



CHILDREN AND FAMILIES OVERVIEW AND SCRUTINY COMMITTEE
15 JANUARY 2018

MEDIUM TERM FINANCIAL STRATEGY 2018/19 – 2021/22

MINUTE EXTRACT

Medium Term Financial Strategy 2018/19 - 2021/22

The Committee considered a joint report of the Director of Children and Family Services and the Director of Corporate Resources which provided information on the proposed 2018/19 to 2021/22 Medium Term Financial Strategy (MTFS) as it related to the Children and Family Services Department. A copy of the report marked 'Agenda Item '8' is filed with these minutes.

The Chairman welcomed Mr I D Ould CC, Cabinet Lead Member for Children and Family Services, to the meeting for this item.

The Director of Children and Family Services, in introducing the report, outlined the following drivers which had influenced the proposals for the Department's budget:-

- the overall financial position at the County Council, which required each department to make savings so that the overall budget for the year was balanced;
- significant costs pressures in Children's Social Care and the High Needs Block of the Dedicated Schools Grant, particularly with regard to Special Educational Needs and Disabilities (SEND); and
- the development of a transformation programme to address the cost pressures in the departmental budget.

Mr Ould CC, the Cabinet Lead Member for Children and Family Services, highlighted that the net budget will increase by £12m over the 4 years of the MTFS. He also advised the Committee of concerns regarding school funding. The overall increase in budget here was only guaranteed for 2 years; following this, schools could see a decrease in their budget.

Arising from discussion, the following points were raised:-

Service Transformation

- i) Concern was expressed that the proposals to meet the £1.5m MTFS savings in the Early Help Service would result in the closure of 18 Children's Centres and that this would have a negative impact on the services provided. The Committee was reminded that the Cabinet had agreed to consult on the

proposals for the Early Help Service; this consultation would start on 22 January 2018 and this Committee would have an opportunity to respond to the consultation at its next meeting. The proposal included merging four separate services into a single 0-19 Family Wellbeing Service. It was intended to retain frontline staff and for the service to go into people's homes where appropriate. This was already common practice in the Supporting Leicestershire Families service, which only had four buildings. The new model would be a 'hub and spoke' model which retained 15 buildings. The use of other community buildings for group work would also be explored.

- ii) The risk of clawback from national Government if usage of the buildings is changed within 25 years of the initial award of capital grant from the Department for Education was recognised. However, in practice, where Children's Centres had closed elsewhere in the country, clawback had only occurred in a few cases and the level of clawback was low. It was noted that the proposal was to re-designate the buildings for other Early Years provision, rather than close them, which mitigated the risk of clawback. The 15 buildings that would be retained had been chosen based on a thorough evaluation.
- iii) Some Members highlighted the risk of reducing funding to Early Help services, both because of the importance of preventative services in preventing greater levels of need in the future and because partners and community groups might not be able to 'pick up this work'. The Committee was reminded that the principle of the Early Help Review was to protect frontline staff. The consultation process would explore with partners and community groups the impact that the proposals would have on them. A few of the buildings currently used for Children's Centres were owned by the voluntary sector and the impact on them and their income streams would also be considered as part of the consultation.
- iv) The Cabinet lead Member for Children and Family Services assured Members that the Cabinet had recommended that, alongside the consultation, a detailed assessment of need would be undertaken. He would also be speaking to partners such as the Police and Crime Commissioner regarding funding and working with MPs to seek a commitment from the Government for a continuation of the funding for the Supporting Leicestershire Families programme beyond March 2020.

Proposed Revenue Budget

- v) It was confirmed that the budget transfers and adjustments of £814,000 during 2018/19 referred to contracts linked to the Early Help Review. The transfer of £0.8m from Public Health would be additional to this.

Growth

- vi) Concern was expressed that, due to the level of demand, Independent Fostering Agencies (IFAs) were prioritising placements for children with less complex needs. In response to this, the County Council's Care Placement

Strategy was seeking to increase the number of in-house foster carers and to provide support so that they could provide more placements for children with complex needs. The Cabinet had recently approved a proposal to consult on changes to the fee structure for foster carers to bring the fees paid by the County Council closer to those paid by IFAs; this consultation was currently ongoing. The revised fee structure had been benchmarked against other fostering agencies and the Council had engaged a consultant who had previously been the Chief Executive of an IFA to support this work. The recruitment campaign focussed on the support and training provided for in-house foster carers, which was well received. Demographic information and an understanding of particular areas where the numbers of Looked after Children (LAC) were high were used to target the recruitment campaign. Members of the Committee were encouraged to look at the new fostering webpages on the County Council website. The work being undertaken to improve the recruitment of in-house foster careers was welcomed.

