

Learning & Culture Overview & Scrutiny Committee

18 March 2015

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

2014/15 Third Quarter Financial, Performance & Equality Monitoring Report – Learning & Culture

Summary

- 1 This report analyses the latest performance for 2014/15 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 (CANS) and the Director of Children's Services, Education & Skills (CSES).

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
2014/15 – Quarter 3 - December**

	2014/15 Latest Approved Budget			Projected Outturn Variation	
	Gross Spend £000	Income £000	Net Budget £000	£000	%
Arts & Heritage	3,144	1,288	1,856	+6	+0.3%
Learning Services	2,304	2,222	82	+159	+193.9%
Libraries & Archives	2,047	21	2,026	+80	+3.9%
Youth Services	490	6	484	-82	-16.9%
Sport & Active Leisure (Facilities)	1,453	586	867	+138	+15.9%
CANS Directorate	9,438	4,123	5,315	+301	+5.7%

	2014/15 Latest Approved Budget			Projected Outturn Variation	
	Gross Spend £000	Income £000	Net Budget £000	£000	%
Children's Specialist Services	22,707	1,468	21,239	+1,085	+5.1%
Education & Skills	20,930	9,321	11,609	-980	-8.4%
Directorate of CSES General	9,217	8,762	455	+165	+36.3%
School Funding & Assets	113,309	5,057	108,252	+118	+0.1%
Schools Grant Funding	-	116,588	-116,588	+33	+0.0%
CSES Directorate	166,163	141,196	24,968	+421	+1.7%
Total Learning & Culture	175,601	145,319	30,282	+722	+2.4%

Communities & Neighbourhoods Directorate (+£301k / 5.7%)

- 3 The Communities & Neighbourhoods Directorate is reporting a £301k overspend. This is mainly due to restructuring and redundancy within Learning Services following changes to their contracts which run for academic years (rather than on a financial year basis), and relocating from Swinegate to Rougier House.
- 4 The Archives have been relocated to the Central Library and the building work required the library to be closed for a longer period than expected. This resulted in a £60k loss of income for the operator, Explore York, who has been compensated by the council. In addition, there is a £20k liability for voluntary early retirement costs for previous council staff.
- 5 Following a major review of young people's services the Youth Service has transferred to Communities & Neighbourhoods. The £82k underspend reflects the early achievement of savings required for 2015/16. The redevelopment of Waterworld has meant that the facility was closed in December, resulting in an additional cost of £158k. This is partly offset by an expected underspend at Yearsley Pool.

Children's Specialist Services (+£1,085k / 5.1%)

- 6 Despite a reduction in the number of Children Looked After (CLA) and a reduction in expenditure of almost £1m since 2012/13, the underlying budget pressure from previous years and unachieved 2013/14 budget savings of £700k result in a net projected overspend of £1,408k within children's social care resources budgets. The projected major variations for 2014/15 are as follows:
- Independent Foster Agency Placements (+£428k)
 - Out of City Residential Placements (+£418k)
 - Northern Care Contract Placements (+£97k)
 - The Glen Respite Care Home (+£155k)
 - Adoption, Residence & Guardianship Orders (+£183k)
 - CLA Transport (+£122k)
- 7 Within children's safeguarding teams additional staffing being employed in excess of the numbers provided for within the budget creates a projected overspend for 2014/15 of £229k. It is now important to recognise that in terms of the current pressures within children's social care budgets, CSES Directorate Management Team (DMT) believes that current expenditure levels in this area are now at the appropriate level to ensure proper safeguarding arrangements and adequate (and economic) provision for our CLA population. The number of CLA is unlikely to reduce in the foreseeable future, and York's unit cost per LAC is already the lowest of all 150 Local Authorities (LAs) nationally. Therefore, although opportunities to reduce costs further will continue to be explored, any further significant savings in this area are unlikely to be achievable, and options elsewhere within the directorate will need to be considered.
- 8 Staffing within the Integrated Family Service is currently projected to exceed the budget and troubled families grant by £78k. Offsetting these are projected staffing underspends totalling £74k within the Youth Support Service and Education Psychology Service, as a result of management posts being kept vacant for part of the year.
- 9 A significant saving of £146k is currently projected on children's services legal fees. This is in excess of the budget saving already delivered for 2014/15, but allows no provision for any new complex cases requiring significant expert legal support.

- 10 In addition it has been possible to limit the level of new expenditure committed from the non-ringfenced Special Educational Needs (SEN), Adoption Reform and Short Breaks grants to £252k for 2014/15 generating a one-off saving of £266k.
- 11 The Dedicated Schools Grant (DSG) funded SEN residential placements budgets is projected to underspend by £151k due to the work done in reviewing post 16 placements following the transfer of this responsibility to the LA in 2013/14. Additional DSG budget of over £600k was allocated to this area for 2014/15 in light of the level of transferred spend in 2013/14.
- 12 A number of other more minor variations produce a net projected overspend of £7k.

