



**SCRUTINY COMMISSION – 25 JANUARY 2-17**

**MEDIUM TERM FINANCIAL STRATEGY 2017/18 TO 2020/21**

**MINUTE EXTRACT**

**61. Medium Term Financial Strategy 2017/18 to 2020/21 - Context Setting and Overall Position.**

The Committee considered an oral report of the Director of Corporate Resources concerning the context and overall position with respect to the Council's Medium Term Financial Strategy (MTFS) 2017/18 to 2020/21.

The Director reported the following matters:

- This year's MTFS represented the Council's seventh "austerity" budget. The "Fairer Funding" campaign remained crucial to the Council's financial outlook as Government grant was expected to disappear completely by 2020;
- Of the Council's planned £68 million savings programme, £44 million had been identified, leaving a funding gap of £24 million. Around 15 areas of the Council's business had been identified as a means of attempting to address this gap, though it was known that even if all were to be pursued to a successful conclusion they would not fully bridge the gap;
- Since the circulation of the MTFS report to the Cabinet's meeting in December there had been some changes to the MTFS, which were mostly positive. These included a new Adult Social Care Fund of £2.4 million, an extra £1.3 million which could be harnessed through Council Tax and business rates, one-off funding of £200,000 for education services and a new £2.8 million highways grant. There were other funding opportunities available in Highways and Transportation;
- It was hoped that significant savings could be harnessed via a change in the way Council Tax was organised across the districts;
- Pooling of business rates would enable the Council to make up to £4 million this year and up to £6 million next year.

The Chairman welcomed to the meeting the Leader of the Council, Mr. N. J. Rushton CC to the meeting. The Leader reported the following matters:

- The Cabinet Lead Member for Finance, Mr. J. B. Rhodes CC had been unable to attend today's meeting as he was attending a County Council's Network meeting on the Council's "Fairer Funding" campaign. It was hoped that the

Council's funding model would be adopted across the country and whilst it had received general support there were some councils who would be worse off as a result. The Council maintained a strong relationship with local MPs and it was felt that all were in agreement with the funding model the Council was proposing;

- The 1.99% increase in council tax alongside the 2% levy for adult social care was the maximum that Leicestershire families would be able to cope with in the present financial climate. The Council could have chosen to front load the increases by having two 3% rises followed by a 0% rise in the third year of the MTFS. This approach would have led to an increased resources of around £8 million though it had been a political decision to phase the increases over three years, making it more manageable from the point of view of the public;
- The Secretary of State for Communities and Local Government, Sajid Javid MP would be attending a County Council meeting relating to the Combined Authority proposals and this meeting would be used as an opportunity to press the need and urgency for Leicestershire's funding model to be adopted.

Arising from questions from members, the following points were noted:

- In response to concerns that rising demand for SEN education was making it difficult to sustain the budgetary position, it was noted that there was a plan in draft form which aimed to address the need for provision of sufficient SEN placements within the County as out of County and independent placements came at a high financial cost to the Council (£60,000 per pupil). It was hoped that a free school could be established to enable those with SEN to be placed locally. The Children and Families Overview and Scrutiny Committee would be pursuing this issue as part of its work programme;
- The Council's response to the financial settlement had been sent to the Government. A copy of the response would be provided to members following the meeting;
- The national concern about the current state of the NHS largely related to "bed blocking", the picture locally was different and was known to be based more around the provision of community hospital beds;
- No details had yet been established for the basis on which business rates would be retained by local authorities. A consultation exercise was expected to be launched nationally in the coming weeks.

**RESOLVED:**

- (a) That the information provided be noted;
- (b) That the comments of the Commission be forwarded to the Cabinet for consideration at its meeting on 10 February 2017.

62. Medium Term Financial Strategy 2017/18 to 2020/21 - Chief Executive's Department.

The Commission considered a report of the Chief Executive and Director of Corporate Resources concerning the proposed Medium Term Financial Strategy (MTFS) 2017/18–2020/21 as relating to the Chief Executive's Department. A copy of the report, marked "Agenda Item 9", is filed with these minutes.

