

2009/10 THIRD 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 £1,416K
 - Net projected Dedicated Schools Grant (DSG) overspend of £192k
- 3 The summarised performance headlines for this period are:
 - National Performance Indicators – 46% of National PIs (with data available) are improving, with 40% on target. 38% of the LAA indicators (with data available) are improving and 25% (2 of 8) are on track to hit their 2009/10 target.
 - Corporate Health – All Staff sickness levels for LCCS alone are performing above last year's levels for the same time last year (up to 5.58 days lost per fte compared to 5.34 on same period last year Apr to Dec inc up 4.5%).
 - Corporate Strategy – 4 of the 15 milestone actions has been completed and over three quarters are on track to complete this year. As reported before slippage is being reported for 2 (13%) of the actions.

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 - Quarter 3

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	17,615	2,193	15,421	+1,435	+226	+1,661	+10.8%
Lifelong Learning and Culture	17,081	7,088	9,993	+322	-	+322	+3.2%
Partnerships and Early Intervention	13,434	6,221	7,214	-281	+50	-231	-3.2%
Resource Management	12,868	4,924	7,944	+656	-	+656	+8.3%
School Improvement and Staff Development	10,189	5,147	5,042	-	+170	+170	+3.4%
School Funding and Contracts	105,995	20,209	85,786	+15	-	+15	0.0%
Dedicated Schools Grant	161	88,026	87,865	-	-	-	0.0%
Directorate Total	177,342	133,808	43,535	+2,147	+446	+2,593	+6.0%
Savings Round 1 - Already Identified & Delivered				-436	-144	-580	
Savings Round 2 - Already Identified				-295	-110	-405	
Net Projection	177,342	138,808	43,535	+1,416	+192	+1,608	+3.7%

'+' 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 £1,919k 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 £1,435k (12.5% 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 224 in January 2010, an increase of 35% with no accompanying increase 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.
- 6 Home to School Transport budgets are projecting an overspend of £366k due to increased SEN taxi costs, more LAC (as above), more appeals granted by Members and lower than anticipated savings resulting from the 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 (£82k) and the Music Service (£42k), 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 £320k 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 £228k overspend projected in Leisure & Culture. The Library Service is currently experiencing an expected £93k shortfall in income and additional costs totalling £40k on publicity, IT hardware and licences, but offset by reduced rates costs on library buildings of £42k. Sport & Active Leisure are predicting an £135k overspend, linked in part to shortfalls in income at Edmund Wilson Swimming Pool and increased energy costs due to higher prices for steam and increased electricity usage at Yearsley Swimming Pool.

Dedicated Schools Grant

- 10 In the Dedicated School Grant (DSG) area there is a projected overspend of £446k against a budget of £87,865k. Major variations include; Out of City SEN Placements (+£307k), Nursery Education Grants (+£130k) and Behaviour Support Service (+£170k). These are offset by increased Inter Authority SEN Recoupment Income (-£55k) and Early Years staffing underspends (-£80k).
- 11 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 £446k overspend would reduce the level of DSG funding available in 2010/11.

Directorate Savings Options

- 12 One of the key actions that was proposed by LCCS as a response to the current pressures in the Directorate was to undertake a review of the Children's Social Care budgets, to determine how resources were being deployed. Work on this has focused on the number of Looked After Children (LAC) in the authority and how these numbers have moved over the last three years, compared to the budget and actual expenditure. The results of this work have already been reported separately and have served to highlight that, although the number of Looked After Children has risen significantly since 2006, the budget has not been increased in response to this rise. It also shows that the unit cost per child of supporting these children has not increased over this period, and in real terms has probably decreased.
- 13 LCCS budgets are currently projected to overspend by a total of £2,593k (£2,147k within General Fund [GF] services and £446k within Dedicated Schools Grant [DSG] services). In response to this position the directorate has already taken early action to identify one-off in year savings for 2009/10. Early in the year all Service Managers were required to identify savings totalling 2% of their budgets. In addition a further savings round was instigated at the time of the second quarter's monitoring report.

These actions have produced budget savings totalling £885k as shown in table 2 below.

Table 2: LCCS 2009/10 In Year Savings

	GF £000	DSG £000	Total £000
Staffing savings & vacancy management measures	169	8	177
Reprioritisation of grant funding & expenditure	347	194	541
Targeted increases in income from traded services	28	40	68
Reduced R&M work in the city's parks & open spaces	28		28
Reduction in Library Bookstock Expenditure	23		23
Other cuts in miscellaneous expenditure budgets	36	12	48
Total	631	254	885

14 LCCS has also gained agreement from the Schools Forum to fund a further £100k of SEN Transport costs from the Schools Budget. The result of this action is to reduce the net projected overspend for LCCS being reported at quarter 3 down to £1,608k. (£1,416 GF & £192 DSG).

