

CHILDREN AND YOUNG PEOPLE'S SERVICE OVERVIEW AND SCRUTINY COMMITTEE – 26 JANUARY 2011

MEDIUM TERM FINANCIAL STRATEGY 2011/12 TO 2014/15

MINUTE EXTRACT

The Committee considered a joint report of the Director of Children and Young People's Service and the Director of Corporate Resources which provided information on the proposed 2011/12 to 2014/15 Medium Term Financial Strategy (MTFS) as it related to the Children and Young People's Service (CYPS). A copy of the report marked B, and a supplementary report marked B1, is filed with these minutes.

The Chairman welcomed to the meeting the Cabinet Lead Members for Children and Young People, Mr I. D. Ould CC and Mr E. F. White CC, who were attending for this item.

The following points arose from discussion and questions:

General

The Committee was advised as follows:

- (i) The provisional settlement had resulted in a 27% real terms reduction in funding. This reduction was in line with the MTFS projections apart from the frontloading of savings in 2011/12.
- (ii) The savings targets were challenging. The decision taken by the County Council last year in recognising the likelihood of significant savings being required had resulted in a great deal of work being done to ensure that robust plans were in place to deliver these savings. However, given the magnitude of the task, the continuing costs and demand pressures, significant risks remained, particularly in the latter part of the MTFS period.
- (iii) The position in relation to the CYPS Budget was further complicated as a result of the significant loss of specific grants. In recognition of this, the Leader indicated at the meeting of the Cabinet on 19 January that £5m from the Council's reserves could be used to ease the transition of services that were currently funded by specific grant.

Overall budget for the Department

- (iv) A detailed breakdown of the following budget heads was requested on:
 - Subscriptions (attached to these minutes as Annex 1)

- School Development Grant ABG (attached as Annex 2).
- (v) The budget head for Administration and Committees referred to support for the Departmental Directorate and work relating to member and other bodies associated with the Department. The review of administration was intended to cover administration and committees as well as services transferring into County Hall as a consequence of the Accommodation Strategy.
 - (vi) The £84,000 against the budget head 'Student Finance' referred to the residual amount left following the transfer of the function from the Local Authority. This money would be reallocated to deal with service pressures elsewhere within the overall budget.
 - (vii) The allocation in the budget for premature retirement costs/teachers superannuation related to costs incurred pre-2006. Since 2006 these were met from within the schools budget.
 - (viii) The Special Needs Out County Placement/Recoupment budget head referred to payments made for Leicestershire students who were placed outside the County as their needs could not be met in local provision. The budget included an element of cost recovery in respect of placements in Leicestershire from outside the Authority.

Savings

- (ix) The Cabinet Lead Member advised the Committee that the approach taken to identifying savings was to recognise the financial realities facing the County Council and the changing relationships between the County Council and schools. Schools were being given greater autonomy and this was likely to be extended as a result of the Academies Programme.

Savings proposal S8: Connexions

- (x) The Committee was advised that the Service would still support SEN schools in person-centre planning. There were no savings assumed in relation to Connexions under the savings proposal S16.
- (xi) It was noted, however, that there were likely to be changes in the scope of the Connexions Service as a result of changes proposed by central government.
- (xii) Views were expressed by members of the Committee on ways of addressing the consequences of the proposed savings, including a request to the Schools Funding Forum to consider a Countywide approach for funding to be provided from schools and engagement with schools in the independent sector.

Savings proposal S17: Arts in Education

- (xiii) The Committee was advised that there was a lack of clarity about the future of the £750,000 previously received from the Standards Fund.

The Secretary of State had indicated that the provision of music was a matter for schools. It would be open to schools to group together and work with local communities to provide such services.

- (xiv) With regard to the joint arrangement with Leicester City Council, it was noted this had recently ceased and the City now had a purchasing agreement with the County Council.

Savings proposal S18: Youth Service

- (xv) Leicestershire was committed to continuing to provide a high quality youth service, however, recognising the difficult financial circumstances now facing the County Council and given that the Council had provided a very generous youth service in the past, it was now proposed to provide a more targeted youth service. In this regard, it was noted that the Service would continue to be funded to the extent of £2.2m.
- (xvi) It was expected there would be opportunities for the Service to work with the voluntary youth sector, which was well developed and had a high reputation amongst young people in Leicestershire.
- (xvii) With regard to a proposal from CYCLe that the underspend of £400,000 from the budget of £515,000 provided to it be used to support the Youth Service, it should be noted that this would have been one-off funding and would have only provided protection for approximately 6 months.

Specific Grants

- (xviii) The Director advised that the £5m that had been offered by the Leader was intended to cushion the effects of the loss of specific grants, particularly the early intervention grant, and to assist with the reshaping of the Children and Young People's Service. The precise details of how the £5m would be allocated had yet to be determined and it was suggested that a report be brought to an early meeting of the Committee.
- (xix) The concerns expressed regarding the late notification of the proposal to allocate £5m were noted. However, the Committee was advised that the Settlement had only been received on 13 December and that the position on specific grants was not determined until just before Christmas. There still remained uncertainty about a number of specific grants and it should also be noted that the final Settlement had not yet been received.

Schools

- (xx) The Committee was advised that around £400m had been top-sliced from the Formula Grant over two years: this equated to a loss of £1.7m in funding for 2011/12 for the County Council.
- (xxi) With regard to Academies, it was noted there were concerns about the capacity of the Department of Education (DfE) to process applications for Academy status and significant concerns about the accuracy of the

'ready reckoner' on the DfE website that provided an indication of likely funding for individual schools seeking Academy status.

Capital Programme

(xxii) The Committee noted that this was a one-year Capital Programme and welcomed the funding for the development of the Charnwood Area Special School.

RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the comments of the Committee be forwarded to the Scrutiny Commission for consideration at its meeting on 2 February 2011;
- (c) That the proposal to use £5m of reserves to mitigate the impact of reductions in specific grants that funded services for some of the most vulnerable and disadvantaged children and young people for a period of 2 years be welcomed and agreed to receive a detailed report on this matter at a future meeting.