The Chairman welcomed to the meeting the following Cabinet Lead Members who represented service areas that fell within the Department's remit:

- Mr. R. Blunt CC, Cabinet Lead Member for Planning
- Mr. J. T. Orson JP CC, Cabinet Lead member for Regulatory Services
- Mr. N. J. Rushton CC, Leader of the Council and with responsibility for Economic Development

In introducing the report, the Chief Executive reported that the Department provided a broad range of services and facilitated the Council's relationships with the NHS and the Police and Crime Commissioner in addition to taking a lead role in the arrangements for a Combined Authority.

In response to questions, members were advised as follows:

- Though there had not been a full assessment of the costs to the Authority thus far in attempting to set up a Combined Authority, it was likely that over £150,000 would have been spent in officer time in obtaining the full agreement of the district councils to the cost-sharing proposals;
- The Department retained very little in the way of contingency funding, the purpose of which was to address on a needs basis minor issues such as the renewal of equipment and pay increases;
- Though the Council had been engaged in work to increase community capacity, its contract with Voluntary Action Leicestershire had been changed and would mean a reduced support offer;
- The increased income via Registration Services was partly due to the success of Anstey Frith House which was proving to be a popular location for wedding services. There were also opportunities for charging for some auxiliary services. There would be a small increase in fees for the licensing of wedding venues and for the provision of a registrar to conduct ceremonies. All increases were within commercial expectations whilst ensuring Leicestershire remains competitive as a ceremony location;
- The fees charged to developers for planning services were set nationally. A White Paper was expected in March which would likely set out proposals for local authorities to set their own fees. Increased income was expected for some planning services which were sold to district councils.

**RESOLVED:**

- (a) That the report and information now provided be noted;
- (b) That the comments made at this meeting be forwarded to the Cabinet for consideration at its meeting on 12 February 2017.

63. Medium Term Financial Strategy 2017/18 to 2020/21 - Corporate Resources and Corporate Items.

The Commission considered a report of the Director of Corporate Resources concerning the proposed Medium Term Financial Strategy 2016/17 to 2019/20 as it related to the Corporate Resources Department. A copy of the report, marked "Agenda Item 10", is filed with these minutes.

**Introduction**

The Director advised that the Department's gross spend was £78.2 million. It was planned that £45 million of this would be achieved through income generation. The Department had achieved £19 million of savings since 2010 and services were felt to have remained at a high standard.

Arising from questions the following points were noted:

- The savings requirement for the Department (£2.3 million in 2017/18 rising to £5.6 million by 2019/20) would be challenging to deliver and would be heavily dependent on the success of the Council's traded offer;
- There had been a concerted effort to boost the Council's traded services. Services such as facilities management, catering and print had been consolidated under one brand ("Leicestershire Traded Services") with a new post established to oversee the commercialisation of the services. The brand aimed to play to the Council's established reputation for quality and reliable services;
- Assets such as Beaumanor Hall were being developed to better market the heritage and history of their locations as well as achieving income to make a contribution to the council's savings target;
- There had been around £20 million of investment in property funds which were known to provide a reasonable rate of interest of around 4-6%. Income from these investments would be used to support the MTFS on an ongoing basis;
- The savings in respect of the Customer Service Centre (£130,000 from 2018/19) would be achieved mostly via the digitisation of services and a re-engineering of the processes to deliver savings as well as improved ways of working and improved customer service. It was suggested that such an approach had already had a positive effect on hospital discharge times;

- The savings identified for the Employee Service Centre would be achieved through service redesign and the procurement of a replacement for the Council's business intelligence system, which was presently provided by Oracle;
- It was felt that there was little scope to further rationalise the Council's service departments. The Council's "target operating model" would be reviewed. It was suggested that there might be some savings which could be harnessed via the centralisation of the Council's administration function, though a review was ongoing in this respect.

**RESOLVED:**

- (a) That the report and information now provided be noted;
- (b) That the comments made be forwarded to the Cabinet for consideration at its meeting on 10 February 2017.

