



**CHILDREN AND FAMILIES OVERVIEW AND SCRUTINY COMMITTEE – 19  
JANUARY 2015**

**MEDIUM TERM FINANCIAL STRATEGY 2015/16 – 18/19**

**MINUTE EXTRACT**

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 2015/16 to 2018/19 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 Lead Member for Children and Families, Mr I. D. Ould CC, and the Cabinet Support Member, Mr. G. A. Hart CC who were attending for this item.

In response to consideration of the issues and questions from the members of the Committee, the following points were noted:

**Overall Context**

- (i) The Local Government Settlement had shown a reduction in central funding of 12.8%, which amounted to a reduction in County Council funding of £16 million. The Settlement was for one year and until the Corporate Spending Review was announced later in the year there remained significant uncertainty about future funding. The Settlement had presented challenging savings targets of all County Council departments;
- (ii) Central Government had not yet to provide details in regard to all elements of grant funding.
- (iii) It was noted that the increase in school funding may be a one-off and so there were concerns around Department’s budget stability in the latter years of the MTFS;
- (iv) The Council was working on the basis that it would receive grant funding to provide Universal Infant Free School Meals, however this had yet to be confirmed by Government.

**Revenue Budget**

**General– Service Transformation, Proposed Revenue Budget and Transfers**

- (v) Flexibility had been built into the MTFS to enable the Department to respond to changes in services;
- (vi) Contractual inflation was built into the Council's procurement processes. IT services were largely provided through the Corporate Resources and Chief Executive's Departments.

### Growth

- (vii) Item G2 (Placements – Independent Fostering Agency) - The Council would continue to utilise the services of independent fostering agencies in order to be flexible and be enabled to respond quickly to demand and provide immediate placements. This was not to the detriment of the Council's own fostering recruitment drive, which aimed to increase in-house foster carers. A suggestion was made for activity in the area of foster carer recruitment be publicised to all members;
- (viii) Item G2 - The change in legislation via that meant that children could remain in foster care up to the age of 21 had been accounted for in the MTFS, though more would be known about the financial implications after the end of the first year of the MTFS;
- (ix) Item G3 (Child Sexual Exploitation) - This growth item was particularly welcomed. The County Council was working closely with Leicestershire Police in this area, and positive talks have taken place between the County Council, Rutland County Council, Leicester City Council and the Clinical Commissioning Groups in regard to their involvement in this piece of work;
- (x) Item G4 (Young Carers) - There was no additional Government grant for the duty on local authorities to assess the needs of children and young people that undertook caring responsibilities to ensure they had the same access to education, career choices and wider opportunities as other children without caring responsibilities and that their families receive the necessary support. The growth item for £100k was an estimation and this budget would be reviewed when more data was available on the financial impact of this piece of legislation;
- (xi) Items G3 and G4 - It was felt that the Committee should keep a watching brief on these growth items, with a suggestion made that update reports be submitted to the Committee in the coming months.

### Savings and Service Reductions

- (xii) Items T3 (Reduced Demand arising from the Supporting Leicestershire Families (SLF) Programme) – The Council was the fourth best achiever in the number of children in its care which made it difficult to achieve savings. Further efficiencies would be drawn from a more efficient care system based around better commissioning and the driving down of costs;

- (xiii) Item T8 (Remodelling Early Help) - £890k of the savings requirement had been achieved through a remodelling of the workforce and joint working with district councils. Other options were considered around how to better align the SLF Programme to save on management costs;
- (xiv) Item D4 (Reduction in Early Learning and Childcare Service) – Some of the additional savings would be achieved through charging for the service to the Dedicated Schools Grant. This was likely to be impacted by forthcoming changes being made by Central Government to the way in which the Dedicated School Grant was provided in the future;
- (xv) Item D6 (Educational Psychology) - The Council had a large team responsible for this function despite being required in statute to employ one officer in this area. A review had been undertaken and an action plan was being progressed to make the necessary savings. Equality Impact Assessments as part of the action plan were available. Options for further trading of this service were being assessed in the hope of increasing income.

#### Specific Grants

- (xvi) Information on the Asylum Seekers Grant was not yet available. The budget requirement in this area was dependant on age and the number of children supported.

#### Dedicated Schools Grant and School Budgets

- (xvii) Leicestershire continued to be a low funded authority. The Committee noted the work of F40 (The Campaign Group for Fairer Funding in Education) which had been seeking to engage with all political parties at a national level to address this issue.

#### Two Year Old Early Education/Pupil Premium/Universal Infant Free School Meals

- (xviii) The national formula for funding Two Year Old Early Education had changed. The impact of this change was potentially a reduction in funding to Leicestershire of £2.6 million;
- (xix) A national criteria was used to decide which children would receive Pupil Premium. Children had to be formally registered as being eligible in order to receive this support. Data suggested that the number of children receiving Pupil Premium had not fallen as a result of the Universal Free school Meals programme, though more work would be done to assess the impact later in the year. Clarity was expected from Government after the elections in regard to funding for Universal Infant Free School Meals beyond September 2015.

#### Academies

- (xx) The Education Services Grant would be reduced by Government from 2015/16. The Grant was accounted for corporately, as many Council services to support schools were now provided outside of Children and Family

Services.

## **Capital Programme**

### **Basic Need**

- (xxi) The schemes outlined in paragraph 50 of the report were built on grant funding and were based around priority need. The five Key Priorities had been agreed by the Cabinet, though it would be necessary to be flexible in order to respond to any changes in admissions;
- (xxii) The Council remained active in pursuing S106 funding, though the difficulties in securing the funds were noted. It was stressed that whilst Basic Need funding was apportioned based on demographic information, there remained a national issue in regard to the piecemeal development of sub-urban extensions and their impact on school places;
- (xxiii) The £12 million of funding over two years of the MTFs for Birkett House would enable the building of a state-of-the-art new school;
- (xxiv) The County Council supported age range changes where it was expected that they would improve outcomes for pupils. The views of parents and local people were welcomed in any proposals of this kind. Members wished to be kept updated on any proposed changes and further scrutiny involvement in this area was welcomed. The Director indicated that she was happy to meet with the Chairman and Spokesmen of the Committee in order to assess some lessons learnt from the process thus far;
- (xxv) The importance was stressed of retaining playing fields when school extensions were considered. It was noted that any changes to school playing fields received the consideration of Sport England;
- (xxvi) A range of options were being considered in regard to additional places in Birstall as a result of the Hallam Fields development, including the possibility of a new school.

### **RESOLVED:**

- (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 28 January 2015.