

Report of the Corporate Director of Children & Education and the Director of Customer & Communities

2022/23 Third Finance & Performance Monitoring Report – Children, Education & Communities

Summary

1. This report analyses the latest performance for 2022/23 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 and the Assistant Director Customer, Communities and Inclusion.

Financial Analysis

2. The overall projection represents a significant improvement on the position reported in monitor 2. In particular, a reduction in the projected overspend within the Children & Education Directorate of over £1m. This is mainly due to the achievement of the mitigations agreed at monitor 2, a concerted effort to reduce the number of agency staff and a focus on reviewing some of our highest cost placements.
3. Table 1 below provides a high-level summary. The mitigations identified at monitor 2, having been achieved, are now included within the individual service area variances in this monitor. New mitigations have now been identified to reduce the overspend further before the end of the financial year.

**Table 1: Children, Education & Communities Financial Projections
Summary 2022/23 – Monitor 3**

2022/23 Monitor 2 Variation £000		2022/23 Latest Approved Budget			2022/23 Projected Outturn Variation	
		Gross Spend £000	Income £000	Net Spend £000	£000	%
+7,782	Children's Safeguarding	22,159	2,679	19,480	+7,476	+38.4%
+1,029	Education & Skills	18,301	4,969	13,332	+499	+3.7%
0	School Funding & Assets	159,485	167,716	-8,231	-3	-0.0%
+71	Director of C&E & Central Budgets	3,929	5,996	-2,067	+55	+2.7%
-750	Covid 19 Funding				-750	N/A
-400	Monitor 2 Mitigations				-	N/A
-	New Monitor 3 Mitigations				-580	N/A
7,732	Children & Education Total	203,874	181,360	22,514	+6,697	+29.7%
+251	Communities & Equalities	12,366	5,969	6,397	+588	0.0%
+7,983	Total	216,240	187,329	28,911	+7,285	+24.6%

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

Children's Specialist Services

4. A net overspend of £7,476k is forecast, primarily within children's social care. The number of Children Looked After (CLA) in York has consistently been at a higher level than the budget was built to accommodate. The number at the beginning of the financial year was 281 but has reduced to 268 at the end of December.
5. The placement budgets are projected to overspend by a total of £5,399k in 2022/23. This figure is made up of variances of £527k on independent fostering agency (IFA) placements, £3,970k on out of city placements, £616k on local fostering placements and £286k on leaving care placements, adoption and child arrangements order (CAO) allowances. The pressure on this budget is partly due to the limited market for children's placements and the statutory requirements placed on local authorities to meet children's needs, coupled with inflationary pressures which could continue to worsen the position.
6. In addition, there is a projected overspend in the Corporate Parenting staffing teams of £435k due to additional Working With York and agency staff and a net overspend on Inter-Agency Adoption Fees of £58k.
7. Safeguarding Interventions is projected to overspend by £332k. This area now has five budgeted teams to provide additional capacity to

assist in the improvement journey being undertaken. This is to deal with the continued higher number of cases and still requires some Work With York and agency staff to cover vacancies. In addition, legal fees are forecast to overspend by £227k.

8. Staffing budgets within Children's Social Work Services are predicted to overspend by £241k. This is mainly due to temporary staffing across the service, which the directorate is working to eliminate with permanent appointments. Since Q2 significant progress has been made and the number of agency appointments across children's social care has more than halved. Given how far we are into the financial year this has resulted in a modest reduction in the agency staffing projection for 2022/23 but is expected to save in excess of £1m on an ongoing basis if maintained into 2023/24.
9. There is a projected overspend of £236k in the Referral, MASH and Assessment teams. This is due to the current number of temporary staff in this area until permanent appointments are made.
10. A projected overspend in Disabled Children's Services of £558k is mainly overspends on short breaks and direct payments £495k, again due to the CLA numbers being above the budgeted level.

