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# **Children's Services: Cost Mitigation Programme Overview**

For consideration by:  
Children, Young People and Education Scrutiny  
Commission

Date of meeting: 14 January 2025

Lead director: Laurence Jones

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## Useful information

- Ward(s) affected: All
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- Report version number: V1

### 1. Summary

1. This report provides an overview of the development and progress of the Children's Services Cost Mitigation Programme.
2. Cost pressures in children's services have grown in recent years driven in the main by the cost of placements for looked after children, the cost of agency social work provision and the increasing numbers of children needing assessment and provision in relation to special educational need.
3. In the 2024-25 financial year the Children's Social Care and Early Help Division is projected to save £2 million and has a clear strategy for continuing to manage costs in coming years to reduce budget growth.

### 2. Recommended actions/decision

1. To note the current activity taking place across children's services to ensure cost mitigation is maximised whilst ensuring the needs of children, young people and families are met in line with legislation and guidance.

### 3. Scrutiny / stakeholder engagement

This report is written for the Children, Young People and Education Scrutiny Commission.

### 4. Background and options with supporting evidence

4. In the 2024-25 financial year the Children's Social Care and Early Help Division aims to deliver £2million of savings against budget. This will be mainly achieved through the careful management of vacancies and offsetting cost successfully against grant schemes. A small number of posts have been disestablished namely those that were delivering IAPT (Improving Access to Psychological Therapies) work which is not a statutory function for the local authority and where there was little evidence that the delivery was reducing the need for statutory provision. A consultation has taken place on the closure of a number of children's centres but no firm proposals have been made as yet. There is a review of how wider services can be delivered for children and families in the community and this will need to conclude before proposals are made. The Children's Centre building in New Parks is currently closed having been used for a period by a displaced school. The local children's centre there has been co-delivering in shared premises with local community organisations for some time now with positive

results and this provides a pilot for potential future developments. Shared premises and administrative costs provide an opportunity for potential cost savings whilst also being more accessible to local residents.

5. The local authority has worked with IMPOWER consultants looking at how the costs of placements for looked after children could be reduced through using a “Valuing Care” tool which helps commissioners of placements in fostering and residential care look at the true cost of care so that challenge could be made to providers where the cost of care was not in line with children’s needs and additionally where investment in early intervention could prevent a care admission. The latest estimates of tracking across cohorts where this approach has been used is equivalent to an annual cost mitigation of £766,000. A detailed report on the IMPOWER work is available to the Scrutiny Commission.
6. An evaluation has also taken place of our services to children where there is a high risk of them entering local authority care (the “edge of care”) through our Multi-Systemic Therapy (MST) and Functional Family Therapy (FFT) Teams. These teams support families to address the underlying reasons as to why children may need to enter local authority care. In the first six months of the financial year MST and FFT successfully diverted 80 children from care with a forecast placement cost mitigation of £1.6m. An expansion of these approaches and Family Group Decision Making processes at the edge of care will be a feature of future delivery and are supported by the recent policy announcements from the Department for Education (DfE) as is additional support for Kinship Care (children being cared for by extended family rather than entering care).
7. The number of children in the care of Leicester City has reduced from circa 650 to circa 600 over the last year and the average placement cost has not risen significantly. A new children’s home provision run by the authority, Holly House, has opened during summer 2024 and a further home, Hill View, will open this summer. The authority is developing its placement sufficiency strategy which will see further local children’s homes opening run directly by the Council or a not-for-profit provider. The government are proposing legislation to limit the profits of care companies which can run as high as 24% according to the Competitions and Market Authority. They are also proposing regional Fostering Recruitment Hubs with an aim of supporting foster carer availability. These measures should support reduced costs for looked after children placements.
8. There has been a national shortage of qualified social workers and that has led over recent years to an expansion of the agency market with substantial additional costs above direct employment by the local authority. New agency regulations were introduced by government which mean that social workers must have three years post-qualifying experience directly employed by a local authority before working through an agency. Over time this should boost the number of social workers directly employed by the Council. Leicester has also been successful in recruiting qualified social workers internationally with ten having been recruited from South Africa and Zimbabwe and having started work in Leicester and a further five due to join the authority Spring 2025. Changes announced by the DfE to the provision of Family Help teams for children in need may also change the skill mix in teams and reduce the numbers of social workers required. All of these measures should help with financial management and limit costs.
9. The number of young people with special educational needs and disabilities requiring an assessment or provision through an Education, Health and Care Plan has

continued to grow. This has placed pressure on the High Needs Block of the Designated Schools Grant which is now running both in-year and cumulative deficits. It also places pressure on those services for which the Council is responsible for delivering through its own revenue funding. There is a particular growth in the need for transport to and from education setting. The local authority must fund this for those of statutory school age and is currently consulting on changes to the provision of transport to those over the age of 16 which historically cost the authority around £4million per year. This is unlikely to create any significant saving due to the growth in need for the statutory transport provision for school age children with SEND.

## **5. Financial, legal, equalities, climate emergency and other implications**

### 5.1 Financial implications

This report sets out the significant work being done in 2024/25 to control costs within children's social care. The cost of average placements has reduced but there is pressure in other areas such as transport and agency social workers. Progress against plans is monitored by the leadership of the directorate. Cost mitigation work will continue into future years where we expect to make savings in the cost of children's care of £2.4m in 2025/26 and £1.4m in 2026/27.

Signed: Mohammed Irfan, Head of Finance

Dated: 20<sup>th</sup> December 2024

### 5.2 Legal implications

There are no direct legal implications arising from this report.

Signed: Kevin Carter - Head of Law (Commercial, Property & Planning)

Dated: 22<sup>nd</sup> December 2024

### 5.3 Equalities implications

There are no direct equality implications arising from this report. However, equality considerations need to be embedded in the services being provided across Children's Services as cited in the report. It is recommended that Equality Impact Assessments are carried out as appropriate, e.g. when reviewing how services are being delivered, implementing revised/new strategies which will have an impact on children and their families/carers.

Signed: Sukhi Biring, Equalities Officer

Dated: 24 December 2024

### 5.4 Climate Emergency implications

There are no climate emergency implications directly associated with this report. More widely, it should be noted that service delivery generally contributes to the council's carbon footprint through the consumption and use of energy, materials and services. As such, the development of cost mitigation proposals should include consideration of opportunities to achieve carbon reductions, as relevant and appropriate, which could themselves provide

further financial benefits through reduced consumption.

Potential measures could include opportunities to encourage the use of sustainable and active travel options, using buildings and materials efficiently and following the council's sustainable procurement guidance, as appropriate and relevant to the service.

Signed: Aidan Davis, Sustainability Officer

Dated: 2<sup>nd</sup> January 2025

5.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

**6. Background information and other papers:**

**7. Summary of appendices:**

**8. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?**

**9. Is this a “key decision”? If so, why?**