**64. Medium Term Financial Strategy 2017/18 to 2020/21 - Consideration of Responses from Overview and Scrutiny Committees.**

The Commission considered a supplementary report setting out the responses to their respective areas of the Medium Term Financial Strategy (MTFS) of the Adults and Communities, Children and Families, Environment and Transport and Health Overview and Scrutiny Committees. A copy of the supplementary report is filed with these minutes.

In response to questions from members, the Leader confirmed the following:

- The saving in respect of Council subsidised bus services would be challenging to achieve and would prove controversial. It was acknowledged that this saving would affect mostly bus users in rural areas. Were the Council's revised funding model to be adopted by the Government then it was possible that this saving could be looked at again;
- It was felt that the issue around children's' centre provision was best addressed at a corporate level and was being assessed as part of a review of early help and prevention. It was felt that there was scope to reduce the number of children's centre whilst retaining the same level of service;
- The County's lack of foster carers had brought about a significant recruitment drive. It was noted that there was presently a lack of recognition at Government level for the financial impact that could be felt on those authorities that were unable to place refugee children locally and would then be forced to place children in costlier national placements;
- It was acknowledged that there was scope to extend the hours of operation of the Park and Ride services at Enderby and Birstall, with the aim of benefiting late night shoppers. Talks were ongoing with the City Mayor in regard to the possibility of a joint franchised bus service.

**RESOLVED:**

- (a) That the supplementary report be noted;
- (b) That the comments made at this meeting be forwarded to the Cabinet for consideration at its meeting on 10 February 2017.



**HEALTH OVERVIEW AND SCRUTINY COMMITTEE**  
**19 JANUARY 2017**

**MEDIUM TERM FINANCIAL STRATEGY 2017/18 TO 2020/21**

**MINUTE EXTRACT**

The Committee considered a joint report of the Director of Public Health and Director of Corporate Resources which provided information on the proposed 2017/18 to 2020/21 Medium Term Financial Strategy (MTFS) as it related to the Public Health Department. A copy of the report marked 'Agenda Item '8' is filed with these minutes.

The Chairman welcomed Mr. E. F. White CC, Cabinet Lead Member for Health to the meeting.

In his introduction to the report, the Director of Public Health explained that the MTFS proposals for 2017/18 related wholly to the Public Health Department and were intended to address the reduction in Public Health grant of the MTFS savings requirement. Most of the savings for 2017/18 were the full year impact of changes which had been successfully implemented the previous year from 2018/19 onwards and that the role of Public Health should be seen in the broader context of the Council-wide Early Help and Prevention Review.

The Cabinet lead Member welcomed the report which, in his opinion, showed that the Department was well led, in control of its budget and was able to identify new ways of delivering services at a lower cost than had previously been the case.

In response to questions and comments the Committee was advised as follows:-

- (i) The Committee welcomed the report and the ethos of the Department which was to make efficiency savings through good contract management. Most of the savings for 2017/18 were the full year impact of changes which had been successfully implemented the previous year;
- (ii) Prevention formed one of the 14 workstreams of the Leicester, Leicestershire and Rutland STP. Some elements of this workstream would be delivered jointly with Leicester City and Rutland and some would be specific to Leicestershire. First Contact Plus was integral to the Leicestershire prevention model. The Director undertook to inform members if there was anything they could do to help preserve this vital part of preventative services;
- (iii) The Committee was of the view that the First Contact Plus service was an integral part of the Council's prevention offer as it was the place from which people were referred to all other services. Concern was expressed that the funding for First Contact Plus for 2017/18 had not been confirmed as 2/3 of the

funding for the service would come from the Better care Fund and this had not yet been agreed. It was hoped that the NHS partners would continue to fund First Contact Plus through the Better Care Fund;

