

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

**2015/16 FIRST QUARTER FINANCE AND PERFORMANCE MONITORING REPORT – LEARNING & CULTURE**

**Summary**

- 1 This report analyses the latest performance for 2015/16 and forecasts the financial outturn position by reference to the service plans 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 A summary of the service plan variations is shown at table 1 below.

**Table 1 – Learning & Culture Financial Summary 2015/16 – Quarter 1 – July**

	2015/16 Latest Approved Budget			Projected Outturn Variation	
	Gross Expenditure £000	Income £000	Net Expenditure £000	£000	%
<b>Communities &amp; Neighbourhoods:</b>					
Arts & Heritage	1,814	369	1,445	+50	3.5%
Learning Services	2,260	2,222	39	+83	213%
Libraries & Archives	2,089	1	2,088	+25	1.2%
Youth Services	572	6	566	0	0%
Sport & Active Leisure (Facilities)	955	531	424	+85	20.0%
<b>Total C&amp;N</b>	<b>7,690</b>	<b>3,129</b>	<b>4,561</b>	<b>+243</b>	<b>5.3%</b>
<b>Children's Specialist Services:</b>					
CSS General	931	50	881	-44	5.0%

Children's Social Care Resources	8,753	944	7,809	+1,518	19.4%
Children's Social Care Safeguarding	4,847	128	4,720	+163	3.5%
Children's Trust	759	17	742	-54	7.3%
Integrated Family Service	421	360	61	0	0%
Youth Support Service	781	74	707	0	0%
Education Psychology Service	880	0	880	+13	1.5%
Special Educational Needs Service	4,462	154	4,308	-37	0.9%
<b>Total CSS</b>	<b>21,836</b>	<b>1,727</b>	<b>20,109</b>	<b>+1,559</b>	<b>7.8%</b>
<b>Education &amp; Skills:</b>					
Childcare Strategy & Business Management	581	119	463	0	0%
Children's Centres	2,226	464	1,761	-20	1.1%
Connexions	1,107	15	1,092	-153	14.0%
Early Years Learning & Welfare	570	147	423	-72	17.0%
Governance Service	248	174	73	0	0%
School Services & Business Support	10,352	6,341	4,011	-36	0.9%
School Improvement Service	2,143	269	1,874	+19	1.0%
Travellers & Ethnic Minority Service	208	171	37	0	0%
<b>Total E&amp;S</b>	<b>17,435</b>	<b>7,700</b>	<b>9,735</b>	<b>-262</b>	<b>2.7%</b>
<b>School Funding &amp; Assets:</b>					
School Assets & Rates	3,862	1,663	2,199	0	0%
School Delegated Funding	112,412	3,541	108,871	0	0%
Schools Grant Income	-	117,692	-117,692	+43	0.0%
<b>Total SF&amp;A</b>	<b>116,274</b>	<b>122,896</b>	<b>-6,622</b>	<b>+43</b>	<b>0.6%</b>
<b>Director of CSES and Central Budgets</b>	<b>6,368</b>	<b>5,902</b>	<b>466</b>	<b>+72</b>	<b>15.5%</b>
<b>Mitigation Savings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-299</b>	<b>-</b>

<b>Total Learning &amp; Culture</b>	<b>169,604</b>	<b>141,355</b>	<b>28,249</b>	<b>+1,356</b>	<b>4.8%</b>
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+ indicates increased expenditure or reduced income      - indicates reduced expenditure or increased income

### Communities & Neighbourhoods Directorate (+£243k / 5.3%)

- 3 The Communities & Neighbourhoods Directorate are reporting a £243k projected overspend. This is mainly due to ongoing restructuring and redundancy within Learning Services, but also due to contracts such as Routes to Success which are not fully funded. These contracts are being reviewed during the year.
- 4 The Arts & Heritage budget has incurred £50k legal costs relating to the setting up of Make It York. Libraries have an ongoing £25k liability for early retirement costs for previous council staff.
- 5 Following the closure of Waterworld in December and its expected demolition in the autumn, there are anticipated costs of £85k for rates, electricity and security.

