
Learning & Culture Overview & Scrutiny Committee

1 October 2009

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

2009/10 FIRST MONITORING REPORT – FINANCE & PERFORMANCE

Summary

- 1 This report analyses the latest performance for 2009/10 and forecasts the outturn position 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.

Finance & Performance Headlines

- 2 The summarised financial headlines for this period are:
 - Net projected General Fund overspend of £1,376k
 - Net projected Dedicated Schools Grant (DSG) overspend of £558k
- 3 The summarised performance headlines for this period are:
 - Good performance in timeliness of Looked After Children reviews
 - Not in Employment, Education & Training (NEET) Target not likely to be achieved in current economic climate
 - Long term reduction targets in Teenage Pregnancies are unlikely to be achieved

Financial Analysis

- 4 Table 1 below summarises the financial projections for the directorate showing the individual figures for each service plan area and analysing the impact on both the General Fund and the DSG accounts. Further detail on the more significant variations is then provided in the following paragraphs, including a separation in to individual Executive Member Portfolios.

Table 1: LCCS Financial Projections 2009/10 Monitor 1

Service Plan	2009/10 Current Approved Budget			Variation From Approved Net Budget			
	Expenditure £000	Income £000	Net Budget £000	General Fund £000	DSG £000	Total £000	%
Children & Families	17,657	2,524	15,133	+1,012	+290	+1,302	+8.6%
Lifelong Learning and Culture	16,605	6,945	9,660	+345	-	+345	+3.6%
Partnerships and Early Intervention	13,477	8,861	4,616	-301	+190	-111	-2.4%
Resource Management	12,832	4,985	7,847	+763	-	+763	+9.7%
School Improvement and Staff Development	10,600	6,219	4,381	-	+216	+216	+4.9%
School Funding and Contracts	105,897	20,209	85,688	-	-	-	0.0%
Dedicated Schools Grant	161	88,026	-87,865	-	-	-	0.0%
Directorate Total	177,229	137,769	39,460	+1,819	+696	+2,515	+6.4%
Savings Identified				-443	-138	-581	
Net Projection	177,229	137,769	39,460	+1,376	+558	+1,934	+4.9%

'+' indicates an increase in expenditure or a reduction in income

'-' indicates a reduction in expenditure or an increase in income

Children & Young People's Services Portfolio

- 5 Children & Young People's Services is currently forecasting a General Fund overspend of £1,639k which is made up of several significant cost pressures across the service. There are numerous overspends across the statutory children's social care budgets totalling £1,012k (9.1% of the total CSC budget). The vast majority of this is due to the continuing increase in the Looked After Children (LAC) population, up from 166 at March 2008 to 199 at March 2009 and 213 at 30 June 2009, an increase of 28% with no accompanying increase in the budget. The directorate has managed to contain the financial increase at a much lower level than the percentage increase in LAC by, in part, continuing the expansion of the local fostering programme and thereby reducing the proportion of LAC placed in more expensive out of city placements (see Annex 1 for more detail). This reflects historic placement strategy work. Work has also been completed to analyse the growth in the care population, which will be further discussed at the Scrutiny meeting itself.
- 6 Home to School Transport budgets are projecting an overspend of £411k due to increased Special Educational Needs (SEN) taxi costs, more LAC (as above), more appeals granted by Members and lower than anticipated savings resulting from the Northgate Kendric Ash (NKA) transport review.

- 7 There are unbudgeted net additional costs, estimated at £322k in 2009/10, across all LCCS services following the implementation of the new pay and grading system for Local Government Services (LGS) staff. 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.
- 8 Other projected overspends elsewhere across the directorate include shortfalls in fee income in Adult Education (£90k) and the Music Service (£75k), and Youth Service activity that has continued to be undertaken even though the external funding supporting it has now ceased (£39k). This is offset by an underspend of £340k due to the staffing structures supporting the new Integrated Children's Centres not yet being fully recruited to.

Leisure & Culture Portfolio

- 9 There is currently a £180k overspend projected in Leisure & Culture. The Library Service is currently experiencing an expected £80k shortfall in income. Sport & Active Leisure are predicting an £85k overspend linked in part to shortfalls in income at Edmund Wilson Swimming Pool and increased energy costs (not usage) at Yearsley Swimming Pool.

