

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

2014/15 FINANCE AND PERFORMANCE YEAR END REPORT – LEARNING & CULTURE

Summary

- 1 This report analyses the financial outturn position and performance data for 2014/15 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.

Financial Analysis

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

Table 1 – Learning & Culture Financial Summary 2014/15 – Outturn

	2014/15 Latest Approved Budget			Outturn Variation	
	Gross Expenditure £000	Income £000	Net Expenditure £000	£000	%
Communities & Neighbourhoods:					
Arts & Heritage	3,404	1,377	2,027	+92	4.5%
Learning Services	2,917	2,222	695	+196	28.2%
Libraries & Archives	2,693	1	2,692	+122	4.5%
Youth Services	704	6	698	-26	3.7%
Sport & Active Leisure (Facilities)	1,844	586	1,258	+28	2.2%
Total C&N	11,562	4,192	7,370	+412	5.6%
Children's Specialist Services:					
CSS General	1,002	50	952	-185	19.4%
Children's Social Care Resources	8,878	690	8,188	+1,601	19.6%

Children's Social Care Safeguarding	4,771	167	4,604	+298	6.5%
Children's Trust	785	17	768	-69	9.0%
Integrated Family Service	375	316	58	+127	219%
Youth Support Service	1,114	74	1,040	-114	11.0%
Education Psychology Service	869	0	869	-21	2.4%
Special Educational Needs Service	4,418	179	4,240	-68	1.6%
Total CSS	22,211	1,493	20,718	+1,569	7.5%
Education & Skills:					
Childcare Strategy & Business Management	731	119	612	-87	14.2%
Children's Centres	2,443	374	2,069	-108	5.2%
Connexions	1,124	29	1,095	-123	11.2%
Early Years Learning & Welfare	631	147	484	-68	14.0%
Governance Service	240	169	71	-32	45.1%
School Services & Business Support	10,651	6,389	4,262	-26	0.6%
School Improvement Service	2,928	1,036	1,892	-346	18.3%
Travellers & Ethnic Minority Service	205	168	37	-7	18.9%
Total E&S	18,953	8,431	10,522	-797	7.6%
School Funding & Assets:					
School Assets & Rates	8,968	1,185	7,782	-456	5.9%
School Delegated Funding	111,623	3,871	107,752	+578	0.5%
Schools Grant Income	-	116,588	-116,588	-45	0.0%
Total SF&A	120,590	121,645	-1,054	+77	7.3%
Director of CSES and Central Budgets	7,317	5,985	1,331	+327	27.8%
Mitigation Savings	-	-	-	-980	-
Total Learning & Culture	180,634	141,746	38,888	+608	1.6%

- 3 The first financial monitoring report for 2014/15 showed a projected overspend of £1,419k. Subsequent monthly reports have shown a steady improvement in the outturn projection, with a projected overspend of £722k last reported publicly at quarter 3. The latest position at table 1 is now showing a draft outturn overspend of £608k, an improvement of £114k since quarter 3 and £811k 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 (+£412k / 5.6%)

- 4 The Communities & Neighbourhoods Directorate is reporting a £412k overspend. This is mainly due to restructuring and redundancy within Learning Services following changes to their contracts which run for academic years (rather than on a financial year basis), and additional costs associated with relocating from Swinegate to Rougier House.
- 5 The Arts & Heritage budget overspent following £48k additional support to the Tour de France, £40k redundancy costs and £21k Make It York set up costs, offset by £17k operational savings.
- 6 The Archives were relocated to the Central Library and the building work required the library to be closed for a longer period than expected. This resulted in a £60k loss of income for the operator, Explore York. In addition there were £37k further support costs and £25k liability for early retirement costs for previous council staff.
- 7 Following a major review of young people's services the Youth Service transferred to Communities & Neighbourhoods. The £20k underspend reflects the early achievement of savings required for 2015/16. In addition, there was a £6k underspend on Young People's Play budgets.
- 8 The redevelopment of Waterworld has meant that the facility was closed in December, resulting in an additional cost of £71k. This is partly offset by underspends at Yearsley Pool and other savings.

Children's Specialist Services (+£1,569k / 7.5%)

- 9 Despite a reduction in the number of Children Looked After (CLA) and a reduction in expenditure of almost £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 £1,601k within children's social care resources budgets. The major variations for 2014/15 are as follows:
- Local Foster Placements (+£84k)
 - Independent Foster Agency Placements (+£451k)

- Out of City Residential Placements (+£439k)
 - Northern Care Contract Placements (+£196k)
 - The Glen Respite Care Home (+£129k)
 - Adoption, Residence & Guardianship Orders (+£218k)
 - CLA Transport (+£101k)
 - Staffing (+£91k)
 - Inter Agency Adoption Fess (-£147k)
- 10 Within children's safeguarding teams additional staffing being employed in excess of the numbers provided for within the budget creates an overspend for 2014/15 of £289k. It is now important to recognise that in terms of the current pressures within children's social care budgets, CSES DMT believes that current expenditure levels in this area are now 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 the lowest of all 150 LAs nationally. Therefore, although opportunities to reduce costs further will continue to be explored, any further significant savings in this area are unlikely to be achievable, and options elsewhere within the directorate will need to be considered to produce a balanced CSES budget for 2015/16.
- 11 In addition staffing within the Integrated Family Service has exceeded the budget and troubled families grant by £127k. Offsetting these are staffing underspends totalling £117k within the Youth Support Service and Education Psychology Service, as a result of posts being kept vacant for part of the year.
- 12 A significant saving of £218k has been made on children's services legal fees. This is in excess of the budget saving already delivered for 2014/15.
- 13 The DSG funded SEN budgets underspent by £77k, due mainly to staff vacancies in teaching teams and work done in reviewing post 16 placement costs following the transfer of this responsibility to the LA in 2013/14.

