



CHILDREN AND FAMILIES OVERVIEW AND SCRUTINY COMMITTEE
23 JANUARY 2024

JOINT REPORT OF THE DIRECTOR OF CHILDREN AND FAMILY SERVICES AND THE DIRECTOR OF CORPORATE RESOURCES

MEDIUM TERM FINANCIAL STRATEGY 2024/25–2027/28

Purpose of Report

1. The purpose of this report is to:
 - a) Provide information on the proposed 2024/25 to 2027/28 Medium Term Financial Strategy (MTFS) as it relates to the Children and Family Services (CFS) Department;
 - b) Request members of the Committee to consider any issues as part of the consultation process and make any recommendations to the Scrutiny Commission and the Cabinet accordingly.

Policy Framework and Previous Decisions

2. The MTFS is the financial plan that is updated annually to set out the resource intentions of each department and the Council overall. The current MTFS was approved by the County Council in February 2023. The draft MTFS for 2024/25–2027/28 was considered by the Cabinet on 19 December 2023.
3. The Children's Act 2004 and Children and Social Work Act 2017 allocate duties to Local Authorities to ensure that children are safeguarded, and their welfare is promoted. This legislation underpins the work of the Children and Family services with respect to looked after children (LAC), children in need and children in need of protection.
4. The Children and Families Act 2014 and the Care Act 2014 place a duty upon Local Authorities to commission education, health and social care services jointly with other key public services like the police and NHS in order to safeguard and promote the welfare of all children in their area.
5. 'Working Together to Safeguard Children 2018' guidance provides a framework for all the relevant legislation and sets out the importance of early identification and response to issues of concern, particularly for vulnerable groups. The 2023 revision focuses on whole-family approaches, and embedding strong, effective and consistent multi-agency child protection practice.

6. The School and Early Years Finance (England) Regulations 2023 set the legislative framework for the Schools Budget and defines the education functions to be met from the Local Authority Budget.
7. Other relevant policies include:
 - Leicestershire County Council's Strategic Plan 2022-2026,
 - Children and Family Services Departmental Plan 2020-2023 (under review for 2024-26),
 - (under review for 2023-25); Road to Excellence – Continuous Improvement Plan 2017-2020 and 2021-2023 (under review for 2024-26);
 - Voice and Influence Strategy 2020-2023,
 - Children and Family Services – Placement Sufficiency Statement and Market Position Statement, 2021-2023 Placement Sufficiency Statement and Market Position Statement (under review for 2024-26),
 - Children and Family Services – Quality Assurance and Improvement Framework (QAIF).

Background

8. The MTFs is set out in the report to Cabinet on 19 December 2023, a copy of which has been circulated to all members of the County Council. This report highlights the implications for the Children and Family Services Department.
9. Reports such as this one are being presented to the relevant Overview and Scrutiny Committees. The Cabinet will then consider the comments of the Overview and Scrutiny bodies and responses from the wider consultation process at its meeting on 9 February 2024. The County Council will meet on 21 February 2024 to consider the final MTFs.

Transforming the way the Department works – Strategic Change

10. Demand for Children and Family Services continues to increase with growth of £41.3m projected over the period of the MTFs, as the requirement to meet CFS needs before intervention, arising from demographic growth and an increased need for social care. The continuing impacts of the pandemic and cost of living crisis provide additional challenges which are likely to be far-reaching as the effects have a cumulative impact on families, increasing the likelihood of family breakdown and the need for care services.
11. In response to these pressures, the Department has in recent years embarked on several fundamental transformation programmes starting with the Defining Children and Family Services for the Future programmes (DCFSF) which is now embedded and has been expanded into the next phase (DCFSF2) and a similar programme for Transforming SEND and Inclusion in Leicestershire (TSIL). These transformation programmes are focused on continuous improvement across Children and Family Services – ensuring positive outcomes for children and young people and their parents and carers, making the delivery of support sustainable for the future, and responding to financial pressures through the MTFs.
12. Other savings are being delivered through partnerships such as the Children's Innovation Partnership (CIP) with Barnardo's and through service re-design.

13. Several substantial cross-cutting change corporate-led programmes have emerged to enhance the efficiency of the authority. The Prevention Review programme involves a systemic examination of prevention activities undertaken across the authority and its partners, aiming to reduce unnecessary expenditures and alleviate demand on higher-cost services. The Customer Programme focuses on streamlining and modernizing customer contact through automation and technology. The Sustainable Support Services Programme will ensure the optimal allocation of internal support resources and processes to enhance compliance and reduce costs. The Council is also fully embedding the Ways of Working programme, striking the right balance between home, office, and remote working. This initiative will maximise the utilisation of council property and technology to drive improvements in productivity and efficiency and cost. All of these programmes will act as key enablers to support the Department's service activities in the most cost-effective and efficient manner.
14. The main programmes of current departmental transformational work in CFS are encapsulated in the following:

Transforming SEND and Inclusion (TSIL)

15. In August 2022, the Department embarked on a new change programme for SEND and inclusion, known as Transforming SEND and Inclusion in Leicestershire (TSIL). This programme replaces the former High Needs Block development programme and whilst it builds on previous activity it takes a different approach as it focuses on taking a whole-system approach to support inclusion in mainstream wherever possible. In addition, a third-party partner, Newton Europe, has been commissioned to support the programme, provide challenge to the system, and ensure an effective, child-centered delivery.
16. A diagnostic was undertaken in late 2021 to understand the challenges and difficulties in the local SEND system and to inform programme planning for the TSIL programme. Using the evidence and data from the diagnostic, which highlighted the biggest challenges to meeting the needs of children and young people in the right place at the right time, the delivery of the programme has been structured around four key workstreams:
- I. Inclusive Practice
 - II. Service Transformation
 - III. Accurate Information
 - IV. Communication and Engagement
17. The contract with Newton Europe has been extended and they will now be providing full time support until February 2024. At this point workstreams will be led within the Department and Newton will reduce their involvement to that of health checks until July 2024. The TSIL programme is now well into its 'implementation phase', with the majority of the designed changes having begun to be implemented across the target areas – ranging from specific teams in LCC to the entirety of the SEND system in Leicestershire. This will deliver significant improvements and a financial impact largely via a reduction to growth within the system. The programme predominantly aims to deliver solutions for new entrants into the SEND system, and not to inappropriately change provision for children already within a specialist placement.
18. As this phase of the TSIL programme moves into sustainability, there will also be a consolidation and assessment of future opportunities to further improve the financial

position within the High Needs Block. This will include the changes being trialled as part of the DfE's 'Change Partner Programme' (potential reforms in the SEND system), for which LLR is the lead for the East Midlands region.

Defining Children and Family Services for the Future Programme 2 (DCFSF2)

19. DCFSF2 follows on from the DCFSF 1 programme which worked intensively with consultants Newton Europe to develop and future-proof Children and Family Services so that the right interventions are delivered in the right way, at the right time, to ensure that children, young people and families achieve the best possible outcomes while also ensuring that the service is financially sustainable going forwards.