15 In addition to the above, the directorate management team (DMT) have instigated a number of further actions that could contribute to a reduction in overall net expenditure from that currently being forecast by the end of the financial year.

a) Revised decision making on high cost child placement and transport arrangements.

The directorate delegation scheme will be changed to ensure that all decisions on Independent Fostering Agency (IFA) placements, external special school placements and high cost transport arrangements are only made by the director. Whilst there is no suggestion that the current levels of delegation are contributing to increased costs, this will ensure rigorous and thorough challenge before each placement is confirmed. In addition the director will undertake a full review of all existing external placements to ensure all options for local arrangements have been fully exhausted.

b) Complete recruitment freeze, including temporary, relief, sessional and agency staff.

There may need to be some exceptions where for example the welfare of a particular child could be compromised or income streams jeopardised. Otherwise recruitment would be frozen even if that resulted in the withdrawal of services or closure of facilities. All exceptions will have to be approved on an individual basis by the DMT.

c) Expenditure controls on all general office, equipment, training, travel and conference expenditure:

- a. Moratorium on the use of taxis for staff travel
- b. Moratorium on all travel and conferences outside of York
- c. Moratorium on the booking of non-CYC venues for meetings etc.

d. Moratorium on purchasing of all office and IT equipment

Again, there may need to be a small number of specific exceptions but each of these will have to be agreed in advance by the relevant Assistant Director.

Performance Indicators

- 16 Due to the high number of PIs LCCS are responsible for, attention is only drawn to the following indicators shown below which are reporting significant performance issues i.e. good improvement, showing a decline in performance or forecasting to fall short of their target, it should be noted that some of these were previously reported as such and some of the detail for those are not shown again, but is available in previous reports

LAA PIs

- NPI 8 % of adult participation in sport (16+) 30 mins 3 times a week or more results show an improvement from 08/09 to 22.9%, whilst its difficult to show conclusive trends from this data and the figure remains low we are encouraged that longitudinal work on physical activity has shown a gradual rise in this years data.
- NPI 19: Rate of proven re-offending by young offenders aged 10 to 17. This currently stands at 0.63 for quarter 2 (compared to 1.63 reported in 2008-09). Other similar youth offending indicators show reductions in the seriousness and frequency of re-offending by around 35-40% of the cohort that is dealt with by York's Youth Offending Team (YOT). Historically York is usually very high compared with the statistical family and regional authorities, particularly for the majority of young people that are not YOT supervised. The 2008 cohort trend looks good but 2009 cohort has a higher risk profile (e.g. there is more risk of re-offending). However, evidence suggests that re-offending by the few most prolific offenders has halved recently in York.
- NPI 54 (Local LAA) Services for disabled children survey result for 09/10 has just been released and whilst its slightly down on last years result (top achieving LA with 64%) its still a very creditable result of 63%, especially when parents were only surveyed of a few months ago when we took part in the pilot. Increase in short breaks next year may positively affect results.
- NPI 55 & 56: Obesity in reception year and year 6 children (LAA indicator). The number of York's reception year children who are obese shows an 18% improvement from last year, with 6.67% reported in 2009-10 compared to 8.16% in 2008-09 (below the 2009-10 target of 8.5%). The rise in the number of obese year 6 children (NPI 56) has halted in 2009-10, with a 0.1% rise (now 16.7%) compared to the 1% rise which took place between 2007-08 and 2008-09. This is however, still well short of the 2009-10 LAA target of 15.4%, but is encouraging given the national trend.
- NPI 57 (Local LAA) % of children and young people (aged 5-16) participating in at least 2 hours of high quality PE in school 08/09 academic year results have increased from 84% in 07/08 to 87%.
- NPI 112 – Reduce Teenage Pregnancy by 50% from that recorded in 1998: The latest release for 2008 is now recording just 0.1% difference, a significant reduction from 24.9% recorded in 2007. The conception rates have dropped significantly, now recording 34 conceptions per 1000 under 18, which is the same

as that recorded in 1998. That said it is still very unlikely we will achieve the required reduction by 2010.

- NPI 111 (Local LAA) Noticeable quarter 3 improvement due to introduction of Youth Restorative Disposal, numbers of first time entrants standing at 1248, well below the profiled 1639 for this time of year, and as such forecasts to outturn well below the target of 2048 for the whole year.
- NPI 116: The proportion of York's children who are living in poverty (LAA indicator). This indicator measures the difference between York's results and that recorded for the England average. York has now set improvement targets up to 2011 to widen the gap to 8.1% and the latest 2008 data set out in the table below shows an improving picture, with York widening the gap to 7.2% in 2008. However, until it is known what impact the recession has had on the 2009 and 2010 results, it will be difficult to determine whether the 2011 target is achievable.
- NPI 117: Current figures for December shows a reduction to 4.3%, this is expected to drop further but it is highly unlikely the target of 3.5% will be achieved. 90% of young people leaving yr11 continuing in post 16 education due to a lack of employment and apprenticeship training options. There's still high demand for pre level 2 training and specialist courses being put on in partnership with York College