LCCS Summary and Action

- 10 The portfolio positions described above give a total projected General Fund overspend for LCCS of £1,819k. In response to this position the directorate has taken early action to identify one-off in year savings for 2009/10. All Service Managers were required to identify savings totalling 2% of their budgets. This has produced budget savings totalling £343k from staffing savings and vacancy management measures (£135k), reprioritisation of grant funding (£54k), targeted increases in income from traded services (£28k) and reduced repairs & maintenance work in the city's parks & open spaces (£28k). In addition LCCS has gained agreement from the Schools Forum to fund an additional £100k of SEN Transport costs from the Schools Budget. The result of this action is to reduce the net projected overspend for LCCS down by a total of £443k to £1,376k.

Dedicated Schools Grant

- 11 In the Dedicated School Grant (DSG) area there is a projected overspend of £696k against a budget of £87,865k. Major variations include; Out of City SEN Placements (+£375k), Nursery Education Grants (+£240k) and Behaviour Support Service (+£213k). These are offset by increased Inter Authority SEN Recoupment Income (-£93k) and Early Years staffing underspends (-£40k).
- 12 The in year directorate savings exercise referred to above has generated £138k of savings within the DSG reducing the net projected overspend to £558k.

- 13 Due to the nature of the DSG, any underspend must be carried forward and added to the following year's funding with overspends either being funded from the general fund or reducing the following year's funding allocation. Following the convention used in previous years, the £558k overspend would reduce the level of DSG funding available in 2010/11.

Performance Indicators

- 14 Due to the high number of National Performance Indicators (NPIs) that LCCS have to cover (85) this section will only report NPIs by exception or ones of particular importance at directorate level, with particular attention paid to those NPIs that are also a Local Area Agreement (LAA) target, as these support priority improvement at both a partnership and corporate strategy level.
- 15 Due to the frequency of collections the majority of PIs are not reported at a quarterly interval and as such this 1st monitoring report is limited. That said the majority that are available are performing above target or within tolerance levels and only particular attention is drawn to early indicators of poor performance on a small number a key PIs which are unlikely to achieve their annual target:
- 16 PIs unlikely to achieve the yearly target:
- NPI 65 – It is highly unlikely that this year's target to reduce repeat Child Protection Plans on the same children will be achieved. There was a requirement to repeat planning on 2 families this quarter, and as the numbers recorded in this 1st quarter reflect an average yearly number already, then doubt must surround the likelihood of no more re-registrations this year.
 - LLC 16 – The number of visits to the YORTIME website is unlikely to be achieved due to delays in the implementation of an 'online' booking system.
 - NPI 117 (LAA) – The NEET target is unlikely to be achieved this year. An increase of approximately 70 young people NEET compared to June 2008 with pre level provision now up to capacity along with a low number of employment and training vacancies has added to the problem. However, key action planning and development of new provision to offset this increase is underway. It should be noted though that these figures compare well to the National increase experienced for this age group and how regional neighbours are performing.
 - NPI 112 - Although interim conception rates are showing the lowest recorded for the first 2 quarters (2008), the lowest recorded rates since 2004 these figures need to be treated with caution, as there are marked seasonal variances. It is therefore still suggested that the required reduction cannot be achieved by 2010.
 - NPIs 73 & 76: Literacy & numeracy (KS2). The % of pupils achieving Level 4 or above in both English & Maths at KS2 has shown a decline since last year although all results are still inline with or above the national average. Provisional figures for 2009/10 show the combined level to be at 74% compared to 77% in 2008/09. Looking at the subjects separately; in English, 81% of pupils achieved Level 4 or above (1% above the national average) and in Maths the figure was 80% (1% above the national average). The reduction has had a knock-on effect with the number of schools not achieving the floor target of 55% for Level 4+ in both English & Maths at KS2, which is now estimated to be 6 schools (above the

2009/10 target of 4). Further analysis is currently being carried out to look at why these schools have not hit the required floor target.

17 Good performance in:

- NPI 66 - % of looked after children cases, which were reviewed within the required timescale improved to 97.8% from the 92.4% outturn of last year, which moves us in the PWC benchmarking from 3rd quartile into top quartile.
- RM 10, 11 and 19a - Low numbers of recorded defaults in the school cleaning contracts and school meals monitoring. Mention is also made on recently released results for 2008/09 showing an increase of take up of school meals in the primary sector of over 1%, a significant rise compared to the national improvement of 0.1%.
- NPI 75: GCSEs. The % of York children achieving 5 or more A*-Cs has increased significantly, although these are still provisional at this stage. So whilst the target has not been met there has been significant improvement from last year:
 - > 73.4% achieving 5+ GCSEs - up 5%age points from 68.5% achieved in 2008.
 - > 60% achieving 5+ GCSEs (including English & Maths) - up 6.2%age points from 53.8% achieved in 2008).