Education & Skills (-£797k / 7.6%)

- 14 £438k of the net underspend is due to a significant number of posts being kept vacant, particularly within the school improvement and connexions services, in advance of delivering the savings proposed for the 2015/16 financial year. In addition savings of £93k have been generated within the school transport budgets, and £169k within Early Years and Children's Centre budgets. A number of other more minor variations produce a net underspend of £97k.
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Director of CSES and Central Budgets (+£327k / 27.8%)

- 15 The directorate's budget for 2013/14 was supported by £302k of one-off funding from savings delivered earlier than required in the council's budget. The original intention was to replace this one-off funding with additional recurring savings by 2014/15. However, given the pressures on the remainder of the directorate's budget, alternative recurring savings have yet to be identified. A number of other more minor variations account for the remaining net overspend of £25k.

School Funding & Assets (+£77k / 7.3%)

- 16 The small net overspend is made up of the following variations:
- increased costs of high needs provision in schools and other post 16 providers (+£538k), partly offset by additional grant received and referred to at paragraph 17 below;
 - an underspend on nursery place funding, due mainly to the delayed take up of the enhanced entitlement to 2 year old provision introduced during the year (-£541k);
 - a net overspend on school contingency budgets, mainly due to the requirement to write off the final deficit balance following the closure of Burnholme Community College in August 2014 (+£128k);
 - the net impact of other minor variations (-£2k).
 - a higher than budgeted for carry forward of surplus Dedicated Schools Grant (DSG) from 2013/14 (-£311k);
 - a variation in the amount of DSG received during 2014/15 due to increased academy recoupment, reduced early years pupils and a backdated adjustment for 2013/14 pre 16 high needs places (+£306k);
 - an additional allocation of post 16 high needs funding for places in 2014/15 (-£282k);
 - and a surplus carry forward of DSG into 2015/16 of £241k

Mitigation Savings (-£980k)

- 17 The following in year savings have been delivered to help mitigate the significant pressures identified above:
- An increase in the salary recharge to capital schemes from the CSES planning team to 3.5%, generating additional revenue income of £65k.
 - Limiting the level of new expenditure to be committed from the SEN, Adoption Reform and Short Breaks grants to £252k for 2014/15, generating a one-off saving of £237k.

- Bringing forward the implementation of some Early Years, Children's Centres and Connexions savings from 2015/16, generating a one-off saving for 2014/15 of £259k.
- Additional short term savings from the directorate moratorium on discretionary expenditure within service team budgets of £419k.

Performance Analysis

- 18 The information provided below relates to performance indicators available at Annex A. This commentary relates specifically to new information available at the year end.
- 19 The numbers of children in care and children subject to child protection plans remained stable throughout 2014/15. The number of children in care remained within the expected and safe range of 190-210.
- 20 When a child protection plan (CPP) ceases, we report on the duration of that plan. At the end of 2014/15, the percentage of plans ceasing after more than 2 years was higher than the previous two years at 9.5%. Where a child has been the subject of a CPP for 2 years, each is individually reviewed to identify whether this remains in the best interest of the child. Robust monitoring ensures Children's Services are aware of and reviewing performance against this indicator.
- 21 57.5% of care leavers (aged 19, 20 and 21) were in education, employment or training at the end of 2014/15. Although previous figures were higher, this indicator now measures a wider age range so is not directly comparable with previous years. This will continue to be monitored over the course of 2015/16.
- 22 Provisional Key Stage performance for the 2014/15 academic year shows that York pupils made improvements in many areas. This will be reported in more detail as we have confirmed benchmarking information available and particularly information on gaps between disadvantaged pupils and their peers. Early indications suggest narrowing of several gaps in the Primary Stages, seen on the scorecard, which looks positive, but no information is yet available in respect of GCSEs.
- 23 Provisional Key Stage 1 (7 year-olds) results show improvements in all three core subjects (Reading, Writing and Maths) at the expected Level 2B.
- 24 At Key Stage 2 (end of primary phase), the % of pupils achieving the expected level (L4+) in Reading, Writing and Maths was 81%, an increase from 2013/14. Performance in Writing was particularly strong. However, the % of pupils achieving the 'secondary ready' Level 4B was down slightly from last year.

- 25 Provisional results show that 70% of 5 year olds in York achieved a 'good level of development' at the end of their Early Years Foundation Stage. This is an increase of 6%pts from 2013/14 and likely to be well above national average.
- 26 The Business Intelligence Team will continue to support partners in their continuing city wide strategy around closing the gaps, including continuing analysis of the York 300 cohort.
- 27 All indicators show York to have a highly skilled workforce, with the percentage of the working age population qualified at levels 2, 3 and 4 the highest in the region.
- 28 The Youth Offending Team was successful in reducing the proportion of young people ending their YOT-supervised order 'not in education, employment or training' (NEET) during 2014/15, reducing the percentage to less than 20%, significantly lower than the last 2 years.
- 29 The number of 16-17 year olds accepted as homeless remained consistently low throughout 2014/15.

Council Plan

- 30 This report is directly linked to the Protect Vulnerable People, Build Strong Communities and Create Jobs and Grow the Economy elements of the Council Plan 2011-15.

Implications

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

Recommendations

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

Reason: To update the committee on the outturn financial and performance position for 2014/15.

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Report
Approved

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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

2014/15 Draft Outturn, Executive 30 July 2015

Annexes

Annex 1 – 2014/15 Outturn Performance Scorecard