

CHILDREN AND FAMILIES OVERVIEW AND SCRUTINY COMMITTEE
18 JANUARY 2016

MEDIUM TERM FINANCIAL STRATEGY 2016/17 – 19/20

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 2016/17 to 2019/20 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

The Director and Cabinet Lead Member in introducing the report drew attention to the extremely challenging financial position facing the County Council. Over the next four years the County Council would need to save £78million which was in addition to the £100million already saved since 2011.

To deliver the MTFS requirements it was imperative that the savings now identified were delivered, that there was close monitoring and control of demand led budgets and that services were reviewed and transformed to ensure value for money. Preventative services would also play a key role and in this regard the Cabinet Lead Member highlighted the work undertaken within the Department which had resulted in an increase of just 4% of children being admitted to the care system in Leicestershire as compared to 16% nationally.

Growth

(i) Item G1 - Increased cost of Social Care Placements

The amount requested as a growth bid was based on the actual level and type of demand in the last quarter of the previous financial year and the first quarter of the current financial year. It was difficult to give an indication of the number of placements this would cover as the cost of placements varied significantly depending on the needs of the individual.

With regard to monitoring and managing this budget the Committee was advised of the following measures being taken:-

- Working to the policy that the best care provided is within a family environment and developing family based services such as specialist foster care services;
- Increasing focus on preventative services to reduce the risk of care needs escalating to a point at which high cost specialist care was required;
- Working closely with NHS partners to ensure ongoing support..

Notwithstanding all of the above it was recognised that in some cases it would be necessary to place some children in residential care settings and that sometimes it was necessary for that to be out of county.

ii) Item G3 - Supporting Leicestershire Families (SLF) - Pooled Budget Contribution

The growth requested would be sufficient to meet the target of working with 3000 families over the next 4 years. The Committee was advised that with the exception of the NHS, all partner contributions had been agreed; the NHS contribution was due to be considered by the Clinical Commissioning Groups shortly. Members of the Committee commended the work of the SLF programme which had turned around a large number of families as well reducing future costs.

(ii) Item G4 - Legislative Changes

The growth was to meet costs being transferred from the criminal justice system to local authorities and would cover the existing level of remands which were at 4-5 young people per year.

Savings

(iii) Item CF1 - Remodelling in Early Help

£1m of the original £1.4m MTFs savings had been identified, and have been achieved through the decommissioning of certain services where interventions had proved less effective, through the change of commissioning arrangements to focus on central as opposed to locality arrangements, and by reducing the duplication of services.

To achieve the remaining savings the Department would bring together preventative services, the Supporting Leicestershire Families work and the Children's Social Care Teams to achieve closer working and greater continuity, ensuring a proper and proportionate response to need. It was recognised that to achieve savings, some universal services would be

reduced. The Director indicated that she would provide case studies demonstrating how the changed commissioning arrangements impact on service users.

(iv) Item CF2 - Develop local, lower cost provision for complex social care placements

A new operating model would be introduced that would shift from existing arrangements. Whilst not introducing a commissioner / provider split, there was the need for greater clarity as to why services were commissioned and from where. Internal provider units would have to demonstrate that they were cost effective.

(v) Item CF4 Reduce Cost and Demand for Social Care Placements

The work undertaken to date was welcomed by the Committee. Savings had been identified separately from the growth requirements in G1 as a means of demonstrating activity and initiatives underway to reduce costs and manage demand.

(vi) Item CF5 – Reduction in Educational Psychology Service

Members were reminded that the MTFs in 2015/16 included savings in this area of £380,000 which had been subsequently reduced to £150,000. Savings had been achieved by the Department charging schools for non-statutory activities. The Department was meeting all targets regarding statutory requirements in relation to the Education Psychology Service, and was generating significant new business from schools on non-statutory services which had resulted in two new members of staff employed in the service. The Director would circulate to members further information on non-statutory services.

(vii) Item CF6 - Increase in In House Foster Carers

Targets for the recruitment of Foster Carers in the current year was challenging, however the Department was on target to recruit 12 mainstream Foster Carers and two level 6 Foster Carers were currently being assessed. To achieve targets for 2017/18, the Department was working with Leicestershire County Council's communications team and others to develop initiatives to recruit and retain Foster Carers. Challenges in recruiting level 6 carers were not underestimated, and the Department recognised the need to ensure carers were fully trained and supported.

(viii) Item CF8 Reduction in Senior Management

The Committee was advised that reductions were necessary to ensure that frontline services were protected, recognising that there would be a reduction in leadership and management capacity.

(ix) Item CF10 - Establish Regional Adoption Agency

Eight East Midland authorities and one voluntary sector provider were involved in discussions to establish a regional adoption agency. It was hoped

that by coming together, economies of scale would be achieved on some aspects of adoption work. The Committee was advised that whilst more joined up working around adoption was welcomed, the Cabinet Lead Member was concerned about a national focus on the speed of adoption rather than permanence. A further concern was around the potential separation of fostering and adoption services and the interdependence between the two being lost.

Capital Programme

(x) School Place Planning

The Director advised that Leicestershire County Council's School Strategy, 'In the right place', sets out the council's policy direction for school place planning. Plans have identified the need for 17 new schools in the next 15 years; 15 primary schools and two secondary schools were required.

The process for securing Section 106 developer contributions had been significantly improved and the Government had indicated that it would make available sufficient capital resource for new schools. The position and demand for school places would be closely monitored.

(xi) Age Range Changes

The Committee was advised that academies making age range changes needed to demonstrate to the Education Funding Agency through their Business Plan how additional costs would be met. The provision within the capital programme was primarily to cover primary schools affected as a result of age-range change.

The Department worked with all schools proposing age range changes to ensure that a whole systems approach was adopted.

Members expressed concerns regarding the use of mobile classrooms, particularly those reaching the end of their useful life. The Committee also expressed concern over the number of planning authorities that had refused to extend temporary planning permissions for mobile classrooms. The Director indicated that she would produce a comprehensive report on this matter for consideration at a future meeting of the Committee.

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 27 January 2016.