

CHILDREN AND YOUNG PEOPLE SCRUTINY COMMITTEE

10th December 2014

PRESENT – Councillor Lister (in the Chair); Councillors Crudass, Galletley, E.A. Richmond and C. Taylor. (5)

APOLOGIES - Councillors Crumbie, Hutchinson and L. Vasey; Ms. Regan (4)

ABSENT – Councillors L. Hughes, Kelley and Wright. (3)

STATUTORY CO-OPTees – Mr. J. Fitt.. (1)

NON-STATUTORY CO-OPTees – None (0)

ALSO IN ATTENDANCE – Councillor C. Hughes. (1)

OFFICERS IN ATTENDANCE – Jenni Cooke, Service Director for Children, Families and Learning; David Mason, Head of Looked After Children, Youth Offending and Edge of Care Services; and Yvonne Coates, Head of First Contact and Locality Services.

CYP20. DECLARATION OF INTERESTS – There were no declarations of interested reported at the meeting.

CYP21. MEDIUM TERM FINANCIAL PLAN 2014/15 TO 2019/20 – Submitted – the report of the Chief Officers Executive to Cabinet on 2 December 2014 (previously circulated) on the Medium Term Financial Plan (MTFP) 2014/15 to 2019/20.

Members received a presentation from the Service Director for Children, Families and Learning on the MTFP which included a financial overview of the current situation including government grant losses which amount to £22.8m in cash terms which equates to £33.3m in real terms after taking into account inflation and it is anticipated that a further £16.5m will be lost making an overall reduction in grant of 56 per cent. Expenditure to date has been reduced by £25m with plans to save a further £10.3m by 2016/17.

The 2014/15 MTFP set out a two year budget within a six year planning horizon which allows for new approaches to be tested to see what could be possible for future years. There are anticipated further savings required by 2020 over and above the current savings planned.

In order to achieve these ambitions the three conditions for focus and key to achieving the MTFP are Building Stronger Communities; Spending Wisely; and Growing the Economy.

It was highlighted that so far £13.752m savings had been identified with £3.635m achieved to date and savings of £12.8m has been identified by 2019/20 although there may be some difficulties in realising some of these savings in some services.

With regard to Children's Services it was reported that the proposed savings are reliant on a continued decrease in numbers and cost of looked after placements as a result of targeted family support. Individual cost of external fostering placement is now subject to a Tees Valley Fostering Framework which provides a reduced cost with specific named providers and this approach is also being finalised for residential placements.

It was also reported that within Children's Services the majority of services are statutory which equates to £14.4m spending. Discretionary services amount to £406,000 spending and Business Case spending i.e. Early Intervention amounts to £1.4m.

Members discussed in particular the increase in the number of looked after children and the reasons behind this increase i.e. recent legal judgements increasing the number of children now deemed looked after, including a remand placement and children awaiting final adoption orders. An additional factor affecting the savings is the requirement for a secure placement for a complex young person costing the authority £23,680 per month. Another young person who was recently subject to a secure order and has very complex needs is currently costing the authority £25,600 per month in an independent placement and is therefore anticipated that the forecast savings of £1m for 2015/16 will be difficult to achieve, despite reduction in other areas.

The Cabinet Member with the Children and Young People Portfolio advised Members of this Scrutiny that Cabinet were aware of the issues around looked after children and placements and the limited options available to this authority to make savings in this area.

Members also discussed future pressures on the budget for Children's Services when the authority becomes responsible for all health visitors and agreed to include this in the work programme to monitor any future impact from taking over Health Visitors and the Family Nurse Partnership for Special Services.

RESOLVED – (a) That the Chief Officers Executive report be noted.

(b) That Members receive a report on the breakdown of costs of placements, including independent costs and regulations affecting placement of looked after children at the next ordinary meeting scheduled for 5 January 2014.

CYP22. CAPITAL PROGRAMME – Submitted – the report of the Director of Neighbourhood Services and Resources to Cabinet on 2 December 2014 (previously circulated) on the 2015/17 Capital Programme.

It was reported that the majority of funding for capital expenditure in relation to schools and transport was received from government grants and, in relation to housing, from the Housing Revenue Account and that, although the Council was able to supplement Government funding from its own resources, such as capital receipts and borrowing, the ability to do so was severely limited in the current economic climate. There was however, a need to maintain the buildings and assets

which the Council owned and provision needed to be made for this within the Council's overall strategy.

The proposed capital programme with regard to applying the resources allocated to the Council was set out in an appendix to the submitted report (also previously circulated) and included on-going schemes from previous years. Detailed information in relation to the major elements of the programme, which, it was reported would be the subject of further reports to Cabinet, were contained within the submitted report.

Members discussed in particular the Basic Need Funding allocated for 2013/2014 and 2014/2015 to deliver additional school places and the review of the School Organisation Plan in 2015 to taken into account the potential impact of housing developments across the borough.

RESOLVED – That the report be received.