

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

**6 October 2021**

Report of the Corporate Director of People

2021/22 Finance First Quarter Monitoring Report – Children’s Services

**Summary**

- 1 This report analyses the latest performance for 2021/22 and forecasts the financial outturn position by reference to the Children’s Services plans and budgets falling under the responsibility of the Children’s Services elements of this committee’s responsibilities.

**FINANCIAL ANALYSIS**

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

**Table 1: Children’s Services Financial Projections Summary 2021/22 – Q1**

2020/21 Outturn Variation £000		2021/22 Latest Approved Budget			2021/2 Projected Outturn Variation	
		Gross Spend £000	Income £000	Net Spend £000	£000	%
+5,038	Children’s Specialist Services	22,711	2,713	19,998	+5,952	+29.8%
+2,840	Education & Skills	16,594	5,022	11,572	+592	+5.1%
-2,792	School Funding & Assets	142,750	150,524	-7,774	0	0.0%
-189	Director of CEC & Central Budgets	1,807	5,996	-4,189	+40	+1.0%
-5	Mitigations					
-1,084	Covid 19 Funding					
<b>3,813</b>	<b>Total</b>	<b>183,862</b>	<b>164,255</b>	<b>19,607</b>	<b>6,584</b>	<b>+33.6%</b>

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

- 3 A net overspend of £6.6m is forecast primarily due to children’s social care.

- 4 Before detailing the variances to be reported it is important to highlight some of the key reasons for the current budgetary position for Children's Social Care in York.
- 5 The number of Looked After Children in York has increased significantly in the past 2 years. The Looked After Children population had been stable for a number of years, in the range 190-210 at any one time however on appointment the new Directorate Management Team identified unsafe drift and delay for some children in the system. Ofsted subsequently identified this and corrective action has led to significant recalibration in the system. Numbers of care orders and children on pre proceedings continues to be stable and those in need of child protection have now returned at or below our statistical neighbour average. This means the flow of children coming into the care system has significantly reduced. However, the complexity of needs of these children remains high and capacity in the system to meet need at this level nationally is a significant challenge which is subject to an independent care review.
- 6 At the time of this monitor the Children & Young People In Care (CYPIC) number is 272, within the next 3 years some 25% of these will leave local authority care. A Reducing Service Costs Board has been established in Specialist Services chaired by the Assistant Director which will review arrangements to reduce CYPIC numbers safely, the effectiveness and impact of the Edge of Care Service, current FGC activity and progress on foster care recruitment. In addition a Strategic Overview of Permanence Group has been established, chaired by the Assistant Director to monitor the new Permanence Strategy through tight oversight of children with a plan of permanence and ensuring rigorous use of trackers in order to prevent delay and manage demand in the system.
- 7 The placements budgets are predicted to overspend by a total of £3,528k in 2021/22. This includes variances of £1,013k on Fostering, £111k on adoption allowances and £2,402k on Out of City Placements.
- 8 The fostering projection is based on all local foster carer positions being filled, so where a child reaches 18 or a foster placement ends, then it is assumed that this is filled. The Out of City placements overspend being reported here is a significant increase (£1.5m) on previous years due to the recalibration of the proportion of these costs between the General Fund and the Dedicated Schools Grant.
- 9 Staffing budgets within the Permanency Teams are also predicted to overspend by £521k, again due mainly to vacancies being filled by temporary staff.
- 10 Safeguarding Interventions are predicted to overspend by approximately £303k, mainly due to increases in the Court and Child Protection Teams who are

dealing with the increase in cases. Legal fees are predicted to overspend by approximately £430k.

- 11 Staffing budgets with Children's Social Work Services are also predicted to overspend by approximately £172k. This is mainly due to temporary staffing across the service, which the directorate has worked hard to eliminate with permanent appointments.
- 12 Significant staffing overspends totalling £558k are predicted in the MASH and Assessment teams mainly due to vacancies being covered by temporary and agency staffing.
- 13 Within Disabled Childrens Services overspends on Short Breaks of £108k, Direct Payments of £199k and staffing of £85k are predicted.
- 14 It is important to note that the staffing projections included in this monitor assume the current position will continue for the first six months of 2021/22 with the Early Help restructure implemented from the 1st October 2021. If this timescale is not achieved or there are posts that will still require temporary or agency staff after this date then the staffing overspends will worsen.
- 15 Education Psychology is predicted to overspend by £72k, due to an unbudgeted post costing £43k and unachieved vacancy factor of £29k.
- 16 The Home to School Transport budget was already in a historic overspend position of approximately £200k. 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. 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 and Blueberry Academy. The changes in legislation to allow Education and Health Care Plans to ages 19-25, resulting in significantly more students accessing this option, has significantly increased our transport spend accordingly.
- 17 The Special Educational Needs taxi transport budgets are therefore predicted to overspend by £327k based on existing numbers and prices.
- 18 A further pressure has been created due to increased pupil numbers at both Fulford and Huntington schools. These increases have resulted in a greater number eligible for Home to School transport and therefore three additional buses have been required, one from September 2019 and two more from September 2020, resulting in an additional cost of £260k across the full financial year.

- 19 These figures are based on the existing contract costs for the 2020/21 academic year. The prices for the new academic year are not known at this point and could change depending on the effect of pupil movements in September. The effect of the new academic year provision on budgets will be reported in future reports as soon as the information is available.
- 20 Underspends are projected in both the Governance Service (£23k) due to increasing external income for services, and in Early Years (£33k) due to savings on non-staffing budgets and the effect of an increase in the 5% Early Years block contribution.
- 21 The Dedicated Schools Grant position at 1st April 2021 is a deficit of £9.940m. Detailed work is ongoing to assess the 2021/22 position taking into account the savings already agreed as part of the budget process.
- 22 A number of other more minor variations make up the overall directorate position.

### **Council Plan**

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

### **Implications**

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

### **Recommendations**

- 25 As this report is for information only there are no specific recommendations.

Reason: To update the committee on the latest financial position for 2021/22.

## Contact Details

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Report  
Approved

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**Specialist Implications Officer(s)** None

**Wards Affected:**

All

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

### Background Papers

2021/22 Finance and Performance Monitor 1 Report, Executive 26 August 2021