

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

**2015/16 Finance and Performance Draft Outturn Report – Learning & Culture**

**Summary**

- 1 This report analyses the financial outturn position and performance data for 2015/16 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 (CSES).

**Financial Analysis**

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

**Table 1 – Learning & Culture Financial Summary 2015/16 – Draft Outturn**

2015/16 Quarter 3 Variation £000		2015/16 Latest Approved Budget			Draft Outturn Variation	
		Gross Expen- -diture £000	Income £000	Net Expen- -diture £000	£000	%
	<b>Communities &amp; Neighbourhoods:</b>					
0	Arts & Heritage	2,021	404	1,617	+46	2.8%
+65	Learning Services	3,280	2,574	706	-14	2.0%
+25	Libraries & Archives	2,740	1	2,739	-52	1.9%
+4	Youth Services	530	6	524	+16	3.1%
+167	Sport & Active Leisure (Facilities)	1,307	531	776	+102	13.1%
<b>+261</b>	<b>Total C&amp;N</b>	<b>9,878</b>	<b>3,516</b>	<b>6,362</b>	<b>+98</b>	<b>1.5%</b>
	<b>Children’s Specialist Services:</b>					
-12	CSS General	958	50	908	+57	6.3%
+1,554	Children’s Social Care Resources	8,831	944	7,887	+1,705	21.6%
+200	Children’s Social Care Safeguarding	5,005	128	4,878	+151	3.1%

-43	Children's Trust	760	17	743	-23	3.1%
0	Integrated Family Service	483	360	123	+78	63.4%
0	Youth Support Service	795	74	721	+9	1.2%
+15	Education Psychology Service	885	0	885	+16	1.8%
+5	Special Educational Needs Service	4,467	179	4,288	+19	0.4%
<b>+1,719</b>	<b>Total CSS</b>	<b>22,186</b>	<b>1,752</b>	<b>20,433</b>	<b>+2,012</b>	<b>9.8%</b>
<b>Education &amp; Skills:</b>						
-13	Childcare Strategy & Business Management	587	119	468	-13	2.8%
-55	Children's Centres	2,252	464	1,788	-143	8.0%
-156	Connexions	1,130	36	1,094	-178	14.8%
-77	Early Years Learning & Welfare	582	147	435	-83	16.3%
-5	Governance Service	268	174	94	-32	34.0%
-68	School Services & Business Support	10,195	6,317	3,878	-318	8.2%
-7	School Improvement Service	2,365	269	2,097	-200	9.5%
0	Travellers & Ethnic Minority Service	205	171	34	+6	17.6%
<b>-381</b>	<b>Total E&amp;S</b>	<b>17,584</b>	<b>7,697</b>	<b>9,887</b>	<b>-961</b>	<b>9.7%</b>
<b>School Funding &amp; Assets:</b>						
-353	School Assets & Rates	9,458	1,663	7,795	-358	4.6%
+686	School Delegated Funding	112,412	3,541	108,871	+538	6.9%
-338	Schools Grant Income	-	117,692	-117,692	-96	0.1%
<b>-5</b>	<b>Total SF&amp;A</b>	<b>121,870</b>	<b>122,896</b>	<b>-1,026</b>	<b>+84</b>	<b>8.2%</b>
<b>+42</b>	<b>Director of CSES and Central Budgets</b>	<b>7,252</b>	<b>6,218</b>	<b>1,034</b>	<b>+53</b>	<b>5.1%</b>
<b>-329</b>	<b>Mitigation Savings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-397</b>	<b>-</b>
<b>+1,307</b>	<b>Total Learning &amp; Culture</b>	<b>178,770</b>	<b>142,079</b>	<b>36,691</b>	<b>+889</b>	<b>2.4%</b>

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

- 3 The first financial monitoring report for 2015/16 showed a projected overspend of £1,356k. Subsequent monthly reports have shown a modest but steady improvement in the outturn projection, with a projected overspend of £1,307k last reported publicly at quarter 3. The latest position at table 1 is now showing a draft outturn overspend of £889k, an improvement of £418k since quarter 3 and £467k more favourable than at the time of the first monitoring report of the year. The following sections provide more details of the significant outturn variations and any mitigating actions that were taken.

