until the making of the final order.
30. However, we know that following this period, Leicestershire adoption families (those families to whom we have a responsibility for three years after the making of the final order and those adoption families living in Leicestershire to whom other local authorities no longer have a duty) rely heavily on universal services for support.
31. Good adoption provision should ensure that:

¹ The Executive in Leicestershire is the Lead Member and Scrutiny Members

- There is a core offer of care post adoption for the first three years.
- Adoption Support plans should consider the longer term needs of the child.
- A training offer e.g. therapeutic parenting offer
- Opportunities for meeting other adopters to offer support
- A therapeutic offer
- A website to promote self-help, signposting to services and networking.

Resource Implications

32. There are additional resource requirements in both the Fostering and the Adoption service areas. The staffing need relates to having sufficient staff in key areas to meet the recruitment and support needs of foster carers and adopters. In relation to recruitment, additional staff members are currently employed in the recruitment, assessment and supervising social worker team and additional staff will be required when in-house mainstream fostering provision increases
33. There is a further staffing requirement relating to Ofsted recommendations regarding:
- Adoption and other permanence order support provision
 - Statutory adoption functions regarding therapeutic support to birth families of adopted children
 - Independent support and advice to parents when adoption is identified as a care plan to help parents understand why this plan was chosen and to help them contribute to the plan.

Equality and Human Rights Implications

34. The Choices Sufficiency Strategy and Market Position Statement identified priorities for recruitment, support and training of foster carers.
35. The Market Position Statement has been refreshed for 2016-17. The Market Position Statement uses demographic and statistical information to identify the most vulnerable and highest needs. Priority action, supply needs and development issues related directly to the analysis of this information.
36. The proposed Children and Young People's Care Placement Strategy which is currently being written sets out the overarching priorities for sufficiency for 2017-2020. The priorities are based on demand patterns and the profile of children for whom we have difficulty identifying placements.
37. Furthermore, a key measure is the placement stability rate. This gives us a good indication of which children have the highest needs and which carers have additional support requirements to enable them to best meet the needs of these children or young people. The Dedicated Placement Support Team receives monthly reports of which children or young people contribute to fluctuations in this indicator, linked to those with missing from care episodes or link to child exploitation.

38. The Dedicated Placement Support Team also work with adopted children whose placements have broken down and need more intensive support to enable their return to parental care.
39. Other teams and service who work with adopted children include:
- Strengthening Families Team – edge of care and children in need
 - Adoption Team, therapeutic support
 - CAMHS (commissioned support for adopted children with mental health needs)
 - CAMHS consultation sessions for practitioners and carers
 - Private therapists (commissioned by the Fostering and Adoption Team should a child's needs indicate this service is needed)
 - Attachment training to schools through the Virtual School.
40. The Adoption Team structure is currently under review to establish where best to place this resource and responsibility, and decisions will be made in the context of the Regionalisation of Adoption.
41. Through this broad range of provision, the Council ensures that children, young people and their families are able to access advice and support when they need it. There is, however, an identified gap in provision in relation to adoption support. For this reason, a new post has been introduced to the team to develop a core offer to adopters. This will include visits to the parents at key points during the first three years after adoption, to help parents understand what their children's needs are likely to be over time and to best prepare for this.

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List of Appendices

Appendix 1: Placement Budget Analysis 2016/17 vs 2015/16

Appendix 1:

Placement Budget Analysis 2016/17 vs 2015/16

<u>Type of care</u>	<u>2016/17 Forecasted Net Spend</u>	<u>2015/16 Net Spend</u>	<u>% difference 16/17 vs 15/16</u>
External fostering	£4,900,000	£4,400,000	10%
Internal Fostering including kinship	£3,200,000	£3,100,000	3%
External Residential	£8,500,000	£9,200,000	-8%
Internal Residential	£750,000	£1,250,000	-67%
16+ / Supported Accommodation	£1,400,000	£1,700,000	-21%
Secure / Remand	£30,000	£200,000	-567%
Adoption Allowances	£800,000	£750,000	6%
Special Guardianship / Resident Orders	£2,050,000	£1,700,000	17%
Placement Support i.e. CAHMS / Therapeutic packages	£200,000	n/a	
Total Placement spend - LAC & Non LAC	£21,830,000	£22,300,000	-2%
Looked after Children	510	470	8%
Special Guardianship Orders and Resident Orders	312	293	6%
Adoption allowances	117	113	3%
Total Children supported - LAC & Non LAC	939	876	7%
Annual average unit cost per supported child placed including LAC & Non LAC	£23,248	£25,457	-9%



CABINET – 10 MARCH 2017

REPORT OF THE DIRECTOR OF CHILDREN AND FAMILY SERVICES

2018/19 SCHOOL AND HIGH NEEDS FUNDING PROPOSALS

Purpose of the Report

1. The purpose of this report is to advise the Cabinet of the responses to the second stage of consultation issued by the Department for Education (DfE) on the implementation of the National Funding Formula (NFF) for Schools and the introduction of a formulaic basis for the distribution of the High Needs Block of the Dedicated Schools Grant (DSG) in 2018/19.

Recommendation

2. It is recommended that:
 - (a) The responses to the consultation on the implementation of the National Funding Formula and the introduction of a formulaic basis for the distribution of the High Needs Block of the Dedicated Schools Grant, as appended to the report, be submitted to the Department for Education;
 - (b) That in addition, the Department for Education be advised of the County Council's concerns, as set out in this report, that Leicestershire, a low-funded authority, will see no improvement to its own or its schools' financial position as a result of the proposals and in particular, that;
 - (i) the reduced lump sum will adversely affect primary schools;
 - (ii) there is no evidence to support the proposed values and weightings within the schools National Funding Formula, nor are they informed by the cost of education;
 - (iii) there is disproportionate emphasis on funding targeted at deprivation and where English is spoken as an additional language and, as that attainment is relatively high in Leicestershire and deprivation relatively low, it will derive little benefit from these factors;

- (iv) whilst there is an assumption by the DfE that schools and local authorities will deliver efficiency savings, this may not be possible as schools funding has not increased in line with costs resulting in any efficiency gains being already realised;
- (v) the delivery of a more efficient school estate is likely to require remodelling and rationalisation of provision, which will require significant capital investment.

Reason for Recommendations

3. To ensure that the views of the County Council are communicated to the Department for Education.

Timetable for Decisions (including Scrutiny)

4. The Schools Forum noted the high level implications of the proposals at its meeting of 9 February 2017.
5. The Children and Families Overview and Scrutiny Committee will consider this report on 6 March 2017 and its views will be reported to the Cabinet.

Policy Framework and Previous Decisions

6. The Cabinet received a report on 10 February 2017 setting out the purpose and high level implications arising from the consultations.

Resources Implications

7. Whilst both consultations provide illustrative indications of the financial impact of the proposals at this stage it is too early to fully assess the financial implications for the County Council and Leicestershire schools and academies.
8. It was widely anticipated that as a low funded authority Leicestershire would see a beneficial financial outcome from the NFF proposals. Initial assessment of the exemplifications issued by the DfE through the consultation suggests this will not be the case. The figures are illustrative as 2018/19 budgets will be based upon the October 2017 census. For implementation of the NFF these will be updated for 2017/18 data, but they do demonstrate a greater weighting towards deprivation and low prior attainment. This together with a reduction of £40,000 in the lump sum paid to all schools and the proposed introduction of a ratio of primary to secondary school funding will mean that primary schools will experience a decrease in budget whilst secondary schools benefit from the proposals.
9. The NFF proposals do not provide data on the impact on per pupil funding between local authorities. Comparison between the overall Local Authority percentage change when compared to 2017/18 funding levels suggests that Leicestershire would be the fourth lowest funded authority for schools block DSG compared to lowest third for 2017/18.