Education & Skills (-£980k / 8.4%)

- 13 £809k of the net projected underspend is due to a significant number of posts being kept vacant and other efficiencies generated in advance of delivering the savings proposed for the 2015/16 financial year. In addition a saving of £100k is now projected within home to school transport budgets. A number of other more minor variations produce a net projected underspend of £71k.

Director of CSE&S and Central Budgets (+£165k / 36.3%)

- 14 The directorate's budget for 2013/14 was supported by £302k of one-off funding from savings delivered early than required in the council's budget. The original intention was to replace this one-off funding with additional savings by 2014/15. However, given the pressures on the remainder of the directorate's budget, alternative savings have yet to be identified for £105k of this one-off funding. A number of other more minor variations account for the remaining net projected overspend of £60k.

School Funding & Assets (+£118k / 0.1%)

- 15 There is a small net overspend projected on the schools delegated funding budget of £118k which will be charged to the Dedicated Schools Grant (DSG).

Schools Grant Funding (+£33k / 0.0%)

- 16 The variation of £33k represents a minor variation in the Dedicated Schools Grant received in 2014/15, and an estimated deficit carry forward of DSG into 2015/16 of £153k.
- 17 The Children's Services, Education & Skills Directorate Management Team are committed to doing all they can to try and contain expenditure within their budget for 2014/15 and reduce the projected overspend as far as possible by the year end. Dealing with the budget pressures is a standing item at the weekly management meetings, with all options available to further mitigate the current overspend projection being explored.

Performance Analysis

- 18 Key Stage 4 performance from summer 2014 has been finalised. York's GCSE results were above National average, but the gap between disadvantaged pupils and their peers has widened. Analysis shows that the widening of the gap was affected by several smaller pupil groups. Partners across the city are investigating further, to develop a city wide closing the gaps strategy which will incorporate the recommendations from the Learning and Culture Scrutiny Committee Task Group report.
- 19 The numbers of children looked after and children subject to child protection plans have seen gradual, but sustained, reductions towards their targets.
- 20 When a child protection plan (CPP) ceases, we report on the duration of that plan. At the end of December, the percentage of plans ceasing after more than 2 years was higher than in 2013/14. Where a child has been the subject of a CPP for 2 years, each is individually reviewed to identify whether this remains in the best interest of the child. Robust monitoring ensures Children's Services are aware of and reviewing performance against this indicator.
- 21 Just over half of the 40 care leavers were in education, employment or training at the end of December 2014, compared to a 2013/14 figure of 79%. The latest figure covers young people at ages 19, 20 and 21 which is a wider age range than previously covered. The reasons vary for young people not being in education, training and employment (ETE). The figures for Q1 to Q3 show a low level of ETE across the age range, at <55%. A recent refresh in March 2015 shows a greater level of engagement, although this is a fluctuating picture for each care leaver.

19 year old cohort 18/26 - 69.2 % are in ETE

20 year old cohort 16/19 - 84.2% are in ETE

21 year old cohort 12/17 - 70.5% are in ETE

In total of those not in ETE is 25.8% (16). In view of the fluctuating nature of this PI, there will be more research into the success factors and the enablers for positive engagement with ETE.

- 22 The number of 16-17 year olds accepted as homeless has been consistently low throughout 2014/15 to date.
- 23 The percentage of young people ending their YOT supervised order who are not in education, employment or training was on target at the end of quarter 3. The YOT has had recent successes with some complex young people and is looking at the sustainability of these outcomes.

Equalities Update

- 24 The council recently achieved excellent status under the Local Government Association's Equalities Framework for Local Government. The inspectors found that the council has a clear and strong vision for equality in the city and that the drive for equality was embedded in work across services. This process provided a very useful stock-take of where we have made progress, but also areas where we can further strengthen our processes. This included the use of Community Impact Assessments, ensuring these are consistently used to inform the development of proposals.

Council Plan

- 25 This report is directly linked to the Protect Vulnerable People, Build Strong Communities and Create Jobs and Grow the Economy elements of the Council Plan 2011-15.

Implications

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

Risk Management

- 27 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 2014/15 therefore represents a significant challenge, and the management team will continue to review expenditure across the directorate.

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 2014/15.

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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

Third finance and performance monitor for 2014/15, Cabinet 10 February 2015

Annexes

Annex 1 – Q3 Performance Scorecard

Abbreviations

(CSES) - Children's Services, Education & Skills

(CANS) - Communities and Neighbourhoods

(CLA) - Children Looked After

(LAC) - Looked After Children

(LA) - Local Authority

(DMT) – Directorate Management Team

(SEN) – Special Educational Needs

(DSG) - Dedicated Schools Grant

(GCSE) – General Certificate of Secondary Education

(CPP) - Child Protection Plan

(ETE) - Education, Training and Employment

(YOT) – Youth Offending Team