

**Children, Education & Communities Policy
& Scrutiny Committee**

8 January 2019

Report of the Corporate Director of Children, Education & Communities

**2018/19 Finance and Performance Second Quarter Report –
Children, Education & Communities**

Summary

- 1 This report analyses the latest performance for 2018/19 and forecasts the financial outturn position by reference to the service plans and budgets for all of the services falling under the responsibility of the Corporate Director of Children, Education & Communities.

Financial Analysis

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

**Table 1 – CEC Financial Projections Summary 2018/19 –
Quarter 2**

2018/19 Quarter One Variation £000		2018/19 Latest Approved Budget			2018/19 Projected Outturn Variation	
		Gross Spend £000	Income £000	Net Spend £000	£000	%
+1,272	Children's Specialist Services	22,949	4,134	18,815	+1,250	+6.6%
+53	Communities & Equalities	8,709	4,212	4,497	-15	-0.3%
+628	Education & Skills	17,453	5,796	11,657	+480	+4.1%
-153	School Funding & Assets	126,153	133,729	-7,576	+25	+0.3%
0	Director of CEC &	1,518	5,955	-4,437	-26	-0.6%

	Central Budgets					
-545	Mitigations				-845	
+1,255	Total CEC Directorate	176,782	153,826	22,956	+869	+5.5%

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

- 3 The projected overspend of £869k represents a significant improvement of £386k compared to the position at quarter 1. The following sections provide more details of the major outturn variations.

Children's Specialist Services (+£1,250k / +6.6%)

- 4 Children's Social Care (CSC) staffing budgets are currently projecting a net overspend of £138k, mainly due to more expensive agency staff being used to cover important but hard to fill social worker posts. This is lower than the position at quarter 1 and in previous years following the introduction of 'golden hello' and 'golden handcuff' payments to new and existing staff in some of the key social work teams.
- 5 Based on the current numbers of Looked After Children (LAC) being maintained throughout the rest of the year there is a net projected overspend on placement and associated costs of £1,018k. This includes +£257k on local fostering, +£433k on IFAs, +£223k on adoption/SGO/CAO allowances, +£80k on out of city placements, +£36k on inter-agency adoption fees and +£67k on other costs, offset by a projected underspend on leaving care costs of £122k.
- 6 There is a net projected overspend of £216k within The Glen and disability short breaks budgets, due mainly to delays in implementing the new model of provision for children with the most complex needs that was planned to deliver budget savings in 2017/18 and 2018/19.
- 7 The Local Area Teams (LATs) budget is projected to underspend by £78k due to staff vacancies in the healthy child service.
- 8 A number of other more minor variations make up the remaining projected net underspend of £44k.

Communities & Equalities (-£15k / -0.3%)

- 9 There is a projected overspend of £30k within ward committee budgets due to the continued additional expenditure on parish grass cutting contracts. This is offset by a projected surplus of income over expenditure in learning services of £43k. A number of other more minor variations make up the remaining projected net underspend of £2k.

Education & Skills (+£480k / +4.1%)

- 10 There is a net projected underspend of £159k within School Improvement. This is due to a number of staffing vacancies, particularly within the Skills Team, offset by some additional costs including for the LAC virtual school headteacher.
- 11 Home to School Transport budgets are currently projected to overspend by a net £651k. This is mainly due to significant pressures within SEN taxi budgets where contract inflation has been higher than expected and significant savings requirements for 2017/18 and 2018/19 that are unlikely to be delivered in full, offset by some savings on other school transport costs.
- 12 A number of other more minor variations make up the remaining projected net underspend of £12k.

Schools Funding & Assets (+£25 / +0.3%)

- 13 The net projected variation is made up of the following items:
- a carry forward of surplus DSG from 2017/18 that is £105k lower than budgeted for,
 - an estimated £400k retrospective positive adjustment to early years funding following the expansion of the free entitlement for 3 & 4 year olds to 30 hours per week;
 - a projected £250k write off of school deficits for schools converting to sponsored academy status;
 - an estimated overspend on high needs costs of £800k, particularly in relation to Danesgate alternative provision and SEND transport;
 - a revised projected deficit carry forward of DSG into 2019/20 that is £730k greater than budgeted for.

Director of CEC and Central Budgets (-£26 / -0.6%)

- 14 A small underspend is projected mainly due to vacancies in senior management posts.

Mitigations (-£845k)

- 15 CEC Directorate Management Team (DMT) are committed to doing all they can to try and contain expenditure within budget for 2018/19, 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 efficiency savings proposals can be stretched or implemented early to deliver additional short term and on-going savings.
 - Continue the restrictions on all discretionary spend and hold recruitment to vacant posts wherever possible and safe to do so.
 - Review the level of expenditure to be committed from specific unbudgeted in year grants and reserves with a view to generating a one-off saving.
 - Consider the extent to which the increased SEN transport costs can be accounted for within the DSG.

Performance Analysis

Number of Children Looked After

- 16 This measure gives an understanding of the efficiency and effectiveness of a key front-line service which has impacts on vulnerability and the life chances of children. There were 204 children and young people in care at the end of September 2018. This evidences a continued consistency of practice and need, against the national trend of increasing looked after numbers.