10. The financial implications for Leicestershire schools of the new formula is potentially serious given that these changes will take place at a time of real term reduction in funding. The National Audit Office has calculated that schools will need to save £3bn (8%) nationally to meet cost pressures such as the national minimum wage. Given Leicestershire's low funding position and the negative impact of the new formula on many schools this is likely to prove very challenging.
11. The DfE's exemplification of the impact of the high needs proposals identify that Leicestershire receives protection funding of £2.9m. The consultation proposes that no local authority would lose funding for the first four years of the formula i.e. until March 2022. However, this does mean that the County Council is in a vulnerable financial position should either the level or timescale of protection being reduced. For 2017/18 £2.85m has been transferred from the schools block to high needs. The consultation sets out a process whereby the DfE will undertake an exercise to determine whether this should be included in the 2017/18 grant baseline. The omission of this funding from the baseline would result in a loss of funding in 2018/19.
12. Whilst the DfE states that no local authority will lose funding in the first 4 years of the new High Needs formula, that protection is at best vulnerable from any future Comprehensive Spending Review. Any decision by the DfE to exclude the 2017/18 transfer (£2.85m) from the schools to high needs block could result in an increased funding gap for 2018/19. It is worth noting that the high needs block is still forecast to overspend by £2m in 2016/17 and even after taking account of the transfer of resources savings of £1.695m 2017/18, rising to £3.45m in 2018/19 are required to balance the budget.
13. The Director of Corporate Resources and Director of Law and Governance have been consulted this report.

Circulation under the Local Issues Alert Procedure

14. None.

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PART B

Background

15. Currently Local Authorities are responsible for setting a formula for funding all maintained schools and academies in its area, but this subject to national constraints on the factors and values that can be used within it. In terms of school funding Leicestershire is the third lowest funded local authority in England.
16. High needs funding is largely based upon levels of expenditure from 2012/13, and changes in pupil numbers and characteristics since that date has not been taken into account.

National Funding Formula Proposals

17. The NFF is based upon the principle that every pupil with the same characteristics will be funded the same irrespective of which local authority they are educated within. School funding is currently largely based upon decisions taken in local authorities over many years; these will have been informed by local priorities and funding levels. The move to a formulaic approach will establish a situation where funding can be deemed to be fair when considering this principle in isolation.
18. The proposals set out a two stage approach to the introduction of the NFF. This would result in 'soft' formula for 2018/19 where the funding for the Schools Block DSG will be an aggregate of pupil-led individual school allocations plus school and geographic allocations based on 2017/18 funding levels. Local authorities will be responsible for setting a school funding formula but will be 'encouraged' to work towards the NFF. This will be followed by a 'hard' NFF in April 2019 with school funding being fully allocated by the DfE. A further consultation is expected to set this out in due course.
19. The elements of the NFF were confirmed through the first stage of consultation. Stage 2 adds the monetary values and sets and the weightings between them. The DfE proposes that 91% of total funding (the current Leicestershire proportion is 87.47%) be delivered through pupil-led factors and, to facilitate this, deprivation and low prior attainment factors are proposed to increase in weighting. To fund this position it is proposed to set the value of the lump sum every school receives at £110,000, a £40,000 reduction from the £150,000 allocated through the current Leicestershire formula per school. This reduction is protected within a 3% floor reduction.
20. The Council's proposed response is shown at Appendix A. Concerns are raised around the deliberate focus of the formula to deprivation. It is considered that at individual school level the impact of the formula is exceptionally random; there appears to no common factor in why a school gains or why another lose from the proposals.

21. The proposed response sets out a number of concerns which are grouped around the following key themes and issues:
- a) The proposals redistribute the current quantum of funding, despite growing national evidence of a funding crisis in many schools. No consideration has been given to the real costs of educating pupils and there is a lack of evidence to support the values and weightings attached to the formula factors.
 - b) The weightings towards the additional factors, especially when also considering the pupil premium, focus too much funding to deprivation and low attainment resulting in low levels of basic funding.
 - c) The inter-relationship between sparsity funding and the lump sum. It is stated that the sparsity factor provides protection for rural schools. However although overall losses as a result of the formula proposal are protected for the next two years, every school in Leicestershire will see a reduction in funding of £40,000 (£11m in total) whereas only 18 will receive sparsity funding totalling £0.3m. Small schools in particular are financially vulnerable from future decisions on the protection of school budgets.
 - d) The period over which the changes will be implemented is unclear. The proposals cover just two years. The maximum gain for schools is 5.5%. Two primary and 25 secondary schools are identified as having gains in excess of this amount, and achieving the NFF for these schools is dependent on decisions made in future Comprehensive Spending Reviews. 151 schools will lose funding as a result of the proposals; any future decision to reduce the level of funding may have a significant impact. It is not possible to model the impact of changes in the floors and ceilings as the methodology for their calculations cannot be ascertained from the DfE's illustrative figures.
 - e) The role of the local authority in school funding once a hard formula is introduced is unclear. Currently, under a scheme approved by the Secretary of State for Education, pupil number adjustments are made to schools undertaking or affected by age range changes. There is also some suggestion that local authorities will remain responsible for funding the pre-opening costs for new schools but funded by historic costs. There could be financial implications for both schools and the County Council if these issues are not addressed.

High Needs Block Proposals

22. The consultation confirms the intention to introduce a formulaic grant in 2018/19, and that the factors to be used within the methodology are confirmed through the outcome of stage 1 consultation. As with the NFF consultation, stage 2 sets out the monetary values and weightings attached to both.

23. The high needs funding proposals deliver no real change for the Leicestershire funding position as the proposals set out that no local authority will see a loss in funding for four years. Over this period the DfE will consult on a new funding system, effectively locking historic levels of expenditure into the grant.
24. The consultation states that this structure will be in place for four years following implementation in April 2018. The illustrative figures within the consultation identify £2.9m of funding through the historic funding element and is effectively funding protection. It is unlikely that there will be sufficient increases to the pupil-led elements of the formula over the four year period of protection and as such the County Council is vulnerable to any changes in the level of or timescale of this protection.
25. The proposed response is shown in Appendix B. The response is structured around the following key themes and issues:
 - a) As with the NFF proposals there is no evidence base for the values and weightings within the formula.
 - b) The percentages within the consultation proposals are misleading, for example the consultation states that the historic cost factor represents 50% of the allocation yet the illustrations identify the Leicestershire figure to be 45% and the national average as 44%. For the weightings attached to the additional factors the consultation does not make it explicit that these are a percentage of only part of the formula.
 - c) The proposal suggests that there will only be minimal flexibility to move funding between blocks, which is a significant concern. Schools have significant influence over the cost of meeting the needs of pupils with special educational needs and disabilities (SEND) and without this flexibility the cost to local authorities could increase.
 - d) The funding system requires local authorities to pay £10,000 per place for places in maintained schools and academies, and the cost of independent schools is significantly greater. The proposals set out a basic unit of funding of £4,000, much less than the financial commitment.
 - e) The data sources for the formula factors give some concern. Local authorities are responsible for meeting the needs of pupils and young people with SEND aged 0 – 25 yet the population data within the formula only includes aged 2 -19. A further example relates to Children in Bad Health, data on which is collected only every 10 years within the National Census and is self-declared by parents. These concerns were expressed in the Council's stage 1 response and are set out again in the stage 2 response.
 - f) The levels of protection are subject to decisions in future Comprehensive Spending Reviews and, if confirmed, will span two Governments. Protection is therefore vulnerable to both future spending and policy decisions.

Conclusions

26. It was expected that Leicestershire as a low funded authority would see an improved financial position as a result of these changes. This is not the case, given the emphasis on funding targeted at deprivation and where English is spoken as an additional language which, in the case of Leicestershire schools is low. Additionally, given that attainment is relatively high in Leicestershire little benefit will be derived from the low attainment factor. The reduction in the lump sum adversely affects Leicestershire's primary schools.
27. Whilst the consultation on high needs funding reform sets out a range of changes and heralds the implementation of a needs led funding formula, the protections set out within result in no real change with the exception of the 20 out of 151 authorities that are expected to see an increase in funding. Under the proposals historic spend will be locked within the high needs settlement for at least a further 4 years.
28. There is an expectation by the DfE within both consultations that schools and local authorities will be able to deliver efficiencies over the period of change. In relation to schools, funding has not increased in line with costs and future efficiencies may not be possible. In respect of high needs a revenue grant has been made available to review provision for children and young people with SEND and a minimal amount of capital has been made available nationally to deliver more efficient provision. The delivery of a more efficient school estate is likely to require remodelling and rationalisation of provision, which will require significant capital investment.

Background Papers

Cabinet Report – 10 February 2017, 2018/19 Schools and High Needs Funding proposals

<http://politics.leics.gov.uk/documents/s126320/FINAL%202018-19%20School%20and%20High%20Needs%20Funding.pdf>

Department for Education Consultation - Schools National Funding Formula: stage 2

<https://consult.education.gov.uk/funding-policy-unit/schools-national-funding-formula2/>

Department for Education Consultation – High Needs National Funding Formula: stage 2

<https://consult.education.gov.uk/funding-policy-unit/high-needs-funding-reform-2/>

Equality and Human Rights Implications

29. Both consultations are supported by comprehensive Equality Impact Assessments. Any proposals for change in school funding at a local level will consider any implications.