The Children's Innovation Partnership (CIP)

20. In partnership with Barnardo's, alternative service delivery models are being designed culminating so far with an Assessment and Resource Team (ART), hub and assessment bed model and a residential build and conversion plan to improve the sufficiency and quality of residential provision.

Financial Control Measures

21. Given the increasingly challenging financial outlook, in addition to the plans set out in the MTFs, there is a need to ensure that financial controls are tightly operated, and additional measures introduced to restrict expenditure.
22. In particular the areas of focus are on:
- a) Recruitment,
 - b) Use of Agency staff,
 - c) Overtime,
 - d) Mobile phones,
 - e) Procurement,
 - f) Grant funding,
 - g) A range of other non-essential spend including use of consultants, advertising and promotions, conferences, travel/subsistence and levels of stock holdings.
23. Reviews will be undertaken within these areas to identify where spend can be reduced and stopped. Also new approvals around areas such as recruitment and procurement will be required to be signed off by Departmental Directors and/or approved by corporate oversight boards.
24. These controls will be kept under review and consideration will be given to stepping them up or down as required, subject to the Council's financial position and expected reliance on reserves.

Proposed Revenue Budget

25. The table below summarises the proposed 2024/25 revenue budget and provisional budgets for the next four years. The proposed 2024/25 revenue budget is shown in detail in Appendix A.

	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000

Original prior year budget	100,772	117,107	120,867	125,757
Budget Transfers and Adjustments	2,540	0	0	0
Add proposed growth (Appendix B)	16,100	7,850	8,540	8,820
Less proposed savings (Appendix B)	-2,305	-4,090	-3,650	-3,500
Total Net Provisional CFS Budget	117,107	120,867	125,757	131,077

26. Detailed service budgets have been compiled on the basis of no pay or price inflation, a central contingency will be held which will be allocated to services as necessary. Budget transfers to cover the additional costs associated with the 2023/24 pay award are still to be finalised but will likely to be reflected in the final MTFs to be reported to Cabinet.

Other Changes and Transfers

27. Net budget transfers increases totalling £2.5m were made during the 2023/24 financial year and are now adjusted for in the updated original budget. The majority of this relates to the outputs of the CFS fee review which resulted in an inflationary increase in cost for children social care placements provided for from the central inflation contingency.
28. Growth and savings have been categorised in the appendices under the following classification:

- * item unchanged from previous MTFs;
- ** item included in the previous MTFs, but amendments have been made:
- No stars new item.

This star rating is included in the descriptions set out for growth and savings below.

29. Savings have also been classified as Transformation or Departmental and highlighted as “Eff” or “SR” dependent on whether the saving is seen as an efficiency or a service reduction or a mixture of both. “Inc” denotes those savings that are funding related or to generate more income.

Growth

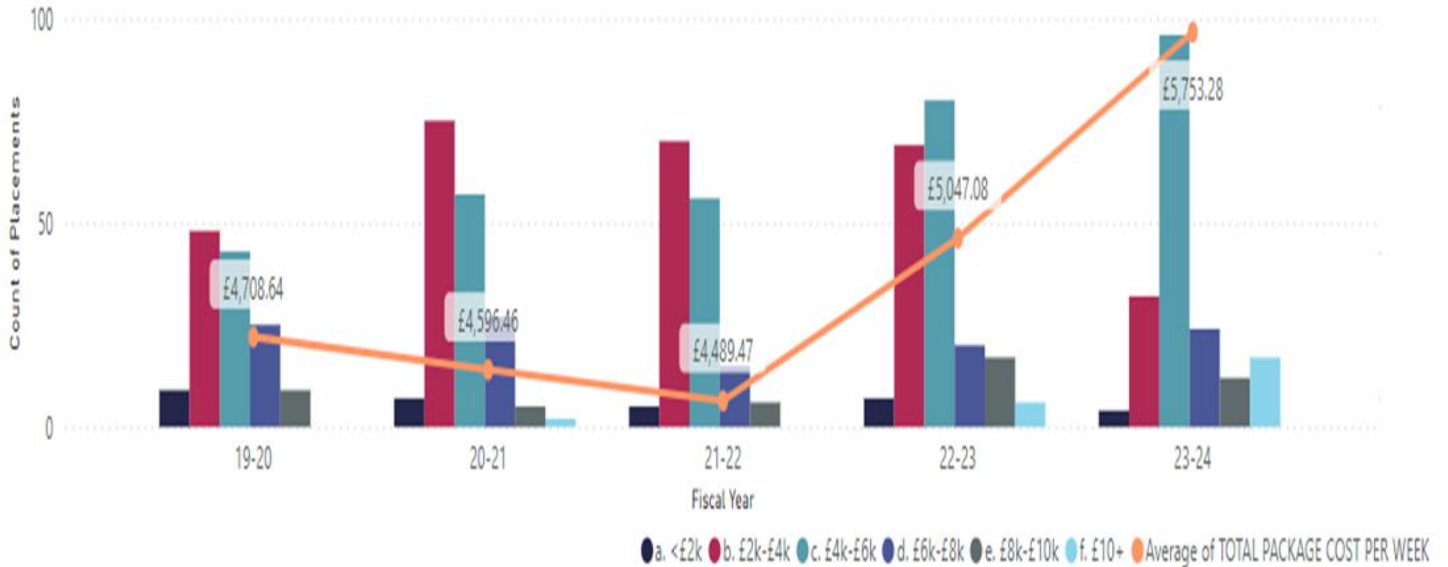
30. Growth over the next four years in the Children and Family Services budget totals £41.3m. This is mainly due to pressures on the Social Care placements budget arising from increased numbers of Looked After Children, predominantly unaccompanied asylum-seeking children, alongside significant increases in cost of placements for children looked after and care leavers.
31. The budget increases are outlined below with details for each growth item and summarised in the table below and in Appendix B.

