

---

**Learning & Culture Overview & Scrutiny Committee    21 Nov 2012**

Report of the Director of Adults, Children & Education and the Director of Communities & Neighbourhoods

**2012/13 SECOND QUARTER FINANCIAL MONITORING REPORT –  
LEISURE, CULTURE & TOURISM AND CHILDREN & YOUNG PEOPLE’S  
SERVICES**

**Summary**

- 1 This report analyses the latest performance for 2012/13 and forecasts the outturn position by reference to the service plan and budgets for all of the relevant services falling under the responsibility of the Director of Adults, Children & Education and the Director of Communities & Neighbourhoods.

**Financial Analysis**

- 2 Communities & Neighbourhoods are currently predicting a small underspend of £72k within Leisure, Culture & Tourism budgets. This is primarily due to a small number of vacant posts being held, and the Arts & Culture Education service moving to operate on a breakeven basis during 2012/13.
- 3 Within Children & Young People's budgets financial pressures of £1,031k are being projected, representing 4.4% of the net budget. There was growth of £500k included in the Children's Social Care budgets for 2012/13, but despite this it remains challenging to address the increase in demand for services. All areas of the directorate have been examined, and mitigation options within children's services of £686k have been identified, that bring the forecast outturn for the service down to £345k, which is £698k lower than at Quarter 1.
- 4 The strategy in York has been to invest in preventative services and to support greater early intervention in the belief that this will lead to a reduction in the overall population of young people in care over time. There are some encouraging signs that that this approach is succeeding, with the intake having reduced since it's 2007-9 peak with approximately

20% fewer over 2009-11 than over 2007-9 and some 25% fewer admissions in April-July 2012 than in same four months of 2011.

- 5 New services have been introduced which are impacting upon the increased number of cases being seen associated with drug and alcohol misuse and domestic violence and our greater targeting of support and the expansion of services such as intensive family support teams specifically aimed at those on the edge of care, give ground for further optimism. We also know that the new front door arrangements are supporting early interventions, coordinated across multiple agencies.
- 6 However, the financial pressure on the budget for children's services has continued into 2012/13, despite the additional resources of £500k provided in this year's budget. The current pressure reflects various costs associated with the increase in the total number of looked after children which stood at 246 by the end of the first quarter.
- 7 Most notably, local foster placements have increased from 174 to 180 (£195k) and Independent Fostering Agency placements have increased from 13 to 16 (£162k). This has had a corresponding impact on support budgets, including staffing (£385k), leaving care costs (£72k), legal fees (£50k) and adoption agency fees (£85k).
- 8 The Council does continue to benefit from our ability to retain the significant majority of placements in local high quality family settings – compared to authorities with 30% of placements with (more expensive) Independent Fostering Agencies, York continues to have less than 10% in such placements.
- 9 Overall, our target of safely reducing the care population by the end of 2013/14 is ambitious but appears to be deliverable given the performance in relation to early intervention and managing those on the edge of care.
- 10 In other areas the Home to School Transport budget is now expected to overspend. Projections based on summer term spend, new academic year demand and a continuation of 2011/12 pressures suggest that the overspend could be up to £500k. The most significant pressures reflect the growth in the number of students attending the Danesgate Community and other alternative education settings. These arrangements are being reviewed, including an option to transfer appropriate costs from the General Fund to the Schools Budget. A new taxi contract providing transport for all children with special needs became operational in September. The new contract has significantly improved the quality of provision. Further negotiations are underway

with the contractor to seek additional efficiencies in route planning and cost reductions.

- 11 A higher than expected LACSEG Academy refund (£397k) helps offset the forecast overspend.