Appendices

Appendix A - Schools National Funding Formula – Stage 2 Consultation Response

Appendix B - High Needs Funding Reform – Stage 2 Consultation Response

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Schools National Funding Formula – stage 2

Consultation Response

Q1 In designing our national funding formula, we have taken careful steps to balance the principles of fairness and stability. Do you think we have struck the right balance?

- Yes

- **No**

Leicestershire, as expressed through its Cabinet on 10 March 2017, has significant concerns over the proposals and that as a low-funded authority, will see no improvement to its, or its schools, financial position as a result of the proposals and in particular, that:

- (i) the reduced lump sum will adversely affect primary schools;
- (ii) there is no evidence to support the proposed values and weightings within the schools National Funding Formula, nor are they informed by the cost of education;
- (iii) there is disproportionate emphasis on funding targeted at deprivation and where English is spoken as an additional language and, as that attainment is relatively high in Leicestershire and deprivation relatively low, it will derive little benefit from these factors;
- (iv) whilst there is an assumption by the DfE that schools and local authorities will deliver efficiency savings, this may not be possible as schools funding has not increased in line with costs resulting in any efficiency gains being already realised;
- (v) the delivery of a more efficient school estate is likely to require remodelling and rationalisation of provision, which will require significant capital investment.

We feel that that the increased bias towards deprivation, particularly when combined with the Pupil Premium places too much emphasis on additional funding to the detriment of universal funding.

We are generally concerned about the lack of evidence to support the monetary values given to the formula factors and the relative weightings between them. For a formula to be fair it needs to reflect the actual cost of provision and maintains an adequate balance between pupil and non-pupil led funding. The proposals fall significantly short of doing this.

Evidence of a financial crisis in schools is growing, the consultation itself refers

to there being a 8% unfunded cost pressure within school budgets. The introduction of the national funding formula will not address the financial issues within schools, at its worst schools will need to meet an 8% expected increase in costs whilst receiving a 3% reduction in funding, at its very best schools will receive 5.5% per pupil in additional funding but that is insufficient to meet the cost pressures being encountered.

We note a number of areas within the consultation where there are expected further changes with regard to data and potential changes to the formula additionally the consultation is silent about the level of gains and protection past 2019/20. It is difficult to determine how the combination of these factors can be seen to bring stability to school budgets.

For the national funding formula to be effective it must reflect the actual costs of delivery rather than the redistribution of the current, and inadequate, level of funding.

Q2 Do you support our proposal to set the primary to secondary ratio in line with the current national average?

We have decided that the secondary phase should be funded, overall, at a higher level than primary, after consulting on this in stage 1. We are now consulting on how great the difference should be between the phases.

The current national average is 1:1.29, which means that secondary pupils are funded 29% higher overall than primary pupils.

- Yes
- No - the ratio should be closer i.e. primary and secondary phases should be funded at more similar levels)
- No - the ratio should be wider (i.e. the secondary phase should be funded more than 29% higher than the primary phase

We do not support any of the above proposals.

The consultation refers in many places, as did its predecessor in March 2016, to inequities in school funding arising from different decisions taken by local authorities being locked into the system, this proposal will further lock historical decisions into the national funding formula.

We do recognise that the cost of delivering a secondary curriculum is more costly than that within primary, what we would have expected to see would be an evidenced based approach to setting the ratio rather than simply using an average of that currently within local authority funding formulae.

Q3 Do you support our proposal to maximise pupil-led funding?

We are proposing to maximise the amount of funding allocated to factors that relate directly to pupils and their characteristics, compared to the factors that relate to schools' characteristics. We propose to do this by reducing the lump sum compared to the current national average.

- Yes
- No – you should further increase pupil-led funding and further reduce school-led funding
- No – you should keep the balance between pupil-led and school-led funding in line with the current national average
- No – you should increase school-led funding compared to the current national average

We support none of the above options given that there has been no measure of the fixed costs schools encounter.

We have concerns that maximising the pupil led funding without any evidence based on schools actual expenditure, which is available to the Department for Education, will have the effect of de-stabilising school funding especially where there are reductions in pupil numbers.

We are also concerned that it is proposed that premises factors will be funded in 2018/19 on the basis of historic cost especially given that there are large fluctuations within the total funding required to fund rates at individual school level. For 2017/18 costs increased by £0.25m, if such an increase were to occur in 2018/19 the local authority would be required to reduce pupil related factors in order to be able to deliver school budgets within the funding available as there would be no other source of funding for such an increase.

We are concerned that the level of pupil led funding is increased over the average currently allocated by local authorities, we would wish the DfE to consider undertaking some research to establish the level of cost within schools to establish whether 9% is an appropriate level. The reduced level of non-pupil led funding will leave small schools financially vulnerable as small movements in pupil numbers could be de-stabilising especially where schools have large, and often fixed, premises costs.

Whilst small in number, some schools have a significant financial burden arising from the need to rent additional premises or playing fields. The current funding system restricts the number of schools who receive this funding and the level that local authorities are able to fund. Further consideration should be given to this non avoidable cost.

The consultation sets out the total funding for pupils with additional needs for primary, key stage 3 and key stage 4 and would have expected, given that the proposals introduce a ratio of primary to secondary funding, to see some consistency as funding increases with additional needs which isn't the case. Taking the per pupil rate at primary this increases by 3% for key stage 3 and

59% for key stage 4. For a pupil with FSM, EAL and low prior attainment the funding differential is 94% at primary, 110% at key stage 3 and 97% at key stage 4. We see no justification for the apparent randomness of the per pupil values, would query the overall impact on the primary to secondary ratio and whether the cost base has this level of differential.

Q4 Within the total pupil-led funding, do you support our proposal to increase the proportion allocated to the additional needs factors?

Of the total schools block funding, 76% is currently allocated to basic per-pupil funding (AWPU) and 13% is allocated to the additional needs factors (deprivation, low prior attainment and English as an additional language).

The formula will recognise educational disadvantage in its widest sense, including those who are not eligible for the pupil premium but whose families may only just about managing. It increases the total spend on additional needs factors compared to the funding explicitly directed through these factors in the current system

We are therefore proposing to increase the proportion of the total schools block funding allocated to additional needs factors to 18%, with 73% allocated to basic per-pupil funding.

- Yes
- No, allocate a greater proportion to additional needs
- No – allocate a lower proportion to additional needs

A larger element of funding through additional needs does by default reduce universal funding for all, successful and high performing schools will be disadvantaged by these proposals.

We have significant concerns regarding the percentage allocated through additional factors, particularly deprivation which when taking the Pupil premium into account double funds pupils with this characteristics.

The consultation sets out that 9.3% of school funding will be delivered through Free School Meals (FSM) and IDACI, taking the pupil premium into account the result is 16% of total funding for schools being related to deprivation. When pupil premium is considered c24% of school funding will be delivered by additional factors, this will be to the detriment of universal funding. We also feel that FSM data is distorted because of the entitlement to universal infant free school meals resulting in eligibility not being measured for this cohort of pupils.

Again there is no evidence basis to establish the validity of these proportions and whilst we recognise that pupils with additional needs will require additional funding this should not be at the expense of universal funding for all. With lower levels of universal funding there is a risk that attainment will reduce resulting in a higher cost to the formula in future years. This is a further risk as the factors

used to measure prior attainment are subject to frequent change and are unpredictable at individual school level.

Q5 Do you agree with the proposed weightings for each of the additional needs factors?

Deprivation – pupil based at 5.5%

- Allocate a higher proportion
- The proportion is about right
- Allocate a lower proportion

Deprivation – area based at 3.9%

- Allocate a higher proportion
- The proportion is about right
- Allocate a lower proportion

Low prior attainment at 7.5%

- Allocate a higher proportion
- The proportion is about right
- Allocate a lower proportion

English as an additional language at 1.2%

- Allocate a higher proportion
- The proportion is about right
- Allocate a lower proportion

We neither agree nor disagree with these weightings. Our continued concern is the lack of evidence to support these levels of additionality and the funding values attached to them, especially given these are in excess of the current average used by local authorities.

