

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

13 April 2022

Report of the Interim Director of Children's Services

2021/22 Finance Third Quarter Monitoring Report – Children, Education & Communities

Summary

- 1 This report analyses the latest performance for 2021/22 and forecasts the financial outturn position by reference to the services plans and budgets falling under this committee's responsibilities.

FINANCIAL ANALYSIS

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

**Table 1: Children, Education & Communities Financial Projections
Summary 2021/22 – Quarter 3**

2021/22 Quarter 2 Variation £000		2021/22 Latest Approved Budget			2021/22 Projected Outturn Variation	
		Gross Spend £000	Income £000	Net Spend £000	£000	%
+6,419	Children's Specialist Services	21,149	2,668	18,480	+6,710	+36.3
+411	Education & Skills	20,763	5,022	15,741	+335	+2.1
0	School Funding & Assets	158,641	170,677	-12,036	0	0.0
+98	Director of People & Central Budgets	3,299	5,996	-2,697	+154	+5.7
0	Communities & Equalities	11,244	5,262	5,982	0	
6,928	Total	215,096	189,626	24,470	7,199	+29.4%

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

- 3 A net overspend of £7.2m is forecast which is an increase of £0.3m from the Q2 projection, and primarily due to pressures within children's social care.

Children's Specialist Services

- 4 Before detailing the variances to be reported it is important to highlight some of the key reasons for the current budgetary position for Children's Social Care in York.
- 5 The number of Children & Young People in Care (CYPIC) in York has increased significantly in the past two and a half years. The CYPIC population had been stable for a number of years, in the range 190-210 at any one time. In 2019 the new Directorate Management Team identified unsafe drift and delay for some children in the system. This was subsequently identified by Ofsted and corrective action has led to significant recalibration in the system. Numbers of care orders and children on pre proceedings continues to be stable and those in need of child protection have now returned at or below our statistical neighbour average. This means the flow of children coming into the care has significantly reduced. However, the complexity of needs of these children remains high and capacity in the system to meet need at this level nationally is a significant challenge which is subject to an independent national care review.
- 6 At the time of this monitor the number of children and young people in care is 274. Our Permanence Policy and Permanence Trackers are making a difference. Children are presented at Children's Resource Panel, and tracked until they step down or move through to permanence. Our pre –birth protocol is effective this is evidenced by the number of unborn babies that we track in both Early Permanence and Letter Before Proceedings (LBP). Within the next three years some 25% of these will leave local authority care. The remodelling of the Corporate Parenting Board is an area of focus and a new constitution has been agreed in 2022. This new model has been developed with children and young people and will be supported following the recent recruitment of Corporate parenting Advisors to the DCS. Currently in their infancy the new Corporate Parenting Board arrangements will strengthen the corporate sense of responsibility for children in care and care leavers.
- 7 The placements budgets are predicted to overspend by a total of £3,639k. This includes variances of £1,227k on Fostering (including IFAs), £292k on adoption/SGO/CAO allowances and £2,435k on Out of City Placements together with a saving of £315k on the Hexagon Care contract, which ended in December 2021. As requested at the previous meeting, Annex 1 provides some more detail on the numbers and average costs of external placements.
- 8 The fostering projection is based on all local foster carer positions being filled, so where a child reaches 18 or a foster placement ends, then it is assumed that this is filled. Allowance does need to be made to ensure appropriate 'Staying put' arrangements are in place to support young people to stay with foster carers beyond 18 years old. In 2020/21 the percentage of care leavers (19 to 21 years old) living with former foster carers was 16% in York compared to 8% nationally, 11% regionally and 7.9% among statistical neighbours. The IFA and

Out of City Placement projections are based on all existing placements at the monitor date and take account of all placements expected to end during 2021/22, with no provision included for any new placements. The Out of City placements overspend being reported here is a significant increase (£1.5m) on previous years due to the recalibration of the proportion of these costs between the General Fund and the DSG.