References		GROWTH	2024/25	2025/26	2026/27	2027/28
			£000	£000	£000	£000
		CHILDREN & FAMILY SERVICES				
**	G1	Demographic growth & increasing cost of Social Care Placement mix	13,700	21,400	30,100	39,800
**	G2	Front-line social care staff - increased caseloads	0	250	250	350
	G3	Post Transforming SEND & Inclusion In Leicestershire(TSIL) sustainability	1,200	1,200	1,200	1,200
	G4	Unaccompanied Asylum Seeking Children (UASC) - increased demand/cost	2,250	2,250	2,250	2,250
	G5	Demand management	-1,050	-1,150	-1,310	-2,290
		TOTAL	16,100	23,950	32,490	41,310

**** G1 - Social Care Placements £13.7m 2024/25 rising to £39.8m by 2027/28**

32. The children's social care placements budget comprises of a variety of settings to look after children as part of a statutory duty to safeguard children who may be at risk of harm.
33. This significant growth pressure relates largely to the increasing cost of children's social care placement mix. Whilst demand for non-Asylum Seeking Children (UASC) LAC in Leicestershire beginning to stabilise and align with national growth projections, the average cost of the most costly provision type, residential provision has increased significantly, and unit costs likely to continue to increase by circa annual 10%, which will include the impact of NLW and inflation.
34. The other two key contributing factors impacting the rising cost of provision are:
- Cohort of children (those with the most appropriate fit for residential care): the Department is seeing an increase in the complexity of young people taken into care and requiring a residential placement. This includes young people with complex mental health difficulties, violence and aggression as result of experiencing trauma, criminal exploitation, risk of harm to self and others, controlling behaviour, repeat missing episodes and court ordered deprivation of liberty.
 - Market pressures and sufficiency: A lack of provider capacity and volatility in the market, has significantly increased the cost of new placements compared to those placements ending. This is particularly challenging when searching for placements for children with a range of complex needs 'unattractive' to the market (needs) and results in the use of high cost (£10k+ per week per child) interim provisions until behaviour stabilises or another placement can be found. Lack of step-down options from residential provision is also an issue. There are currently around ten children who have been waiting long periods to 'step down' to family-based placements that cannot be found. This is compounded by the low recruitment pipeline for mainstream carers, locally and nationally, which particularly impacts on availability of placements for older children and those with more complex needs.
35. Currently the average weekly cost per residential placement increased from £4.8k per week (budgeted average cost financial year based on previous trends) to the current average of £5.8k per week which equates to a 21% increase in the last 12 months. The significantly increasing cost of new placements compared to those placements ending is further compounding the financial pressures being projected. This is illustrated further in the graph below.

Average Cost of new placements starting from 2019/20 to 2023/24



36. The graph above is a further illustration of the rapidly changing landscape of the cost of external residential placements and highlights a higher percentage of very costly placements, such as those £7k plus per week, increasing over more recent years. For example, prior to financial year 2019/20, there were no packages costing over £7k compared to circa 18% of packages this financial year. This further highlights the significance and impact of an increasing complex cohort of children entering the system, together with market factors influencing of the cost of provision upwards.
37. Over the last year there has been an 18.7% increase in the cost of the top ten high-cost placements. In 2022/23 there were two children with a weekly placement cost of over £10k a week (£14.6k and £10.1k). Since April 2023, nine of the ten highest cost children have been over £10k a week, four of which are significantly higher ranging from £12k-£14.3k per week. The profile of the most costly placements is a direct result of a combination of complexity of needs, market conditions and sufficiency issues, contributing to increased cost pressure in supporting this group of vulnerable young children.
38. There is a national trend of increasing numbers of children and young people in care. The national average increase is around 4% over the last five years. LAC growth for children who aren't UASC in Leicestershire has been relatively stable over recent years, but due to the increasing pressures linked to UASC, current growth projections have been modelled following a similar trajectory to current national trends, which is still a significant improvement from actual trends from previous years which has seen Leicestershire's annual LAC cohort increase above 10%, including a high point of 12.3% in 2019/20.
39. The Department has been continually focused on preventing (where is it right for the child to do so), children coming into care and reducing the time that children and young people are in care. It should be noted – Leicestershire LAC numbers currently are being skewed by some unique challenges linked to demand in UASC. Nevertheless, the overall rate of Children in Care per 10k 0–17-year-old population (49 per 10,000) remains lower than comparator authorities (mean of 58 per 10,000) – see table below.

	Gloucestershire	Warwickshire	Central Bedfordshire	Worcestershire	Hampshire	Essex	North Somerset	Staffordshire	Cheshire East	Leicestershire	Mean
2016/17	48	62	50	66	51	33	52	59	57	37	50
2017/18	52	63	51	68	56	33	55	65	63	40	52
2018/19	56	62	51	71	59	34	56	69	63	42	54
2019/20	57	64	50	69	56	34	53	72	69	46	54
2020/21	61	72	50	72	58	34	49	73	66	49	56
2021/22	66	69	51	75	61	36	46	77	67	49	58

40. The other variable that has a big impact on placement weekly costs and the budget are the level of needs of each child and younger person. Again, these are not easy to predict accurately but there is a national trend of older children presenting with an increasingly complex range of emotional and behavioural needs resulting in foster carers unable or unwilling to foster these children and residential homes being able to command bespoke fees including additional support and waking night premiums.
41. As mitigation, placements and their costs are continuously reviewed within the Department and further investment is being made to build LCC owned residential homes with care provided in partnership with Barnardo's as part of the Children's Innovation Partnership (CIP).

**** G2 – Front Line Social Care Staff – Caseload Management £0m 2024/25 rising to £0.35m 2027/28**

42. Investment in additional front-line social care staff capacity is required to ensure appropriate caseload levels and to continue to meet statutory duties. Assumptions around caseloads and the resources required in each team were reviewed as part of the Defining Children and Family Services for the Future programme and the social care pathway continues to be reviewed to ensure the most appropriate resources are engaged at the right time.
43. This growth is to provide for increases in demand and caseloads and whilst numbers of children in care and on child protection orders are not increasing as rapidly as projected in previous years, the day-to-day management of those cases are becoming more complex both as result of increasing children's needs and also the level of support required for newly qualified social workers.
44. It should be noted this is a reduced growth projection (circa £2.5m reduction vs a position which included previous pressures linked to workforce instability) versus what has been projected 12 months ago.

45. Nationally there is continued shortage of qualified social worker staff which is projected to worsen as research shows trends of reducing numbers of entrants into social care training and qualified social workers not remaining in front line work on average for more than eight years. There is also a growing number of staff moving to agency work, or neighbouring local authorities, for inflated rates of pay.
46. Whilst all of these factors and issues are still very prevalent within Leicestershire currently and still of significant concern operationally, there has been some very positive recruitment and retention activities across Leicestershire, such as increasing the number of staff undertaking the apprenticeship social work course, international social worker recruitment initiatives and Leicestershire paying market premia payments to try to ensure average pay is more in line with similar posts across the region. Linked to a stabilisation and better case management of demand and service need, this has resulted in a reduced growth pressure versus what has previously been projected, although this position will need continual review.