Education and Skills

11. There are two significant variations in Education and Skills. The first is the Home to School Transport budget, which was already in an historic overspend position due to increase in numbers for post 16/19 and the increasing trend of trying to provide more specialist education provision for this group of students more locally. This is a much more cost-effective alternative to expensive out-of-city provision but has a consequent effect on this budget as we have had to provide more transport to local establishments such as York College, Askham Bryan, Choose 2 and Blueberry Academy.
12. The change in legislation to allow Education, Health and Childcare Plans (EHCPs) up to the age of 25, resulting in significantly more students accessing this option, has also significantly increased transport spend. The projected position is an overspend of £353k, including the effect of the new taxi contracts implemented in the new academic year. This projection also assumes that £300k of costs for the 2021/22 academic year are charged to the Dedicated Schools Grant (DSG), prior to all Home to School Transport being charged to the General Fund (GF) as per the safety valve agreement. The recurring pressure is therefore approximately £650k.

13. Included within here is an offer of a 15.5% increase from September to Pullman for the bus provision (based on the contractual inflation indicators and consistent with inflationary increases agreed by colleagues in Transport on their bus contracts). It is likely that the taxi contract increase would have actually been much higher if the work of the new transport team had not begun to identify route efficiencies. It is also expected that the increased scrutiny provided by this team will control and drive costs down further, working in partnership with the contractor.
14. Staff resourcing issues in the SEND Statutory Services Team, and the need to resource this work to progress the Safety Valve targets has resulted in a significant number of agency staff being appointed into this team over the period from April to date. The majority of the roles have now been permanently filled but the result is a predicted overspend in 2022/23 of £449k.

School Funding & Assets (including the DSG)

15. The DSG is currently projected to be on track to meet the targets set out in the Safety Valve recovery plan agreed with the DfE.
16. The main pressure is within the High Needs Block and is due to the continuing increase in High Needs numbers, and increasing complexity of need, requiring expensive provision, especially in Post 16 and Post 19 provision and the education element of out of city placements.
17. The brought forward balance on the DSG at 1 April 2021 was a deficit of £9.940m. As a result of the 2021/22 in-year overspend the cumulative deficit to carry forward to 2022/23 would have been £13.443m. However, following discussions with officials from the DfE and ESFA, the Safety Valve Agreement was secured, resulting in an additional payment of £7.6m of DSG on the 31 March 2022. This reduces the cumulative deficit carried forward into 2022/23 to £5.843m.
18. This additional funding represents the first payment under the Safety Valve agreement, which commits the council to bring the DSG into an in-year balanced position by 2025/26. Further payments are conditional on the council meeting the targets set out in the Management Plan, and reporting quarterly to the DfE on progress, with the eventual aim of eliminating the in-year deficit by the target date, with additional payments by the DfE eliminating the historic deficit at that point.

Office of the Director of Children & Education & Central Budgets

19. The Office of the Director and Central budgets are predicted to overspend by £55k in total for 2022/23, mainly due Directorate Management Team costs incurred from interim appointments to cover for the vacant DCS post, and advertising costs for the Director and Assistant Director posts.

Children & Education Directorate Mitigations

20. The mitigations included at monitor 2 have largely been achieved and are now included within the service projections above. Additional mitigation measures which can be used to reduce the overspend further have been identified and are listed below:
 - The 2022/23 budget included an amount of £2,033k to fund the transfer of expenditure from the DSG to the GF. Not all of this is now required in 2022/23 as the DSG Safety Valve projections included headroom in the first year that has not been drawn on due to good progress being made on safety valve outcomes. At this stage it is recommended that a figure of £300k from this growth can be used to offset current year General Fund pressures.
 - Similarly, the rebalancing of the sharing of costs of out of city education and care placements between the DSG and GF can be slowed in 2022/23 and still meet the targets set within the safety valve agreement. It is suggested at this point that a further amount of £350k can be charged to the DSG in this financial year.
 - Charge additional GF expenditure to grants in 2022/23, particularly in respect of the new Family Hubs grant where some staffing expenditure can be charged to the grant. An amount of £30k for the service manager's time on the project has been identified to date.

Communities & Equalities

21. These services are currently expected to overspend by £588k mainly due to the forecast impact of inflation on contracts for leisure facilities and libraries.

Performance - Service Delivery

22. In spite of the many challenges that the organisation and City has faced over the last two years, performance across the wider organisation, not just the Council plan indicators, has continued to remain high and continues to compare favourably when benchmarked against other areas with similar characteristics to York. Whilst Covid and the actions taken to tackle the global pandemic have in places affected performance in the

short-term, the general pattern for data and information monitored by the Council is that levels of resident and customer satisfaction, timeliness and responsiveness, as well as various directorate and service based indicators, have remained positive.