As discussed above we are concerned at the level of the additional factors, particularly deprivation. We also feel that the allocation of the pupil premium should be considered alongside the changes in school funding and would have offered a real opportunity to simplify the school funding system and create a real opportunity to deliver a needs led system.

Q6 Do you have any suggestions about potential indicators and data sources we could use to allocate mobility funding in 2019/20 and beyond?

A number of schools experience turbulence from the arrival and departure of pupils from travelling backgrounds, a number of which present with additional needs which suggests a measure that identifies need rather than movement in numbers would be more appropriate, we note that the school census includes an indicator for traveller children.

Further research should be undertaken to assess what it can be a significant educational and financial impact from a relatively small change in the pupil population.

Q7 Do you agree with the proposed lump sum amount of £110,000 for all schools?

This factor is intended to contribute to the costs that do not vary with pupil numbers, and to give schools (especially small schools) certainty that they will receive a certain amount each year in addition to their pupil-led funding.

Primary

- Allocate a higher amount
- This is about the right amount
- Allocate a lower amount

Secondary

- Allocate a higher amount
- This is about the right amount
- Allocate a lower amount

Again we are disappointed to note that there is no evidence to support this value and indeed whether primary and secondary schools have the same proportion of fixed costs or whether other factors need to be considered such as school size.

Authorities have taken decisions on the value of the lump sum in order that schools can operate in a financially viable manner and meet the needs of the communities they provide for, in many cases this can be more financially efficient than meeting the significant costs of home to school transport.

Whilst we recognise that the proposed national funding formula builds in protection for the reduction in the lump sum, primary schools in Leicestershire would need 5,700 pupils to make up the loss in the lump sum through the basic entitlement. This leaves schools exceptionally vulnerable to future decision on school funding protection after the two years considered by this consultation.

The proposed reduction to the lump sum equates to £11m for Leicestershire schools, the sparsity factor adds just £0.306m.

Q8 Do you agree with the proposed amounts for sparsity funding of up to £25,000 for primary and up to £65,000 for secondary, middle and all-through schools?

We have decided to include a sparsity factor to target extra funding for schools that are small and remote. We are proposing that this would be tapered so that smaller schools receive more funding, up to a maximum of £25,000 for primary schools and £60,000 for secondary schools.

Primary

- Allocate a higher amount
- This is about the right amount
- Allocate a lower amount

Secondary

- Allocate a higher amount
- This is about the right amount
- Allocate a lower amount

We do not feel that this factor targets funding at small and remote schools in the manner in which it is described so do not support any of the above options.

Within the consultation the statement that the introduction of a funding factor for sparsity protects small rural schools is simply untrue. We are concerned that the Department for Education continues to refer to the sparsity factor protecting small schools which simply isn't the case.

The sparsity factor in its current format is purely a measure of how geographically close a second school is using a measure with is in no way related to the journeys that pupils may have to take and average class sizes.

Leicestershire is a largely rural authority yet just 17 primary and 1 secondary school qualify for funding through the sparsity factor from 277 schools. For schools denoted as receiving this funding in the proposed formula, none appear to be related to school size and much smaller schools fail to receive the benefit of this factor.

Leicestershire also has 73 schools designated as rural schools yet just 8 would receive funding through the sparsity factor, if these schools are designated as necessary it could have been expected that these schools would all receive sparsity funding.

Q9 Do you agree that lagged pupil growth would provide an effective basis for the growth factor in the longer term?

The growth factor will be based on local authorities historic spend in 2018/19. For the longer term we intend to develop a more sophisticated measure and in the consultation we suggest the option of using lagged pupil growth data. We

will consult on our proposals at a later stage, but would welcome any initial comments on this suggestion now.

No, we do not agree that funding should be based on historic expenditure and we are disappointed that there is no indication of how this will be treated in the hard formula.

Housing developments planned within the local authority identify the need for significant numbers of additional school places resulting in significant revenue costs in respect of growing schools. Whilst we can see that in 2018/19 local authorities will be able to manage this pressure in the overall schools block settlement this would require reductions in the values of the pupil led elements of the formula.

The consultation considers some options for how school growth could be managed in the hard formula they all have a reliance upon lagged data which will not deliver funding to meet the need for new places.

We are concerned that the consultation suggests, as does evidence presented to the House of Commons Education Committee on 31 January 2017, that for the 'longer term' that growth funding could be provided on a lagged number basis but allocated to local authorities. It would be wholly inappropriate in a hard formula where funding is fully allocated by the Department of Education to expect that local authorities would be responsible for funding pupil growth in opening schools, especially given that this could include Free Schools that are not supported by local authorities and not required for the purposes of a basic need for places and that insufficient funding may be granted.

Q10 Do you agree with the principle of a funding floor?

To ensure stability we propose to put in place a floor that would protect schools from large overall reductions as a result of this formula. This would be in addition to the Minimum Funding guarantee.

- Yes
- No

A funding floor is essential to allow schools to adjust to reduced funding allocations without de-stabilising educational provision.

The consultation is unclear on how this floor would operate in practice and how it will relate to the Minimum Funding Guarantee and this needs further clarification.

11. Do you support our proposal to set the funding floor at minus 3%

This will mean that no school will lose more than 3% of their current per pupil funding as a result of this formula.

- Yes
- No

Given that financial pressure over the medium term are expected to increase school costs by 8% a funding floor at this level will result in schools facing significant reductions in funding and affect both the quality and the breadth of the education they deliver. Schools may therefore see a reduction in their overall spending power of 11%.

12. Do you agree that for new or growing schools (i.e schools that are still filling up and do not have pupils in all year groups) the funding floor should be applied to the per-pupil funding they would have received if they were at full capacity?

We believe that, to treat growing schools fairly, the funding floor should take account of the fact that these schools have not yet filled up all their year groups

- Yes
- No

In practice this seems a suitable approach. What is unclear however is how the schools per pupil funding will be calculated, whilst pupil numbers for the basic entitlement would be easily available the number of pupils that would attract additional factors would be less so.

It would not be appropriate that a growing school be funded on basic entitlement plus school led factors alone.

13. Do you support our proposal to continue the minimum funding guarantee at minus 1.5%

The minimum funding guarantee protects schools against reductions of more than a certain percentage per pupil each year. We are proposing to continue the minimum funding guarantee at minus 1.5% per pupil.

- Yes
- No – it should be lower i.e. allow losses of more than 1.5%
- No – it should be higher i.e. restrict losses to less than 1.5%

Schools should be protected against large movements in budgets year on year as it is not possible to shed costs in the same timescale as the funding is lost, it is difficult to assess however what an appropriate level should be.

There is no clarity over the interaction between the funding floor and the minimum funding guarantee i.e. over the two years covered by the consultation could schools lose 3% from the implementation of the national funding formula and then a further 1.5% per pupil per year which would total a 6% decrease in funding? A loss of 3% per annum would be unmanageable for many schools especially in a situation where they may be experiencing falling rolls.

We are concerned that the individual school illustrations published within the consultations does not allow for schools to identify the level of protection built into the formula. This does not allow schools to determine the impact of the proposed factors and weightings in order that they may be able to submit an informed response to the proposals.

14. Are there any further considerations we should be taking into account about the proposed schools national funding formula?

As one of the lowest funded authorities there have been significant expectations that 'fairer funding' would result in schools in Leicestershire receiving similar funding to their peers and neighbours and are disappointed that this is not the case.

These proposals result in 54% of schools losing funding, for the primary sector the figure is 65% many of which will be vulnerable to future decisions on protection.

For secondary schools 47% can expect to see an increase as a result of the national funding formula in excess of the maximum gain of 5.5% and have the uncertainty of provisions within the next Comprehensive Spending Review to deliver the national funding formula.

It is disappointing that the proposals purely consider the redistribution of the current quantum of funding rather than using an activity based model based on the current cost base in schools and curriculum delivery to set a model that would fund all current expectations on schools at an appropriate rate.

There appears no evidence base for many of the values and weighting used within the formula and in many places, such as the establishment of the primary / secondary ratio, continue to lock historic allocations into the national funding formula. Many of these decisions will have been influenced by the level of education funding provided to local authorities rather than the level of need.

Local authorities have been criticised in the past with regard to a lack of consistency in school funding decisions, yet the Department for Education

deem that it is appropriate to use the average of those decisions for the platform for the national schools funding formula. A real opportunity has been lost to provide a funding system that would incentivise the delivery of education based on aspirations for our children and young people, rather than an input based model which takes no account of the effective use of resources.

