

Learning & Culture Overview & Scrutiny Committee

20 November 2013

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

2013/14 Second Quarter Financial Monitoring Report

Summary

- 1 This report analyses the latest performance for 2013/14 and forecasts the financial outturn position by reference to the service plan 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 The services that relate to the Learning & Culture Overview and Scrutiny committee cross two Directorates (Communities and Neighbourhoods and Children's Services, Education & Skills). A summary of the service plan variations is shown at table 1 below.

**Table 1 – Learning & Culture Financial Projections Summary
2013/14 - Monitor 4 (Q2) September**

	2013/14 Budget £000	Projected Outturn Variation	
		£000	%
CANS Directorate (Extract)			
Arts & Heritage	2,533	+40	+1.6%
Learning Services	56	+22	+39.3%
Libraries & Archives	2,172	+143	+6.6%
Sport & Active Leisure (Facilities)	543	-28	-5.2%
CANS Directorate (Extract)	5,304	+177	+3.3%
CSES Directorate			
Children's Specialist Services	21,655	+1,484	+6.9%
Education & Skills	6,199	-436	-7.0%
School & Children's Strategy & Planning	6,722	-133	-2.0%

School Funding & Assets	106,653	0	0.0%
Directorate of CSES General	(6,804)	+97	+1.4%
Children's Services Core Funding	(114,900)	-120	-0.1%
DSG Balance Carried Forward	(400)	+66	+16.5%
CSES Directorate	19,125	+958	+5.0%
Total Learning & Culture	24,429	+1,135	+4.6%

- 3 The Communities & Neighbourhoods Directorate is reporting a forecast overspend of £177k. This relates mainly to one off redundancy costs of £183k which are partly offset by savings, mainly in relation to Yearsley pool operating costs.
- 4 The Children's Services, Education & Skills Directorate is reporting net financial pressures of £958k, mainly due to unachieved savings. This is an improvement of £180k compared to the figures reported at quarter 1.
- 5 Despite a reduction in the number of Looked After Children and a reduction in expenditure of almost £1m compared to 2012/13, the underlying budget pressure from previous years and unachieved budget savings of £700k result in this forecast overspend.
- 6 The Council's Keeping Families Together initiative is continuing to deliver an overall reduction in the number of children in public care. This initiative seeks to safely support more children at home in the care of their parents or extended family members. It also helps those children who are already looked after to move more quickly on to alternative permanent care. To support these arrangements, the Council has developed a 'new deal' for local foster carers to ensure that there is a sufficient supply of high quality local placements available for those children who do need to become looked after.
- 7 The above arrangements have delivered a sustained month on month reduction in the overall number of children who are looked after. Looked After Children numbers have reduced from 243 at the 1st April to 223 at the 20th October. The availability of high quality local placements allows young people to be placed close to home and their local schools. These local placements avoids the need for high cost independent placements often far from York.
- 8 Although the numbers of looked after children has decreased significantly, from a high point of 256 in 2012, we have yet to see a corresponding reduction in costs. This is partly explained by legacy costs including Special Guardianship, Adoption and Residence Order allowances. In addition some of the looked after children with the most

complex needs continue to need highly specialised care which accounts for a significant portion of ongoing care costs.

- 9 Despite a significant reduction in expenditure in 2013/14, compared to 2012/13, this budget remains under considerable pressure. The Council is reviewing the most expensive out of City placements to ensure the best value for money is achieved without compromise to quality of care. Further reductions in cost are anticipated as the overall looked after population continues to reduce.
- 10 The Children's Services Management Team are committed to exploring all options for containing expenditure within their budget for 2013/14, and are therefore proposing the following to further mitigate the current overspend projection:
 - Reviewing the most expensive out of city placements to ensure the best value for money is achieved without compromise to quality of care. Further reductions in cost are anticipated as the overall looked after population continues to reduce.
 - Review all 2014/15 savings proposals with a view to stretching and implementing as many as possible earlier in the 2013/14 financial year.
 - Continue to hold recruitment to vacant posts wherever possible and safe to do so.
- 11 Within the Dedicated Schools Grant (DSG) funded budgets a small net underspend of £66k is currently projected. This is mainly as a result of the new statutory requirement for 2 year old nursery budget being phased in from September 2013 and lower prudential borrowing repayment costs, offset by some significant increased costs due to the level of payments required to providers for post 16 high needs pupils under the new DfE funding system introduced from August 2013. Any DSG surplus has to be carried forward to the 2014/15 financial year and cannot directly be used to offset the other directorate overspends.

Performance Analysis

Create Jobs & Grow the Economy

Educational Attainment

- 12 York's schools have a significant role to play in preparing our young people for work and providing an environment where they can excel and achieve their full potential. Educational attainment results show significant and tangible improvement over the previous year putting York

in a strong position regionally and nationally. Overall York's children are achieving good and improving results but there remains work to do in some of York's schools.

- 13 York has achieved its best GCSE results with 67% of pupils achieving 5+A*-C including English and mathematics. This places York as one of the top (16th out of 152) Local Authorities in England and demonstrates high quality teaching in York schools. In primary schools, the assessment process changed in 2013 and, based on a new set of performance indicators, York results for the most part are inline or above national figures. Progress results in Maths are an area of focus in the coming year.
- 14 Currently, 80% of York secondary schools are rated good or outstanding by Ofsted, well above the national picture. At primary level, 73% of schools are now rated good or outstanding compared to a national figure of 78%. Improvement plans are in place at a number of schools with the aim of supporting them to achieve a 'good' rating at their next inspection.

Build Strong Communities

Health & Wellbeing

- 15 Schools have recently been assessed under the Healthy Schools programme, and the results have shown that every school in York is complying with the programme covering, healthy eating, physical activity and emotional health and wellbeing. Conversely, results from the national child measurement programme for childhood obesity shows the percentage of reception children recorded as being obese has increased marginally to 8.53% from 7.5%. The percentage of children in year 6 recorded as being obese has also increased to 16.13% from 14.7%. New initiatives are currently being considered to assess what further options families have to help reduce the number of overweight children in York.
- 16 Teenage Pregnancy conception data received in February 2013, referring to 2011 data, indicates a continuing decline in teenage conceptions in the city, the 2011 rate being 25.3 per thousand females aged 15-17. This is currently below both the England and Regional rates. This continues to be a focus for the Council.

Corporate Priorities

- 17 The information included in this report demonstrates progress on achieving the council's corporate priorities for 2011-2015 and in particular; priority 1 'Create jobs and grow the economy'; priority 3 'Build strong communities'; 4 'Protect Vulnerable People'.

Implications

- 18 The financial implications are covered within the main body of the report. There are no significant human resources, equalities, legal, information technology, property or crime & disorder implications arising from this report.

Risk Management

- 19 Children's Social Services budgets are under significant pressure. On going work within the directorate may identify some efficiency savings in services that could be used to offset these cost pressures before the end of the financial year. It will also be important to understand the level of investment needed to hit performance targets and meet rising demand for key statutory services. Managing within the approved budget for 2013/14 is therefore going to be extremely difficult and the management team will continue to review expenditure across the directorate.

Recommendations

- 20 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 2013/14.

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Approved

Specialist Implications Officer(s) None

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

All

For further information please contact the author of the report

Background Papers

Second finance and performance monitor for 2013/14, Cabinet 5 November 2013