

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

13 March 2019

Report of the Corporate Director of Children, Education & Communities

**2018/19 Finance and Performance Third Quarter Report – Children,
Education and Communities**

Summary

- 1 This report analyses the latest performance for 2018/19 and forecasts the financial outturn position by reference to the service plans and budgets for all of the services falling under the responsibility of the Corporate Director of Children, Education & Communities.

Financial Analysis

- 2 A summary of the service plan variations is shown at table 1 below.

Table 1 – CEC Financial Projections Summary 2018/19 – Quarter 3

2018/19 Quarter Two Variation £000		2018/19 Latest Approved Budget			2018/19 Projected Outturn Variation	
		Gross Spend £000	Income £000	Net Spend £000	£000	%
+1,250	Children's Specialist Services	22,949	4,134	18,815	+1,464	+7.8%
-15	Communities & Equalities	8,710	4,212	4,498	+47	+1.0%
+480	Education & Skills	17,453	5,796	11,657	+404	+3.5%
+25	School Funding & Assets	126,153	133,729	-7,576	-102	-1.3%
-26	Director of CEC & Central Budgets	1,490	5,955	-4,465	-7	-0.2%
-845	Mitigations				-863	
+869	Total CEC Directorate	176,755	153,826	22,929	+943	+4.1%

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

- 3 The projected overspend of £943k represents a deterioration of £74k compared to the position at quarter 2, mainly due to an increase in the costs of supporting Looked After Children (LAC). The following sections provide more details of the major outturn variations and any mitigating actions.

Children's Specialist Services (+£1,464k / +7.8%)

- 4 Children's Social Care (CSC) staffing budgets are currently projecting a net overspend of £173k, mainly due to more expensive agency staff being used to cover important but hard to fill social worker posts. This is lower than the position in previous years following the introduction of 'golden hello' and 'golden handcuff' payments to new and existing staff in some of the key social work teams.
- 5 Based on the current numbers of LAC being maintained throughout the rest of the year there is a net projected overspend on placement and associated costs of £1,147k. This includes +£263k on local fostering, +£476k on IFAs, +£223k on adoption/SGO/CAO allowances, +£143k on inter-agency adoption fees, +£60k on direct payments and +£96k on other costs, offset by a projected underspend on leaving care costs of £114k.
- 6 There is a net projected overspend of £196k within The Glen and disability short breaks budgets, due mainly to delays in implementing the new model of provision for children with the most complex needs that was planned to deliver budget savings in 2017/18 and 2018/19.
- 7 The Local Area Teams (LATs) budget is projected to underspend by £91k due to staff vacancies in the healthy child service.
- 8 A number of other more minor variations make up the remaining projected net overspend of £39k.

Communities & Equalities (+£47k / +1.0%)

- 9 There is a projected overspend of £30k within parish revenue budgets due to the continued additional expenditure on grass cutting contracts. In addition there is a projected shortfall of income over expenditure in learning services of £37k. A number of other more minor variations make up the remaining projected net underspend of £20k.

Education & Skills (+£404k / +3.5%)

- 10 There is a net projected underspend of £146k within School Improvement. This is due to a number of staffing vacancies, particularly within the Skills Team, offset by some additional costs including for the

LAC virtual school headteacher. In addition Special Educational Needs budgets are projected to underspend by a net £101k, mainly due to cost reductions in some out of city placements.

- 11 The savings targets for the SEN element of home to school transport have not been achieved because of a growth in the number of pupils/students requiring transport and the specialist requirements of that transport accordingly resulting in a forecast overspend of £651k. The main increase in numbers have been at post 16/19 where because of the city now being able to provide more specialist education provision for this group of students more locally, subsequently we have had to provide more transport to the likes of York College, Askham Bryan, Choose 2, Blueberry Academy. The changes in legislation to allow EHCP's to ages 19-25 resulting in significantly more students accessing this option has significantly increased our transport spend accordingly.
- 12 The cost per pupil of transport over the last 3 years has gradually been falling as we have worked with our transport providers to increase the size of vehicles and reduce the number of passenger transport assistants. This indicates strong contract management processes are in place to reduce expenditure. As indicated above however the increase in numbers and need has impacted on expenditure, as has contract price inflation increases that have been higher than the growth allowed for in the budget. The option of renegotiating contracts has not been considered as we have driven down costs through the contract management process and we are clear that we would be unable to find a transport provider who could deliver a service for the volumes required and meets the high level of safeguarding assurances that we have set.

Schools Funding & Assets (-£102 / -1.3%)

- 13 The net projected variation is made up of the following items:
 - a carry forward of surplus Dedicated Schools Grant (DSG) from 2017/18 that is £105k lower than budgeted for,
 - an estimated net overspend on high needs budgets of £1,153k, including +£891k for Danesgate alternative provision, +£417k for special schools and units, +£143k for maintained school support and £95k for post 16/19 provision, offset by an additional in year allocation of high needs funding by government of £393k;
 - an estimated £400k retrospective positive adjustment to early years funding following the expansion of the free entitlement for 3 & 4 year olds to 30 hours per week;
 - a projected saving of £350k on prudential borrowing repayments as the provision set aside following the closure of Burnholme Community College has not yet been fully committed;

- a projected £250k write off of school deficits for schools converting to sponsored academy status;
- an estimated underspend on pupil growth funding of £40k;
- a revised projected deficit carry forward of DSG into 2019/20 that is £820k greater than budgeted for.