G3 – Post Transforming SEND and Inclusion in Leicestershire (TSIL) sustainability - £1.2m 2024/25

47. The TSIL programme is now well into its 'implementation phase', with the majority of the designed changes having been implemented across the target areas – ranging from specific teams within the County Council to the entirety of the SEND system in Leicestershire. This will deliver significant improvements and savings. The programme predominantly aims to deliver solutions to this for new entrants into the SEND system, and not to inappropriately change provision for a child.
48. The TSIL programme has considered workload and performance within the Special Educational Needs Assessment (SENA) Service. The Service is responsible for delivering the local authorities statutory duty under the SEND Code of Practice to carry out statutory assessment and review of children and young people who have an EHCP from age 0 – 25, write Education Health and Care (EHCP's) plans and identify and secure the provision to meet the needs and are key contributors to meeting the 20 week statutory timeline for assessments but are dependent upon other advice givers to do so.
49. The review identified that the current model was failing to achieve statutory duties;
- i. 1% of new EHCP's were delivered on time
 - ii. 10% of EHCP amendments were completed in the required 12 week
 - iii. 33% of annual reviews were completed
 - iv. 12% of phase transfers were completed on time
50. A review of the SENA Service considered 'ways of working' as well as well as capacity. A new operating model has created three specialist teams focusing on assessments, reviews and placements. This will improve productivity by creating expert teams in each of these areas and is estimated to improve productivity by c30%. The review also considered capacity from a performance perspective but also the current position of agency staff. The growth request will increase staffing through expanding case manager numbers and management capacity. Workflow tracking will allow the effective management of staffing levels to respond to peaks and troughs in service demand as well as changing trends with a clear link between staffing needs and service volume.

51. The growth funding will move the Alongside changes in the Education Psychology (EP) Service, the new service structure and approach to managing workload will:
- Improve the timeliness of assessments, reviews and placements – 11% of assessments are now being completed within the 20-week timeframe, compared to 2% in 2022 and 0% for the first half of 2023. The programme will be continuously seeking to drive this number up.
 - Improve communication with parents and schools with clear steps in all processes, in turn reducing complaints and tribunals in the longer term
 - Ensure that every child achieves the right support at the right time, and placements will meet need
52. Under the Schools and Early Years Finance (England) regulations the costs of the SEN assessment service falls to the local authority budget. However, the financial benefit is through reduced placement costs which, under the same regulations, fall to be met from HNDSG. Whilst local authorities cannot directly contribute to DSG without the permission of the Secretary State this position clearly sets out the contradictory nature of the SEN funding system.
53. The achievement of some TSIL benefits is also dependent upon the delivery of the above but also sufficient capacity to engage proactively with parents and schools, managing performance through case tracking and understanding specialist provision particularly the capacity they have and the children they can best support. To respond to this position and mitigate its impact on both the delivery of statutory duties and programme savings a growth bid of £1.2m has been considered necessary within the MTF5 without which it is estimated that c£9m of TSIL benefits could be at risk.

G4 – Unaccompanied Asylum-Seeking Children (UASC) – Increased demand and cost £2.25m 2024/25

54. The financial growth pressure in relation to the Unaccompanied Asylum-Seeking Children (UASC) budget is largely due to the rapid increase in UASC in care and care leavers, which has required a greater resource requirement to meet their needs. The different entry routes include both the National Transfer Scheme (NTS), as well as spontaneous arrivals. But more recently through the hotel dispersal scheme where requests to accommodate people placed in Asylum Dispersal Hotels in Leicestershire are made, and whilst they have been deemed adults by the Home Office, subsequently claim to be children, which creates an additional pressure for the Service to manage which is not fully funded. In addition, delays in asylum claim processes mean that the Council is often accommodating young people well past 18 and the Home-Office funding drops significantly at 18 but the costs do not.
55. Currently there are 130 UASC in care. This is an increase of 70 young people (117%) since 31st March 2022. This rise continues the upward trend noted in 2021/22, an expected increase due to the NTS becoming mandatory and two dispersal hotels opening in Leicestershire. UASC over 18's is currently 135, which represents almost a 96% increase since March 2022, and this is linked to the increasing number of care leavers, for whom a significantly reduced funding rate is received in comparison to the costs being incurred.
56. Recent figures provided by the East Midlands Council based on returns from local authorities show since July 2021, a total of 258 unaccompanied young people claiming

to be children in adult asylum hotels have been taken into care across all upper tier LAs in the region except Rutland, almost a third of which coming into care in Leicestershire, creating an additional financial burden. The issue continues to be raised with the Home Office at senior officer level.

G5 – Demand Management- £1.1m 2024/25 rising to £2.3m by 2027/28

57. A growth reduction target to further mitigate the risk of demand-led growth. Represents 10% of the increase in growth required compared to 2023-27 MTFS for growth linked to children's social care placements.

Savings

58. Details of proposed savings for the local authority budget are set out in the table below and Appendix B and total £2.3m in 2024/25 and £13.5m over the next four years.

59. Additionally, the MTFS aims to ensure sustainable services for children and young people with Special Educational Needs (SEN) within the High Needs Block of the Dedicated Schools Grant (DSG) Cost reductions of £41.469m are forecast over the period of the MTFS but an annual deficit continues.

			<u>SAVINGS</u>	2024/25	2025/26	2026/27	2027/28
			<u>CHILDREN & FAMILY SERVICES</u>				
**	CF1	Eff	Innovation Partnership - Creation of Assessment & Resource team and Hub and investment in residential accommodation	-1,000	-1,250	-1,500	-1,500
*	CF2	Eff	Departmental establishment modelling / Re-design	0	-440	-940	-940
**	CF3	Eff	Defining CFS For the Future Programme - Phase 2 (including Dept. Eff. Savings)	-200	-1,100	-1,700	-2,300
**	CF4	SR	Education Quality & Therapeutic Services Review	-355	-355	-355	-355
	CF5	Eff	Reduced Care Costs through growth of internal family based placements	-750	-1,250	-2,100	-3,100
	CF6	Eff	Defining CFS For the Future Programme 3: Smarter commissioning and procurement - Social Care Placements and externally commissioned services	0	-1,900	-3,200	-4,950
	CF7	Eff	SEND Service - Demand reduction and reduced tribunals	0	-100	-250	-400
			TOTAL	-2,305	-6,395	-10,045	-13,545

The following paragraphs provide the detail of each savings item;

**** CF1 (Eff) Children's Innovation Partnership - Residential re-design - £1m in 2024/25 rising to £1.5m by 2026/27**

60. This programme is designed to improve the outcomes of children and young people in care in Leicestershire and enable the Department to ensure effective provision to the most vulnerable children and at an agreed cost. This will allow for children to be placed in the right placements first time and receive the most appropriate support tailored to their needs and improve placement stability as well as delivering efficiency savings.

61. With an increasing shortage of residential placements for children and young people, market pressures driving costs and an increasingly profit driven market, the appetite is for LAs to invest in their own residential capacity. DFE are encouraging this with match funding capital investments.

62. The overall ambition is to create up to 23 placements over the next five years. This reduces the reliance on the private sector and providing support to children and young

people in a holistic way, keeping the number of children and young people requiring residential care within Leicestershire, close to their families and services like school, CAMHS, their social workers.