- (iv) It was noted that there were some difficulties with the interoperability of First Contact Plus with GP surgery IT systems. It was confirmed that further work would be undertaken in this area to ensure that the system was as easy as possible for GPs to use;
- (v) The Committee welcomed the commitment to the Lightbulb Service which was a programme of integrating practical housing support into a single service that was available to all, easier to access, easier to use, and shaped around an individual's need not an organisation's processes. It was noted that the business case had not yet been approved by all district councils, although it was expected that this would be in place in due course;
- (vi) It was confirmed that the Sexual Health testing online service had gone live on 1 January 2017. This enabled service users to register their details online so that they could receive a testing kit sent directly to their home. It was suggested that this service should be promoted to GP surgeries;

**RESOLVED:**

- (a) That the report and information now provided be noted;
- (b) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 25 January 2017.





**ENVIRONMENT AND TRANSPORT OVERVIEW AND SCRUTINY COMMITTEE**  
**19 JANUARY 2017**

**MEDIUM TERM FINANCIAL STRATEGY 2017/18 TO 2020/21**

**MINUTE EXTRACT**

The Committee considered a joint report of the Director of Environment and Transport and Director of Corporate Resources which provided information on the proposed 2017/18 to 2020/21 Medium Term Financial Strategy (MTFS) as it related to the Environment and Transport Department. A copy of the report marked 'Agenda Item '8' is filed with these minutes.

The Chairman welcomed Mr. P. C. Osborne CC, Cabinet Lead Member for Highways and Transport and Mr. B. L. Pain CC, Cabinet Lead Member for Waste Management and Recycling to the meeting for this item.

In introducing the report the Director and Cabinet Lead Members advised members of the financial challenges facing the Council and the significant change that had taken place across the Department to enable it to achieve £2.5 million of staff savings. This had enabled a shift in service delivery to a commissioning model with some in-house services still provided, where it was appropriate and cost efficient to do so. It was felt that, whilst it had been a difficult process to achieve such significant savings, the Department was now well placed to cope with the financial challenges in future years.

In response to questions and comments the Committee was advised as follows:-

**Service Transformation**

- A view was expressed that, whilst the work of officers to maintain services and deliver them more efficiently was appreciated, it would be necessary for members to be consulted on any plans that would lead to a reduction in service;

**Proposed Revenue Budget and Budget Transfers**

- The Waste Management revenue budget included provision for 1 % growth in household waste per annum, largely to cover estimated future housing growth;

**Growth****G11 – SEN Transport**

- A large portion of the revenue budget related to demand-led services such as SEN transport, where the Council was required on a statutory basis to deliver services. It was noted that the SEN transport budget, which represented 7.9% of the Department's budget in 2010/11 but now stood at 16% and this reflected the rising demand which the Department was having to withstand;
- A detailed review of SEN transport would be conducted in the coming months. The Cabinet Lead Member stressed that it was and would remain a policy of the Council's Cabinet to safeguard those services accessed by the most vulnerable;

**G13 – Landfill Tax**

- A view was expressed that the rise in landfill tax placed an unfair burden on local authorities and it therefore required review on the part of the Government. The Cabinet Lead Member agreed and stated that it was hoped that Defra's pending 25 year plan would address this issue and encourage the Government to rethink the landfill tax;

**Savings – Highways and Transport****ET1 – Street Lighting**

- The work of the Department to implement LED street lighting was commended as both a welcome cost saving and an improvement to night time lighting;

**ET8 – Review of Road Safety Strategy and Provision**

- This saving would be achieved through a re-focusing of activity around core campaigns to reduce incidents though it was acknowledged that there would be a reduction in the provision of road safety education. Any surpluses acquired from the running of driver education workshops would be used to fund school crossing patrol services;

**ET11 – Public Bus Services**

- Council subsidised bus services would be reviewed. It was drawn to the attention of members that this would affect 0.7 million of a total number of 13.7 million bus journeys (12.7 million commercial journeys and 0.3 million park and ride journeys would be unaffected by these proposals);
- Park and Ride services remained a key strategy in reducing road traffic. However, there were as yet no proposals for further Park and Ride schemes in the County;

