

Learning and Culture Overview & Scrutiny Committee

15 July 2009

Report of the Director of Learning, Culture and Children's Services

2008/09 OUTTURN REPORT – FINANCE & PERFORMANCE

Summary

- 1 This report analyses the outturn performance for 2008/09 by reference to the service plan, the budget and the performance indicators for all of the services falling under the responsibility of the Director of Learning, Culture & Children's Services.

Financial Analysis

Children and Young People's Services

- 2 The out-turn position is an overspend of £879k compared to a net budget of £29,315k. Significant variances between budgets and out-turn are shown in the following table:

	Monitor 3 Variance £000	Net Budget £000	Out-turn £000	Variance £000
Children and Families	+521	11,546	12,197	+651
Lifelong Learning & Culture	+160	391	469	+78
Partnerships and Early Intervention	-250	1,754	1,568	-186
Resource Management	+31	7,360	7,256	-104
School Improvement & Staff Development	-	555	554	-1
School Funding & Contracts	+80	7,709	7,786	+77
Directorate Services Budget Total	+542	29,315	29,830	+515
Other Variances:				
Pay & Grading Review unfunded costs	-	-	94	+94
Corporate Transport Project charge	-	-	150	+150
York High School Fire uninsured costs	-	-	120	+120
Total	+542	29,315	30,194	+879

- a Within Children's Social Care there is a net overspend of £678k resulting from the significantly increased demand being experienced for these services (e.g. the Looked After Children population has risen by 35 to 201, an increase of 21%). Specifically there are significant overspends of:
 - £199k on the 0 to 10 year olds social work budgets.
 - £75k on the 11 plus social work budgets.
 - £177k on fostering where 150 children are now placed with foster carers. The Schools Forum has exceptionally agreed that an additional £100k can be

charged to Schools Budget (hence the DSG) reducing the General Fund overspend to £77k.

- £132k on the external placements budget for children with complex needs. The major impact is from 3 new and unexpected residential placements and two short-term children's home placements. Efforts are being made to enable some children to be returned to York.
 - £46k at the Glen for respite care.
 - £55k shortfall in the level of the Social Care Workforce Training Grant allocated to children's social workers.
 - £119k on legal fees due to a higher than usual number of complex (expensive) court cases involving York children, together with a general increase in the cost of cases resulting from a national trend for courts to call in more expert witnesses.
- b Additional costs within Adult & Community Education of £83k due to underachievement of income, additional IT software costs and additional staffing costs to cover maternity & sickness.
- c The Integrated Children's Centres (ICC) revenue grant for the Children's Centres programme was allocated for a full year's staffing and activity, however actual recruitment has taken place throughout the year, there is therefore a one-off underspend of £185k.
- d There has been a significant over estimation of the level of home to school transport budget savings deliverable following the corporate transport review contributing to a net overspend of £217k. This is after charging £150k of SEN transport costs to the DSG by agreement with the Schools Forum.
- e An underspend of £121k on the Broadband budget due to the delay in the implementation of a new broadband contract.
- f A net overspend of £76k on school internal contract budgets, mainly within the Repair & Maintenance Buyback. A review of the operation of this budget is now being undertaken with colleagues in Facilities Management (who manage it on behalf of LCCS). This may result in increased charges to schools for the service in the future.
- g In order offset some of the overspends outlined above directorate service managers were instructed to consider carefully all vacant posts and discretionary spending during the later part of the year, with a view to delaying recruitment and expenditure for as long as possible. This action has resulted in a range of one-off savings totalling £233k across children's services.
- h The directorate has incurred unbudgeted net additional costs following the implementation of the new corporate pay and grading system for APT&C staff totalling £94k in 2008/09. This is almost entirely due to a significant number of staff now being entitled to additional allowance payments for contracted shift, evening and weekend working which were all contained within basic pay under the previous pay system.
- i Late in the year the directorate has been recharged a sum of £150k to cover a share of a pressure on the corporate transport review budget.
- j Following the fire at York High School last year expenditure totalling £1,000k has been incurred. Of this, £755k was funded by the claim on the council's insurers and £125k was funded from the corporate policy excess fund. This leaves a sum

of £120k as a directorate overspend which mainly relates to uninsured costs associated with the transport arrangements for displaced pupils and providing alternative (non education) activities in the period immediately following the fire.

Leisure and Culture

- 3 The outturn position is an underspend of £28k, compared to a projected overspend of £10k at the third monitor. Significant variances are:

	Monitor 3 Variance £'000	Net Budget £'000	Out-turn £'000	Variance £'000
Lifelong Learning and Culture	+10	9,078	9,050	-28
Total	+10	9,078	9,050	-28

- a A net underspend within the Library Service of £99k, mainly due to the sale at auction of a number of high value obsolete stock items (-£118k); a shortfall against core library income budgets (+£48k) and other net savings (-£29k). As the stock sale income was always intended to support the first phase of redeveloping the central library into a library learning centre, the service are requesting that £100k be carried forward to 2009/10 to support the project.
- b A net £39k overspend on Parks & Open Spaces, mainly due to significant remedial action required following an extensive survey of trees across all parks and open spaces in the city.

Requests for Carry Forward

- 4 One request has been made to carry forward unspent budgets from 2008/09 into 2009/10:
- a Library obsolete book stock sales £100k. The library service has generated a sum of £118k in 2008/09 from the sale at auction of a number of high value obsolete stock items. It was always the intention to use this one-off income to part fund the transformation of the Central Library into a new Explore Library Learning Centre. The overall project for the scheme is based on a budget of £500k (£200k from Aviva, £200k for CYC capital resources and £100k from library book sales). The Executive have confirmed that they are willing to support a carry forward in this instance given the nature of the sales of surplus stock, the specific link that was previously made by EMAP to raising funds in this way in order to improve the York Library, and public awareness of the sales and their purpose.