63. Over recent years, the need for residential care has been fairly consistent but with increasing demand and need in more specialist areas including homes for children and young people experiencing or at risk of child sexual exploitation (CSE) or child criminal exploitation (CCE), parent and child residential care and those with complex emotional needs who would otherwise require hospitalisation. The ambition is therefore to open a number of homes owned by the Council and run by Barnardo's under the CIP aligned to these types of needs.
64. Investment of £5.96m has been included in the capital programme over the life of this programme of which there is £2m approved grant funding from the DFE. Based on the market prices of external placements – the current profiled savings profile is viewed as realistic and achievable based on increased internal sufficiency.
65. To date, the current pipeline and progress with this programme is listed below:
- a) Four CSE/CCE homes – match funded by Department for Education. One home opened in May 2023. One more of these homes is expected to be open by December 2023 and Two in early 2024,
 - b) One Parent and Child residential home – is currently in the Ofsted registration process,
 - c) One EBD assessment unit providing two beds – Property identified, purchase not yet finalised; match funded by Department of Education,
 - d) One Standard Emotional Behavioural need residential home - match funded by Department for Education – property searches underway. DfE timescale is completion of refurb by March 2025. Opening estimate, taking recruitment of staff and Ofsted registration into consideration is December 2025,
 - e) One complex need home - match funded by Department for Education - DfE timescale is completion of refurb by March 2025. Opening estimate, taking recruitment of staff and Ofsted registration into consideration is December 2025. This property is a new build but due to significant contractor issues is not likely to be completed before March 2025.

***CF2 (Eff) Departmental Establish Modelling Redesign - £0.44m in 2025/26 rising to £0.94m by 2026/27**

66. In response to national and local challenges recruiting and retaining social workers and increasing numbers of Children In Need, this workstream, as part of the DCFSF2 programme, has been set up to review roles and responsibilities across the care pathway rebalancing workloads as well as thresholds for support so that support is provided for families with the most appropriate resources, likely to result in a greater use of non-social work qualified staff to support families deemed to be children in need.

****CF3 (Eff) Defining CFS for the Future Phase 2 (DCFSF2) Including Dept. Efficiencies - £0.2m in 2024/25 increasing to £2.3m by 2027/28**

67. Following on from the success of the first programme phase, Defining Children and Family Services for the Future programme 2 (DCF2) has been implemented and will be delivered in different phases. The first phase, the diagnostic phase has been completed, identifying the following priorities for change as well as the Establishment Modelling Redesign workstream outlined in CF2 above:

- Staying Close – improved sufficiency of homes for care leavers and improved services that enable care leavers to be healthier, happier and to have improved emotional wellbeing, and as such reduced need for support services.
- Short breaks – a review of the Council’s offer to have greater alignment to local need
- Recurrent removal of children from families- aimed to support families to address lifestyle or parenting issues that will mean future children will not be removed from their care.
- Smarter ways of working - identify savings from all non-placement and social care staff budgets for example reviewing opportunities for Business Support efficiencies through identifying opportunities for automation.

****CF4 (SR) Education Quality and Therapeutic Services review - £355k in 2024/25**

68. A review of this Service area is planned to re-focus on the statutory elements of this Service, whilst ensuring that the needs of children supported continue to be supported as appropriate.

CF5 (Eff) Reducing Care Costs through growth of internal family-based placements - £0.75m in 2024/25 rising to £3.1m by 2027/28

69. This saving programme is focused on outputs which will avoid placements entering more costly provision, primarily in the external market:

- Increase of internal fostering placements,
- Utilisation of internal foster placements,
- Increase of Special Guardianship Orders (SGO),
- Domestic Abuse offer,
- Children with Disability – enablement.

70. For example, in regard to increase of internal fostering placements – The Fostering Service works to achieve targets for recruitment of foster carers, specialist foster carers and other types of carers. The principles of this activity include ensuring that children are living within or close to their communities, have access to their local resources and reduced spend on more costly services through Independent Fostering Agencies (IFA).

71. In addition, in relation to the Increase of Special Guardianship Orders (SGO) – Two service changes were introduced during Defining 1, to achieve the ‘exit’ of children from care through what is called an SGO. A stretch target was set based on analysis of the children’s Care Plans. These changes saw a significant increase in the number of SGOs made in year, far exceeding the stretch target for year 1, and is on target for exceeding the target set for following years.

CF6 (Eff) Defining CFS for the Future Programme 3: Smarter commissioning and procurement – Social Care Placements and externally commissioned services - £1.9m in 2025/26 rising to £4.95m by 2027/28

72. The sufficiency duty (section 22G of the Children Act 1989) requires local authorities to do more than simply ensure that accommodation be 'sufficient' in terms of the number of beds provided. They must have regard to the benefits of securing a range of accommodation through several providers. The accommodation must also meet the needs of children. In addition to this, there is a duty to delivery statutory services either through internal provision or through commissioned services.
73. CFS delivers these duties through the CFS Commissioning Service. Functions include brokerage (search for, match and procurement of placements on and off framework for children in foster care, residential provision, supported accommodation and independent special schools), quality assurance of these provision, stimulating the market through an annually produced Market Position and Sufficiency statement and related activity to secure beds and other services e.g., through mini competitions, block contracts, invitations to tender. The Service is also responsible for ensuring compliant spend throughout the department, achieving value for money and compliance of delivery of all these contracts.
74. The most significant area of growth in children's services is in the cost of residential placements. This issue is reflected nationally because of the spiralling costs of placements for children in residential provision. This issue is in part linked to the increased complexity of children for whom the Department needs to find placements, but in the main is linked to market pressures.
75. To impact the growth in the CFS Department there is greater need to have a clear focus on the way in which the Service commission placements and the exploration of other commissioning models, alongside the development of in-house provision.
76. This Defining 3 workstream will:
- a) See the introduction of key functions into the Service,
 - b) See the review of functions and realignment of resources to ensure priority activities can be completed,
 - c) Introduce new and increased commissioning and procurement activity to meet the local authority's sufficiency duty.

CF7 (Eff) SEND Service – Demand reduction and reduced tribunals - £0.1m in 2025/26 rising to £0.4m by 2027/28

77. Part of the outputs the TSIL programme of work is likely to result in longer term reduction in demand in relation to number of tribunals, which as a result will have a reduced infrastructure cost to support the level of demand coming through the system.

Savings Under Development

78. Alongside the delivery of the MTFs departments are also looking at the potential for additional savings which are not yet currently developed enough to be able to quantify and build into the detailed savings schedules. Examples include:
- Expand Establishment Modelling and Dynamic Modelling
Following Delivery of Establishment Modelling within the Defining Programmes in localities, there may be an opportunity to expand the approach across the

Department. Dynamic resourcing models identify any surplus/under-utilised resources that can be reprioritised in other localities or applicable services.

- Section 106 Process Review
Potential to automate part of the S106 process to reduce staffing requirements and ensure all related costs are charged against the S106 funding.
- Centralisation of Budgets
Centralise of some non-staffing budgets and bringing in tighter process controls to reduce overspends. The first call on these savings though will be to reduce existing budget pressures (to avoid growth) and address prior year gaps in department efficiencies.
- Defining CFSF – Next Phases
At a very early stage, but ideas for potential savings are being considered in several areas including partnership approach to reducing referrals, reducing duplication and Commissioning and Planning – support across key areas to implement new processes, which will deliver value for money and volume discounts on an ongoing basis.