### **Mitigation Options**

- 12 All areas of the directorate have been reviewed and work is ongoing within the Directorate Management Team to progress on a range of mitigation proposals, although this is not without some potential impact on customers and services:
- Vacancy freeze measures are being strictly enforced across the directorate, including relief staff and short term cover. Other expenditure will only be incurred to meet statutory obligations, or where the well being of a vulnerable child could be compromised.
  - Contracts for care provision are being reviewed and opportunities taken to reduce the level of contracted spend where possible, and demand allows.
  - Options for utilising reserves and grants will be taken where a consequent general fund revenue saving can be generated.
  - Charges for services are being reviewed to consider the options for increased income generation.
  - All options to delay the start of planned investment in new or revised services will be considered.
  - Decision making processes for care packages and support are being reviewed to ensure high cost arrangements are thoroughly scrutinised. All high cost packages have to be authorised by the Assistant Director to ensure the needs are evidenced and eligible and that the costs are in line with market rates.

### **Performance Analysis**

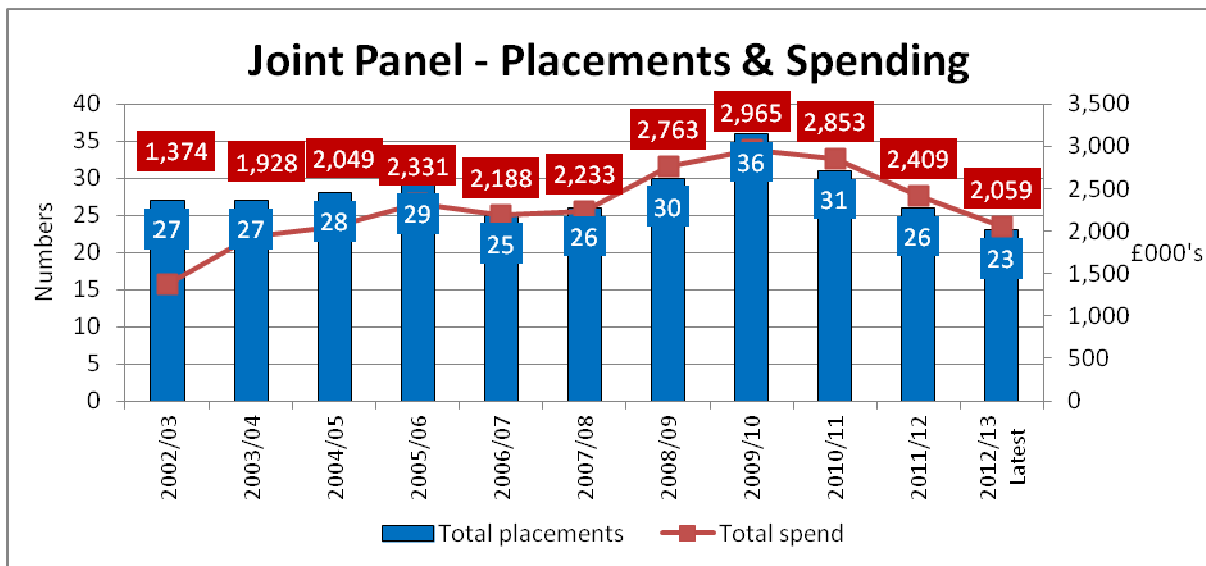
#### Create Jobs & Grow the Economy

- 13 York continues to be a national leader in education provision with recent figures showing positive news that the 'attainment gap' at both Key Stage 2 and Key Stage 4 is narrowing, meaning that children who are potentially more vulnerable to low achievement are attaining results closer to the average for the city.

- 14 However, the city still needs to continue to drive the creation of higher skilled, higher value jobs. Qualification data has shown a further improvement in the proportion of York's population qualified to level 4 and above and a reduction in those with no qualifications. With economic projections showing challenging conditions for the future, enhanced inward investment of higher value jobs and businesses and delivery of transformational planning projects will help to rebalance those projections
- 15 The newly created City Team will be working with the Council in shaping the spend of £3.3 Million from the Economic Infrastructure Fund to deliver Re-Invigorate York, a project aimed at enhancing the public realm and improving the business and leisure environment in the city centre, thus strengthening York's offer as a business, tourism and leisure location. This illustrates York's drive for excellence as the city was recently voted the 3<sup>rd</sup> best UK City by the Guardian Travel Awards 2012.

