

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

23 July 2019

Report of the Corporate Director of Children, Education & Communities

2018/19 Finance and Performance Outturn Report – Children, Education and 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 – Draft Outturn

| 2018/19 Quarter Three Variation £000 | | 2018/19 Latest Approved Budget | | | 2018/19 Draft Outturn Variation | |
|--|-----------------------------------|-----------------------------------|----------------|----------------------|---------------------------------------|------------|
| | | Gross Spend £000 | Income £000 | Net Spend £000 | £000 | % |
| | | | | | | |
| +1,464 | Children's Specialist Services | 22,963 | 4,134 | 18,829 | +1,541 | 8.2 |
| +47 | Communities & Equalities | 8,784 | 4,212 | 4,572 | -3 | -0.1 |
| +404 | Education & Skills | 17,464 | 5,796 | 11,668 | -68 | -0.6 |
| -102 | School Funding & Assets | 126,153 | 133,729 | -7,576 | +8 | +0.1 |
| -7 | Director of CEC & Central Budgets | 8,447 | 5,955 | 2,492 | +20 | +0.8 |
| -863 | Mitigations | | | | -602 | |
| +943 | Total CEC Directorate | 183,811 | 153,826 | 29,985 | +896 | 3.0 |

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

- 3 The draft outturn overspend of £896k represents an improvement of £47k compared to the position at quarter 3. The following sections provide more details of the major outturn variations and any mitigating actions.

Children's Specialist Services (+£1,541k / +8.2%)

- 4 Children's Social Care (CSC) staffing budgets have overspent by £224k, 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 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 In respect of Looked After Children there is a net overspend on placement costs of £961k, including £256k on local fostering, £469k on IFAs, £64k on Adoption and Special Guardianship Order allowances and £77k on direct payments. This is offset by a net underspend of £110k on out of city placements. There were an additional 10 placements in local fostering arrangements at the end of 2018/19 compared to 2017/18, and an additional 5 in IFAs, with a number of children moving in and out of IFAs during the year. The growth in IFAs is the main driver of the overspend and is due to the shortage of local foster carers. It was planned that the Make York Home project would result in a reduction in IFA placements and the overall budget would then be sufficient, however the difficulty in recruiting new local foster carers has hampered this strategy.
- 6 There is a net overspend of £449k 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 has underspent by £101k, mainly due to staff vacancies in the healthy child service.
- 8 A number of other more minor variations make up the remaining net overspend of £8k.

Communities & Equalities (-£3k / -0.1%)

- 9 There are no significant variations to report.

Education & Skills (-£68k / -0.6%)

- 10 There is a net underspend of £228k within Education & Skills staffing budgets due to a number of staffing vacancies within the Skills, Effectiveness & Achievement, Educational Psychology and Early Years Learning & Welfare teams.

- 11 The savings targets for the SEN element of home to school transport have not been achieved because of a growth in the number of pupils/students requiring transport and the specialist requirements of that transport accordingly resulting in a net overspend of £247k. The main increase in numbers have been at post 16/19 where because of the city now being able to provide more specialist education provision for this group of students more locally, subsequently we have had to provide more transport to the likes of York College, Askham Bryan, Choose 2 and Blueberry Academy. The changes in legislation to allow EHCPs to ages 19-25, resulting in significantly more students accessing this option, has significantly increased our transport spend accordingly.
- 12 The cost per pupil of transport over the last 3 years has gradually been falling as we have worked with our transport providers to increase the size of vehicles and reduce the number of passenger transport assistants. This indicates strong contract management processes are in place to reduce expenditure. As indicated above however the increase in numbers and need has impacted on expenditure. The option of renegotiating contracts has not been considered as we have driven down costs through the contract management process and we are clear that we would be unable to find a transport provider who could deliver a service for the volumes required and meet the high level of safeguarding assurances that we have set.

Schools Funding & Assets (+£8 / +0.1%)

- 13 The net projected variation is made up of the following items:
- a carry forward of surplus Dedicated Schools Grant (DSG) from 2017/18 that is £105k lower than budgeted for,
 - a net overspend on high needs budgets of £1,277k, including +£1,093k for Danesgate alternative provision, +£425k for post 16/19 provision, plus other more minor net overspends on special schools and units and mainstream school support of £152k. This is offset by an additional in year allocation of high needs funding by government of £393k;
 - a clawback of overfunded sixth form payments in 2017/18 of £293k;
 - a saving of £349k on prudential borrowing repayments as the provision set aside following the closure of Burnholme Community College has not yet been fully committed;
 - a £230k write off of a school deficit on conversion to sponsored academy status;
 - various minor underspends totalling £114k;
 - a deficit carry forward of DSG into 2019/20 of £827k, £848k greater than budgeted for.

Director of CEC and Central Budgets (+£20k / +0.8%)

14 There are no significant variations to report.

Mitigations (-£602k)

- 15 CEC Directorate Management Team (DMT) were committed to doing all they could 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 a number of actions taken to further mitigate the current overspend, including the following:
- Continued restrictions on all discretionary spend and holding recruitment to vacant posts wherever possible and safe to do so.
 - Review the level of expenditure committed from specific unbudgeted in year grants and reserves with to generate one-off savings.
 - Considering the extent to which the increased SEN transport costs can be accounted for within the DSG.
 - A placement review to develop more local provision and help to slow the rate of expenditure in this area.
- 16 Provision has now been made in the 2019/20 budget for the general fund pressures on looked after children and further mitigations to offset the increase in home to school transport costs. The on-going Inclusion Review will need to address the significant pressures being experienced within the DSG High Needs budget.

