

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

**01 November 2022
(postponed from
12 October 2022)**

Report of the Corporate Director of Children & Education and the Director of Customer & Communities

2022/23 Finance First Quarter Monitoring Report – Children, Education & Communities

Summary

- 1 This report analyses the latest performance for 2022/23 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 2022/23 – Quarter 1**

2022/23 Outturn Variation £000		2022/23 Latest Approved Budget			2022/23 Projected Outturn Variation	
		Gross Spend £000	Income £000	Net Spend £000	£000	%
+7,447	Children’s Safeguarding	23,403	3,000	20,403	+6,528	+32.0%
-1,451	Education & Skills	20,885	5,034	15,851	+681	+4.3%
+1,465	School Funding & Assets	158,641	170,667	-12,026	0	0.0%
+219	Director of C&E & Central Budgets	4,143	5,996	-1,853	+71	+3.8%
-595	Covid 19 Funding					
-592	Directorate Mitigations					
0	Communities & Equalities	11,244	5,262	5,982	0	0.0%

6,493	Total	218,316	189,959	28,357	7,280	+25.7%
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+ indicates increased expenditure or reduced income / - indicates reduced expenditure or increased income

- 3 A net overspend of £7.3m is forecast which is primarily due to pressures within children's social care.

Children's Specialist Services

- 4 A net overspend of £7.6m is forecast, primarily due to children's social care. The number of Children Looked After (CLA) in York was consistently at a higher level than the budget was built to accommodate. The number at the beginning of the financial year was 281 and as at the end of June it was 282.
- 5 The placement budgets overspent by a total of £4,604k in 2022/23. This figure is made up of variances of £720k on local Fostering placements, £497k on IFAs, £322k on adoption/SGO/CAO allowances, £2,972k on the General Fund element of Out of City Placements and £93k on Leaving Care placements. The pressure on this budget is partly due to the limited market for children's placements and the statutory requirements placed on local authorities to meet children's needs, coupled with inflationary pressures which will continue to worsen the position.
- 6 However, despite the overall increase in placement numbers and costs, the service has made notable progress in containing and reducing the costs of some care packages. This includes a reduction in the cost of a placement at Wenlock Terrace from £40k per week down to £21k per week, with a further reduction expected down to £19.5k per week. Another Out of City placement has fallen from £7k to £5k per week, and a crisis support package has been implemented to allow one child to remain at home rather than move to a much more expensive external placement. These actions alone are estimated to have avoided further additional costs in excess of £1.2m per year. As requested at the previous meeting, Annex 1 provides some more detail on the numbers and average costs of external placements.
- 7 In addition there is a projected overspend in the Corporate Parenting staffing teams of £297k due to additional Working With York and agency staff and a net overspend on Inter-Agency Adoption Fees of £58k.
- 8 Safeguarding Interventions is projected to overspend by £261k. This area now has 5 budgeted teams to provide additional capacity to assist in the improvement journey being undertaken. This is to deal with the continued higher number of cases and still requires some WWY and agency staff to cover vacancies. In addition, Legal fees overspent by £395k.
- 9 Staffing budgets within Children's Social Work Services are predicted to overspend by £151k. This is mainly due to temporary staffing across the

service, which the directorate is working to eliminate with permanent appointments.

- 10 There is a projected overspend of £373k in the Referral, MASH and Assessment teams. This is due to the current temporary staff in this area until permanent appointments are made.
- 11 A projected overspend in Disabled Children's Services of £347k is mainly overspends on short breaks and direct payments £309k, again due to the CLA numbers being above the budgeted level.
- 12 Innovation and Children's Champion is a new area following the restructure and this is predicted to overspend by £50k in 22/23 due to agency staffing.

Education and Skills

- 13 The Home to School Transport budget was already in an historic overspend position due to increase in numbers for post 16/19. This is because of the city now being able to provide more specialist education provision for this group of students more locally, which means that we have had to provide more transport to establishment such as York College, Askham Bryan, Choose 2 and Blueberry Academy.
- 14 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. Inflationary increases will only add to this when the contract is renegotiated in September 2022.
- 15 The projected position is an overspend of £617k due mainly to the continuing overspend on SEN taxis (£436k), and additional buses required to transport an increase in pupils to Fulford School and Huntington Schools (£181k) for which no budget growth was allocated.

School Funding and Assets (including DSG)

- 16 The Dedicated Schools Grant (DSG) is currently projected to be on track to meet the targets set out in the Safety Valve recovery plan agreed with the DfE.
- 17 The main pressure is within the High Needs Block and is due to the continuing increase in High Needs numbers, and increasing complexity, requiring expensive provision, especially in Post 16 and Post 19 provision and the education element of Out of Authority placements.
- 18 The brought forward balance on the DSG at 1 April 2021 was a deficit of £9.940m. As a result of the 2021/22 in-year overspend the cumulative deficit to carry forward to 2022/23 would have been £13.443m. However, following discussions with officials from the DfE and ESFA, the Safety Valve Agreement

was secured, resulting in an additional payment of £7.6m of DSG on the 31 March 2022. This reduces the cumulative deficit carried forward into 2022/23 to £5.843m.

- 19 This additional funding represents the first payment under the Safety Valve agreement, which commits the local authority to bring the DSG into an in-year balanced position by 2025/26. Further payments are conditional on the local authority meeting the targets set out in the Management Plan, and reporting quarterly to the DfE on progress, with the eventual aim of eliminating the in-year deficit by the target date, with additional payments by the DfE eliminating the historic deficit at that point.

Office of the Director of Children & Education & Central Budgets

- 20 The Office of the Director and Central budgets are predicted to overspend by £71k in total for 2022/23, mainly due Directorate Management Team costs incurred from interim appointments to cover for the vacant DCS post, and advertising costs for the Director and AD posts.

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 2022/23.

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Specialist Implications Officer(s) None

Wards Affected:

All Y

For further information please contact the authors of the report

Background Papers

2022/23 Finance and Performance Monitor 3 Report, Executive 18 August 2022

Annex 1 - Analysis of CYPIC External Placements 2022/23