### Protect Vulnerable People

- 16 Services for vulnerable children in York continue to be strong as noted in the annual assessment for children's services and the review of Children's Safeguarding by OFSTED. York has the lowest level of children in workless households in the region - an illustration of our comparatively strong economy creating good conditions and prospects for young people.
- 17 Work has ensured that the number of approved fostering households has increased to its highest level and we continue to ensure that all children placed for adoption are being adopted. The numbers of looked after children has also reduced by 17 since monitor 1, a positive achievement. As a result of focussed work in this area, there has also been an improvement in the stability of short terms placements, meaning children are moved less between placements.
- 18 There has also been strong strategic oversight by the multi-agency Joint Panel, to identify pressure driving out-of-city placements in individual cases and across types of need, and to find or create local alternatives, redirecting resources as appropriate. This has been very successful and we have our lowest ever numbers of children placed outside the local authority, currently at 23, having reduced steadily from a high of 36 in 2009/10. Ofsted commended the local agencies (Health, Education, Social Care and Youth Offending Services) on the managing and monitoring of the SEN out of authority placements.



- 19 Identification of families in need of support continues through a combination of our case tracking system and well established effective partnership working. Though early days, we are already seeing improvements in family functioning, particularly in relation to education attendance and engagement. The project is now working with 40 identified Troubled Families, of which 37 in total are eligible for Payment by Results.
- 20 Despite this good progress, there are still some financial pressures on children’s services as noted earlier in this report.

Build Strong Communities

- 21 Libraries and Museums: The council is progressing well with plans to build a community-based mutual to run the libraries and archives service and options for the service to be run by a social enterprise are being developed for consideration. The number of visitors to libraries has decreased by 3% on the same period in 11/12. Lower numbers in July and August are thought to be due to the Olympics and September numbers are up again.
- 22 Visitor numbers for York Museums Trust are 12% down overall on the same period last year. However, last year’s numbers were higher than normal due to increased attendance levels during the very popular Hockney exhibition. All sites other than York Art Gallery show an increase in visitor numbers.
- 23 The CAB have secured three year funding to run the “Family Fortunes – working to make Child Poverty History” project. The funding is targeting families in poverty to get them out of debt and into employment.

Westfield is one area targeted for support is and outreach sessions have taken place from Primary Schools to support families in rent arrears. The Tang Hall Advice Hub has also been launched between CYC, CAB, Future Prospects, Credit Union, and Housing Associations.

### **Corporate Priorities**

- 24 The information included in this report demonstrates progress on achieving against the priorities within the council's plan for 2011-15.

### **Implications**

- 25 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**

- 26 A number of budgets are under pressure. On going work within the directorates may identify some efficiency savings in services that could be used to offset these cost pressures before the end of the financial year. 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 2012/13 will be a challenge, particularly for Children & Young People's Services, and the management team will continue to review expenditure across the directorate.

### **Recommendations**

- 27 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 2012/13.

## Contact Details

### Authors:

Richard Hartle  
Head of Finance  
Adults, Children & Education  
Tel No. 554225

Patrick Looker  
Head of Finance  
Communities &  
Neighbourhood Services  
Tel No. 551633

### Chief Officers Responsible for the report:

Peter Dwyer  
Director of Adults, Children and Education

Sally Burns  
Director of Communities & Neighbourhood  
Services

Report  
Approved

  
Y

Date 13 November 2012

**Specialist Implications Officer(s)** None

**Wards Affected:** *List wards or tick box to indicate all*

AI  
I

 Y

**For further information please contact the author of the report**

### Background Papers

Second finance and performance monitor for 2012/13, Cabinet 6 November 2012

### Annexes

None