Non-General Fund Account - Dedicated School Grant (DSG)

- 5 The overspend in the year was £130k against a budget of £86,389k, compared to the third monitor projection of £358k. Significant variances are:
- a Within the Behaviour Support Service net costs have outturned £239k above budget. This is mainly due to the costs of providing supply teachers and teaching assistants (+£155k) and the costs of provision for excluded pupils from the sixth day of their exclusion (+£78k).
- a There is a saving of £101k within the Educational Development Service on the Area Based Grant, allowing some of the excess expenditure in Behaviour Support to be funded.

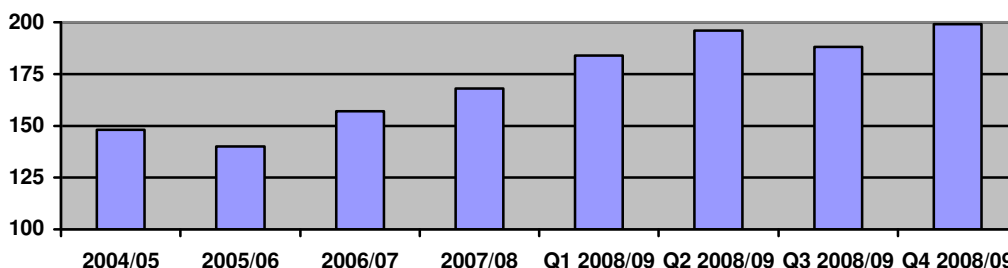
- b There is a net underspend on the school delegated and devolved budgets of £70k. This will need to be carried forward to 2009/10 and added to the sum available for allocation to schools in this year.
- c The pupil numbers used in the calculation of the DSG for 2008/09 has now been fixed by the DCSF. The confirmed pupil numbers for DSG calculation are 20.6 fte pupils lower than the estimates (0.1%). Each fte pupil generates £3,801 resulting in £78k less grant income.

Performance Analysis

- 6 Overall 60% of the 57 LCCS indicators, which can be measured against 2007/08, improved, with 55% achieving their 2008/09 target. Of the 10 LAA indicators where improvement can be measured 6 (60%) are showing an improvement, although only 40% achieved target. Key performance headlines are:
- a NI 54: Services for disabled children (LAA Indicator) has performed extremely well for 2008/09. 65% of parents assessed the level of services offered to be achieving the 'core offer' standards set out in the 'Aiming High for Disabled Children' report published by the Department for Education and Skills and HM Treasury in May 2007. This result places York top of the 30 authorities piloting this survey in 2008/09.
 - b NI 56: Obesity among primary school age children in Year 6 (LAA Indicator) has increased slightly from the baseline year. 16.7% children were defined as obese compared to 15.6% in 2007/08. Despite this increase, York is still in the second quartile compared to other authorities.
 - c NI 75: Achievement of 5 or more A*-C grades at GCSE or equivalent including English and Maths has declined slightly from 54.5% in 2007/08 to 53.8% in 2008/09. However, York is still performing in the top quartile.
 - d NI 81: Inequality gap in the achievement of a Level 3 qualification by the age of 19 (LAA Indicator) has shown good progress this year meeting the LAA target. This indicator looks at the attainment gap between those eligible for free schools meals and those who are not who achieve level 3 by age 19, a key deprivation indication. The gap for 2008/09 was 25% compared to 30.3% in 2007/08. This is top quartile performance compared to other authorities.
 - e NI 111: The number of first time entrants to the Youth Justice System aged 10 – 17 (LAA Indicator) has comfortably hit this year's LAA target, continuing an overall reduction in crime levels across the city. The number fell by 32% from 2350 young people in 2007/08 to 1602 in 2008/09.
 - f NI 112: The under 18 conception rate % change has increased from 15.3% (compared to the 1998 baseline) in 2006 to 24.8% in 2007, which is well short of the LAA target (although this is set nationally). This result puts York in the 3rd quartile compared to other authorities.
 - g NI 117: 16 to 18 year olds who are not in education, training or employment (NEET) has increased to 4.2% in 08/09 from 3.9% in 2007/08, but this still places York in the top quartile compared to other authorities. Current predictions show this indicator may increase further as a result of the current economic situation. There has been a decrease in the number of vacancies available in apprenticeships and short-term employment.

- h The number of children looked after (CLA) by the council increased by 17% in 2008/09. This is a concern as it has an adverse effect on a number of national indicators and impacts on resources due to the cost of placements.

CLA Numbers In York



Corporate Strategy

- 7 The information included in this report demonstrates progress on achieving the council's corporate strategy (2007-11) and the priorities set out within it.

Implications

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

Risk Management

- 9 There are clear signs that the overall directorate budget is under significant pressure. This is particularly acute within children's social care and home to school transport budgets. The work with Northgate Kendric Ash may identify some efficiency savings in services that could be used to offset these cost pressures but these will not come through to any significant extent in 2009/10. 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 2009/10 is therefore going to be extremely difficult and the management team are already taking action to review expenditure across the directorate.

Recommendations

- 10 As this report is for information, there are no specific recommendations, but members of the Committee are asked to comment on the outturn position.

Reason: To update the committee on the outturn position for 2008/09.

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Report Approved**Date** 2 July 2009**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**

Year End Performance & Financial Outturn Report for 2008/09 – Executive 23 June
2009

LCCS Monitoring and Outturn papers 2008/09

Annexes

None