

CHILDREN AND FAMILIES OVERVIEW AND SCRUTINY COMMITTEE
20 JANUARY 2026

MEDIUM TERM FINANCIAL STRATEGY 2026/27 – 2029/30

MINUTE EXTRACT

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 2026/27 – 2029/30 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. C. Pugsley CC, Lead Member for Children and Families, to the meeting for this item.

Arising from discussion, the following points were raised:

Plans to provide more SEND nursery places in local communities.

- (i) Concern was raised regarding an ongoing consultation relating to proposals to create more accessible and inclusive SEND (Special Educational Needs and Disabilities) nursery places within communities, with particular reference to the potential loss of dedicated provision. The Director explained that the proposals sought to build local capacity so that children's needs could be met within their communities, and that proposed model would allow for expansion of specialist support through early years services. It was emphasised that the aim was to ensure equitable access to early years SEND provision across the county, as provision was often inconsistent.
- (ii) In relation to funding, the Director emphasised that the proposals were not intended as cost-saving measures and that all existing funding would be reinvested into early years provision in order to improve equity and capacity across the system. Consideration would be given to inflationary pressures, although this would remain subject to national funding decisions.
- (iii) Concerns were raised regarding the ability of mainstream settings to train teachers and support staff adequately, particularly where significant numbers of children had SEND needs but did not have an Education, Health and Care Plan (EHCP). A question was asked regarding which providers were being engaged to accommodate additional children with SEND and whether those settings had confirmed capacity to meet all aspects of need, including facilities for activities, resources, and the availability of additional staff. The Director stated that no specific providers had yet been identified to expand or replace provision, as

further engagement with providers would be required should the proposals progress.

- (iv) Members remained concerned about the potential loss of dedicated SEND provision and that some mainstream settings could struggle to meet complex needs. The Director acknowledged the concern and reiterated their commitment to high-quality training, appropriate staffing ratios, and robust quality assurance. It was noted that whilst many children's needs could be met locally in mainstream provision, some children would continue to require different or more specialist support, and this would be recognised within the system.
- (v) With regards to the potential for legal challenge from parents relating to the Council's decisions with regards SEND provision, and whether this had been factored into the authority's risk management, the Director advised that the Council had not been challenged legally to date, however, SEND tribunals did occur. The Department was undertaking work to reduce the need for tribunal proceedings, whilst ensuring that decisions remained focused on meeting children's needs. Risk management would continue to form the development of any proposals.
- (vi) In response to a question regarding how growth in disabled children's services aligned with proposals to close a specialist nursery provision for children with disabilities. The Director explained that the disparity was due to different funding streams. Disabled children's services were funded from council resources, whereas specialist nurseries were funded from the High Needs/Early Years Blocks, which the Council was legally unable to supplement. Given increasing SEND demand and fixed resources, proposals aimed to utilise High Needs funding more effectively by moving to an alternative delivery model. This would broaden capacity, provide year round support, and embed specialist provision within local mainstream settings, an approach reported to be welcomed by many parents.
- (vii) In response to a question regarding whether similar proposals were anticipated relating to provision for older children within specialist settings, the Director outlined that mainstream inclusion was expected to be a key theme within the anticipated SEND White Paper and that the early years proposals aligned with this anticipated policy direction. However, it was not clear whether changes would be proposed for specialist school provision.
- (viii) With regards for staff training, a question was asked regarding whether Makaton would be taught in mainstream settings, whether this would be funded and trained for, and whether it would be delivered universally or selectively. The Director stated that that an extensive training offer would be developed, potentially including Makaton, as well as earlier access to speech and language therapy, and greater flexibility in how support was delivered. This would include both one-to-one support where appropriate and broader system-wide training.

- (ix) It was noted that the consultation was due to run until 22 February 2026 and a report would be presented to the Committee at its meeting on 3 March as part of the consultation process. A detailed risk assessment would be developed for any proposals, including consideration of service pressures and mitigations, before being presented to the Cabinet.

Growth.