23. It is likely that due to impacts of COVID, a number of the Council Plan indicators will continue to see a change both in terms of their numbers and their direction of travel in future reporting periods. The majority of the performance measures within the Council Plan have a lag between the data being available and the current reporting period and therefore impacts will not be immediately seen, and may occur over several years as new data becomes available.
24. The Executive for the Council Plan (2019-23) agreed a core set of strategic indicators to help monitor the council priorities and these provide the structure for performance updates in this report. The indicators have been grouped around the eight outcome areas included in the Council Plan. Some indicators are not measured on a quarterly basis and the DoT (Direction of Travel) is calculated on the latest three results whether they are annual or quarterly.
25. Performance items around the Council plan topic “A Better Start for Children and Young People” are reported below, as historically other topics in the Council plan are reported to the other various scrutiny setups.

Better Start for Children and Young People

A Better Start for Children and Young People						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Secondary school persistent absence rate (10% absence) (recorded over 6 terms)	13.18% (2018/19)	12.10% (2020/21)	↓ Good	Annual	Not available	Data for 2021/22 available in February 2023
Voice of the Child - Service Usage and Life Opportunities	Narrative	Narrative	N/A	Quarterly	Not available	Q3 2022/23 narrative available in February 2023
% of children who have achieved a Good Level of Development (GLD) at Foundation Stage - (Snapshot)	75.60% (2018/19)	70.90% (2021/22)	→	Annual	National Data 2021/22 65.20%	Data for 2022/23 will be released in November 2023
Average Progress 8 score from KS2 to KS4	0.22 (2018/19)	0.26 (2021/22)	→	Annual	National Data 2021/22 -0.02	Data for 2022/23 will be released in November 2023
% of pupils achieving 9-4 or above in English & Maths at KS4 (C or above before 2016/17)	73.60% (2018/19)	75.30% (2021/22)	→	Annual	National Data 2021/22 56.10%	Data for 2022/23 will be released in November 2023
%pt gap between disadvantaged pupils (eligible for FSM in the last 6 years, looked after and adopted from care) and their peers achieving 9-4 in English & Maths at KS4	29.00% (2018/19)	32.00% (2021/22)	→	Annual	National Data 2021/22 28.20%	Data for 2022/23 will be released in November 2023
% of Year 12-13 (academic age 16-17) NEET who possess less than a L2 qualification - (Snapshot)	100% (Q2 2022/23)	100% (Q3 2022/23)	→	Monthly	Not available	Q4 2022/23 data available in April 2023
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

26. The number of children in York's care was 268 at the end of Q3 2022-23, consistent with the Q2 outturn. York's rate per 10k remains above the comparator averages at 72.4, compared to the recently released statistical family (63.6) and national (70) averages.
27. The number of children who were the subject of a child protection plan has reduced to 130 at the end of December 2022, following a steady reduction. As previously reported, the number of children subject to a plan peaked in August 2022 at 193. At 35.1 plans per 10k population, performance at the end of December is now within York's expected range and lower than comparator averages (Family 39.3 per 10k, National 42.1 per 10k).
28. The number of referrals to children's social care has been consistent with last year; At the end of Q3, around 1,200 referrals had been received. Re-referral performance (within 12 months of a previous referral) also remains stable and in line with benchmarks. Due to tight reporting timescales, it is likely that a small number of referrals will be missing from Q3, but not enough to noticeably impact on performance.
29. The number of contacts to Early Help in Q3 was 391, compared to over 600 in the previous three quarters. December appears to have had the greatest impact on performance, with only 62 contacts to Early Help, compared to a monthly average of ~200 contacts during the rest of 2022-23 to date.

Voice of the Child

30. Advocacy casework for children and young people who are in care or leaving care, going through the child protection process or wanting to make a complaint has continued to be provided throughout this period. Between October and December 2022, Speak Up received a total of 17 referrals for advocacy; these consisted of 4 referrals for children and young people in care, 1 referral for young parents aged 18 and under whose child is subject to a Child Protection Plan, 1 referral for a young person subject to a Child Protection Plan, 9 referrals for care leavers and 2 young people were referred who did not meet the scope of the advocacy service but they were provided with advocacy on an agreed exception basis.

