

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

2022/23 Second Quarter Finance 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 2**

2022/23 Quarter 1 Variation £000		2022/23 Latest Approved Budget			2022/23 Projected Outturn Variation	
		Gross Spend £000	Income £000	Net Spend £000	£000	%
+6,528	Children’s Safeguarding	22,394	2,679	19,715	+7,782	+38.7%
+681	Education & Skills	17,936	5,034	12,902	+1,029	+8.0%
0	School Funding & Assets	159,485	167,716	-8,231	0	0%
+71	Director of C&E & Central Budgets	4,778	5,996	-1,218	+71	+3.8%
0	Covid 19 Funding				-750	N/A
0	C & E Directorate Mitigations				-400	N/A
0	Communities & Equalities	12,366	5,969	6,397	+251	0.0%
7,280	Total	216,959	187,394	29,565	7,983	+25.7%

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

3. A net overspend of £7.8m is forecast which is primarily due to pressures within children's social care.

Children's Specialist Services

4. The number of Children Looked After (CLA) in York continues to be consistently at a higher level than the budget was built to accommodate.
5. The placement budgets is projected to overspend by a total of £5,147k in 2022/23. This figure is made up of variances of £745k on local fostering placements, £650k on IFAs, £314k on adoption/SGO/CAO allowances, £2,506k on the General Fund element of Out of City Placements, £741k on Wenlock Terrace and £191k on Leaving Care placements.
6. 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. The big increase is within a placement at Wenlock Terrace as this has now been forecast to the year end and is our highest weekly placement with a cost in excess of £20k per week.
7. In addition, there is a projected overspend in the Corporate Parenting staffing teams of £423k due to additional Working With York (WWY) and agency staff, and a net overspend on Inter-Agency Adoption Fees of £58k.
8. The Safeguarding Interventions budget is projected to overspend by £277k. This area now has five 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 are forecast to overspend by £233k.
9. Staffing budgets within Children's Social Work Services are predicted to overspend by £322k. 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 £411k in the Referral, MASH and Assessment teams. This is due to temporary staff appointments in this area until permanent appointments are made.
11. A projected overspend in Disabled Children's Services of £533k relates mainly to overspends on short breaks and direct payments of £471k, 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 2022/23 due to agency staffing.

Education and Skills

13. There are two significant variations within Education and Skills budgets. The first is the Home to School Transport budget, which was already in an historic overspend position due to increase in numbers for post 16/19 and the increasing trend of trying to provide more specialist education provision for this group of students more locally. This is a much more cost-effective alternative to expensive out-of-city provision but has a consequent effect on this budget as we have had to provide more transport to establishments such as York College, Askham Bryan, Choose 2 and Blueberry Academy.
14. The change in legislation to allow Education, Health and Care Plans up to the age of 25, resulting in significantly more students accessing this option, has also significantly increased our transport spend.
15. The latest projected position is for an overspend of £600k. However, the new taxi contracts have just been implemented and officers are currently working to understand the implications of these new contracts on the budget. In addition, our bus operator (Pullman) is requesting a significant uplift in the contract price to reflect their rising costs of delivery, and this will result in further negotiations to reach a fair agreement. Further clarity will be available and included at quarter 3.
16. Staff resourcing issues in the SEND Statutory Services Team, and the need to resource this work to progress the Safety Valve targets has resulted in a significant number of agency staff being appointed into this team over the period from April to date. The majority of the roles have now been permanently filled but the result is a predicted overspend in 2022/23 of £449k. Work is on-going on these projections to assess where some existing temporary contracts may be ended earlier than currently projected, and where vacancies can reduce this projection.

School Funding and Assets (including the Dedicated Schools Grant)

17. 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.
18. 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.

19. 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.
20. 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

21. 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.