We are concerned that the proposals set out to restrict the ability for local authorities to transfer funding between blocks especially given that schools have a significant influence on the cost to local authorities in relation to pupils with high needs. Should the proposals continue along this line a perverse incentive will be introduced to the overall school funding system and result in increased costs for local authorities. It is essential that this proposal is reviewed to ensure that schools and local authorities can work in partnership to meet needs at the earliest possibility. The expectations on schools in relation to meeting needs for pupils with SEND should be clearly defined and local authorities should have recourse to funding from the School Block should schools fail to meet their responsibilities.

What is also missing from the consultation is any expectation of the role of local authorities once a hard funding formula is implemented, there are a number of suggestions that there will be some and these need to be defined.

The consultation discusses the need for schools to deliver efficiencies, most of the suggestions are actions that schools have been taking for some while, it is difficult to see how schools will be able to deliver sufficient savings to account for current spending pressures and the reductions that the national formula will deliver. This will be detrimental to the delivery of the curriculum and pupil outcomes, it will also be at the financial detriment to the public purse for the cost of the inevitable redundancies which will follow. Academies will have no option other than to fund redundancies from reduced budgets to the detriment of educating pupils and local authorities at the cost to other services.

Secondary academies in Leicestershire are undertaking age range changes and moving towards an 11-16 school model. To facilitate this we undertake pupil number adjustments in line with the expectation of pupil movements in September as a result of the re-organisation including financial protection for schools with significant falling rolls informed by locally held admissions data. This process is likely to be required for a number of years and we would wish to seek clarification on how this will be facilitated in the 'Hard Formula'.

15. Do you agree that we should allocate 10% of funding through a deprivation factor in the central school services block?

- Yes
- No – a higher proportion should be allocated to the deprivation factor
- No – a lower proportion should be allocated to the deprivation factor
- No – there should not be a deprivation factor

There is no evidence base to support 10% as the correct proportion. We would though question why this percentage is set at a lower level than the aggregate value of the additional needs within the proposed national funding formula of 18%.

16. Do you support our proposal to limit reductions on local authorities' central school service block funding to 2.5% per pupil in 2018/19 and in 2019/20?

- Yes
- No – allow losses of more than 2.5% per pupil per year
- No – limit reductions to less than 2.5% per pupil per year

The limit set within the consultation for reductions in school funding is minus 1.5% per pupil, it is inappropriate that the loss per pupil at local authority level should be greater.

17. Are there further considerations we should be taking into account about the proposed central school services block formula?

We are concerned on the proposed approach to historic commitments which are currently funded from the central schools services block, particularly that these costs will unwind over time and that the EFA will monitor and challenge where expenditure is not reducing as expected.

The vast majority of historic commitments relate to pre 2013 school based retirements, these costs will remain a financial commitment for a significant period of time and it is essential that the rate of funding is not reduced alongside the EFA expectation of a reduced cost base.

18. Is there any evidence relating to the 8 protected characteristics identified in the Equality Act 2010 that is not included in the equalities impact assessment and that we should take into account?

High Needs Funding Reform – stage 2

Consultation Response

1. In designing our national funding formula, we have taken careful steps to balance the principles of fairness and stability, Do you think we have struck the right balance?

- Yes
- No

Leicestershire, as expressed through its Cabinet on 10 March 2017, has significant concerns over the proposals and that as a low-funded authority, will see no improvement to its financial position as a result of the proposals and in particular, that:

- (i) there is no evidence to support the proposed values and weightings within the proposed High Needs National Funding Formula, nor are they informed by the cost of education, particularly the cost of meeting the needs of children and young people with additional needs;
- (ii) whilst there is an assumption by the DfE that schools and local authorities will deliver efficiency savings, this may not be possible as schools funding has not increased in line with costs resulting in any efficiency gains being already realised;
- (iii) the delivery of a more efficient school estate is likely to require remodelling and rationalisation of provision, which will require significant capital investment.

Whilst we welcome the principle of moving to a formulaic distribution of the grant there is growing evidence that local authorities are spending in excess of the grant and expect that expenditure will grow faster than the grant allocations. It is essential that local authorities are funded to allow them to discharge their statutory duties for children and young people with special educational needs and disabilities.

We have concerns that there is significant uncertainty about whether any transfers from the School Block to High Needs Block in 2017/18 will be reflected in the 2017/18 baseline figures. We do recognise that any change to the baseline will be 'protected' by the statement that no local authority will lose funding for the first 4 years. However over this period at least one Comprehensive Spending Review and a general election followed by a new government will occur leaving this protection as vulnerable unless it is supported by legislation. There are also contradictions over the length of protection, the foreword refers to 'within 4 years' and paragraph 3.6 to 'will be in 4 years'.

If the Department for Education feel that the introduction of the proposed national funding formula addresses the shortcomings of the current funding system why is a further review necessary? Again any review would be as vulnerable as the protection set out within the proposals and the introduction of a funding system that adequately funds the needs of vulnerable learners may be many years away.

We would challenge whether the proposals actually deliver any change at all other than for those authorities that gain funding, for the authorities that do not gain under the proposals the grant effectively remains at historic spend for a further four years. The baseline figures also appear to omit the additional funding for demographic growth in 2017/18, we would also wish to seek assurance that the baseline will also include this funding.

We remain concerned that the factors will not identify the two populations where need and cost have significantly grown i.e. high functioning autism and social, emotional and mental health.

References within the consultation to percentages are misleading, firstly in respect of the proportion of funding to be delivered through the historic expenditure factor which is below the 50% figure quoted in the consultation and for the proxy factors where the consultation quotes percentages but does not explicitly reference that the percentages apply to less than 50% of the overall grant allocations which results in overall allocations of grant significantly lower from those quoted.

Whilst the use of the deprivation, low attainment, health and disability factors within the proposed formula are supported through the research undertaken by ISOS the consultation states that the relative weightings between them has little effect on the distribution of funding, if their use has little impact we would question their use at all and would suggest that less funding is delivered through them and the per pupil rate or the population factor be increased.

We are proposing a formula comprising a number of formula factors with different values and weightings.

We ask respondents to bear in mind with each of the following questions that we are redistributing funding. Any money that we put into one factor will have to come from another factor. We have indicated what we think is the right proportion or amount for each factor.

2. Do you agree with the following proposals?

Historic spend factor – To allocate to each local authority a sum equal to 50% of its planned spending baseline.

- Allocate a higher proportion
- The proportion is about right

- Allocate a lower proportion

We cannot support any of the above, whilst we recognise that it is this element of the formula provides some financial stability over the short term it also locks historic spend into the funding system for the medium term and there is no indication of how this will be removed from the formula and over what period of time.

We note that the illustrative figures accompanying the consultation shows that this factor accounts for 45% of the 'new' grant with the average being 44%, the formula fails to deliver what it is proposing.

Basic entitlement – to allocate to each authority £4,000 per pupil;

- Allocate a higher amount
- This is about the right amount
- Allocate a lower amount

Local authorities have a minimum financial commitment of £10,000 for each pupil within a specialised setting, the proposed value should recognise this and £4,000 per pupil is too low. We do not feel that funding at £10,000 would create a perverse incentive for local authorities to place a higher proportion of pupils in special schools. It is difficult to envisage that the remaining factors in the formula will deliver an additional £6,000 per pupil particularly given that historic spend is to account 50% of the allocation, or lower and the per pupil allocation is less than 10% of the overall formula.

We would question why this factor does not include pupils in alternative provision and specialist nurseries both of which are funded from high needs.

3. We propose to use the following weightings for each of the formula factors listed below, adding up to 100%. Do you agree?

Population – 50%

- Allocate a higher proportion
- The proportion is about right
- Allocate a lower proportion

We agree that a population factor should be within the formula but that factor should reflect the duties of local authorities as established under SEND Reform is to a population aged 0 - 25 and not 2 - 19 as proposed.

This is especially important given that since the current arrangements were introduced in 2013 local authorities funding responsibilities to students in further education have grown as have the costs which have contributed to the

pressures being experienced within the high needs block.

We also feel that the consultation is misleading when quoting the percentage of funding to be delivered through the proxy factors given that they represent a percentage of less than 50% of the overall high needs Dedicated schools Grant (DSG), the population factor accounts for just 22% of the total grant.

