

CHILDREN AND FAMILIES OVERVIEW AND SCRUTINY
COMMITTEE - 21 JANUARY 2025

MEDIUM TERM FINANCIAL STRATEGY 2025/26 – 2028/29

MINUTE EXTRACT

Children and Families Medium Term Financial Strategy 2025/26 – 2028/29

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 2025/26 to 2028/29 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.

Children's Social Care Reform

- (i) A question was raised in relation to measures which the Government had outlined in order to improve competition and commissioning within children's social care. The Director outlined that competition was often limited because the market was dominated by a number of large providers, and that this presented a challenge in terms of commissioning social care placements against budget constraints. The proposed reforms would aim to encourage local authorities to improve competition within the system in order to create better placement opportunities for children. The Department had undertaken work locally to develop its own children's homes, through the Children's Innovation partnership (CIP), in order to overcome challenges with competition and to address rising unit costs.

Proposed Revenue Budget

- (ii) The Director emphasised that the central contingency which was being held within the Department would be utilised in order to offset the costs associated with the 2024/25 pay award for directly employed staff. In terms of the expected increase to the rate of National Insurance contributions (NICs) paid by employers, members noted that it was not yet possible to understand the impact that this could have on the Council. The Director agreed to update members on any changes to this position through updates on the Department's budget position.

Growth

- (iii) Members were pleased that there had been a reduction in the weekly unit cost for supporting Unaccompanied Asylum-Seeking Children (UASC), despite a significant level of demand and continued financial pressures within the system. The Director stated that this had been possible by ensuring commissioning was in line with the needs of UASC and through utilising smarter commissioning strategies. The UASC cohort presented a significant growth pressure over the MTF period in terms of demand and costs.
- (iv) In response to a concern relating to the cost of providing social care placements, the Director explained that high costs were a result of the complexities within the cohort of young people taken into care. A large number of children within this cohort required additional support as a result of their experience of trauma and previous lived experiences. Members were assured that the Department continued to ensure that each child and young person in care had the correct level of support in place in order to meet their individual needs, regardless of the reason behind the requirement for social care provision.

Savings

- (v) A member raised a question regarding whether school funding in Leicestershire was comparable to that in other local authority areas. The Director stated that minimum per pupil funding, allocated through the National Funding Formula (NFF), was consistent across all authority areas. However, additional funds were provided to schools based on the level of free school meal eligibility and the number of children with home addresses which triggered deprivation funding. As a result, it often appeared that some schools within other local authority areas were in receipt of higher levels of funding than others.
- (vi) Members noted that government funding to support its policy for a free school breakfast club programme would be allocated to schools directly. The Policy had been announced in the Government's Autumn Budget 2024 and was expected to be delivered from April 2025.
- (vii) In response to a question relating to an expected final visit by Ofsted at a Child Sexual Exploitation (CSE)/Child Criminal Exploitation (CCE) residential home, which had been developed as part of the Children's Innovation Partnership (CIP) with match funding from the Department of Education (DfE), the Director stated that confirmation of the visit date was awaited.

Capital Programme

- (viii) The Director stated that the majority of the Capital Programme was likely to be funded by external grants such as the Basic Need Grant, the High Needs Provision Capital Grant and the Strategic Maintenance Grant. In addition to

these grants, the Capital Programme would be funded through Section 106 contributions, which were received as a result of housing development.

RESOLVED:

- a) That the report regarding the Medium Term Financial Strategy 2025/26 – 2028/29 and information now provided be noted;
- b) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 27 January 2025.

This page is intentionally left blank