Director of CEC and Central Budgets (-£7 / -0.2%)

14 There are no significant variations to report.

Mitigations (-£863k)

- 15 CEC Directorate Management Team (DMT) are committed to doing all they can to try and contain expenditure within budget for 2018/19, and reduce the projected overspend as far as possible by the year end. Other than SEN home to school transport, all agreed budget savings are being delivered. 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 the following:
- Consider whether any of the existing efficiency savings proposals can be stretched or implemented early to deliver additional short term and on-going savings.
 - Continue the restrictions on all discretionary spend and hold recruitment to vacant posts wherever possible and safe to do so.
 - Review the level of expenditure to be committed from specific unbudgeted in year grants and reserves with a view to generating a one-off saving.
 - Consider the extent to which the increased SEN transport costs can be accounted for within the DSG.
 - A placement review which will propose more local provision and will help to slow the rate of expenditure in this area.
- 16 Provision will need to be made in the 2019/20 budget for the general fund pressures on looked after children and further mitigations to offset the increase in home to school transport costs. The on-going Inclusion Review will need to address the significant pressures being experienced within the DSG High Needs budget.

Performance Analysis

Number of Children Looked After

- 17 This measure gives an understanding of the efficiency and effectiveness of a key front-line service which has impacts on vulnerability and the life

chances of children. There were 207 children and young people in care at the end of December 2018. This evidences a continued consistency of practice and need, against the national trend of increasing looked after numbers.

Joint Targeted Area Inspection

- 18 York had a joint targeted area inspection of the multi-agency response to sexual abuse in the family in September 2018. Ofsted, CQC, HMI Constabulary and HMI Probation undertook a joint inspection of the effectiveness of partnership working between the local authority, police, health, youth offending and probation services. The inspection found a strong shared commitment to working in a child focused way and listening to the voices of children as being central to the work across all agencies in York. It highlighted the strong leadership and challenge to partners provided by the local safeguarding children board. The inspectors found that 'effective leadership and a whole council approach have been important in ensuring that the local authority continues to develop the effectiveness of its services'. The report highlighted strengths in the relationships between agencies which now need to become more systematic to ensure consistency of response across all agencies.

Average Progress 8 Score from Key Stage 2 to Key Stage 4

- 19 This indicator gives an understanding of educational attainment levels within the city. 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.
- 20 In 2018, the average Progress 8 score for Year 11 pupils was +0.11, which is significantly above the national average. The Progress 8 score of +0.11 is the same as 2017 and again puts the city in the top quartile for all Local Authorities. This result is an unvalidated statistic published by the DfE in October 2018. The finalised score is due to be released shortly.

%pt gap between FSM and non-FSM pupils at 15, who attain a Level 3 qualification by the age of 19

- 21 This measure gives an understanding of the inequality gap. The attainment gap at age 19 is currently 33.9% in York compared to 25.2% nationally. Work continues with York's 6th forms and colleges to ensure that young people achieve their potential post-16. There has been good progress in recent years on the Level 3 attainment gap at age 19, the 16/17 result is a dip and we need to see if it is a "one off". Clearly this

outcome is fed by indicators at earlier points; achieving a Level 2 outcome at 16 is a prerequisite for following a Level 3 programme post 16. This means that work with younger pupils is critical to sustainable improvement in the long term. The margins are small with this indicator – ten more disadvantaged young people achieving Level 3 at 19 would bring the York % gap below national. We intend to look at this issue with York College in particular in the summer term when the 2017/18 data is available.

22. Reducing the attainment gap between disadvantaged pupils and their peers remains one of the City's main priorities. This year, schools and partner agencies across York have signed up to a city-wide pledge to help disadvantaged pupils achieve at school, and work will prioritise actions needed to improve the outcomes for disadvantaged children in the early years in order to address issues early and close the attainment gap more sustainably. This year school improvement projects, which include a focus on narrowing attainment gaps include:
- Reading for Real – 8 primary Schools
 - Inclusion Expert – 4 primary Schools
 - Secondary attendance - 1 secondary school
 - Excellence for all – 2 secondary and 2 primary schools
 - Making the difference with differentiation - 4 primary schools
 - Empowering the disadvantaged – 4 primary schools
 - Using metacognition and self-regulation training to improve outcomes for disadvantaged students – 2 secondary schools
23. 92% of 16-17 year olds who are Not in Education, Employment or Training (NEET) are not qualified to Level 2, demonstrating challenges before people are aged 19. Learning and Work Advisers from the council's Local Area Teams provide specialist information, advice and guidance to young people who are in the care of the local authority, those in alternative education provision, those in the youth justice system and those aged 16-18 who are NEET.

Council Plan

24. This report is directly linked to the three key priorities of the Council Plan for 2015-19: A Prosperous City for All; A Focus on Frontline Services; and A Council that Listens to Residents.

Implications

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

Recommendations

26. 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 2018/19.

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**Report
Approved**

Date

21 February 2019

Specialist Implications Officer(s) None

Wards Affected:

All

For further information please contact the authors of the report

Background Papers

2018/19 Finance and Performance Monitor 3 Report, Executive 14 February 2019

<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=11007&Ver=4>

Annexes

Annex A: 2018/19 Quarter 3 Performance Scorecard

Abbreviations

CEC- Children, Education and Communities

CQC- Care Quality Commission

CSC- Children's Social Care

EHCP- Educational Health and Care Plan

DFE- Department for Education

DMT- Directorate Management Team

DSG- Dedicated Schools Grant

FSM- Free school Meals

HMI- Her Majesty's inspectorate

LAC- Looked after Children

LAT- Local Area Teams

NEET- Not in Education, Employment or Training

SEN – Special Educational Needs