

**CHILDREN AND FAMILIES OVERVIEW AND SCRUTINY COMMITTEE – 23  
JANUARY 2024**

**MEDIUM TERM FINANCIAL STRATEGY 2024/25 – 2027/28**

**MINUTE EXTRACT**

**Medium Term Financial Strategy 2024/25 – 2027/28**

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 2024/25 to 2027/28 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 Mrs. D. Taylor CC, Lead Member for Children and Family Services, to the meeting for this item.

**Service Transformation and Revenue Budget**

- i. The Director emphasised that increased financial controls, which the Council had introduced around recruitment, procurement and non-essential spend in order to address the Council's funding gap, were in addition to the financial controls the Department had in place for a number of years. Members noted that all financial controls would be reviewed on an ongoing basis.

**Growth**

- ii. Members noted that 135 individuals over the age of 18 were being cared for by the Council and that this was funded through the Unaccompanied Asylum-Seeking Children (UASC) budget. The Council supported these individuals as they were classed as care leavers. Some of these young people had not yet had their asylum claim processed by the Government, and therefore could not work, claim benefits, or live independently. The Cabinet Lead Member for Children and Families had written to the Secretary of State to seek a resolution as the situation would continue to negatively impact lives and contribute to the financial growth pressure in relation to the UASC budget.

**Savings**

- iii. The Director confirmed that 23 in-house placements would be created over the next five years through the Children's Innovation Partnership (CIP) with Barnardo's which it was anticipated would reduce reliance on the private sector

The aim was to build homes in Leicestershire so that children and young people in care could continue to live within their communities.

- iv. In response to a question relating to whether CIP would be expanded to further reduce reliance on the private sector, if the expected savings were made, the Director explained that CIP would continually review the roll-out of homes in order to reduce costs and support children with complex needs through in-house placement provision.
- v. In response to concern relating to the demand for tribunals within the SEND Service, the Director explained that a saving of £0.1m in 2025/26, rising to £0.4m by 2027/28, had been identified as part of the Transforming SEND and Inclusion in Leicestershire (TSIL) programme, which was likely to result in longer term reduction in demand. The TSIL programme would aim for children and young people to be placed within the correct provision at the correct time, and for a greater level of engagement with parents, carers and schools, which was anticipated to reduce the number of tribunals and as a result would have a reduced cost to the Service.
- vi. The Director assured members that the Department had undertaken analysis on tribunals and that in the majority of cases a tribunal had been requested due to parents or carers having not agreed with a decision the Council had made relating to specialist provision or an EHCP (Education, Health and Care Plan). Members noted that the Council was responsible for its own costs associated with the tribunal process and that parents would be responsible for the cost of seeking independent advice. The Director acknowledged that the Department needed to find ways to work with parents differently to avoid tribunals, including earlier engagement, improved mediation and conflict resolution. Members noted that delays experienced within the system would result in complaints received by the Service, rather than leading to tribunal.
- vii. A member suggested that despite resource challenges and the national shortage in the availability of Educational Psychologists, that there would still be a requirement for supporting parents and carers, as well as schools, with thorough and accurate assessments for EHCPs. The Director acknowledged this point, and assured members that the Department would continue to work with parents, carers and schools and focus on allocating the most appropriate level of support to children and young people at the correct time.

### High Needs

- viii. Members noted that there was an error in the table on page 30 of the report. The Savings Achieved at Annual Reviews in 2027/28 should have read -380 (£,000).
- ix. A concern was raised regarding the impact that anticipated savings from a reduction in the number of early years specialist starts would have on children. In response, the Director assured members that, where an assessment had identified that a child required specialist provision, they would be placed within a specialist setting to meet their need. The savings identified related to children

where an assessment had identified that they could have their needs best met elsewhere within the system, for example in a mainstream setting. Members noted that diagnostic work conducted as part of the TSIL programme had identified a number of cases where children could have been placed in a different setting or remained in mainstream if earlier support had been provided. The Director assured members that children currently placed within provision would not be moved out of provision that was currently meeting their needs, and that the changes would apply to newly assessed children to ensure they were placed in settings that could meet their needs.

- x. Concern was raised that a reduction in the number of non-early years specialist starts may not deliver the anticipated savings and could place pressure on mainstream settings. The Director assured members that the Department would ensure children were placed in the right setting to meet their needs and that costs would be avoided by not placing children in provision that was not necessary to meet their identified needs. Diagnostic work conducted by the Department, in partnership with Newton Europe, had identified that some children within specialist provision could have had their needs met within a mainstream setting. The Director emphasised that the work taking place was about getting it right for children at the earliest possible time and ensuring children would be placed in settings that met the needs identified in the EHCP. Members were assured that the placement budget would continue to be utilised to support children according to their needs. It was anticipated that savings would be made through ensuring each child was receiving the right provision to meet their needs.
- xi. Members noted that following the expected end to the Statutory Accounts Override, in March 2026, the budget deficit would no longer be ringfenced from the Council's core budget.

#### Capital Programme

- xii. Members noted the information provided at paragraphs 103 to 111 in the report.

#### RESOLVED:

- a) That the report regarding the Medium Term Financial Strategy 2024/25 – 2027/28 and information now provided be noted;
- b) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 29 January 2024.

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