### Communities & Neighbourhoods Directorate (+£98k / 1.5%)

- 4 The Communities & Neighbourhoods Directorate reported a £98k overspend. Although there was a reduced cost due to demolition, Waterworld overspent by £139k. This was offset by £37k additional income at Yearsley.
- 5 The Libraries budget underspent by £52k as a provision to cover discretionary rate relief was not required, and from lower pension liabilities in respect of staff who transferred to Explore as some staff have now left.
- 6 Arts & Culture overspent by £46k due to publicity and operational support to Shambles Market. Learning Services underspent by £14k due to staff restructuring which avoided some of the anticipated redundancy costs.
- 7 Youth Services spent an additional £12k on SHINE, and a further £11k on Choose 2 (supporting disabled young people). This was offset by £7k staff and operational savings.

### Children's Specialist Services (+£2,012k / 9.8%)

- 8 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 overspend of £1,705k within children's social care resources budgets. The major variations for 2015/16 are as follows:
  - Out of City Residential Placements (+£548k)
  - Independent Foster Agency (IFA) Placements (+£490k)
  - Adoption, Residence & Guardianship Orders (+£260k)
  - Inter Agency Adoption Fees (-£252k)
  - Northern Care Contract Placements (+£228k)
  - CLA Transport (+£106k)
  - Staffing costs (+£95k)
  - The Glen Respite Care Home (+£94k)
  - Leaving Care (+£62k)
  - Other minor variations (+£74k)
- 9 Within children's safeguarding, the integrated family service and other staffing budgets, additional costs of £311k have been incurred. This is due to an extra reviewing officer, children's rights officer and business support officers being employed in excess of the numbers provided for within the budget, with a number of vacant posts also being covered by more expensive agency staff creating a significant budget pressure. The budget for legal fees has overspent

by £54k due to the late billing by HM Courts & Tribunals Service of some fees dating back to 2012. In addition there has been a net overspend of £79k on Special Educational Needs placements.

- 10 These overspends are offset by an underspend of £128k within the Child & Adolescent Mental Health Service (CAMHS), due to a saving on the new contract (£28k) and not spending any of the one-off growth allocated (£100k). A number of other more minor variations produce a net underspend of £9k.
- 11 It is now recognised that the current expenditure within children's social care budgets is 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 one of the lowest of all local authorities. 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. In recognition of this growth of £1,930k has been allocated to children's social care within the council's 2016/17 budget.

#### Education & Skills (-£961k / 9.7%)

- 12 There is a net underspend on staffing of £351k, mainly within early years and connexions teams due to posts being kept vacant while the services that they provide are being reviewed as part of the directorate's transformation programme. Additional income above budget totalling £72k has been generated across a number of areas including governance and school improvement. A saving of £93k has been generated against the one-off budget set aside for the delivering differently in neighbourhoods project.
- 13 Within the Dedicated Schools Grant (DSG) funded school improvement support budgets a £108k saving has been made. In advance of the savings required for 2016/17, savings have begun to be delivered on school transport contracts and budgets totalling £182k. In addition, savings totalling £76k have also been generated on school PFI and broadband contracts. A number of other more minor variations produce a net underspend of £79k.

#### School Funding & Assets (+£84k / 8.2%)

- 14 The small net overspend is made up of the following variations:
  - The original estimate assumed a £150k Dedicated Schools Grant (DSG) deficit balance would be brought forward from 2014/15. In the event the DSG outturned 2014/15 with a £241k surplus, resulting in a £391k higher than budgeted for carry forward of surplus DSG into 2015/16.

- An additional delegated funding requirement of £824k for Joseph Rowntree School due to a backdated revaluation of the school's business rates liability. The on-going annual impact is estimated at £151k.
- A net £233k overspend on high needs place and top up funding.
- A saving of £351k on prudential borrowing repayments as the provision set aside following the closure of Burnholme Community College has not yet been committed.
- An underspend of £400k on nursery place funding due to the delayed take up of the enhanced entitlement to 2 year old provision.
- An underspend on school contingency budgets of £119k.
- A reduction of £80k in DSG received during the year, mainly due to the downward revision of early years pupil numbers based on the updated January 2016 pupil census.
- A number of other more minor variations produce a net underspend of £7k.
- The original estimate assumed a nil DSG balance would be carried forward to 2016/17. As the final outturn position was a net in year deficit of £26k, this results in a revised carry forward of £215k

#### Director of CSES and Central Budgets (+£53k / 5.1%)

- 15 The net overspend is made up of a number of smaller variations. This includes £17k on trade union duties where the new in year budget saving has not been delivered, and a commitment that the council has made to provide £20k pa of funding to Higher York, that the CSES directorate has been asked to honour, for which there is no budget provision.