Free school meals (FSM) eligibility – 10%

- Allocate a higher proportion
- The proportion is about right
- Allocate a lower proportion

As a result of the constraints within the formula actual percentage of funding generated by the indicator cannot be more than 5%, the national average figure within the consultation is 4%.

Income deprivation affecting children index (IDACI) – 10%

- Allocate a higher proportion
- The proportion is about right
- Allocate a lower proportion

The amount of grant delivered nationally from this proxy indicator is 4%.

When combining the FSM and IDACI indicators 8% of funding is delivered nationally through the high needs proposals yet the proposed schools national funding formula delivers in excess of this at 9.3%, this is surprising given that both of these factors are deemed to correlate well to the prevalence of high needs yet the percentage for the school block, and indeed the proposals for the central schools block are significantly more.

Key stage 2 low attainment – 7.5%

- Allocate a higher proportion
- The proportion is about right
- Allocate a lower proportion

Key Stage 4 low attainment – 7.5%

- Allocate a higher proportion
- The proportion is about right
- Allocate a lower proportion

We support none of the above.

We feel the proportions allocated for prior attainment would be better placed

increasing the population factor.

Children in bad health – 7.5%

- Allocate a higher proportion
- The proportion is about right
- Allocate a lower proportion

We do not support the use of this factor given this is based on self-declaration, unpredictable and counted only in the national census every 10 years.

We feel the proportions allocated for prior attainment would be better placed increasing the population factor.

Disability living allowance (DLA) – 7.5%

- Allocate a higher proportion
- The proportion is about right
- Allocate a lower proportion

We feel this is too high and the funding best placed to increase the population factor.

4. Do you agree with the principle of protecting local authorities from reductions in funding as a result of this formula? This is referred to as a funding floor in the consultation document.

- Yes
- No

We do support the principle of a funding floor but have significant concerns about its deliverability. The floor however serves to deliver funding status-quo and as a result the formula changes serve no real purpose.

It is concerning to note that there will be a further consultation at some point over the next 4 years, this increases uncertainty about future grant allocations and further change. Local authorities are being encouraged to use this period to undertake a strategic review of SEN provision, this is exceptionally difficult to undertake in an environment where costs are increasing and the level of future funding is uncertain.

5. **Do you support our proposal to set the funding floor such that no local authority will see a reduction in funding, compared to their spending baseline?**

- Yes
- No

6. **Do you agree with our proposals to allow limited flexibility between schools and high needs budgets in 2018/19?**

- Yes
- No

Whilst we support the principle of flexibility, this should be full and not limited both in within a soft and hard schools national funding formula.

We are concerned that the proposals set out to restrict the ability for local authorities to transfer funding between blocks especially given that schools have a significant influence on the cost to local authorities in relation to pupils with high needs. Should the proposals continue along this line a perverse incentive will be introduced to the overall school funding system and result in increased costs for local authorities. It is essential that this proposal is reviewed to ensure that schools and local authorities can work in partnership to meet needs at the earliest possibility. The expectations on schools in relation to meeting needs for pupils with SEND should be clearly defined and local authorities should have recourse to funding from the School Block should schools fail to meet their responsibilities.

We would welcome the Department for Education confirming that where local authorities have used flexibility in setting the school and high needs budget in 2017/18 through transfers from schools to the high needs block, that the 2018/19 baseline fully reflects the level of 2017/18 spend and is confirmed at such at the earliest opportunity.

The consultation states that final weightings and allocations will be published in the summer, if there is slippage in this deadline it will be very difficult for local authorities to make informed decisions on setting budgets for 2018/19, particularly should the consultation prompt changes to the operation of the funding floor.

7. **Do you have any suggestions about the level of flexibility we should allow between schools and high needs budgets in 2019/20 and beyond?**

We are developing our proposals on the level of flexibility to allow in the longer term. We will consult fully on our proposals at a later stage, but we would welcome any initial comments now

Under the schools national funding formula proposals local authorities will not be responsible for setting school budgets in 2019/20 which is likely to remove all flexibility.

Flexibility operates on a two way process, if the school block flexibility to fund high needs is removed or limited then there should be no expectation that school would receive additional funding if the cost of high needs provision reduces.

At a minimum local authorities should have the flexibility through partnership working with schools the ability to establish pooled budget arrangements to meet the costs of high needs. Schools have a significant influence over the cost of high needs and in the current system have a financial and performance incentive to move pupils towards specialist provision and costs to local authorities, local authorities must have sufficient influence and tools to ensure that all schools are fully meeting their responsibilities for SEND provision and are as inclusive as possible.

8. Are there further considerations we should be taking into account about the proposed high needs national funding formula?

We welcome the funding allocated through the Strategic Planning Fund but have real concerns that at the end of the review there may be very few actions that authorities may be able to take should that review conclude that capital investment is required, whilst the consultation declares £200m being available in reality that is unlikely to deliver any significant change.

It is difficult for local authorities to plan sufficiency for school places in an environment of academies and free schools, this position is exacerbated in specialist provision with numerous independent providers. Any structural changes will be resource intensive both in terms of capital but also in terms of revenue. With significant constraints in local authority budgets any structural change would be as exceptionally difficult to achieve even where processes allowed it to happen.

We would urge the Department for Education in its considerations of mainstream school funding to ensure that any changes to be implemented for the 'hard' national funding formula to recognise the ability of schools to push pupils towards specialist and to reward inclusive practice. Whilst consideration of the notional SEN budget may give some ability to measure the level of financial commitment within a school to pupils with SEND there is no measure of outcomes. The EHCP process provides some measure of need but does not consider schools whose effective practice meet needs at a much lower level and employ effective support to prevent needs from escalating.

We feel that the total separation of the schools and high needs blocks through the ring-fencing of the school block introduces a real risk that schools view provision for pupils with SEND as a local authority issue which is a real and

significant risk to improving educational attainment and outcomes for vulnerable pupils.

Local authorities face real difficulties in ensuring that health partners are appropriately contribution to pupil needs where there is a clear medical need and associated costs in keeping children safely in school; the school environment allows them to state that costs are education in nature and this adds significantly to High Needs Block costs.

The funding floor and proposed further consultation creates a cliff edge of uncertainty that isn't useful when planning service provision.

There is an opportunity for a national formula for mainstream schools to lead to a national notional SEN allocation and this should be coupled with clear information on school responsibilities for supporting pupils with SEN and what Element 1 funding should provide as part of a national universal offer rather than a local offer.

If a high needs funding system is to be efficient and target funding effectively at need then it is essential that funding expectations are clearly defined for schools and for health partners. It is inappropriate that funding for the educational needs of pupils is being used to fund medical interventions and therapists.



CHILDREN AND FAMILIES OVERVIEW AND SCRUTINY
COMMITTEE: 6 MARCH 2016

REPORT OF THE CHIEF EXECUTIVE AND DIRECTOR OF CHILDREN
AND FAMILIES

QUARTER 3 2016/17 PERFORMANCE REPORT

Purpose of Report

1. The purpose of this report is to present the Overview and Scrutiny Committee with an update of the Children and Families Service performance at the end of quarter 3 of 2016/17.

Background

2. The report is based on the set of performance measures aligned with the Council Corporate Strategy to 2017/18. The overall performance dashboard is attached in two parts, Appendix A and Appendix B. Appendix C provides additional information to support the indicator "Feedback from families and evaluation provides evidence of positive impact". The data and commentary provided refers to quarter 3 2016/17 (October 2016 to December 2016). Any subsequent changes will be notified in future reports.

Report Changes

3. Appendix B is focussed on Education indicators. Quartile positions are added where new national data has been released.

Overview

4. From 23 measures that have new data available: 10 have improved; 10 show no significant change and 3 have declined.
5. From 33 measures that have a national benchmark: 8 are in the top quartile, 6 are in the second quartile, 12 are in the third quartile and 7 are in the fourth quartile. The increase in fourth quartile indicators (lowest quartile) is due to the release of national benchmarks for education. 6 Education indicators are in the fourth quartile.

Children and young people are safe within caring family homes

6. The number of 'Child Protection cases reviewed within timescales' was 99.4%, a slight rise from quarter 2 that places Leicestershire in the top quartile nationally.