- (x) Concern was raised regarding an increase in the number of children entering care and placed in residential provision, a trend which continued to persist each year. The Director acknowledged that the number of children coming into care had increased, alongside rising residential costs driven largely by a national shortage of foster carers and limited availability of suitable family-based placements. The Director emphasised that residential care was not the default option and that foster care, including in-house and external placements, was always prioritised where appropriate. Work was ongoing to support and grow the foster carer cohort, strengthen kinship care through a dedicated strategy, and deliver the Family First partnership reforms to help children remain safely within their family networks wherever possible. It was noted that the development of in-house residential provision through the Children's Innovation Programme, in partnership with Barnardo's, which provided locally based homes exclusively for Leicester children, improved quality and continuity of care, and offered greater control over costs compared to private providers. All of these measures would also go towards supporting increasingly complex needs and higher levels of trauma experienced by children.
- (xi) A member asked a question relating to staff wellbeing within the Department as a result of increased workload and whether a new working arrangements policy for the Council was expected to place additional pressure on frontline staff. The Director stated that a range of support was available to staff, including structured supervision, workload management, training opportunities, clear wellbeing offers, and access to counselling for those working in particularly high-risk areas. It was noted that the proposed new working arrangements policy was not expected to have a significant negative impact, as the majority of frontline children's social care staff worked directly with children and families in the community.
- (xii) A question was asked regarding the cost of home to school transport, which had been identified as a service pressure on the Council's general budget. The Director outlined that funding for transport came from the Dedicated Schools Grant (DSG) and affected the budgets of both the Children and Family Services and Environment and Transport departments' and therefore represented a core council cost. The pressure had therefore been indicated across MTFS planning relating to both directorates in order to ensure visibility, reflecting that it is a corporate pressure arising from increased demand.

Savings.

- (xiii) Members were in agreement that there was very limited scope remaining for savings to be made within the Department. Similar financial and growth

constraints had been present in previous years meaning that there was little remaining capacity for further reductions without impacting service delivery.

- (xiv) In relation to recruitment, which had been identified as a key area for savings, a question was asked regarding how feasible it was to attract high-quality applicants, particularly social workers, given national recruitment challenges and competition from other public sector organisations and the private sector. In response, the Director explained that recruitment challenges were not solely a local issue but reflected a national shortage of qualified and experienced social workers, particularly in frontline safeguarding roles. The most affected areas were identified as the front door and family safeguarding teams. It was noted that the issue was not simply one of attracting candidates but of limited supply nationally, particularly among those willing to remain in frontline statutory practice. The Director outlined that the Department had undertaken a range of actions in order to address workforce pressures.
- (xv) A question was asked regarding departmental goals and efficiency proposals and how far these differed from those in previous years. The Director stated that the areas identified by external advisors Newton Europe were already known and prioritised within the Service. The key challenge and focus of discussions with Newton Europe related to the additionality their involvement could provide, particularly through additional resource and specialist expertise, with the aim of accelerating improvements or increasing the scale of benefits rather than identifying entirely new areas for change.
- (xvi) In response to a question relating to where further efficiencies could be found, or whether service reductions were likely to be considered, the Lead Member advised that work was underway with Newton Europe in order to identify potential efficiency savings. He provided assurances that his priority was to avoid service cuts wherever possible and confirmed that as more information became available regarding efficiency opportunities, this would be communicated to the Committee.

Dedicated Schools Grant.

- (xvii) Members raised concern regarding significant overspend on high-cost placements and that the level of expenditure was unsustainable. The Director acknowledged this concern and emphasised the need for clearer and more decisive government guidance and intervention. It was noted that the Council had limited ability to influence many of the cost pressures presented.

Capital Programme.

- (xviii) A question was asked regarding the Children's Innovation Partnership with Barnardo's whereby in-house residential care services had been designed in, and were delivered through, a partnership arrangement. The Director stated that the work had prioritised bringing existing agreed homes into operation and ensuring they were fully established. It was explained that the Council was pursuing a mixed-economy approach, including agreements with other providers to avoid over-reliance on a single delivery model. Regulated and

registered provision offered better value and safeguards than some unregulated alternatives. It was noted that any opportunity for additional funding would be pursued if available.

- (xix) Concern was raised regarding the cost and risks associated with unregulated social care provision and that some providers could be profiting excessively at the Council's expense. Members were in agreement that there was need for a more robust and highly regulated system.

RESOLVED:

- (a) That the report regarding the Medium Term Financial Strategy 2026/27 – 2029/30 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 2026

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