PERFORMANCE ANALYSIS

Voice of the Children

- 17 York Youth Council (YYC) continues to work with colleagues from the North Yorkshire Youth Executive and the North Yorkshire Police Youth Commission. The working group is now known as 'North Yorkshire Young Minds Combined' and they continue to look at ways they can improve the awareness of existing mental health services.
- 18 Representatives from the YYC attended "Convention 3" in Leeds in January. They took part in a variety of workshops looking at the Make York Mark results. Workshops were centred around knife crime, mental health and work experience.
- 19 Participation opportunities for young people in care and care leavers continue to be delivered via the Children in Care Council (CiCC). This includes monthly Show Me That I Matter panel meetings (13-17 yrs), monthly meetings of the Care Leavers Forum, I Still Matter (17-21 yrs) and fortnightly Speak Up

Youthclub sessions (10-16yrs). Activity has included taking part in sessions with York Human Rights, providing feedback on Young People missing from Care and meeting with Health workers to discuss health assessments. Other activity has included:

- A pilot with the Assessing Permanent Carers team to gather young people's views to inform the assessment process when recruiting foster carers
- Meeting with members of the Virtual School to talk about support in school
- Starting work on the 2019 Guarantee for Children and Young People in Care (the assessment of need entitlement)
- Joint work with North Yorkshire Young Minds Combined
- Advocacy casework for children and young people who are in care or leaving care, going through the child protection process or wanting to make a complaint has continued to be provided
- The CiCC and Care leavers Forum have met with the Director, Assistant Director, Service Manager for Pathway and Elected Members to feedback on the work they have been doing.

Number of Children Looked After

- 20 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 208 children and young people in care at the end of March 2019. The rate per 10,000 population has remained constant throughout 2018/19 against a national trend of increasing looked after numbers.

Placement Review

- 21 Despite the number of children in care remaining relatively stable over the past three years, the diversity and complexity of placement requirement is changing. York's specific and unique sufficiency profile means Children's Social Care are increasingly in a position where they are unable to place children and young people in existing Council provision and are having to spot purchase, often at short notice, external / private foster or residential placements that are expensive and may not be value for money in the context of the individual child.
- 22 In order to increase Foster Care sufficiency, a new training, support and remuneration offer has been developed for City of York Foster Carers. This offer has been consulted on with all Foster Carers and feedback was incorporated in the new proposal. The changes have been agreed and will be implemented in September 2019. Further work is also being developed on Foster Carer recruitment in order to develop a resourced systemic approach to recruiting new Foster Carers.

- 23 Residential sufficiency is also being considered and work is being undertaken to develop options of how additional residential provision for different age cohorts can be developed in order to meet need and demand more effectively.

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

- 24 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. In 2018, the average Progress 8 score for Year 11 pupils was +0.11, which is significantly above the national average. The Progress 8 score of +0.11 is the same as 2017 and again puts the city in the top quartile for all Local Authorities.
- 25 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. Work 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. This year, School Improvement Projects which include a focus on narrowing attainment gaps include:
- Reading for Real – 8 Primary Schools
 - Inclusion Expert – 4 Primary Schools
 - Secondary attendance - 1 Secondary school
 - Excellence for all – 2 Secondary and 2 Primary schools
 - Making the difference with differentiation - 4 Primary schools
 - Empowering the disadvantaged – 4 Primary schools
 - Using metacognition and self-regulation training to improve outcomes for disadvantaged students – 2 Secondary schools

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

- 26 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. There has been good progress in recent years on the Level 3 attainment gap at age 19, the 16/17 result is a dip and we need to see if it is a "one off". Clearly this outcome is fed by indicators at earlier points; achieving a Level 2 outcome at 16 is a prerequisite for following a Level 3 programme post 16. This means that work with younger pupils is critical to sustainable improvement in the long term. The margins are small with this indicator – ten more disadvantaged young people achieving Level 3 at 19 would

bring the York % gap below national. We intend to look at this issue with York College in particular in the summer term when the 17/18 data is available.

- 27 2.7% of York's 16-17 year olds were Not in Education, Employment or Training (NEET) at the end of March 2019. However, 86% of those young people 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

- 28 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

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

Recommendations

- 30 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.

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**Report
Approved**

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| Y |
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Date 15 July 2019

Specialist Implications Officer(s) None

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

All

Y

For further information please contact the authors of the report

Background Papers

Finance and Performance Outturn 2018/19 Report, Executive 27 June 2019

<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=11106&Ver=4>

Annexes

Annex A: 2018/19 Draft Performance Scorecard

Abbreviations

CEC- Children Education and Communities

CiCC- Children in Care Council

CSC- Children's Social Care

DMT- Directorate management Team

DSG- Dedicated Schools Grant

EHCPs- Educational Health and Care Assessments and Placements Plans

FSM- Free School Meals

IFAs- Independent Fostering Agency

LATS – Local Area Teams

NEETs- Not in Education, Employment or Training

SEN- Special Educational Needs

YYC- York Youth Council