

Education and Children's Services



To: Public Briefing
Date: Wednesday 14 September 2016
From: Frances Craven: Strategic Director
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RE: Children's Spending Review: reduction of the council's Early Help services

1. Background information

- 1.1 The city council's financial position is exceptionally severe, as a result of the Government's spending cuts. The grant we receive from the Government has fallen by almost 50% since 2010 (after allowing for inflation) and further cuts have been announced for the next three years.
- 1.2 When we set the budget in February 2016, we estimated we would need to make further cuts of £55m by 2019. This is on top of the £100 million of savings we have already made. At the same time, we are having to find more money to pay for services where costs are rising. The cost of looking after vulnerable children, for instance, has risen substantially, as has the cost of providing care to a growing, elderly population.
- 1.3 Over the past few months we have been working closely with the early help managers to draw up proposals for where these savings could be made. Children's Services have been asked to achieve £5 million by 2018. On reviewing the proposals, the Executive felt that this could not be achieved and reduced the amount to £4 million. This means that the £1 million will have to be found from elsewhere.
- 1.4 It has been agreed that the Public health 'Healthy Child Programme' will be co-located within our children, young people and family centres, which will bring in extra revenue and help to reduce the cuts we would otherwise need to make.

2. Children's services budget / finances

- 2.1 Children's Services budgets are funded from a variety of sources. The general fund is the largest amount (61%) which is around £57 million. Other sources of funding include the Dedicated Schools Grant (DSG) amounting to £15m. The majority of this funds services for children with high needs such as the special needs teaching service and the primary and secondary pupil referral units.
- 2.2 Proposed changes to the DSG mean that there will potentially be less resource available to the local authority. Any reductions in these areas will not contribute to the £55m of savings from the council's general revenue fund budget. In addition to the DSG there are a variety of other grants such as troubled families, youth justice grant and the Education Services Grant which result in an overall gross budget of £95 million.
- 2.3 The impact of increased demand on statutory services, reduction in various funding streams, changes to the dedicated schools grant, potential changes in education legislation (around school improvement and academies) means that most of Children's Services will feel the impact of reductions in budgets over the next few years. This current review is the first in this changing and challenging context.
- 2.4 Through a project board led by the Strategic Director, the Education and Children's Service has developed proposals that will contribute to reducing budget pressures and achieve the savings

required. These proposals will result in a reduced and remodeled Early Help service delivering full year savings by 1 April 2018.

2.5 The project timeline is as follows:

Project stages	Key dates
1. Project set up and information gathering	Jan to May 2016 – complete
2. Analysis and report writing	June - July 2016 – complete
3. Pre-consultation report	July – Aug 2016 – complete
4. Public Consultation (12 weeks)	September to December 2016
5. Consultation analysis	December 2016
6. Post consultation decision report	January 2017
7. Implementation – three strands: 7.1. Organisational Review 7.2. Buildings 7.3. Contracts	February 2017 onwards

2.6 The Children’s Spending Review has now reached the stage where proposals are ready for a 12 week public consultation, which will start on Wednesday 14 September and end on 6 December. Please take the opportunity to respond to the consultation which is available here:

<https://consultations.leicester.gov.uk>

2.7 There will also be two stakeholder forum events which will be held on the 2 Nov, 12 – 2pm and 3 Nov, 5 – 7pm. More information will be sent out shortly with details of how to book.

2.8 The Children’s Spending Review is supported by a comprehensive communications plan for service users, staff and partners. Details of this can be found on <https://www.leicester.gov.uk/your-council/policies-plans-and-strategies/early-help-remodelling/>