Other PIs

- 17 In general it must be pointed out that in many of the social care PIs small cohorts can and do distort our results, and whilst we will not achieve this years targets in some PIs, NI64 % of child protection plans lasting 2 years or more (currently performing at 7.3% against a target of 2.5%) is still showing good progress in sustaining and ensuring targeted child protection plans and no drift in securing appropriate outcomes for. Whilst NI 65 % of children becoming the subject of a Child Protection Plan for a second or subsequent time is performing well below the target of 7.5% at 29.2%, an audit of decision making on the specific cases in this cohort reveals good practice in ensuring children protected appropriately.
- 18 PIs, which measure review rates and referrals rates, are being affected by the continuing high LAC numbers of referral rates and will not meet this year's target. That said it would appear in the case of NI 68 % of referrals to children's social care services going on to initial assessment is showing significant improvement from Qrt2's result of 43.5% to 56.2% due to short term resource solutions and it is hoped that improvements will be seen via the integrated 'Front Door' arrangements in 10/11.
- 19 Impressive results have been achieved in getting LAC into schools, where only 8 children of eligible children (109) missed 25+ days of school (7.3%), a significant improvement from 2 years back when we recorded 21.1%.
- 20 On the **narrowing the gap** agenda the picture is mixed:
 - The educational performance of looked after children (LAC) at KS2 is good although cohort small – the outcomes achieved at KS4 are more mixed but again of the 12 eligible it should be noted that 5 of the cohort have SEN, and 7 of this cohort did succeed in achieving a pass at GSCE or equivalent, with 5 actually achieving 5 passes (A to G)

- As regards outcomes for children on free school meals compared to those who are not (NI 102 a and b). Key Stage 2 shows a previously reported increase in the gap due to the poor English results. KS4 analysis now available and shows a reduction in the gap of 2% from previous year which is welcomed particularly given the overall best ever outcomes at KS4. Whilst target not achieved it is worth noting that the %5+A*-C inc. English and Maths result for the FSM group has increased from 21.7% in 2008 to 30% in 2009 while the result for the non-FSM group has increased from 56% to 62%. In addition when looking at the local indicator CYPL6 % of pupils eligible for FSM achieving 5+ A*-C at GCSE (or equivalent) inc. E+M at KS4 the target for 09/10 academic year has been exceeded. Result has increased by 6 percentage points from 07/08 academic year result.
- The educational outcomes achieved by children from a minority ethnic group are also encouraging although clearly care should be taken given size of some cohorts. NI108a seeing 76% of the 33 children achieving 5+A-Cs incl English and Maths – performance in advance of overall best ever 60% (top 10 performance nationally)

- 21 Quarter 3 results are also showing impressive performance around school meals monitoring and school cleaning rates, with no recorded defaults during school meals monitoring and only 3 schools failing to achieve a 95% pass rate for school cleaning.
- 22 As a result of working closely with schools and using alternatives there have been no permanent exclusions in any York school during the last two terms. Despite no permanent exclusions across York secondary schools we have seen an increase in the use of fixed term exclusions in secondary schools (there were also a further 44 exclusions which took place for pupils on the Danesgate Community roll). This increase will be discussed with individual schools and taken to the next meeting of the B & A Partnership to look at strategies to reduce fixed term exclusions.

Staff Related Performance

- 23 Whilst it is noted that the latest sickness stats 5.58fte (Apr to Dec inc) show a slightly worse performance than the same time last year (5.35fte), the high performing school absence rates hide the fact that LCCS (excluding schools) is significantly higher (17%) than the same time last year, at 6.32 days lost per fte compared to 5.40, that said we are still outperforming all but 2 other directorates (Chief Execs, and Resources).

Overview of key projects and actions contained within the Corporate Strategy and CYPP 2009/10

- 24 Reference should be made to the monthly corporate monitor template, 4 are complete the latest being Joseph Rowntree new school was successfully handed over in February on time and on budget, with young people back in school early March, and from the remaining 11, 9 (82%) are on track to complete this financial year.

The 2 not on track are:

- Develop and hold a Young Peoples Festival by Dec 2009, involving 90% of cultural agencies - Reserved Time on Parliament Street in Late June and will be progressing funding bids. New Youth Council has adopted the Festival as a priority for its first year of office.

- 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: - Initial scoping meeting with CG scheme development officer and YOT RJ devt officer held. Need to determine how much existing YPS scheme already contributing, what links in place between locality TYS and CG. Resource appears to have been made available to YPS from SYP. Still could be back on track.