Children in Care Council

- 17 In 2017, *Show Me That I Matter* (York's Children in Care Council) identified mental health as a priority and decided to create a resource to help raise awareness about mental health amongst

young people. Young people took part in a series of workshops with Inspired Youth and had the opportunity to develop their creative writing skills at the same time as exploring some of the feelings and emotions that are often experienced by children and young people in care. The group identified key messages that they wanted to share with other young people and designed a booklet which they named 'You Are Not Alone'. It is planned that the booklet, which also signposts to support services, will be shared with young people when they first come into care.

Safeguarding Children Arrangements

- 18 York has been chosen as one of only 17 areas of the country to trial new safeguarding arrangements for children and young people. The Government has introduced new guidance around safeguarding children this month, which sets new legal requirements for children at risk of abuse or neglect to be protected through improved partnerships between local police, councils and health services. York has been chosen as an 'early adopter' under the new guidance: an area which will work with the National Children's Bureau to implement new local safeguarding arrangements before they are established across the rest of the country. The 17 areas will develop new and innovative approaches to set up partnership safeguarding processes and share best practice with other areas, before they adopt new arrangements in the next 12 months.
- 19 The work of City of York Safeguarding Children Board was assessed as 'Outstanding' in an independent review by Ofsted in December 2016. The focus of York's work as an early adopter will be to fully engage schools with the new safeguarding arrangements. This will build on and extend the existing strong partnership between the city's schools and the Safeguarding Children Board. Schools play an important role in keeping children safe and the work being undertaken will ensure that they remain central to the city's safeguarding arrangements.

Average Progress 8 Score from Key Stage 2 to Key Stage 4

- 20 This indicator gives an understanding of educational attainment levels within the city. Progress 8 is a measure of the progress made by pupils between Key Stage 2 and Key Stage 4. A positive score represents progress above the average for all pupils and a negative score progress below the average for all pupils.

- 21 In 2017, the average Progress 8 score for Year 11 pupils was +0.11 above the national average and this is an improvement on 2016 when progress was in line with the national average. The 2017 GCSE results have been published and show that the Progress 8 score of 0.11 for York puts the city in the top quartile (ranked 34th nationally). This is an improvement with York moving up 10 percentiles from 2016. The finalised Progress 8 score for 2018 will be released in January.

DfE Strategic School Improvement Fund

- 22 The first phase of the Key Stage 2 Writing project focused, with teachers of Years 4 and 5, on improving the teaching of writing in 17 York schools. An evaluation of the first year has been completed and was presented in September to a meeting of the Local Partnership Board (York, East Riding, Hull and North Lincolnshire) which was chaired by the Regional Schools Commissioner. Quantitative data showed improvements in pupils' writing even over the short duration of the work so far and qualitative data provides evidence of greater teacher and pupil confidence. The progress of phase 1 schools will continue to be monitored and a further 14 schools have joined phase 2 of the project, which started this term.

%pt gap between FSM and non-FSM pupils at 15, who attain a Level 3 qualification by the age of 19

- 23 This measure gives an understanding of the inequality gap. The attainment gap at age 19 is currently 33.9% in York compared to 25.2% nationally. Work continues with York's 6th forms and colleges to ensure that young people achieve their potential post-16. Provisional A-Level results for 2018 indicate an encouraging set of results against national averages. New attainment gap data for the 2017/18 school year will be available in April 2019.
- 24 Reducing the attainment gap between disadvantaged pupils and their peers remains one of the city's main priorities. This year, schools and partner agencies across York have signed up to a city-wide pledge to help disadvantaged pupils achieve at school. The Social Mobility conference held in July was successful in raising awareness by consulting with schools, local authority teams and partners across the city thereby garnering commitment for the change needed ahead. Work taking place during 2018/19 will

prioritise actions needed to improve the outcomes for disadvantaged children in the early years in order to address issues early and close the attainment gap more sustainably.

- 25 92% of 16-17 year olds who are Not in Education, Employment or Training (NEET) are not qualified to Level 2, demonstrating challenges before people are aged 19. Learning and Work Advisers from the council's Local Area Teams provide specialist information, advice and guidance to young people who are in the care of the local authority, those in alternative education provision, those in the youth justice system, and those aged 16-18 who are NEET.

Council Plan

- 26 This report is directly linked to the three key priorities of the Council Plan for 2015-19: A Prosperous City for All; A Focus on Frontline Services; and A Council that Listens to Residents.

Implications

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

Recommendations

- 28 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 2018/19.

Contact Details

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**Report
Approved**

Date 16
November
2018

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

2018/19 Finance and Performance Monitor 2 Report, Executive 29
November 2018

Annexes

Annex A: 2018/19 Monitor 2 Performance Scorecard

Abbreviations

CEC – Children, Education and Communities
CAO- Child Arrangements Order
CSC- Children’s Social Care
DMT- Directorate Management Team
DSG- Dedicated Schools Grant
FSM- Free School Meals
GSCE - General Certificate of Secondary Education
LAC - Looked After Children
LAT - Local Area Teams
NEET - Not in Education, Employment or Training
SGO - Special Guardianship Order
SEN - Special Educational Needs
SEND- Special Educational Needs and Disability