Children & Education Directorate Mitigations

22. To date, the following mitigations have been identified:
 - a) A review of temporary staffing in the SEND service to reduce the projected overspend reported above. This could save up to £80k.
 - b) The use of a contingency being held as part of the ESIF project which ended on 31st December 2021. Although still subject to audit and some possible clawback it is felt that a £100k reduction in this contingency can be safely actioned.
 - c) Use of an additional £50k of Pupil Premium Grant income to support the activities of the Virtual School, reducing the general fund cost for the remainder of 2022/23.
 - d) A review of all temporary staffing in Childrens Social Care with a view to reducing the number of agency staff currently included in the projections. An expenditure reduction of £170k has been identified to date based on decisions to end a number of contracts sooner than initially projected.
23. Further areas also being investigated include the following:
 - a) A detailed assessment of the General Fund growth included in the 2022/23 base budget for expenditure transfers from the DSG to determine if all is required in the first year.

- b) Consider placing a restriction on all discretionary spend and hold recruitment to vacant posts wherever possible and safe to do so.
- c) Consider whether any of the savings proposals in development for 2023/24 can be implemented early to deliver additional short term and on-going savings.
- d) Review the level of expenditure to be committed from specific unbudgeted in year grants with a view to generating a one-off saving.

Communities & Equalities

- 24. These services are currently expected to overspend by £251k mainly due to the forecast impact of inflation on contracts for leisure facilities and libraries.

Performance - Service Delivery

- 25. In spite of the many challenges that the organisation and City has faced over the last two years, performance across the wider organisation, not just the Council plan indicators, has continued to remain high and continues to compare favourably when benchmarked against other areas with similar characteristics to York. Whilst Covid and the actions taken to tackle the global pandemic have in places affected performance in the short-term, the general pattern for data and information monitored by the Council is that levels of resident and customer satisfaction, timeliness and responsiveness, as well as various directorate and service based indicators, have remained positive.
- 26. It is likely that due to impacts of COVID, a number of the Council Plan indicators will continue to see a change both in terms of their numbers and their direction of travel in future reporting periods. The majority of the performance measures within the Council Plan have a lag between the data being available and the current reporting period and therefore impacts will not be immediately seen, and may occur over several years as new data becomes available.
- 27. The Executive for the Council Plan (2019-23) agreed a core set of strategic indicators to help monitor the council priorities and these provide the structure for performance updates in this report. The indicators have been grouped around the eight outcome areas included in the Council Plan. Some indicators are not measured on a quarterly basis and the DoT (Direction of Travel) is calculated on the latest three results whether they are annual or quarterly.

A Better Start for Children and Young People

A Better Start for Children and Young People						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Secondary school persistent absence rate (10% absence) (recorded over 6 terms)	13.18% (2018/19)	12.10% (2020/21)	↓ Good	Annual	Not available	Data for 2019/20 was not released due to COVID19. Data for 2021/22 available in January 2023
Voice of the Child - Service Usage and Life Opportunities	Narrative	Narrative	N/A	Quarterly	Not available	Q2 2022/23 narrative available in November 2022
% of children who have achieved a Good Level of Development (GLD) at Foundation Stage - (Snapshot)	74.80% (2017/18)	75.60% (2018/19)	→	Annual	National Data 2018/19 71.80%	Data for 2019/20 and 2020/21 was not released due to COVID19. Data for 2021/22 will be released in November 2022.
Average Progress 8 score from KS2 to KS4	0.11 (2017/18)	0.22 (2018/19)	↑ Good	Annual	National Data 2018/19 0.01	Data for 2019/20 and 2020/21 was not released due to COVID19. Data for 2021/22 will be released in November 2022.
% of pupils achieving 9-4 or above in English & Maths at KS4 (C or above before 2016/17)	69.60% (2017/18)	73.60% (2018/19)	→	Annual	National Data 2018/19 65.70%	Data for 2019/20 and 2020/21 was not released due to COVID19. Data for 2021/22 will be released in November 2022.
%pt gap between disadvantaged pupils (eligible for FSM in the last 6 years, looked after and adopted from care) and their peers achieving 9-4 in English & Maths at KS4	33.20% (2017/18)	29.40% (2018/19)	→	Annual	National Data 2018/19 27.00%	Data for 2019/20 and 2020/21 was not released due to COVID19. Data for 2021/22 will be released in November 2022.
% of Year 12-13 (academic age 16-17) NEET who possess less than a L2 qualification - (Snapshot)	84.10% (Q1 2022/23)	100% (Q2 2022/23)	→	Monthly	Not available	Q3 2022/23 data available in January 2023