79. As the savings opportunities are identified and quantified, they will be prioritised based on amount of savings, impact and deliverability.

80. Considering the scale of the challenge faced by the Council to balance the MTFs, existing financial control measures are being reinforced and new ones being applied to ensure a tight focus on eliminating non-essential spend. Inevitably further savings beyond those identified in this report will be needed and where possible included in the final MTFs.

Dedicated Schools Grant

81. For 2024/25 the Dedicated Schools Grant (DSG) remains calculated in four separate blocks as set out below:

Funding Block	Areas Funded	Basis for Settlement
Schools Block Est £521.4m consisting of; <ul style="list-style-type: none"> • School formula funding £518.5m • School Growth £2.8m 	Individual budgets for maintained schools and academies. Growth funding for the revenue costs of delivering additional mainstream school places and to meet the local authority's duty to ensure a sufficient number of school places. DSG is notionally allocated to Leicestershire for all maintained schools and	2024/25 sees further transition to the National Funding Formula (NFF) by the DfE. The NFF continues to attribute units of funding to pupil characteristics. The grant settlement is based on: <ul style="list-style-type: none"> • the aggregate of pupil led characteristics for each individual school: • a block allocation for school led factors.

	<p>academies. A locally agreed funding formula is applied to this to determine school budgets, for maintained schools these are allocated directly by the local authority, for academies the funding is recouped from the settlement by the Education and Skills Funding Agency (ESFA) who then directly fund academies.</p>	<p>These allocations are required to be fully delegated to schools, the only exception being any elements of de-delegated funding for maintained school agreed by the schools Forum following consultation with schools.</p> <p>The NFF means that all local authorities receive the same amount of funding for a number of pupil related characteristics. Differences in funding levels relate to the incidence of pupil characteristics rather than differing funding levels</p> <p>The allocation of funding to support new school growth will be retained to meet the future costs of new and expanding schools.</p> <p>In respect of school formula funding this represents a cash increase of 5.46</p>
<p>Central School Services Block £3.9m</p>	<p>This funds historic financial commitments related to schools such as premature retirement costs, some budgets related to schools that are centrally retained e.g. admissions, servicing the schools Forum and school copyright licences. This block now includes funding from the retained duties element of the former Education Services Grant for the responsibilities that local authorities have for all pupils such as school place planning and asset management.</p>	<p>This is distributed through a per pupil allocation basis and is retained by the local authority.</p> <p>The funding allocation for some historic financial commitments is being reduced nationally as the DfE have an expectation that these financial commitments will naturally expire. As for 2023/24 the DfE will allow local authorities to claim additional DSG if they have insufficient funding to meet school historic premature retirement costs which do not expire.</p>

<p>High Needs Block</p> <p>£108.5m</p>	<p>Funds special schools and other specialist providers for high needs pupils and students, the pupil referral unit and support services for high needs pupils including high needs students in further education provision.</p> <p>As with the Schools Block this includes funding for special academies and post 16 providers which is recouped by the ESFA who then directly fund academies.</p> <p>Confirmation of the 2024/25 grant is not expected until March 2024.</p>	<p>The formula is based upon population of 0–19-year-olds, rather than the 0 -25-year-old population it supports, and proxy indicators for additional educational need including deprivation, ill health, disability and low attainment. Also included is an element based on historic spend. The formula also includes a funding floor to ensure that local authorities do not receive a funding reduction as a result of the introduction of the formula. Leicestershire receives £2.8 (3%) through this element.</p>
<p>Early Years Est</p> <p>£63.2m</p>	<p>Funds the Free Entitlement to Early Education (FEEE) for 2, 3 and 4 year olds and an element of the early learning and childcare service. The entitlement to FEEE expands to 15 hours for 2-year-olds from April 2024 and to under 2's in September 2024</p> <p>The grant is based on the universal hourly base rate plus additional needs measured with reference to free school meals, disability living allowance and English as an additional language.</p> <p>The initial settlement is based on the January 2023 census. The grant will be updated in July 2024 for the 2024 January census and again in June 2025 for the January 2025 census. The final grant will not be confirmed until June 2025.</p>	<p>The allocation is based on individual pupil characteristics and converted to a rate per hour of participation. Leicestershire receives the lowest rate of £5.47 per hour for 3- and 4-year-olds and the the 5th lowest rate of £7.27 3 per hour for 2-year-olds and £9.86 per hour for under 2's.</p>

£697.0m

2024/25 Estimated DSG

82. The 2024/25 MTFSS continues to set the overall Schools Budget as a net nil budget at local authority level. However, in 2024/25 there is a funding gap of £16.9m on the High Needs Block which will be carried forward as an overspend against the grant.

Schools Block

83. School funding continues to be delivered by the National Funding Formula (NFF) which funds all pupils at the same rate irrespective of the authority in which they are educated. The NFF uses pupil characteristics each with a nationally set funding rate to generate school level funding to local authorities. Within the NFF only the per pupil entitlement is universal to all. Other factors reflect the incidence of additional needs such as deprivation and low prior attainment. Funding levels between local authorities and individual schools within those local authorities vary as a result of pupil characteristics rather than national funding levels.
84. Local authorities remain responsible for setting their own local funding formula. However, the DfE have established significant restrictions and only minimal movements from the NFF are allowed. The Leicestershire funding formula reflects the NFF with two exceptions, the first being changes to pupil numbers and subsequent pupil funding protections for school affected by age range change and some funding for school required to rent either premises or playing fields. The former of these changes has been approved by the DfE, for the latter approval is contingent on the provision of lease agreements to the DfE.
85. The 2024/25 Schools Block DSG settlement is £521.4m, with school being guaranteed a minimum increase per pupil of 0.5%.
86. Additionally, within the Schools Block, but separate to funding for individual schools, local authorities receive funding for the initial revenue costs of commissioning additional primary and secondary school places. The DfE have changed the funding methodology for the grant and introduced minimum funding requirements linked to payment by place rather than by block allocations. This has in turn required a new policy to be adopted which links the payment rates received within the grant allocation to the payments made to schools. The revised policy was considered and approved by the schools Forum on 21 November and will be applicable to schools encountering new growth from April 2024. The grant is £2.8m and will need to meet the costs of school growth currently within the system that is not fully completed, largely new schools not yet with their full contingent of year groups, and school expansions undertaken from September 2024. Once new places for September 2024 have been confirmed this will be combined with revised expectations on when new schools arising from housing growth will open to assess the full call on the grant.
87. It remains possible for local authorities to transfer up to 0.5% of the Schools Block DSG to High Needs following consultation with schools and with the approval of the schools Forum. Secretary of State approval can be sought where Schools Forum do not agree a transfer, where local authorities wish to transfer more than 0.5% and for local variations to some of the technical aspects of the NFF. No such transfer is proposed for 2024/25 although there is growing pressure from the DfE through The Delivering Better Value in SEND (DBV) Programme to consider this for future years.