Overview of Key Projects and Actions

18 Nine of the 15 key projects and actions contained within the Corporate Strategy and CYPP 2009/10 and that are allocated to LCCS are on track, with 1 already completed. The 5 not on track are:

- The campaign to encourage an additional 1,600 adults to participate in regular weekly physical activities - Work has been ongoing with this project, but the procurement process to use the secured LAA Development Fund is taking longer than expected but is now complete for delivery of the campaign. Whilst the September target date is now not achievable new opportunity to launch the campaign in January 2009 is deliverable. This could be seen as a more desirable time given that people start New Year resolutions to get fit and/or lose weight.
- Develop and hold a Young Peoples Festival by December 2009, involving 90% of cultural agencies - As the LAA bid was unsuccessful we will not be able to meet the stated deadline but will instead revert to the original plan to run events in the summer of 2010
- Build a new children's centre at Knavesmire Primary School by January 2010 - Planning permission has been approved for the 9th Children's Centre and is well under way but currently running behind schedule. Completion of the project by December 2009 is now unlikely but a revised deadline of April 2010 is achievable.
- Respond positively to the economic downturn by reducing the number of NEETS by targeted interventions with 16-18 year olds and the provision of wider range of qualifications for all by March 2010 - NEET strategy action plan approved. But as described above NEET still running at 5.1% for this quarter.

- Capable Guardians to commission at least 50 restorative justice and young people's service interventions by March 2010 with children at risk of becoming first time offenders: - The Youth Offending Team Restorative Justice Development Officer has taken retirement, which has led to slippage in promoting and supporting the schemes/provision. The employer (NYPolice) is about to interview for a successor.

Risks

- 19 The directorate has identified areas of risks or major issues, which may impact on future performance not covered above, these are listed below:
- As with any new inspection regime, doubt will surround the outcome of the new 'unannounced safeguarding inspections', especially as evidence from the first inspections carried out in other authorities has indicated that the bar has been raised in line with the obvious high profile nature 'safeguarding of children' has. We are confident, with the new arrangements for Referrals and Assessments now in place, of a positive outcome when Ofsted do carry out the new unannounced inspection of York arrangements.
 - The new Education White Paper (21st Century Schools) may well impact on a number of areas within this Directorate. The paper sees the LA as a commissioner and not a provider of school improvement services, and the consequences of schools Ofsted inspections being overly weighted by school attainment results.
 - Local Authority and schools' statutory duties to supply an education service may be under strain should the LA suffer from a Swine Flu outbreak. LCCS DMT have discussed 'business continuity' options in the context of wider corporate planning.
 - The in-year budget round could have significant implications to LCCS being able to maintain its high performance across all its services.

Performance Highlights

- 20 Items worthy of mention in regard to excellent performance recorded during this monitoring period are:
- Joint Boards Workshop [YorOK, Safer York Partnership (SYP), Youth Offending Team (YOT), Local Criminal Justice Board (LCJB)] Process Agreed
 - Home Access to ICT for Targeted Groups plan progressing well. Tendering process completed and project plan approved
 - All 18+ young people who have chosen to remain with their foster carers have been enabled to do so, through the 'Staying Put' initiative.
 - Developed a programme of learning for people with learning disabilities, including a "supported employment" programme.
 - Identified 22 play areas to receive Playbuilder Funding: Now signed off by the Executive Member. Previously approved schemes for Lee Side and Rawcliffe Country Park also now approved by the Lottery.
 - New staffing structure for Behaviour Support Service agreed, formal consultation with staff underway. New structure to be in place for January 2010 including the appointment of a new headteacher for Danesgate.

- 6 highly successful school and community events held with external support resulted in good cross directorate working
- A positive LSN Report on 14-19 received and LA response, forming basis of 14-19 Education Plan presented for the Vision York 2013 and post-16 provision across the City

Corporate Priorities

- 21 The information included in this report demonstrates progress on achieving the council's corporate strategy (2009-12) and the priorities set out within it.

Implications

- 22 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

- 23 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 will continue to review expenditure across the directorate.

Recommendations

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

Reason: To update the committee on the latest finance and performance position for 2009/10.

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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 Y

For further information please contact the author of the report

Background Papers

First finance and performance monitor for 2009/10, Executive 22 September 2009

1 Annex

Children Looked After Costs & Numbers 2006/7 to 2010/11