#### Mitigation Savings (-£397k)

- 16 The following in year savings have been delivered to help mitigate the significant pressures identified above:
- Limiting the level of expenditure from the SEN, Adoption and Troubled Families grants generating a one-off saving (£128k).
  - Increasing the salary recharge to capital schemes from the CSES planning team to 3.5% (£66k).
  - Additional short term savings from the directorate moratorium on discretionary expenditure within service team budgets. (£203k).

#### **Performance Analysis**

- 17 The latest figures show that there are 191 children and young people in care which is within the safe and expected range and has been relatively stable during 2015/16. This will continue to be monitored as a key indicator.

- 18 The number of children subject to a Child Protection Plan at the end of the year returned to trend at 135 (from 144 in Quarter 3). Earlier in the year, there was an increase in the number of cases going to Initial Child Protection Conference which impacted on Child Protection levels as these have worked through the process. Social Care Managers looked closely at this increase determining that there does not appear to be any clear emerging patterns at this stage. This area continues to be monitored by the extended management team.
- 19 As a partnership between the Safeguarding Children Board and NSPCC, the "It's not OK" campaign aims to ensure that parents, carers, children and young people, professionals and the general public know how to recognise the signs of child sexual abuse and sexual exploitation, where to get help and advice, and increase confidence in saying or doing something to stop the abuse. Launched in May 2015, this year-long multi-agency campaign had four distinct phases, with each targeting a different audience. Particularly effective was the It's Not Ok play, seen by Year 7 classes across the city, reaching over 1200 people. In 20 minutes it follows four teenagers through their experiences of the internet, relationships, gaming and family-life. Pupils then explored the issues raised by the play, giving the characters „advice" and finding strategies to seek out support against sexual abuse or exploitation.
- 20 92 young people started working with Personal Support and Inclusion workers in 2015/16, exceeding the annual target of 70. Personal Support and Inclusion workers use a youth work approach to build positive relationships with young people and their families. PSIs create and deliver bespoke packages of intervention and, through the Family Early Help Assessment, they form part of a wider team around the young person and work to improve young people's immediate situation, with the aim of improving outcomes for their future.
- 21 The percentage of York's 16-18 year olds who are not in education, training or employment (NEET) levelled with last year's figure at 5.2%.
- 22 Although the health and wellbeing of children in York is known to be generally better than England's average, the city's multi-agency Child and Adolescent Mental Health Services (CAMHS) Executive recognises the importance of giving high quality advice and support as soon as concerns emerge. This project will ensure support is available from confident and capable professionals within the school community, as part of a co-ordinated response that cuts across organisational boundaries. The pilot will run until July 2016 and the learning will be used to inform the approach and model that we anticipate will be in place across all school clusters from the start of the new academic year in September 2016.
- 23 Latest figures from 2014/15 showed a 30% increase in the number of people starting apprenticeships, placing York in the top four per cent of Local Authorities nationally.

- 24 Figures released by the Department for Business Innovation and Skills showed that 1,690 York residents started an apprenticeship in the city during the year, 390 more than the last academic year.
- 25 Around 20% of the growth in apprenticeships was generated by the council-led York Apprenticeship Hub which offers a free and impartial service to small and medium-sized businesses new to apprenticeships supporting them through the process and helping them find the right training provider and person for the job, as well as accessing grants and funding.

### **Council Plan**

- 26 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**

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

### **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 2015/16.

## Contact Details

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**Report**  **Date** 4 July 2016  
**Approved**

**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 Draft Outturn Finance & Performance Report, Executive 30 June 2016

## Annexes

Annex A – 2015/16 Outturn Performance Scorecard

## Abbreviations

DSG - Dedicated Schools Grant

CAMHS - Child & Adolescent Mental Health Service

CLA - Children Looked After

CSES - Children's Services, Education & Skills

NEET - Not in Education, Training or Employment

NSPCC - National Society for the Prevention of Cruelty to Children

SEN – Special Educational Needs