7. The percentage of Child Protection plans lasting 2 years or more that were open at the end of quarter 3 was 1.67%. This represents 7 cases, the same as quarter 2. The percentage of plans that closed during quarter 3 lasting 2 years or more was 4.59%. This is second and third quartile performance respectively.
8. The percentage of 'Children becoming subject to a child protection plan for a second or subsequent time' increased to 23.8%. This places Leicestershire in the fourth quartile of all local authorities. This was due to a spike of 41.2% in October. However, November and December figures were lower: 17.1% and 14.3%. This area is being closely monitored and there has recently been a management audit of decision making to gain a greater understanding of the cases behind the numbers.
9. The 'percentage of children with 3 or more placements during the year' was 9%. This is 1% better than the quarter 2 figure and places Leicestershire in the second quartile nationally. The '% of children in the same placement for 2+ years or placed for adoption' was 66.6%. This is a small fall from quarter 2 and now places Leicestershire in the third quartile by national levels.
10. The percentage of Care Leavers in Suitable Accommodation was 85% and Care Leavers in Education, Employment or Training was 50% - an improvement compared to quarter 2 in both cases. Both indicators are above the national average and above statistical neighbour comparisons.
11. There were 65 Child Sexual Exploitation referrals in Leicestershire during quarter 3. This is 10 less than the previous quarter and a fall of 22 since Q1.

Early Help Services

12. 7124 individuals were in receipt of an Early Help Service in quarter 3. 952 families were receiving a targeted Early Help Service during the quarter through the Supporting Leicestershire Families Service and Children's Centre Programme.
13. The Payment By Results (PBR) claim increased to 425, 15.3% of the overall target. The PBR target runs over four years until 2020. Progress will not be linear due to claim periods and long term work yielding results later.
14. 20 Early Help cases were stepped up to Social Care. This is lower than the quarter 2 figure of 36.

Children and young people have their health, wellbeing and life chances improved

Health and wellbeing

15. The percentage of 'Children in Care who have had an annual health assessment' within the last 12 months is 75%, a 2.3% increase on Q2. The percentage of 'Children in Care who have had a dental check' is 74.8%. This is a significant rise compared to quarter 2 when the figure was 48.9%.

Children and young people and their families live within thriving communities

16. Safer communities' data is reported a quarter in arrears due to the timescales of collection and submission from the other agencies involved (e.g. Police).
17. The majority of youth offending and crime statistics use a rolling one year figure, for example quarter 3 2015/16 to quarter 3 2016/17. None of the youth offending measures are currently rated as 'red' and most are similar or better than the previous quarter.

Children and young people achieve their potential

Early years

18. The percentage of eligible 2 year olds accessing their Free Early Education Entitlement (FEEE) was 78.8%. This is 0.8% higher than quarter 2. The percentage for eligible 3 and 4 year olds was 100% after being 99% in the previous quarter.
19. The percentage of all childcare providers in Leicestershire rated as good or outstanding was 91.9%. This was 0.9% higher than quarter 2 and followed a 5% rise between quarter 1 and 2.

Ofsted outcomes

20. The percentage of Leicestershire schools rated as Good or Outstanding and the percentage of pupils in Good or Outstanding schools are both above national averages and in the second quartile of local authorities. The current figures stand at 88.6% and 87.5% respectively. This is higher than quarter 2 in both cases. The percentage of good or outstanding Special Schools remained at 100%.

Key Stage Two

21. National data for progress between Key Stage 1 and 2 has been released by the DfE. This has traditionally been an area of weakness for Leicestershire. Leicestershire is again in the lowest quartile of all local authorities for progress in all subjects: Reading, Writing and Mathematics.
22. Progress between Key Stage 1 and 2 in Leicestershire was generally closer to statistical neighbour levels and was: similar in Maths; better in Writing; worse in Reading.

Key Stage Four

23. Some comparative data is now available for the previously reported Progress 8 figure for Leicestershire of -0.11. Leicestershire is lower than the statistical neighbour average of -0.04 but better than the East Midlands average of -0.14.

Vulnerable Groups

24. National comparisons are now available for pupils eligible for Free School Meals achieving a Good Level of Development (44% in Leicestershire). The

Leicestershire level is in the fourth quartile of all local authorities and 10% below the national average of 54%. The statistical neighbour average is 52.2%

25. The percentage of pupils eligible for Free School Meals achieving the expected level at Key Stage 2 was 29%. This is also in the fourth quartile of all local authorities although similar to the statistical neighbour average.
26. The percentage of pupils with a Statement of Special Educational Needs or Education Health Care Plan (EHCP) achieving the expected level at Key Stage 2 was 5%. This was in the fourth quartile of local authorities and lower than the statistical neighbour average of 6.4%.

Economy/Employment and Skills

27. From September 2016 the Department for Education changed the age-range that Local Authorities are required to track for the NEET calculation. The cohort is now only year 12 and 13 pupils (pupils aged 16 and 17 at the start of term) and no longer year 14 pupils (pupils aged 18 at the start of term). This reduces the overall cohort by 1/3 from approximately 21,000 to 14,000.
28. The latest data from Prospects is for the end of December 2016 and shows a Leicestershire NEET figure of 2.2% (301 young people). This is a new figure and places Leicestershire fourth of 11 statistical neighbours.
29. The NEET figure for SEND young people is 3.4% for December 2016 which is not comparable with the previous quarters figure.
30. Prospects have also provided data for participation in education and learning for year 12 aged young people (the first year after leaving school). This is currently 94%. Participation excludes some categories that could be classed as EET such as part time learning and employment without training.

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Appendices

- Appendix A - Children and Families Department performance dashboard for quarter 3, 2016/17 – part 1
- Appendix B - Children and Families Department performance dashboard for quarter 3, 2016/17 – part 2
- Appendix C - supports the indicator 'Feedback from families and evaluation provides evidence of positive impact'

Equal Opportunities Implications

31. Addressing equalities issues is supported by this report. The corporate dashboard highlights a number of elements of performance on equalities issues. The education of pupils eligible for the Pupil Premium is recorded in this report with other pupil groups reported on directly to the relevant Heads of Strategy.

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Children and Families Performance FY2016/17 Q3 part 1