The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly.
All historic data is available via the Open Data Platform

28. The number of children in York's care was 267 at the end of Q2 2022-23, which is the first time a noticeable decline has happened in over two years. York's rate per 10k remains above the comparator averages at 72.2, compared to 62.5 in our statistical family and 67 nationally, but the gap appears to be narrowing.
29. We continue to have a high proportion of children who are placed with parents, in comparison to our statistical family. Children's Social Care have started work on discharging the care orders of these children and young people in a safe way, which has resulted in a slight reduction.
30. The number of children who were the subject of a child protection plan was 177 at the end of September 2022, following a peak in August of 191. At 48 plans per 10k population, performance is noticeably above York's expected range and higher than comparator averages (family 31.8 per 10k, national 41.4 per 10k).
31. The number of referrals to children's social care at the end of Q2 is level with the past two years at just over 800. Re-referral performance (within 12 months of a previous referral) also remains stable and in line with benchmarks.

32. The number of contacts to Early Help in the year to date is level with 2020-21, and slightly lower than last year.

Voice of the Child

33. Advocacy casework for children and young people who are in care or leaving care, going through the child protection process or wanting to make a complaint has continued to be provided throughout this period. Between July and September 2022, Speak Up received a total of 10 referrals for advocacy; these consisted of 7 referrals for children and young people in care, 1 referral for a young person subject to a Child Protection Plan, 1 referral for a care leaver and 1 referral for a young person aged 16 or 17 and homeless.

Secondary school persistent absence rate

34. The Department for Education did not report persistent absence during COVID-19 due to school closures. 2020-21 national data has recently been released showing that 14.8% of secondary age pupils were persistently absent during the academic year, compared to 12.1% of York secondary pupils. 2021-22 academic year data for York pupils will be available next quarter.

% of children who have achieved a Good level of Development (GLD) at Foundation Stage

35. There is no data for 2019-20 or 2020-21 as the tests were cancelled due to the pandemic. Key Stage tests took place in summer 2022 and data will be available at the end of Q3.

Education Progression (Average Progress 8 score from KS2 to KS4) and GCSE Results (% of pupils achieving 9-4 in English and Maths at KS4)

36. Progress 8 is a measure of the progress made by pupils between Key Stage 2 and Key Stage 4. A positive score represents progress above the average for all pupils and a negative score progress below the average for all pupils. In 2020 and 2021, due to COVID-19, all GCSE, AS and A level exams were cancelled and replaced by a combination of teacher assessment, mock exam results, course work and a standardised calculation. The Department for Education did not release data for 2019-20 or 2020-21 due to the way in which Key Stage 4 results were calculated. Key Stage tests took place in summer 2022 and data will be available at the end of Q3.

% point gap between disadvantaged pupils (eligible for FSM in the last 6 years, looked after and adopted from care) and their peers achieving 9-4 in English and Maths at KS4

37. The DfE did not release data for 2019-20 or 2020-21 due to the way in which Key Stage 4 results were calculated due to COVID-19. Key Stage tests took place in summer 2022 and data will be available at the end of Q3. Reducing the attainment gap between disadvantaged pupils and their peers is a key priority in all phases of education across 0-19 years.

% of 16-17 year olds who are NEET who do not have a L2 qualification

38. The number of all 16-17 year olds in York who are NEET remains consistent at 13 young people at the end of September 2022. Historically, NEET trends

follow the academic year, with increases over the summer months when a small number of 16 year olds finish school without a plan for September. At the end of September 2022, all of the young people who were NEET did not have a Level 2 qualification. The number of young people who are NEET is very low in York, so high levels are not unexpected. Performance is largely in line with historical performance.

Council Plan

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

Implications

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

Recommendations

41. 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

For further information please contact the author of the report

Background Papers

- 2022/23 Finance and Performance Monitor 2 Report, Executive 22 November 2022
- Annex 1 - Children-Young People and Education Executive Member Scorecard Q2.pdf