School Funding Formula

88. The provisional Schools Block settlement was issued in July 2023 and subsequently updated in October 2023 for what the DfE stated as an error in calculating pupil forecasts. This resulted in reduced per pupil allocations for schools, the settlement delivers a minimum per pupil increase of £0.5%. The NFF delivers a minimum amount of funding per pupil, £4,610 for primary and £5,771 for Key Stage 3 and £6,331 per Key Stage 4 pupil.
89. Schools remaining on the funding floor are vulnerable to changes in future levels of DfE protection. 40 schools (17%) remain on the funding floor and at +0.5% per pupil budget allocations do not reflect the current inflationary pressure in these schools which will encounter real terms decrease in funding. As funding protection is at a pupil level, schools with decreases in pupils will see an overall decrease in funding. For many small schools this issue is posing significant financial concerns. Schools will continue to get a grant to provided financial support to meet the costs of the 2023 teacher pay award.
90. Whilst the NFF for schools is based upon the 2023 School Census, funding for local authorities is based upon the pupil characteristics recorded on the 2022 school census. Any increase in pupils eligible for additional funding i.e., Free School Meals, is unfunded and could result in it not being possible to meet the cost of fully delivering the NFF from the Schools Block DSG. This impact will be reviewed once data from the 2023 Census has been fully processed. The national regulations continue to allow local authorities to apply capping and scaling of school budget increases in conjunction with an adjustment within the Minimum Funding Guarantee within the school funding formula to ensure the budgets for schools can be fully met from the DSG allocation as was the case for 2023/24 school budget allocations.
91. Local authorities are required to submit their funding formula to the ESFA in mid-January 2024.

High Needs

92. The structure of the High Needs NFF is unchanged from 2023/24 and the provisional settlement at £108.439m and a 3% increase per head of population. However, it should be noted that the population factor accounts for just £38.7m (36%) of the settlement figure meaning that 63% of the formula is subject to no uplift unlike the schools NFF where all funding factors have been increased for 2024/25.
93. Leicestershire remains at the funding floor i.e., the application of the high needs NFF would generate a lower settlement without this protection. The NFF remains unresponsive to changes in the overall SEN population:
- £10.1m (9%) of the NFF is driven by the number pupils in special school and independent school places,
 - £31.8m (28%) of the formula relates to historic spend from 2017/18, this was £58.4m compared to a forecast spend of £121.2m for 2023/24,
 - £2.8m (3%) of the formula is from the funding floor.
94. There is no indication of whether the high needs NFF will be reviewed although there is an expectation of national tariffs arising from the SEND and Alternative Provision Action Plan. There is no indication of timescales for any associated funding changes and the

only reference within the settlement is "... by the end of 2025, the department [DfE] will have made progress towards introducing a national framework of banding and price tariffs." It is unlikely that any changes to funding structure, and indeed the method by which local authorities are funded, before the 2027 financial year. Additionally given that the NFF for mainstream schools commenced in 2018 and remains unfinished, funding change in this financially and politically sensitive area could be many years away.

95. Cost reduction savings totalling £41.5m are built into the MTFS and fall into two areas:

Additional Local Specialist Places - Overall, over the MTFS period a total of 135 additional places are scheduled to be delivered, which will be achieved through the opening of the Bowman Free School in Shepshed and expansion of current provision in both special schools and resource bases attached to mainstream schools. This is estimated to result in a cost reduction of £2.5m in 2024/25 rising to £13.8m in 2027/28 by meeting pupil needs in local provision without the need for a higher cost independent school. A further special free school is being built by the DfE on Farley Way in Quorn, but its opening is forecast outside the 2024/25-2027/28 MTFS period.

Transforming SEND and Inclusion in Leicestershire – Through reducing the number of starts in specialist provision, improved decision making and consistency in allocation of resources, the TSIL programme is forecast to reduce cost by £3.8m in 24/25 rising to £27.7m in 2027/28. The programme is a seven-year programme with total of £36.5m of cost savings achieved in the seven years to 2028/29. The savings over the MTFS period are:

	2024/25	2025/26	2026/26	2027/28
	£,000	£,000	£,000	£,000
Reduction in the number of EHCP Needs Assessment Requests	-228	-660	-1,231	-1,778
Reduction in Assessment Conversion Rate	-352	-861	-1,430	-1,918
Reduced Mainstream EHCP Cost	-345	-948	-1,634	-2,315
Reduction in the number of Early Years Specialist Starts	-587	-1,206	-1,839	-2,478
Reduction in the number of Non-Early Years Specialist Starts	-1,333	-3,840	-6,721	-9,779
Reduction in Non-Early Years Specialist Cost	-1,333	-3,840	-6,721	-9,779
Savings Achieved at Annual Reviews	-391	-380	-380	380
Total - Potential Cost Reduction Savings	-4,569	-11,737	-19,956	-27,666

96. The forecast position on the High Needs element of the DSG over the MTFS period is shown below:

	2024/25 £,000	2025/26 £,000	2026/27 £,000	2027/28 £,000
Grant Income	-109,176	-112,430	-115,781	-119,233
Placement Costs	120,579	133,297	147,279	162,705
Other HNB Cost	10,679	11,279	11,279	11,279
Commissioning Cost - New Places	162	37	0	0
Invest to Save Project Costs - TSIL	986	986	986	986
Total Expenditure	132,406	145,599	159,544	174,970
Funding Gap Pre Savings	23,230	33,169	43,763	55,737
TSIL Programme Defined Opportunities	-3,788	-10,976	-19,195	-27,666
Increase in Local Specialist Places	-2,480	-5,995	-9,868	-13,803
Total Savings	-6,268	-16,972	-29,063	-41,469
Annual Revenue Funding Gap	16,963	16,197	14,700	14,268
Cumulative High Needs Deficit Brought Forward	48,501			
Cumulative High Needs Funding Gap	65,464	81,661	96,361	110,629
Surplus (-ve) / Deficit Other DSG Blocks	-8,060	-8,057	-7,557	-4,957
Dedicated Schools Grant Surplus (-ve) / Deficit	57,404	73,604	88,804	105,672
High Needs Spend as % of High Needs DSG	122%	130%	139%	148%
Surplus / Deficit as % of Total DSG	8%	10%	12%	14%

97. Local authorities are required to carry forward DSG as an unusable reserve through the continued use of a Statutory Accounts override and may only now contribute to DSG with the approval of the Secretary of State. The accounts override legislation is confirmed to March 2026 when it is expected to end. Unless further legislation changes this, from this point local authorities will be required to make financial provision for the deficit.
98. It is nationally recognised that additional funding alone will not address the financial difficulties many of which are created by a system where school and parental expectations have a greater influence than a local authority assessment of needs, appropriate provision and affordability. It is clear that policy changes are needed. Whilst the DfE's Change programme may deliver some of that change in the long term there are no short- or medium-term solutions to address the financial challenges. At the continued levels of expected growth, the position is completely unsustainable and puts the Council's finances in a very difficult position. As such it is essential that the planned

measures to contain ongoing growth, are successful, but additional measures put in place to reduce both demand and costs.