- vii) The increase in projected numbers of social care payments did not correlate with the level of growth proposed in the MTFS. It was confirmed that this was because the forecasts also took into account the type of placement that would be provided. The assumption was that the new placements would be more cost effective than existing ones.
- viii) The Social Care Agency Premia, intended to make Leicestershire County Council an employer of choice, support retention and reduce reliance on agency workers, was welcomed by Members.

Savings

- ix) The development of wrap around therapeutic support services for LAC was welcomed, particularly as it would focus on rehabilitating young people currently living in residential care into family settings or independent provision.
- x) The new Departmental Operating Model was intended to restructure senior management and to consider how the service was provided in order to identify efficiencies and savings. However, there was a £290,000 shortfall because it had not been possible to achieve the level of savings that had originally been envisaged.
- xi) The slower rate of academy conversion was partly because the county already had a large number of academies and also the withdrawal of the Government's White Paper proposing that all schools should become academies had removed the impetus to convert. It was still predicted that a number of schools would convert to academy status during 2018/19.

Schools Block

- xii) Each school had seen the impact that the new schools funding formula would have, based on draft data. This data was currently being updated

using the information from the October 2016 census of schools. It would be provided to schools during the first week of March.

- xiii) It was noted that some primary schools at the bottom end of the scale for funding could see inflationary pressures which were greater than the increase in funding. Work was being undertaken with individual schools to help them prepare for this. Schools with falling numbers of pupils could also be adversely impacted by the new formula.
- xiv) The High Needs Inclusion Project was developing a financial strategy which would reduce the overspend in the High Needs Block and develop a manageable, sustainable, budget for this area. This would be a challenge for the County Council as the number of young people needing support was increasing. A range of issues was being considered, such as ways of reducing high spend in the independent sector and supporting children with special educational needs and disabilities in mainstream schools. It was noted that the County Council had a statutory responsibility to fund these services and would have to do so from its own budget if the overspend and sustainability of the High Needs Block was not addressed.

Specific Grants

- xv) Some of the grants for Children and Family Services were adequate to support provision; where this was not the case, the County Council focussed on discharging its statutory responsibilities. Where the Council had discretion, it aimed to achieve the best outcomes within the resources available.
- xvi) It was noted that the grant for supporting Unaccompanied Asylum Seeking Children only covered 50% of the County Council's costs. The County Council's position was, therefore, that it would meet its statutory responsibilities but that it would not enter into voluntary schemes.

Capital Programme

- xvii) It was confirmed that, where the Capital programme related to Church of England Schools, the Diocesan Board of Education would be consulted on any proposals.
- xviii) The Capital Grant for SEND initiatives had been confirmed but the County Council was required to submit a sending plan before the level of funding was allocated. This would form part of the SEND Strategy and this Committee would, therefore, have the opportunity to consider it as part of the consultation on the Strategy.
- xix) It was confirmed that the S106 contributions related to the number of school places required, whether the school was an academy or a maintained school. It was noted that studio schools counted towards the number of secondary school places that an area required, regardless of whether the studio school was a popular choice. The Cabinet Lead Member reminded

the Committee that district level briefings on school places were provided for members during the summer.

It was moved by Mr Welsh CC and seconded by Mr Bill CC:

“That this Committee expresses to the Cabinet its grave concern that the risks associated with the proposed reduction in Early Help, including the closure of so many Children’s Centres, are excessive and will potentially lead to more children going in to Local Authority care”.

The Motion was put and not carried, with 3 members voting for the amendment and 6 members voting against.

Mr. D. C. Bill CC, Mr. G. Welsh CC and Mr. S. D. Sheahan CC asked for it to be placed on record that they voted for the Motion.

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 24 January 2018; and
- c) That, where the Capital programme related to the Church of England schools, the Diocesan Board of Education would be consulted on any proposals.

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