

Report of the Director of Children's Services, Education & Skills and the Director of Communities & Neighbourhoods

2015/16 Second Quarter Finance and Performance Monitoring Report – Learning & Culture

Summary

- 1 This report analyses the latest performance for 2015/16 and forecasts the financial outturn position by reference to the service plans and budgets for all of the relevant services falling under the responsibility of the Director of Communities & Neighbourhoods and the Director of Children's Services, Education & Skills.

Financial Analysis

- 2 A summary of the service plan variations is shown at table 1 below.

Table 1 – Learning & Culture Financial Summary 2015/16 – Quarter 2 – September

2015/16 Quarter 1 Variation £000		2015/16 Latest Approved Budget			Projected Outturn Variation	
		Gross Expen- -diture £000	Income £000	Net Expen- -diture £000	£000	%
	Communities & Neighbourhoods:					
+50	Arts & Heritage	1,814	369	1,445	+0	0%
+83	Learning Services	2,260	2,222	39	+83	213%
+25	Libraries & Archives	2,089	1	2,088	+25	1.2%
0	Youth Services	572	6	566	0	0%
+85	Sport & Active Leisure (Facilities)	955	531	424	+167	40.0%
+243	Total C&N	7,690	3,129	4,561	+275	6.0%
	Children's Specialist Services:					
-44	CSS General	931	50	881	-42	4.8%
+1,518	Children's Social Care Resources	8,753	944	7,809	+1,610	20.6%

+163	Children's Social Care Safeguarding	4,847	128	4,720	+119	2.5%
-54	Children's Trust	759	17	742	-54	7.3%
0	Integrated Family Service	421	360	61	0	0%
0	Youth Support Service	781	74	707	0	0%
+13	Education Psychology Service	880	0	880	+13	1.5%
-37	Special Educational Needs Service	4,462	154	4,308	+11	0.3%
+1,559	Total CSS	21,836	1,727	20,109	+1,657	8.2%
	Education & Skills:					
0	Childcare Strategy & Business Management	581	119	463	-17	3.7%
-20	Children's Centres	2,226	464	1,761	-77	4.4%
-153	Connexions	1,107	15	1,092	-162	14.8%
-72	Early Years Learning & Welfare	570	147	423	-72	17.0%
0	Governance Service	248	174	73	0	0%
-36	School Services & Business Support	10,352	6,341	4,011	-36	0.9%
+19	School Improvement Service	2,143	269	1,874	+19	1.0%
0	Travellers & Ethnic Minority Service	208	171	37	0	0%
-262	Total E&S	17,435	7,700	9,735	-345	3.5%
	School Funding & Assets:					
0	School Assets & Rates	3,862	1,663	2,199	-353	16.1%
0	School Delegated Funding	112,412	3,541	108,871	+686	159%
+43	Schools Grant Income	-	117,692	-117,692	-338	0.3%
+43	Total SF&A	116,274	122,896	-6,622	-5	0.1%
+72	Director of CSES and Central Budgets	6,731	5,902	829	+42	5.1%
-299	Mitigation Savings	-	-	-	-319	-
+1,356	Total Learning & Culture	169,966	141,354	28,612	+1,305	4.6%

+ indicates increased expenditure or reduced income / - indicates reduced expenditure or increased income

- 3 The first quarter monitoring report for 2015/16 showed a projected net overspend of £1,356k. The latest position at table 1 is now showing a net projected overspend of £1,305k, an improvement of £51k. The following sections provide more details of the significant projected outturn variations, and any mitigating actions that are proposed.

Communities & Neighbourhoods Directorate (+£275k / 6.0%)

- 4 The Communities & Neighbourhoods Directorate are reporting a £275k projected overspend. This is mainly due to ongoing restructuring and redundancy within Learning Services, but also due to contracts such as Routes to Success which are not fully funded. These contracts are being reviewed during the year.
- 5 Libraries have an ongoing £25k liability for early retirement costs for previous council staff.
- 6 Following the closure of Waterworld in December 2014 and its expected demolition in the autumn, there are anticipated costs of £167k for rates, electricity and security.

Children's Specialist Services (+£1,657k / 8.2%)

- 7 Despite a reduction in the number of Children Looked After (CLA) and a reduction in expenditure of c£1m since 2012/13, the underlying budget pressure from previous years, and unachieved 2013/14 budget savings of £700k, result in a net projected overspend of £1,610k within children's social care resources budgets. The latest estimate of the major variations for 2015/16 is as follows:
 - Out of City Residential Placements (+£551k)
 - Independent Foster Agency (IFA) Placements (+£580k)
 - Northern Care Contract Placements (+£144k)
 - The Glen Respite Care Home (+£79k)
 - Adoption, Residence & Guardianship Orders (+£189k)
 - CLA Transport (+£96k)
 - Staffing (+£52k)
 - Inter Agency Adoption Fees (-£79k)
- 8 Within children's safeguarding additional staffing costs of £119k are being incurred. This is due to an extra reviewing officer and business support officers being employed in excess of the numbers provided for within the budget. In addition a number of vacant posts are being covered by more expensive agency staff creating a budget pressure. This is offset by projected underspends of £54k in children's trust staffing budgets due to some posts being kept vacant and £41k on children's services legal fees. A number of other more minor variations produce a net overspend of £21k.
- 9 It is now important to recognise that in terms of the current pressures within children's social care budgets, CSES DMT believes that the current expenditure levels in this area are now at the appropriate level to ensure proper

safeguarding arrangements and adequate (and economic) provision for our CLA population. The number of CLA is unlikely to reduce in the foreseeable future, and York's unit cost per CLA is already the lowest of all 150 LAs nationally. Although opportunities to reduce costs further will continue to be explored (for example through a planned strategy to ensure as many of our CLA are cared for within the city rather than in external placements), any further general fund savings in this area are likely to be limited. Therefore options elsewhere within the directorate will need to be considered to produce a balanced CSES budget for 2015/16.