*(Mr. D. C. Bill CC and Mr. G. A. Boulter CC each requested that it be recorded in the minutes that they opposed the removal/reduction of Council subsidised bus services)*

**ET12 – County-wide Parking Strategy including Residents’ Parking Permits and Consideration of on-street Parking Charging**

- Concerns were raised that the £650,000 saving would prove difficult to achieve as a result of a lack of areas where on-street parking charging would be appropriate or effective. It was suggested that the measure could also have a negative effect on traders. The Director assured members that any policy in this regard would be publicly consulted on and taken through the Overview and Scrutiny process prior to any approval at Cabinet level. The Director accepted that, whilst any policy in this regard was likely to be controversial, the Council was required to do all that it could to address the £23.9 million budget shortfall;
- Concern was expressed that, were the Council unable to achieve a portion of this saving through on-street parking charging then it would be possible that it could seek to increase further the charge for residents’ parking permits. In response, the Director indicated that there were no plans to increase the cost of residents’ parking permits on an annualised basis though they would rise in order to meet inflation and ensure full cost recovery;
- In response to a suggestion that parking charging could be implemented at County Hall for Council staff as a means of reducing the saving required via resident parking charges, the Director indicated that this was a matter for the Director of Corporate Resources;

*(Mr. D. C. Bill CC and Mr. G. A. Boulter CC each requested that it be recorded in the minutes that they opposed the ET12 saving measure)*

**Savings – Environment and Waste**

**ET13 – Revised Payment Mechanism on Recycling Credits and ET17 – Revised Payment Mechanism for Recycling Credits for Dry Materials**

- The withdrawal of recycling credits would achieve £3.4 million of savings, though the effect of the County Council then tendering for its own recycling contract(s) would ultimately mean achieving a saving of around £1.4 million in 2020/21. The precise phasing of this saving would be dependent on District Councils’ current contractual arrangements for recycling, and when they terminate, which is why the savings increase over the course of the MTFs. The actual saving that would be achieved would be dependent on the contract that was ultimately awarded. It was noted that increased clarity would be provided on this issue in the next MTFs when more details would be known about the contract;
- It was noted that there had been no negative impact from the withdrawal of recycling credits for green waste recycling and there was no obvious evidence of a rise in the levels of green waste being sent to landfill. Home composting

would continue to be publicised and promoted by the Council's Waste Prevention Team to encourage recycling of green waste at home;

*(Mr. D. C. Bill CC and Mr. G. A. Boulter CC each requested that it be recorded in the minutes that they opposed the ET17 saving measure)*

### **Capital Programme**

- The £83 Million Capital Programme was expected to rise substantially as a result of additional government grants in areas such as infrastructure and housing delivery (it was noted that an additional £2.7 million allocation from the National Productivity Investment Fund had recently been confirmed);
- Reference was made to the £360 million of pipeline projects which the Council had identified and for which it was hoped that further funding could be accessed;
- The Council remained hopeful of achieving Level 3 (by 2018/19) on the assessment scale the Government uses to assess authorities' approach to asset management which in turn determined the amount of Incentive Fund money the Authority received (paragraph 27(b) of the report refers). The Capital Programme assumed the Council would remain at level 2, in order that additional funding would be available should it reach Level 3. It was advised that those authorities that had been successful in achieving devolved powers from the Government would automatically qualify for Level 3 and thereby access the increased funds.

### **RESOLVED:**

- (a) That the report and information now provided be noted;
- (b) That a list of Council subsidised bus routes be provided to members following the meeting;
- (c) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 25 January 2017.

**ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE**  
**17 JANUARY 2017**

**MEDIUM TERM FINANCIAL STRATEGY 2017/18 – 2020/21**

**MINUTE EXTRACT**

The Committee considered a joint report of the Director of Adults and Communities and Director of Corporate Resources which provided information on the proposed 2017/18 to 2020/21 Medium Term Financial Strategy (MTFS) as it related to the Adults and Communities Department. A copy of the report marked 'Agenda Item '8' is filed with these minutes.

