

# Appendix 1

## CHILDREN AND YOUNG PEOPLE'S SERVICE OVERVIEW AND SCRUTINY COMMITTEE – 21 JANUARY 2013

### MEDIUM TERM FINANCIAL STRATEGY 2013/14 TO 2016/17

#### MINUTE EXTRACT

The Committee considered a report of the Director of Children and Young People's Service and the Director of Corporate Resources on the proposed Medium Term Financial Strategy (MTFS) for the period 2012/13 to 2015/16 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 are filed with these minutes.

The Chairman welcomed to the meeting the Cabinet Lead Member for Children and Young People, Mr I. D. Ould CC, who attended for this item.

The following points arose from discussion and questions:

#### General and Revenue Budget

- (i) The Local Support Grant was shown as an in-year transfer as it was a late notification of a grant which provided funding for a number of travel initiatives, such as sustainable travel through school travel plans, and also contributed to the home to school transport policy, for example, provision to allow low income families to access a choice of three local schools.
- (ii) The Early Intervention Grant had previously been received as a specific grant but was now subsumed into the mainstream budget and hence was shown as a transfer.
- (iii) The table in paragraph 8 (of B1) referred to the non-schools delegated budget.
- (iv) The sum included in the base budget for the Youth Offending Team was the contribution from CYPS to meet its statutory requirements in relation to the Youth Offending Service. This budget would not be transferring to the Police and Crime Commissioner.

#### Growth

- (v) The additional funding for residential placements was to reflect a modest increase in the number of children being looked after but was primarily to meet the additional costs of placement due to the increasing complexity of care packages.
- (vi) Provision had been included for school based redundancies as it was no longer possible to meet these from the Dedicated Schools Grant (DSG).

## Savings

- (vii) This was the key risk area of the budget. The savings did not include at this stage any proportion of the £30m additional savings the Authority would be required to make in later years (2015/16 and 2016/17). Work was underway to identify how these savings would be achieved and would include a critical analysis of the responsibilities and duties placed on the Department and how best these could be delivered. It was likely that this process would involve a reduction in the number of posts within the Department. Every effort would be made to ensure such reductions in staff numbers avoided compulsory redundancies.
- (viii) Responsibility for Ethnic Minority Support Services now rested with schools and there was an expectation that the pupil premium paid to schools would help meet the cost of these additional needs.
- (ix) The Department still had responsibility for school improvement in maintained schools; however the way this was delivered had changed. The Department now provided support to schools in identifying and commissioning appropriate services rather than direct provision and the budget provision of £200k had supported some 70 schools in the previous academic year. Much of this was now provided as school to school support and this could involve, where necessary, a successful academy supporting a maintained school, including potentially sponsoring that maintained school to seek academy status.

Work was also in hand to establish an Education Excellence Board to support and encourage school and partnership-based improvement strategies and bring together educational excellence discussions across all levels of education.

- (x) The additional £300k to support unaccompanied asylum seeking children was to cover the costs of looking after such children as well as meeting their educational needs, and arose as a result of changes to external funding from the Home Office. The County Council currently supported 67 children and young people.

## Dedicated Schools Grant (DSG)

- (xi) Of the £408m received within the County, currently £144m was transferred to maintained schools and £200m to academies.
- (xii) With regard to the increased charges from non-maintained special schools and academies, the new funding system would apply in future years to such establishments. The Committee was assured that the Department had in place a robust system to ensure value for money through its commissioning arrangements.

## Schools Budget

- (xiii) The administration costs of the new funding arrangements would be met from the DSG.
- (xiv) The arrangements that had been put in place for minimum funding guarantees in Leicestershire and the structure of the new formula, which were agreed by the Schools Forum and the Cabinet, would ensure that small rural schools were not adversely affected.
- (xv) The concerns regarding the use by schools of the pupil premium had been recognised by the Government and it was intended that, in future, schools would need to demonstrate to Ofsted how their money was allocated and what difference it had made.

## Academies

- (xvi) The County Council was currently trading successfully with a number of academies, though it was recognised that this was an increasingly competitive market. The current level of income generated from trading was in excess of £20m. A report would be submitted to a future meeting of the Budget and Performance Management Panel on the trading arrangements and how they were being marketed.
- (xvii) The concerns now expressed by members regarding the calculation of the Education Services Grant were shared by members of the Cabinet, who were seeking a meeting with the Secretary of State for Education, Michael Gove. The new arrangements penalised low spending authorities such as Leicestershire and exacerbated an already difficult funding situation.

## Capital Programme

- (xviii) The Committee noted that the final allocation was still awaited and that the programme would be adjusted to reflect the final settlement. It was hoped that the allocation would be sufficient to allow the programme to proceed as outlined.

## RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the comments made at this meeting be forwarded to the Scrutiny Commission for consideration at its meeting on 31 January 2013.