



CHILDREN AND FAMILIES OVERVIEW AND SCRUTINY COMMITTEE
22 JANUARY 2019

MEDIUM TERM FINANCIAL STRATEGY 2019/20 – 2022/23

MINUTE EXTRACT

Medium Term Financial Strategy 2019/20 – 2022/23

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 2019/20 to 2022/23 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. Mr Ould praised the work of the officers in ensuring that the budget was as positive as could be expected.

Arising from the discussion, the following points were raised:

Service Transformation

- i) Concern was raised around the lack of certainty of future contributions from partner funding and the Government's Troubled Families grant to support the Supporting Leicestershire Families (SLF) programme. This would equate to a loss of £2.3 million of income from October 2020. The Office of the Police and Crime Commissioner had recently confirmed the continuation of funding towards the SLF programme. The Cabinet Lead Member reported that there was to be a ministerial visit to Leicestershire on 7 February to discuss the programme, and support for SLF had been received from Ministers. A report was due to be presented to the March meeting of the Committee on the evaluation of the Early Help Review.

Proposed Revenue Budget

- ii) The revenue budget had not taken into account any pay or price inflation. A central contingency was held which would be allocated to services as necessary.

Growth

- iii) Attention was drawn to G2 – Supporting Leicestershire Families – transition to a new model when external funding ceases. The 2018/19 MTFS had made provision of £1 million per annum for 2018/19 and 2019/20, after which this funding would be removed.
- iv) Other significant areas of growth included Unaccompanied Asylum Seeking Children, due to the volatility of this area, and the use of agency staff in Children’s Social Care. Although the Department’s Recruitment and Retention Strategy was starting to have a positive impact, there would be an ongoing need for agency staff to cover vacancies.

Savings

- v) There were no new savings against the Department’s budgets in this MTFS.
- vi) It was noted that the annual target for CF2 – Growing Mainstream Internal Foster Carer Provision – had fallen short in 2018/19. However, this had been offset by the savings achieved from the recruitment of specialist foster carers, and it was anticipated that the target would be fully achieved in 2019/20 as a result of successful recruitment campaigns. Members highlighted that, whilst increasing foster carer provision did deliver savings for the department, it was also a better way of delivering services.
- vii) The contract for Wrap Around Therapeutic Services had now commenced and savings were expected to accrue from 2020/21. An update on the progress of this would be provided to the Committee in due course.
- viii) With regard to the savings from disabled children’s respite care, it was noted that this related to the review of a specific contract to ensure that a greater range of options for respite care were available to service users.

Dedicated Schools Grant/Schools Block

- ix) Under the National Funding Formula, there was a mixed picture as to how schools were managing financially. A new project had been developed to work with schools to look at developing their financial capacity as there were some concerns around the way schools were forecasting their budgets. A new post would be recruited to, for two years, to work with schools on their budgets in order to get a clear picture of the situation. The County Council had also considered a number of factors which could indicate whether a school was operating well financially, but no correlation had been found between the school’s position and any specific funding.
- x) In terms of the teacher’s pay increase, schools had received a grant, which had commenced in September 2018, to cover the cost of the teacher’s pay award. This was funded on a per pupil basis and the general response that had been received from schools was that this was covering the cost. A new grant was also expected in September 2019 to

cover the increase in the employer's contribution to the teacher pension scheme.

- xi) In relation to a query around the National Funding Formula calculating notional school allocations based upon pupil characteristics, it was stated that this ensured that schools were given the same amount of funding for pupils with the same characteristics, irrespective of where the school was located. However, there would still be a degree of unequal funding to local authorities, as specific characteristics such as deprivation, low attainment and the receipt of free school meals, determined different levels of funding.
- xii) The financial challenges faced by Church of England schools was significant, with more than half of all such schools nationally at risk of becoming insolvent over the next few years. It was therefore pleasing to note the work being undertaken in respect of school financial planning.

High Needs

- xiii) The confirmed level of funding for the High Needs DSG was detailed in the report; no inflationary increases had been assumed although it was hoped that they would be made available.

Specific Grants

- xiv) It was difficult to confirm when some of the specific grants for the department would be allocated. In particular, the Early Years DSG grant would not be confirmed until June 2020, which was after the 2019/20 financial year. There was no indication that any of the grants would not be available for the 2018/19 financial year.
- xv) The County Council acted as the conduit for maintained schools in relation to grants around maintained school sixth forms, pupil premium, universal infant free school meals, and the PE and Sports grant.
- xvi) The government had now confirmed that it would fund the additional responsibilities associated with the Virtual School until 2020.
- xvii) The Youth Justice Good Practice grant had not yet been confirmed. It was assumed that it would be at the same level as 2018/19, but if this was not the case, it would perhaps be necessary to make some reductions to services. Previous reductions in service had not prevented the County Council from meeting its statutory requirements. However, if further reductions in service were made this could be a risk.

Capital Programme

- xviii) The programme focused on two significant areas, one of which was the need to provide additional primary school places. An estimated 895 additional places would be delivered in 2019/20. In response to a query, it

was not possible to ensure that these places would only be allocated to Leicestershire county children. The County Council had a duty to ensure that there were sufficient school places within the county for the children of Leicestershire; this was the case.

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 28 January 2019.