### Children's Specialist Services (+£1,559k / 7.8%)

- 6 Despite a reduction in the number of Children Looked After (CLA) and a reduction in expenditure of c£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 £1,518k within children's social care resources budgets. The initial estimate of the major variations for 2015/16 is as follows:
  - Out of City Residential Placements (+£548k)
  - Independent Foster Agency (IFA) Placements (+£540k)
  - Northern Care Contract Placements (+£144k)
  - The Glen Respite Care Home (+£79k)
  - Adoption, Residence & Guardianship Orders (+£169k)
  - CLA Transport (+£96k)
  - Staffing (+£32k)
  - Inter Agency Adoption Fees (-£79k)
- 7 Within children's safeguarding additional staffing costs of £163k are being incurred. This is due to an extra reviewing officer and business support officers being employed in excess of the numbers provided for within the budget. In addition a number of vacant posts are being covered by more expensive agency staff creating a budget pressure. This is offset by projected underspends of; £54k in children's trust staffing budgets due to some posts being kept vacant; £46k on children's services legal fees and £43k within

Special Educational Needs (SEN) services funded from the Dedicated Schools Grant (DSG).

- 8 It is now important to recognise that in terms of the current pressures within children's social care budgets, CSES DMT believes that the 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 CLA is already the lowest of all 150 LAs nationally. Although opportunities to reduce costs further will continue to be explored (for example through a planned strategy to ensure as many of our CLA are cared for within the city rather than in external placements), any further general fund savings in this area are likely to be limited. Therefore options elsewhere within the directorate will need to be considered to produce a balanced CSES budget for 2015/16.

Education & Skills (-£262k / 2.7%)

- 9 The net projected underspend is mainly due to a number of posts being kept vacant within early years learning & welfare and connexions services.

Schools Grant Income (+£43k / 0.6%)

- 10 The small net income reduction is made up of the following variations:
- a higher than budgeted for carry forward of surplus Dedicated Schools Grant (DSG) from 2014/15 (-£342k);
  - and a projected surplus carry forward of DSG into 2016/17 of £385k

Director of CSES and Central Budgets (+£72k / 15.5%)

- 11 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 in 2014/15. However, given the pressures on the remainder of the directorate's budget, alternative savings have yet to be identified. It is now recommended that the £250k of growth funding allocated to CSES in the 2015/16 budget process is used to remove the majority of this on-going pressure. In addition the directorate has been asked to honour a commitment made to provide £20k pa of funding to Higher York for which there is no budget provision.

Mitigation Savings (-£299k)

- 12 The following options have already been identified to help mitigate the significant pressures identified above:
- Increase the salary recharge to capital schemes from the CSES planning team to 3.5% (-£65k).

- Limit the level of expenditure to be committed from the SEN, Adoption and Troubled Families grants generating a one-off saving (-£184k).
- Additional short term savings from the directorate moratorium on discretionary expenditure within service team budgets. (-£50k).

### **Further Action**

- 13 Both directorate management teams are committed to doing all they can to try and contain expenditure within their budgets for 2015/16 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 all options available to further mitigate the current overspend projection being explored, including consideration of the following:
- Consider whether any of the existing 2015/16 efficiency savings proposals can be stretched to deliver additional short term and on-going savings.
  - Consider whether any of the savings being developed for 2016-20 can be stretched and delivered earlier to generate a savings benefit in 2015/16.
  - Continue the restrictions on all discretionary spend and hold recruitment to vacant posts wherever possible and safe to do so.

### **Performance Analysis**

- 14 The information provided below relates to performance indicators available at Annex A. This commentary relates specifically to new information available at the end of Quarter 1.
- 15 The numbers of children in care and children subject to child protection plans remained in line with 2014/15.
- 16 The proportion of children becoming subject to a second child protection plan increased again in quarter 1, 2015/16. This performance measure is cumulative, so performance could 'level' through the year and will continue to be monitored. Work continues to enable understanding of this group of children and their circumstances. The Safeguarding Board has recently audited case files or re-registrations, the outcome of which will be reported in September to highlight any learning
- 17 At the end of quarter 1, 2015/16 no children had been on a child protection plan for more than 2 years when their plan ceased. This is a cumulative indicator and Children's Services continue to robustly monitor and review performance against this indicator.
- 18 The number of under-18 year old conceptions per 1,000 15-17 year old females decreased.

- 19 The proportion of 16-18 year olds not in education, employment or training (NEET) remained stable in quarter 1, 2015/16.

### **Council Plan**

- 20 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**

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

### **Recommendations**

- 22 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 2015/16.

### **Contact Details**

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**Report  
Approved**

**Date** *2 September 2015*

**Specialist Implications Officer(s)** None

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

**All**

**For further information please contact the authors of the report**

## **Background Papers**

2015/16 Finance & Performance Monitor 1, Executive 27 August 2015

## **Annexes**

Annex A – 2015/16 Quarter 1 Performance Scorecard