Supporting Indicator	Updated	Latest update	Current Performance	Better or worse than previous data point^	Trend Charts	* East Midlands not SN				
						Status RAG	National benchmark (quartile 1 = top)	Most recent Statistical Neighbour average	Corporate or service Target	
Children and young people are safe within caring family homes										
Social Care										
% child protection cases which were reviewed within timescales.	Y	Q3 2016/17	99.4% Better			G	1	94.0%	100%	
% of children becoming subject to a child protection plan for second or subsequent time	Y	Q3 2016/17	23.8% Worse			R	4	18.1%	no target	
% of Child Protection plans lasting 2 years or more open at the end of the quarter	Y	Q3 2016/17	1.67% Similar			A	2	1.7%	no target	
% of Child Protection plans lasting 2 years or more that cease during the quarter	Y	Q3 2016/17	4.59% Higher			A	3	3.4%	no target	
Placement stability - % children with 3 or more placements during a year	Y	Q3 2016/17	9.00% Similar			A	2	11.6%	<9%	
Placement stability - % children in same placement for 2+ years or placed for adoption	Y	Q3 2016/17	66.60% Worse			A	3	66.70%	70%	
% of Care Leavers in suitable accommodation (end of Q3)	Y	Q3 2016/17	58.40% Worse			R	4	80.8%	75%	
The % of Care leavers in education, employment and training (EET) (end of Q3)	Y	Q3 2016/17	37% Worse			A	3	46.5%	Top quartile	
% children who wait less than 16 months between entering care and moving in with their adoptive family	N	2016	54.60% Worse			G	1	49%	65%	
% of children placed for adoption over last 3 years whose placement has broken down	N	2014-2016	1 New			n/a	n/a	n/a	n/a	
No. of adoption support packages in place	Data not yet available								n/a	
CSE referrals	Y	Q3 2016/17	65 Lower - no polarity			n/a	n/a	n/a	n/a	
Supporting Leicestershire Families and Early Help										
No. of individuals open to Early Help services	N	Q2 2016/17	7,011 New			n/a	n/a	n/a	no target	
No. of individuals with an Early Help Assessment	Y	Q3 2016/17	2,461 New			n/a	n/a	n/a	no target	
No. of families with an Early Help assessment	Y	Q3 2016/17	952 Lower			n/a	n/a	n/a	no target	
No. of SLF families claimed for as a % of overall payment by results target	N	Q3 2016/17	425 (15.3%) n/a			n/a	n/a	n/a	no target	
The % of families referred to locality hubs that are allocated/processed within 28 days	Y	Q3 2016/17	90% Lower			n/a	n/a	n/a	95%	
The % of Social Care referrals referred to Early Help	Y	Q3 2016/17	14.00% Higher			n/a	n/a	n/a	no target	
Number of Early Help stepped up to Social Care	Y	Q3 2016/17	20 Lower			n/a	n/a	n/a	no target	
Feedback from families and evaluation provides evidence of positive impact - including through family and youth star	See Appendix								n/a	no target
Children and young people have their health, wellbeing and life chances improved										
SEND - Children and young people assessed and decision taken whether or not to issue a statement, or EHC plan, during calendar year	N	2015	360 Higher - no polarity			n/a	n/a	n/a	n/a	
SEND - Percentage of EHC plans issued within 20 weeks	N	2015	99.1% n/a			G	1	25.15%	Top quartile	
SEND - Total number of statements / EHC plans over 12 month period	N	2015	2995 Higher - no polarity			n/a	n/a	n/a	n/a	
SEND - no. of SEND appeals lodged for calendar year per 10,000 school population	N	2015	1.99 Better			A	2	3.39	Top quartile	
The % of children in care who have had dental checks within last 12 months (at end of period)	Y	Q3 2016/17	74.8% Better					n/a	79%	
The % of children in care who have their annual health assessment within last 12 months (at end of period)	Y	Q3 2016/17	75.0% Better					n/a	86%	
The % of children in care with up to date immunisations (at end of period)	N	2016	79.0% Worse					n/a	88%	
The average emotional health strengths/difficulties score for children in care.	Y	Q3 2016/17	15.9 New							
Children and young people and their families live within thriving communities										
Number of first time entrants to the criminal justice system aged 10-17 (rolling 12 months)	N	Q1 2016/17	124 Same			G		n/a	Top quartile	
Rate of re-offending by young offenders	N	Q3 2015/16	0.62 Better			G		n/a	Top quartile	
Number of instance of the use of custody for young people	Y	Q2 2016/17	0 Better			G		n/a	<5%	
The % of people reporting they have been a victim of ASB in the last 12 months (rolling 12 months)	Y	Q2 2016/17	5.50% Similar			G		n/a	Reduce	
The % of people who agree that the Police and other local services are successfully dealing with ASB and Crime	Y	Q1 2016/17	89.9% Worse			A		n/a		
% of people who feel safe in their local area after dark (rolling 12 months)	Y	Q2 2016/17	90.40% Similar					n/a		
Total Crime Rate (per 1,000 population - rolling 12 months)	Y	Q2 2016/17	47.11 Similar			G		n/a		
Reported hate incidents (per 1,000 population - rolling 12 months)	Y	Q2 2016/17	0.66 Higher - no polarity			n/a		n/a		
The % of people who agree that people from different backgrounds get on (rolling 12 months)	Y	Q2 2016/17	95.18% Similar					n/a		
% of domestic violence cases reviewed at MARAC that are repeat incidents (rolling 12 months)	Y	Q1 2016/17	30% Similar			G		n/a		
Incidence of domestic homicide	Y	Q3 2016/17	7 Higher					n/a	n/a	

RAG rating key

Top quartile of local authorities or high in the second quartile with an improving trend

Second or third quartile with room for improvement

Fourth quartile or low in the third quartile with a declining trend

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Children and Families Performance FY2016/17 Q3 part 2

^Data point may be previous quarter or previous year.

* East Midlands not SN

Supporting Indicator	Updated	Latest update	Current Performance	Better or worse than previous data point	Trend Charts	Status RAG	National benchmark (quartile 1 = top)	Most recent Statistical Neighbour average	2017/18 target
Children and young people achieve their potential									
Education Sufficiency									
The % of pupils obtaining their first preferences for first time admission to primary school.	N	2016	91.8%	Better		G	1	90.2%	90%
The % of secondary pupils achieving their first preference for secondary transfer.	N	2016	95.7%	Similar		G	1	91.2%	98%
Education Quality									
The % of eligible 2 year olds taking up their FEEE	Y	Q3 2016/17	78.8%	Similar		A	3	76%	78%
The % of eligible 3 and 4 year olds taking up their FEEE	Y	Q3 2016/17	100.0%	Similar		G	3	98%	98%
The % of all childcare providers rated good or outstanding.	Y	Q3 2016/17	91.9%	Better		G	1	87.1%	Top quartile
The % of schools rated Good or Outstanding.	Y	Nov-16	90.1%	Better		A	2	88.6%	>84%
The % of Special Schools rated Good or Outstanding	Y	Aug-16	100%	Same		G	1	95.3%	100%
The % of pupils in Good or Outstanding schools	Y	Nov-16	88.5%	Better		A	2	87.5%	no target
The % of reception pupils reaching a 'Good' level of development'.	N	2016	67.50%	Better		A	3	71.8%	60%
Key Stage 2 - pupils achieving expected standard in Reading, Writing and Mathematics	N	2016	53.0%	New		A	3	51.3%	85% (old measure)
Key Stage 4 - Progress 8	N	2016	-0.11	New		A	3	-0.04	70%
Progress measures from KS1 to KS2 (Maths)	N	2016	-1.00	New		R	4	-0.99	Above national average
Progress measures from KS1 to KS2 (Writing)	N	2016	-0.73	New		R	4	-1.06	Above national average
Progress measures from KS1 to KS2 (Reading)	N	2016	-1.00	New		R	4	-0.4	Above national average
A Level average points score (per entry)	N	2016	208.50	Worse		A	3	n/a	215
% of Level 2 qualifications by age 19	N	2015	85.4%	Similar		A	3	86.3%	88%
Secondary School persistent absence rate	N	2015	5.6%	Better		A	3	5.08%	6.4%
Vulnerable groups									
The % inequality gap in achievement across all early learning goals.	N	2016	28.20%	Better		A	2	27.15%	Top 20%
The % of reception pupils with FSM status achieving 'Good' level of development'.	N	2016	44%	Better		R	4	52.20%	no target
The % of Children in Care of reception age achieving a Good Level of Development.	N	2016	50.0%	Better		Not yet available			no target
Key Stage 2 - % of pupils eligible for Free School Meals achieving expected standard in Reading, Writing and Mathematics	N	2016	29.0%	New		R	4	29.4%	Above national average
Key Stage 2 - % of SEN statement/EHCP pupils achieving expected standard in Reading, Writing and Mathematics	N	2016	5.0%	New		R	4	6.44%	no target
Key Stage 2 - % of Children in Care achieving expected standard in Reading, Writing and Maths	N	2016	17.64%	New		Not yet available			no target
Key Stage 4 - % of pupils eligible for Pupil Premium achieving Progress 8	N	2016	-0.61	New		Not yet available			Above national average
Key Stage 4 - % of SEN statement/EHCP pupils achieving Progress 8	N	2016	-0.71	New		Not yet available			no target
Key Stage 4 - % of Children in Care achieving Progress 8	Y	2016	-1.57	New		Not yet available			no target
% of NEET 16-19 for children with SEN and disability	Y	Dec-16	3.4%	Better		A	n/a	n/a	no target
NEET young people aged 16-17 (new criteria)	Y	Dec-16	2.2%	New		G	1	3.63%	<4%
The participation rate of 17 year olds.	Y	Nov-16	95.3%	Similar		A	n/a	n/a	97%

RAG rating key

	Top quartile of local authorities or high in the second quartile with an improving trend
	Second or third quartile with room for improvement
	Fourth quartile or low in the third quartile with a declining trend

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Appendix C - Feedback from Children and Families about their involvement in SLF

Quotes from parents/carers

- **" I rate the service Excellent"**
- **"SLF has allowed us to accept ourselves as a 'whole' family just the way we are and accept each other despite our difficulties."**
- **"Although I was reluctant to accept any help at first, I very soon realised that without them I was drowning in debt, anxiety and much more and they rescued me."**
- **"My worker has brought my family together, beginning a more calmer and positive time and life, she's helped me feel positive for my future, about everything."**

Quotes from Agencies

- **"Joint agency working with SLF is brilliant. Information sharing between agencies has improved greatly since SLF has been put in place."**
- **"SLF are a great service that help families across Hinckley and Bosworth maintain their tenancy and ultimately improve children's quality of Life ."**

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