Education & Skills (-£345k / 3.5%)

- 10 The net projected underspend is mainly due to a number of posts being kept vacant within the early years learning & welfare and connexions services, whilst these services are being reviewed as part of the directorate's transformation programme.

School Funding & Assets (-£5k / 0.1%)

- 11 The small net underspend is made up of the following variations:
- a higher than budgeted for carry forward of surplus Dedicated Schools Grant (DSG) from 2014/15 (-£391k), but offset by the Schools Forum's agreement to use £49k of this to fund two behaviour support pilots in 2015/16;
 - a £138k projected net underspend on high needs place and top up funding, mainly in relation to more robust post 16 commissioning arrangements;
 - an additional delegated funding requirement of £824k for Joseph Rowntree School due to a backdated revaluation of the school's business rates liability. The on-going annual impact is estimated at £151k.
 - a projected saving of £353k on prudential borrowing repayments as the provision set aside following the closure of Burnholme Community College has not yet been committed.
 - a number of more minor variations with a net projected overspend of £5k, and a revised projected surplus carry forward of DSG into 2016/17 of £4k, make up the balance of the variation.

Director of CSES and Central Budgets (+£42k / 5.1%)

- 12 The net projected overspend is made up of a number of smaller variations. This includes £17k on trade union duties where the new in year budget saving has not yet been delivered, and a commitment that the council has made to provide £20k pa of funding to Higher York, that the CSES directorate has been asked to honour, for which there is no budget provision.

Mitigation Savings (-£319k)

- 13 To date, the following options have been identified to help mitigate the significant pressures identified above:
- Limit the level of expenditure to be committed from the SEN, Adoption and Troubled Families grants generating a one-off saving (-£204k).
 - Increase the salary recharge to capital schemes from the CSES planning team to 3.5% (-£65k).
 - Additional short term savings from the directorate moratorium on discretionary expenditure within service team budgets. (-£50k).

Further Action

- 14 Both directorate management teams are committed to doing all they can to try and contain expenditure within their budgets for 2015/16 and reduce the projected overspend as far as possible by the year end. Dealing with the budget pressures is a regular item at the DMT meetings, with all options available to further mitigate the current overspend projection being explored, including consideration of the following:
- Consider whether any of the existing 2015/16 efficiency savings proposals can be stretched to deliver additional short term and on-going savings.
 - Consider whether any of the savings being developed for 2016-20 can be stretched and delivered earlier to generate a savings benefit in 2015/16.
 - Continue the restrictions on all discretionary spend and hold recruitment to vacant posts wherever possible and safe to do so.

Performance Analysis

- 15 The information provided below relates to performance indicators available at Annex A. This commentary relates specifically to new information available at the end of Quarter 2, which is highlighted in Annex A.
- 16 The number of children subject to a Child Protection Plan increased in Q2, and is expected to increase further over the coming months, due to an increase in the number of cases going to Initial Child Protection Conference, before reducing back to the levels seen at Q1. The number of children ceasing to be the subject of a Child Protection Plan who had been the subject of a CPP continuously for two years or longer remains very low, which is positive. Those children subject to a plan for a second time has, however, increased. Detailed analysis of this group has shown that it is sensitive to a small number of family groups, and reviews of the decisions taken to end initial plans has given confidence in the decisions taken at the time. This will be continually reviewed over the next period.

- 17 The number of children in care remained in line with previous trends at 203. This is in the safe and expected range of 190-210.
- 18 The number of children getting 5 or more A*-Cs (inc English and Maths) at KS4 is 63% in 2015, which is an increase of 1% on last year. This is a strong result against the national picture. Information on the gap between pupils eligible for Free School Meals and their peers will be available for quarter 3.
- 19 The number of 16-17 year olds accepted as homeless remained at zero in Q2.
- 20 The number of young people not in education, employment or training increased slightly, although Q2 is always a period of fluctuation as it represents a new cohort (based on a new academic year) and is not directly comparable to Q1. This will continue to be monitored closely and a better picture will be available at Q3. This also applies to both LDD and those ending YOT supervision.

Council Plan

- 21 This report is directly linked to the Protect Vulnerable People, Build Strong Communities and Create Jobs and Grow the Economy elements of the Council Plan 2011-15.

Implications

- 22 The financial implications are covered within the main body of the report. There are no other direct implications arising from this report.

Recommendations

- 23 As this report is for information only there are no specific recommendations.

Reason: To update the committee on the latest financial and performance position for 2015/16.

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Specialist Implications Officer(s) None

Wards Affected: *List wards or tick box to indicate all* **All**

For further information please contact the authors of the report

Background Papers

2015/16 Finance & Performance Monitor 2, Executive 26 November 2015

Annexes

Annex A – 2015/16 Quarter 2 Performance Scorecard

Abbreviations in Report and Annex:

CLA - Children Looked After

CPP – Child Protection Plan

CSES – Children's Services Education and Skills

E&M – English & Maths

FSM – Free School Meals

GCSE – General Certificate of Secondary Education

KS – Key Stage

LA – Local Authority

Q2 – Quarter 2

SEN - Special Educational Needs

YTD – Year to Date

YOT – Youth Offending Team