



Leicester
City Council

MINUTE EXTRACT

**Minutes of the Meeting of the
CHILDREN, YOUNG PEOPLE AND EDUCATION SCRUTINY COMMISSION**

Held: TUESDAY, 24 JANUARY 2023 at 5:30 pm

P R E S E N T :

Councillor Batool (Chair)

Councillor Khan

Councillor Thalukdar

Councillor Dr Moore

Also Present

Councillor Russell, Deputy City Mayor
Councillor Cutkelvin, Assistant City Mayor

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52. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Willmott.

53. DECLARATIONS OF INTEREST

Members were asked to declare any interests they may have had in the business to be discussed.

There were no declarations of interest.

57. DRAFT REVENUE BUDGET 2023/24 AND DRAFT CAPITAL PROGRAMME 2023/24

The Director of Finance submitted a report setting out the City Mayor's proposed budget for 2023/24. The Commission was recommended to consider and comment on the Children, Young People and Education element of the report. The Commission's comments would be forwarded to the Overview Select Committee as part of its consideration of the report before presentation to the meeting of Council on 22 February 2023.

The Head of Finance presented the item, the Draft Revenue Budget was presented first, it was noted that:

- The financial position of the Council remained very severe. The budget for 2023/24 could be balanced with reserves, however without making extra savings reserves would run out in 24/25.
- Savings were being made throughout the financial year with appropriate consultation and this would continue.
- There was no additional money from the Government to account for the high level of inflation which was impacting energy prices, staff pay and the waste contract. Departments generally would have to work within previous budgets and absorb inflationary costs.
- It was anticipated that funding for local government would be cut in the future as part of further austerity from 2025.
- Additional funding had been made available for Adult Social Care, however this was recycled funding from delayed reforms. The additional money would not cover the increase in ASC costs.
- With respect to the Children, Young People, and Education element of the budget, an increase of £3m had been put in for CLA placement costs.
- The number of EHCP referrals continued to grow substantially, this impacted the Dedicated Schools Grant and the General Fund which covered SEND Transport costs.
- SEND Transport costs had risen substantially due to the rise in demand and the inflationary impacts of fuel prices. A growth of £1.5m had been put in for SEND Transport.
- There would be a 5% increase in Council Tax.
- The allocation for the High Needs Block had been increased however it only addressed the previous year's overspend and would not be sufficient for 2023/24. There was a cumulative deficit of around £3.6m and this was likely to rise to £10m by the end of March 2023. DfE had extended legislation to allow the deficits to be ring fenced from Council reserves and carried forward until March 2026.
- The most effective way of reducing the cost burden of SEND placements would be by reducing the demand for the EHCP.
- DfE had stated that their SEND Improvement Plan would work to address the demand for EHCPs.
- A formal Management Recovery Plan to mitigate the deficit was being produced in cooperation with DfE. This would need to go through the Scrutiny process.
- DfE had mentioned informally that the council appeared to have either already taken or were in the process of implementing the measures that the DfE would recommend in order to make savings.
- The costs of Taxi contracts for SEND Transport had risen dramatically. Therefore, increasing the use of the Personal Transport Budget was a high priority. Families were now offered the personal budget first and there was a high take up.
- CLA numbers had stayed steady, this was despite an increase in poverty and the number of unaccompanied asylum seekers in the city. This was against the national trends. Ofsted had stated that the thresholds for taking children into care in Leicester were correct.

Executive Members addressed the situation, noting their frustrations that the current situation meant that longer-term work to improve Services could not be a priority in light of the immediate crisis.

- Work was ongoing to encourage parents that their children could be successfully supported without an EHCP in many cases.
- In August 2021 there were 28 users of the Personal Transport Budget, by September 2022 this had increased to 155, a significant increase. This was largely due to the budgets being offered to parents first.
- The allowance in the Personal Transport Plan was calculated on a per-mile basis based on HMRV mileage rates. The rates for SEND taxi contracts were significantly higher on a per-mile basis than the cost of a personal budget.
- There had previously been a closed framework for bidding for SEND taxi jobs, however there had recently been an open system brought in where a taxi firm only needed to meet a certain set of standards. There were around 35 firms on the new framework however most of those had not bid for any work and competition for individual jobs was not high.
- Individual journeys on the SEND taxis were often combined but couldn't always be due to individual complexities. The further use of buses and minibuses was being explored.
- The Council's in-house children's homes were less expensive than independent provision, however these homes were often not at full capacity and were easier to access as they were in the city boundary. There was also a focus on longer term placements as opposed to distress purchasing.
- Councils were not permitted to move large amounts from mainstream school funding to the High Needs Block without permission from either the Schools Forum and the Secretary of State. This was felt to be ineffective and was not being considered by the Council.
- It was thought that the cumulative deficit in the High Needs Block would not be extinguished unless the Government wrote off the deficit.

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The Capital Budget was presented next. It was noted that the only relevant issue in the Capital Programme was an increase of £15.6m for Children's Services.

AGREED:

1. That the Commission notes the Draft Revenue Budget and Draft Capital Programme for 2023/24.
2. That the Commission requests that the numbers of EHCP parental referrals be sent to Commission Members.