Central Services Block

99. The central services block funds a number of school-related expenditure items such as existing school-based premature retirement costs, copyright licences under a national DfE contract for all schools and other historic costs. The 2024/25 settlement is £3.9m.
100. The provisional settlement continues an annual reduction of 20% for the Historic Costs element of the settlement but a guarantee remains in place to ensure that funding does not decrease below the financial commitment to meet former teacher employment costs. The Leicestershire allocation is £118k below the cost and a claim for additional funding will be submitted in February.

Early Years Block

101. The DfE have announced additional early years DSG to extend early years entitlements. In addition to the offer of the Free Entitlement to Early Education (FEEE) of 15 hours for 38 weeks per year for three and four-year-olds, the existing two-year-old entitlement to 15 hours of free childcare for eligible children of disadvantaged parents expands to include to 15 hours of free childcare for eligible children of working parents starting from April 2024 for two-year-olds and September 2024 for children aged between nine months and two years-old.
102. Whilst the Early Years DSG settlement has yet to be published it is estimated to be £63.2m and based on funding rates of £4.77 per hour for the three – four-year-olds and £7.07 for two-year-olds. Local authorities are required to pass through 95% of the settlement to providers, the remaining 5% meeting the cost of the Early Learning and Childcare service and continuing to recoup the early years deficit recorded in 2022/23.

Capital Programme

103. The proposed Children and Family Services capital programme totals £89.8m, for which the majority (£65.1m) there is external funding or capital receipts expected, and £24.5m prior years' external funding held in reserves, resulting in £266k call on LCC capital funding over the four-year life of the proposed MTFs as per the summary table below and further details in Appendix C.
104. The programme continues to focus upon the delivery of additional primary and secondary school places and additional places to be delivered to support the Transforming SEND and Inclusion in Leicestershire (TSIL) programme. £63.6m is proposed to be invested in the provision of additional placements; £13.9m for SEN and £12.3m for investment in other capital requirements including completing the investment in residential homes, strategic capital maintenance and improved schools' access and security.

CFS Capital Programme '£000	2024/25	2025/26	2026/27	2027/28	Total
Additional School Places	24,401	33,487	4,967	700	63,555

SEND Programme	12,650	1,250	0	0	13,900
Other Capital	3,946	2,800	2,800	2,800	12,346
Total	40,997	37,537	7,767	3,500	89,801

Provision of Additional School Places

105. The investment in additional school places totals £63.6m over four years including £24.4m next year. The programme is funded through the Basic Need grant from the DfE and S106 developer contributions.

SEND Programme

106. The four-year investment in the SEND programme is £13.9m and contains funding for developments to support the TSIL programme.

Other Capital

107. There is £11.9m “other capital” included comprising of:

- £8m Strategic Capital Maintenance (£2m assumed per annum subject to funding),
- £2m Schools Dedicated Formula (£0.5m assumed per annum subject to funding),
- £1.2m to invest in improvement in schools’ access and security,
- £1.1m investment in residential properties within the Children’s Innovation, Partnership (CIP) with more details outlined in the savings section above.

Funding Sources

108. The majority of the capital programme is likely to be funded by external grant and developer S106 contributions as follows:

Capital Resources '£000	2024/25	2025/26	2026/27	2027/28	Total
Grants	5,636	19,577	3,500	3,500	32,213
External Contributions / S106	9,120	14,288	4,297	1,693	29,398
Earmarked capital receipts	1,750	1,672	0	0	3,422
Discretionary Capital Funding	266	0	0	0	266
Prior Years’ grant funding held in reserve	24,225	2,000	-30	-1,693	24,502
Total Resources	40,997	37,537	7,767	3,500	89,801

109. Basic Need Grant - is received from the DfE based upon the need to create additional school places. Grants of 3.1m and £17.1m have been confirmed for the years 2024/25 and 2025/26 respectively but estimates of £1m have been included for the final two years of the programme. The grant reflects the overall place need across the County and for both maintained schools and academies. The grant meets the infrastructure costs of creating new places in primary and secondary schools. Eligible revenue costs

fall to be met from the local authority's growth fund, funded from DSG for primary and secondary schools.

110. Strategic Maintenance Grant – is received from the DfE for the maintenance of maintained schools only. This grant is based on a formula that considers pupil numbers and the overall condition of the school estate. The grant reduces as schools convert to academies. Local authority allocations are yet to be confirmed. An assumption of £2m per annum has been included in the MTFS.
111. S106 Contributions – it is estimated that a total of £29.4m of S106 contributions fund the proposed programme, £9.1m in 2024/25. Estimates for the latter two years of the MTFS are less certain and are dependent upon the speed of housing developments.

Equality Implications

112. Under the Equality Act 2010 local authorities are required to have due regard to the need to:
- a) Eliminate unlawful discrimination, harassment and victimisation,
 - b) Advance equality of opportunity between people who share protected characteristics and those who do not; and,
 - c) Foster good relations between people who share protected characteristics and those who do not.
113. Given the nature of services provided, many aspects of the County Council's MTFS will affect service users who have a protected characteristic under equalities legislation. An assessment of the impact of the proposals on the protected groups must be undertaken at a formative stage prior to any final decisions being made. Such assessments will be undertaken in light of the potential impact of proposals and the timing of any proposed changes. Those detailed assessments will be revised as the proposals are developed to ensure decision-makers have information to understand the effect of any service change, policy or practice on people who have a protected characteristic.
114. There are several areas of the budget where there are opportunities for positive benefits for people with protected characteristics both from the additional investment the Council is making into specialist services and to changes to existing services which offer improved outcomes for users whilst also delivering financial savings.
115. If, as a result of undertaking an assessment, potential negative impacts are identified, these will be subject to further assessment.
116. Any savings arising out of a reduction in posts will be subject to the County Council's Organisational Change Policy which requires an Equality Impact Assessment to be undertaken as part of the Action Plan.

Human Rights Implications

117. Where there are potential Human Rights implications arising from the changes proposed, these will be subject to further assessment including consultation with the Council's Legal Services.

Background Papers

Report to Cabinet 19 December 2023 – Medium Term Financial Strategy 2024/25 to 2027/28:
<https://democracy.leics.gov.uk/documents/b20044/Item%20%20-%20Medium%20Term%20Financial%20Strategy%20-%20supplementary%20report%20Tuesday%2019-Dec-2023%2014.00%20Cabinet.pdf?T=9>

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None.

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Appendices

Appendix A – Revenue Budget 2024/25
Appendix B – Growth and Savings 2024/25 to 2027/28
Appendix C – Capital Programme 2024/25 to 2027/28

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