The Chairman welcomed Mr D W Houseman MBE CC, Cabinet Lead Member for Adult Social Care and Mr R Blunt CC, Cabinet Lead Member for Heritage, Leisure and Arts to the meeting for this item.

In introducing the report the Director and Cabinet Lead Members advised members of the financial challenges facing the Council and the significant demand and cost pressures facing the social care services in dealing with an ageing population and an increased number of people with complex disabilities. The Department had over the last few years sought to prevent and delay the need for services by various means aimed at promoting independence and by looked critically at the delivery and cost of services.

In response to questions and comments the Committee was advised as follows:-

**Service Transformation**

- i) The County Council and District Councils had agreed that the Disabled Facilities Grant (DFG) funding would be passported in its entirety to the District Councils on the understanding that any underspends would be returned and be available for use on other health and social care services.
- ii) The funding in connection with Lightbulb Project is yet to be determined.

**Proposed Revenue Budget**

- iii) The County Council and Departmental approach was not to 'salami slice' services but rather to consider the impact of services on individuals and the local community, consider how the delivery of service might be improved and whether the service could be redesigned and recommissioned in a more cost effective way. The County Council had made it a clear priority to support the most vulnerable in society and to that

end the Adult Social Care budget was one of the few in the Council to show a year on year increase in spend.

- iv) The additional 2% precept to fund social care was not shown as a specific line in the budget figures as the Council took a holistic approach to the preparation of the budget. The Department was required to have regard to the guidance issued concerning the use of the additional funding and could confirm that the proposed increase in funding to adult social care would be more than the amount raised through the precept.
- v) The budget figures for 2018 onward in the table at paragraph 14 did not include inflation as this was held as a central contingency.

### Growth

- vi) The growth now identified in G3 – Older People Demand was less than that requested in previous years. The Department had undertaken an analysis of the number of people seeking assistance, the size of the care packages and the impact of measures put in place to promote self-care and independence. The result was that demand which had shown growth was beginning to stabilise hence the need for less new resource.

### Adult Social Care – Departmental Savings

- vii) The Shared Lives Initiative (AC6) was currently supporting approximately 140 people and had been well received. The Scheme enabled people with additional needs to be paired with families who would provide social support rather than such people being provided support in institutional settings. A detailed report would be made to the Committee on the operation of the Scheme.
- viii) The proposals set out in paragraph 39 regarding a robust review of high cost placements was aimed at looking at the cost of commissioning certain elements of the care package rather than a focus on reducing the care package.
- ix) The Departments approach to Personal Budgets did recognise the variation in the cost of commissioning services across different parts of the County.

### Communities and Wellbeing – Transformation Savings

- x) The savings requirement on this area of service was significant with a saving of £1.3million to be found from a budget of £4.9million.
- xi) The proposals regarding the introduction of Smarter Libraries had proved successful elsewhere. Members of the Committee welcomed the proposed approach which it was hoped would lead to greater use of libraries and increased opening hours.

- xii) The business case for the proposed Collection Hub was still being developed. The intention was to bring collections together in a single more central location which would ensure that such collections were accessible. Whilst there would be revenue savings there would be a significant one-off capital cost. In developing the business case Leicester City and Rutland Council would need to be consulted particularly if the new Hub were to include the Record Office.

#### Health and Social Care Integration

- xiii) The final Better Care Fund (BCF) allocation was still awaited. However, in compiling the budget it was clear there could be a potential shortfall of £3million if all of the DFG funding passported to District Councils was fully spent by them and the need to find savings of £2million to support health service budgets which were under significant pressure.

#### Capital Programme

- xiv) The provision of £310,000 for Extra Care Provision was to support future provision such as the current development in Loughborough. Members welcomed this investment and a number commented on the success of such developments elsewhere in the County.

#### RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 25 January 2017.







**CHILDREN AND FAMILIES OVERVIEW AND SCRUTINY COMMITTEE**  
**16 JANUARY 2017**

**MEDIUM TERM FINANCIAL STRATEGY 2017/18 – 20/21**

**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 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.

**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 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.