25 DMT quarterly meetings monitor progress against the key priorities within the LCCS Directorate Plan, CYPP, and LL&C Plan, at this stage there are a number of problems identified with delayed actions, if these cannot be brought in line by the end of the plan's life, they will be slipped into 2010/11 service planning as appropriate, it should be noted that these regular DMT performance and financial monitor meetings are well supported by detailed action planning at service manager level should further explanation be needed.

Risks

26 Whilst the Magique risk register is monitored and managed via the above mentioned DMT, the following are only highlighted to raise awareness:

- As with any new inspection regime, doubt will surround the outcome of the new 'unannounced inspections', especially as evidence from the first inspections carried out in other authorities as 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 eventually Ofsted do carry out the new unannounced inspection.
- The increase in the LAC population continues to pose significant challenge. 168 children are placed with York foster carers out of the highest recorded numbers of LAC ever recorded for York at 223.
- A risk to resourcing has been identified re – sustainability of the short breaks offer post transformation, grant funding needs to be developed
- Whilst good progress has been achieved in developing the New Front Door arrangements with close joint working within PE&I and C&F services to identify resources and adapt core systems and processes, the delivery could be hampered by lack of actual capacity to deliver this.
- Just before Christmas, City of York Council and a range of local partners were one of only five areas successfully to apply to become a "Community Service Pilot". We have won around £1.4 million to enable us to offer volunteering opportunities to all 14-16 year olds in the city. A full time Project Manger has now been appointed but implementation of an exciting but complex project remains challenging.
- The cessation of National Strategies funding and the subsequent impact on retaining consultants and advisers within the SISD
- The cost of Alternative Provision is still prohibitive but creative and different programmes are still needed to meet the needs of York's most vulnerable learners.

- The Access team are now managing the transport fleet for HASS. Management capacity is limited and there are many challenges to address including need to find alternative accommodation for the vehicle fleet following the closure of Yearsley Bridge.
- The in-year budget round will have significant implications to LCCS being able to maintain its high performance across all its services.

Items worthy of mention in regard to excellent performance recorded this 3rd quarter are:

- NEEC 2010 Conference hosted January 2010. High quality event; sponsorship targets exceeded
- Youth Council is now up and running with 32 elected Youth Councillors. Two main campaigns identified: the building of a youth café and a festival to celebrate youth this summer
- Knavesmire children's centre now designated by DCSF with early services being delivered incorporating service delivery from a range of community venues in the Scarcroft area. Building work due to be completed April 2010
- More for York Blueprinting under way to establish formal new 'Front Door' Project alongside wider Children's Services restructure. Phase one to be designed and piloted in Q4, with partial merger of Child Index and R&A functions
- Childrens Centre Managers have met with social care Referral and Assessment team to reinforce information sharing protocol and 'think Children's Centres' message. Reporting arrangements enhanced to provide specific data as to 0-5 population referred to CSC more than once in last 12 months for consideration as to how to target resources.
- Arrangements in place to ensure that all Early Support arrangements for children moving on to school step down to a CAF by end of school year. Training planned to promote multi agency coordination.
- Participation Guidance launched. Successful conference to support implementation. Plans for embedding these participation practices in schools with specialist teacher acting as broker, & support to SENCo forums. Transition team worked with Applefields to introduce new approaches to including views of young people in reviews.
- There continues to be a focus on leadership across all schools with community leadership emerging as a crucial way forward, particularly in schools with hard to reach families. Maxine Froggatt, external consultant, is working with one particular primary and secondary school to "kick-start" stronger community engagement. This builds on the Narrowing the Gap project – the Community Partnership Project
- The LA 14-19 Plan continues to progress with meetings of the sub-groups taking place. Staff roles for LSC colleagues have been agreed and the transition is taking place in a smooth and consultative way. The Local Area Statement of Need (LASN) was submitted on time and agreed with all partners. A paper on 14-19 developments was taken to the Executive in December 09. A key recommendation centred on apprenticeships, also central to the LASN (18.2)
- The first MEND programme has run with great success. This 10 week programme is intended to help overweight and obese children aged 7-13 years, become happier, healthier and fitter. It provides families with workshops on nutrition,

exercise, goal setting and developing self-esteem and confidence. The second programme starts in January, based at Energise.

- The new Joseph Rowntree School is nearing completion and is on target to open following the half-term break. The project team were delighted to win the National BSF award for the "Most Versatile Learning Environment" and were also nominated for the "Innovation In Student Engagement" category.
- The School Catering contract has been put out to tender. A strong field of six companies have now been shortlisted and the winning contractor will be appointed in advance of the new school year in order to provide a service from September 2010

Corporate Priorities

- 27 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

- 28 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

- 29 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

- 30 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

For further information please contact the author of the report

Background Papers

Third Quarter finance and performance monitor for 2009/10, Executive 16 March 2010

Annexes

None