

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

4 January 2022

Report of the Corporate Director of People

2021/22 FINANCE SECOND 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 – Q2

2021/22 Quarter 1 Variation £000		2021/22 Latest Approved Budget			2021/2 Projected Outturn Variation	
		Gross Spend £000	Income £000	Net Spend £000	£000	%
+5,952	Children’s Specialist Services	21,506	2,713	18,793	+6,419	+34.2
+592	Education & Skills	20,763	5,022	15,741	+411	+2.6
0	School Funding & Assets	158,641	170,677	-12,036	0	0.0
+40	Director of CEC & Central Budgets	3,030	5,996	-2,966	+98	+3.3
	Mitigations					
	Covid 19 Funding					
6,584	Total	203,940	184,408	19,532	6,928	+35.5%

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

- 3 A net overspend of £6.9m 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.

Children's Specialist Services

- 5 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.
- 6 The number of Looked After Children in York has increased significantly in the past 2 and a half 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. This was subsequently identified by Ofsted 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.
- 7 At the time of this monitor the CYPIC number is 269. 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.
- 8 The placements budgets are predicted to overspend by a total of £3,669k (an increase of £141k since Q1). This includes variances of £1,147k on Fostering (including IFAs), £255k on adoption/SGO/CAO allowances and £2,465k on Out of City Placements.
- 9 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 IFA and Out of City Placement projections are based on all existing placements at the monitor date and take account of all placements expected to end during 2021/22, with no provision included for any new placements. 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 DSG.

- 10 Staffing budgets within the Permanency Teams are also predicted to overspend by £395k (£521k in Q1), again due mainly to vacancies being filled by temporary staff.
- 11 Safeguarding Interventions are predicted to overspend by approximately £410k (£303k in Q1), 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.
- 12 Staffing budgets with Children's Social Work Services are also predicted to overspend by approximately £291k (£172k in Q1). This is mainly due to temporary staffing across the service, which the directorate has worked hard to eliminate with permanent appointments.
- 13 Significant staffing overspends totalling £565k (£558k in Q1) are predicted in the MASH and Assessment teams mainly due to vacancies being covered by temporary and agency staffing.
- 14 Within Disabled Children's Services overspends on Short Breaks of £121k (£108k in Q1), Direct Payments of £298k (£199k in Q1) and staffing of £85k are predicted.
- 15 It is important to note that the staffing projections included in this monitor assume that the Early Help restructure will begin to take effect from the 1st October 2021. Limited provision has been made in these projections for temporary staffing beyond this date so any further delay in implementation or of removal of posts not required following the restructure will worsen the staffing overspend position.
- 16 A number of other more minor variations make up the remaining projected net overspend.

Education and Skills

- 17 Education Psychology is predicted to overspend by £74k, mainly due to an unbudgeted post costing £43k and unachieved vacancy factor of £29k.
- 18 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 EHCPs to ages 19-25, resulting in significantly more students accessing this option, has significantly increased our transport spend accordingly.

- 19 The overall overspend on Home to School transport is predicted to be £309k. The main pressures are on SEN taxi transport budgets, but an additional pressure has been created due to the need for three additional buses as a result of increased numbers of children eligible for transport to Huntington and Fulford schools, offset by an increased allocation of Extended Rights for Free Travel grant for 2021/22.
- 20 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 at a later monitor, as soon as the information is available.
- 21 Underspends are projected in both the Governance Service (£41k) 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.

School Funding and Assets (including DSG)

- 22 The DSG 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. At present the likely in-year deficit for 2021/22 is in the region of £3.5m, an improvement of approximately £1.5m on the final 2020/21 position. However this position will increase the overall deficit to approximately £13.5m at the end of 2021/22. Detailed work is ongoing to put in place a recovery plan to bring the position back to an in year balance.
- 23 A number of other more minor variations make up the overall directorate position.

Council Plan

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

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 position for 2021/22.

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Report
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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 2 Report, Executive 18 November 2021