

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

**2013/14 First Quarter Financial Monitoring Report – Learning & Culture**

**Summary**

- 1 This report analyses the latest performance for 2013/14 and forecasts the financial outturn position by reference to the service plan 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 The services that relates to the Learning & Culture Overview and Scrutiny committee cross two Directorates (Communities and Neighbourhoods and Children’s Services, Education & Skills). A summary of the service plan variations is shown at table 1 below.

**Table 1 – Learning & Culture Financial Projections Summary 2013/14 - Monitor 2 (Q1) July**

	2013/14 Budget £000	Projected Outturn Variation	
		£000	%
<b>CANS Directorate (Extract)</b>			
Arts & Heritage	2,017	+36	+1.8%
Learning Services	28	+15	+53.6%
Libraries & Archives	2,174	+58	+2.7%
Sport & Active Leisure (Facilities)	539	-40	-7.4%
<b>CANS Directorate (Extract)</b>	<b>4,758</b>	<b>+69</b>	<b>+1.5%</b>
<b>CSES Directorate</b>			
Children’s Specialist Services	21,655	+1,243	+5.7%
Education & Skills	6,199	-375	-6.0%

School & Children's Strategy & Planning	6,722	-51	-0.8%
School Funding & Assets	106,653	-300	-0.3%
Directorate of CSES General	(6,804)	+36	+0.5%
Children's Services Core Funding	(114,900)	-120	-0.1%
DSG Balance Carried Forward	(400)	+705	+176.3%
<b>CSES Directorate</b>	<b>19,125</b>	<b>+1,138</b>	<b>+6.0%</b>
<b>Total Learning &amp; Culture</b>	<b>23,883</b>	<b>+1,207</b>	<b>+5.1%</b>

- 3 The Communities & Neighbourhoods Directorate is reporting a forecast overspend of £69k. This relates mainly to one off redundancy costs of £110k which are partly offset by savings, mainly in relation to staff costs.
- 4 The Children's Services, Education & Skills Directorate is reporting early financial pressures of £1,138k, mainly due to unachieved savings.
- 5 Despite a reduction in the number of Looked After Children and a reduction in expenditure of almost £1m compared to 2012/13, the underlying budget pressure from previous years and unachieved budget savings of £700k result in this forecast overspend.
- 6 The Children's Services Management Team are committed to containing expenditure within their budget for 2013/14 and are therefore exploring the following options to further mitigate the current overspend projection:
  - Review all high cost LAC and SEN placements with a view to negotiating lower rates with providers.
  - Review all 2014/15 savings proposals with a view to stretching and implementing as many as possible earlier in the 2013/14 financial year.
  - Continue to hold recruitment to vacant posts wherever possible and safe to do so.
- 7 Within the Dedicated Schools Grant (DSG) funded budgets a net underspend of £705k is currently projected due to the new statutory requirement for 2 year old nursery budget being phased in from September 2013 and lower prudential borrowing repayment costs. There is however still some uncertainty as to the level of payments required to providers for post 16 high needs pupils under the new

DfE funding system introduced from August 2013. Any DSG surplus has to be carried forward to the 2014/15 financial year and cannot directly be used to offset the other directorate overspends.

### **Council Plan**

- 8 The information included in this report demonstrates progress on achieving the Council's Plan for 2011-2015 and in particular; priority 1 'Create jobs and grow the economy'; priority 3 'Build strong communities'; 4 'Protect Vulnerable People'.

### **Implications**

- 9 The financial implications are covered within the main body of the report. There are no significant human resources, equalities, legal, information technology, property or crime & disorder implications arising from this report.

### **Risk Management**

- 10 Children's Social Services budgets are under significant pressure. On going work within the directorate may identify some efficiency savings in services that could be used to offset these cost pressures before the end of the financial year. It will also be important to understand the level of investment needed to hit performance targets and meet rising demand for key statutory services. Managing within the approved budget for 2013/14 is therefore going to be extremely difficult and the management team will continue to review expenditure across the directorate. More detail is provided regarding the budget for children's social care in the item elsewhere on the agenda - Keeping Families Together – Safely Reducing York's Looked After Children Population.

### **Recommendations**

- 11 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 2013/14.

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Specialist Implications Officer(s) None

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

All

For further information please contact the author of the report

## Background Papers

First finance and performance monitor for 2013/14, Cabinet  
3 September 2013

## Annexes

None