- 9 Staffing budgets within the Permanency Teams are also predicted to overspend by £363k, again due mainly to vacancies being filled by temporary staff. The Workforce Development Board (WFDB) is now in place on a fortnightly basis. This provides a clear grip of staffing matters and oversight of any staffing requests (staff leaving, requests to fill, changes to hours, agency usage etc.). We want to develop, retain and inspire our practitioners and managers through providing consistency of relationship with children and families and the wider system as a whole, inclusive of strong partnership working. A refreshed social care recruitment campaign was launched in December and a rolling advert is in place. Unfilled social worker posts (either vacant, covering sickness, covering maternity) are filled with agency staff so that we keep the conditions in which good practice flourishes as we know manageable caseloads retain staff and deliver timely decision making for children.
- 10 Safeguarding Interventions are predicted to overspend by approximately £796k, mainly due to the complexities of Court and Child Protection work. Legal fees are predicted to overspend by approximately £430k.
- 11 Staffing budgets with Children's Social Work Services are also predicted to overspend by approximately £298k. This is mainly due to temporary staffing across the service, which the directorate has worked hard to eliminate with permanent appointments.
- 12 Significant staffing overspends totalling £632k are predicted in the MASH and Assessment teams. This is in part due to vacancies being covered by temporary and agency staffing. The new structure introduced in 2022 for the MASH and assessments consolidates within budget a number of cost pressures in this area.
- 13 Within Disabled Children's Services overspends on Short Breaks of £140k, Direct Payments of £353k and staffing of £162k are predicted.
- 14 Additional Troubled Families income of £50k over budget has been assumed based on progress to date on reward grant claimed.
- 15 A number of other more minor variations make up the remaining projected net overspend.

Education and Skills

- 16 Education Psychology is predicted to overspend by £74k, mainly due to an unbudgeted post costing £43k and unachieved vacancy factor of £29k.
- 17 The Home to School Transport budget was already in a historic overspend position of approximately £200k. The savings targets for the SEND 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. 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 College, 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. Reducing the costs of SEND home to school transport is a work stream in the Safety Valve Plan agreed with the Department for Education. Work has taken place to tighten the eligibility criteria in the Home to School Transport policy and the criteria are being rigorously applied. This includes ensuring that parental requests for out of city placements do not automatically result in transport being provided if an appropriate local placement has been identified.
- 18 The overall overspend on Home to School transport is predicted to be £283k. The main pressures are on SEN taxi transport budgets (both for children with SEND and also for children in care), but an additional pressure has been created due to the need for three additional buses as a result of increased numbers of children eligible for transport to Huntington and Fulford schools, offset by an increased allocation of Extended Rights for Free Travel grant for 2021/22.
- 19 Underspends are projected in both the Governance Service (£33k) due to increasing external income for services, and in Early Years (£30k) due to savings on non-staffing budgets and the effect of an increase in the 5% Early Years DSG contribution.

School Funding and Assets (including DSG)

- 20 The DSG position at 1st April 2021 is a deficit of £9.940m. At Q3 we are projecting a likely in-year deficit for 2021/22 in the region of £3.5m, an improvement of approximately £1.5m on the final 2020/21 position. However this position will increase the overall deficit to approximately £13.5m at the end of 2021/22. As at Q3, detailed work is ongoing in conjunction with colleagues at the Department for Education under their 'Safety Valve' programme to put in place a recovery plan to bring the position back to an in year balance within the next four years.

Communities & Equalities

- 21 These services are expected to outturn within budget. There are a number of minor variations being managed and work has continued to try and identify additional savings to help the overall position.

Council Plan

- 22 This report is directly linked to the key priority A Better Start for Children and Young People in the Council Plan.

Implications

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

Recommendations

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

Reason: To update the committee on the latest financial position for 2021/22.

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Report Approved **Date** 01 April 2022

Specialist Implications Officer(s) None

Wards Affected:

All

For further information please contact the authors of the report

Background Papers

2021/22 Finance and Performance Monitor 3 Report, Executive 7 February 2022

Annex 1 - Analysis of CYPIC External Placements 2021/22

Analysis of CYPIC External Placements 2021/22**Residential Provision 0 - 15 year olds**

Average weekly placement cost	£	4,575
Number of placements		12
Total cost for 2021/22	£	2,252,372
General fund cost	£	1,689,279
DSG cost	£	563,093

Residential Provision 16+ year olds

Average weekly placement cost	£	4,218
Number of placements		6
Total cost for 2021/22	£	605,995
General fund cost	£	454,497
DSG cost	£	151,499

Additional Health/Disability Needs in Residential Provision

Average weekly placement cost	£	5,417
Number of placements		4
Total cost for 2021/22	£	878,617
General fund cost	£	658,963
DSG cost	£	219,654

Preparation for Independence Units

Average weekly placement cost	£	1,764
Number of placements		2
Total cost for 2021/22	£	267,184
General fund cost	£	200,388
DSG cost	£	66,796

Total for all placements - Current

Average weekly placement cost	£	3,994
Number of placements		24
Total cost for 2021/22	£	4,004,169
General fund cost	£	3,003,127
DSG cost	£	1,001,042

Ended placements within the year

Average weekly placement cost	£	2,359
Number of placements		10
Total cost for 2021/22	£	565,488
General fund cost	£	424,116
DSG cost	£	141,372