Secondary school persistent absence rate

31. The Department for Education did not report persistent absence during COVID-19 due to school closures. 2020-21 national data has recently been released showing that 14.8% of secondary age pupils were persistently absent during the academic year, compared to 12.1% of

York secondary pupils. 2021-22 academic year data for York pupils will be available next quarter.

% of children who have achieved a Good level of Development (GLD) at Foundation Stage

32. After two years of cancelled tests due to the pandemic, performance in this area deteriorated across England. In York, 70.9% of our 5-year-olds achieved a Good Level of Development compared to 65.2% Nationally, and 64.4% in Yorkshire and Humber. Performance in York, England and the Y&H Region all dropped by about 5% points on 2018-19.
33. Studies are emerging which are analysing the impact of the pandemic on Early Years Development. Broadly, the studies are suggesting that we could see similar performance for several cohorts whilst the children “catch up” on the past two years.

Education Progression (Average Progress 8 score from KS2 to KS4) and GCSE Results (% of pupils achieving 9-4 in English and Maths at KS4)

34. 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.
35. In 2020 and 2021, all GCSE, AS and A level exams were cancelled and replaced by a combination of teacher assessment, mock exam results, course work and a standardised calculation. Summer 2022 saw a return to the familiar testing methods.
36. Despite an incredibly turbulent two years, York’s Year 11s, and their teachers, went against National trend in 2022 by improving on 2018-19 performance. York’s Progress 8 score was 0.26, against a National average of -0.02.
37. 75.3% of Key Stage 4 pupils achieved grades 9-4 in English and Maths (considered a standard pass), compared to 56.1% Nationally.

% point gap between disadvantaged pupils (eligible for FSM in the last 6 years, looked after and adopted from care) and their peers achieving 9-4 in English and Maths at KS4

38. In 2020 and 2021, all GCSE, AS and A Level exams were cancelled and replaced by a combination of teacher assessment, mock exam results, course work and a standardised calculation. Summer 2022 saw a return to the familiar testing methods.
39. As with National averages, York saw a slight widening of the gap at age 16. York’s gap between disadvantaged pupils and their peers in 2022 was 32% compared to 28.2% for English and Maths at grades 9-4.

40. Reducing the attainment gap between disadvantaged pupils and their peers is a key priority in all phases of education across 0-19 years. Our long-term strategy re closing the gap is linked to the early identification of speech, language and communication needs in the early years through Early Talk For York (ETFY). Early communication and language development is particularly important in helping to tackle inequalities between disadvantaged children and their peers. Data shows that the 'gap' between non disadvantaged children nationally and disadvantaged children in the ETFY area reduced by 32%, from 34.5% (2018) to 2.5%, during the pilot. The scale up of the programme is designed to reduce the long-standing attainment gap and will focus on supporting the transition of children from the early years in to school.

% of 16-17 year olds who are NEET who do not have a L2 qualification

41. The number of all 16-17 year olds in York who are NEET remains low at 25 young people at the end of December 2022.

42. Historically, NEET trends follow the academic year, with increases over the summer months when a small number of 16 year olds finish school without a plan for September.

43. At the end of December 2022, all of the young people who were NEET did not have a Level 2 qualification. The number of young people who are NEET is very low in York, so high levels are not unexpected. Performance is largely in line with historical performance.

Council Plan

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

Implications

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

Recommendations

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

Reason: To update the committee on the latest financial position for 2022/23.

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**Report
Approved**

Y

Date

24 February 2023

Specialist Implications Officer(s) None

Wards Affected

All

Y

For further information please contact the author of the report.

Background Papers

2022/23 Finance and Performance Monitor 3 Report, Executive 9 February 2023

Annexes

Annex 1 - Children-Young People and Education Executive Member Scorecard Q3.pdf

Abbreviations

CLA	Children Looked After
IFA	Independent Fostering Agency
CAO	Child Arrangements Order
EHCPs	Education, Health and Care Plans
DSG	Dedicated Schools Grant
SEND	Special Educational Needs and/or Disabilities
GF	General Fund
DOT	Direction of Travel
ETFY	Early Talk for York
NEET	Not in Education, Employment or Training