

## Joint Report of the County Treasurer and Strategic Director People

### 2016/17 Budget

**Recommendation:** that the Scrutiny Committee consider whether it wishes to draw to the attention of the Cabinet any observations on the proposals contained within the draft Revenue Budget 2016/17 and Capital Programme for 2016/17 to 2020/21.

#### **1. Introduction and Commentary**

- 1.1 At its meeting of 13th January 2016, Cabinet set Revenue Budget targets for 2016/17. The targets incorporate inflation, commitments and budget reductions required to set a budget within reduced funding levels provided by Government in the recent provisional financial settlement.
- 1.2 A number of major decisions remain to be taken. At this stage, the final outcome of the Local Government Finance Settlement is awaited and details of the council tax base, collection fund surpluses and tax base yield have yet to be confirmed. Information should be available by the time that County Council considers final budget proposals for 2016/17 on 18th February 2016. However, given the late notification of the provisional settlement and in line with arrangements from previous years, 25th February 2016 has been set aside for a second County Council budget meeting if required.
- 1.3 The draft budget attached to this report complies with the targets set by Cabinet on 13th January which total £443.5 millions. The total includes funding for budget pressures of £34.2 millions that mainly relates to additional expenditure to allow for service growth to cater for demographic changes such as increased children and adult service users and unavoidable cost pressures. A further £9.7 millions is included to meet the effect of inflationary pressures within the Authority's service provision. Savings of £34.3 millions are required to set a balanced budget.
- 1.4 The targets set for each service area have been subject to different pressures and influences. The People's Services budget has provided inflation and pressures of £36.1 millions with budget savings set at £19.9 millions. The Place budget provides for pressures and commitments of £6.1 millions with budget savings set at £9.5 millions. Corporate Services provides for inflation and pressures of £1.7 millions with budget savings set at £4.9 millions.
- 1.5 This report provides detailed budget proposals in respect of all People Services, in line with the targets outlined in paragraph 1.1. The Budget Scrutiny day will provide Members with the opportunity to question further, budget issues for 2016/17 and beyond. In addition, detailed questions can be raised in advance of the Budget Scrutiny day by using the central DCC mailbox [scrutiny@devon.gov.uk](mailto:scrutiny@devon.gov.uk)

## **2. Influencing Factors for Cabinet Consideration**

- 2.1 The Secretary of State for Communities and Local Government announced the Provisional Local Government Finance Settlement for 2016/17 on 17th December 2015. This was a day earlier than last year, but, unlike previous years the Autumn Spending Review gave little indication as to the size of the settlement or even how many years it would cover.
- 2.2 This is the first year of a new Government with new intentions towards funding Local Government. The Provisional Finance Settlement is the first signal of those intentions. It was widely anticipated that the Settlement would provide figures for one year only and would be followed by a consultation on changes to grant distribution methodology. This has not happened. Instead the Government has gone ahead with some radical changes to grant distribution but also provided grant figures for individual Authorities over a four year period from 2016/17 to 2019/20.
- 2.3 The impact of this revised grant distribution methodology is that Shire Counties have collectively lost funding in 2016/17 of just over £160.6 millions. Conversely, Metropolitan Districts and Inner London Authorities have gained funding of £92.6 millions and £53.4 millions respectively. Within the allocation to County Councils and Upper Tier Authorities there has been a further re-distribution so that funding has flowed from Councils with a higher tax base to Councils with a lower tax base. It is thought that this is to try to compensate those Authorities dealing with Adult Social Care pressures who would raise less income from a 2% precept.
- 2.4 For Devon County Council this means that in 2016/17 government funding (core funding) will reduce from £179.8 millions in 2015/16 to £151.6 millions in 2016/17. This is a reduction of £28.2 millions, nearly 15.7%. This is slightly higher than the average reduction for SCT (Society of County Treasurers) member authorities which is 14.6%. In 2016/17 some specific grants have been included in the funding base of £151.6 millions. If these are excluded to give a more accurate, like for like comparison, then the reduction is 17.4% for Devon compared with an average of 16.6% for Shire Counties.

## **3. Changes to the 2016/17 People Services Base Budget**

- 3.1 The major changes to the 2016/17 budget are as follows:-

	£'000
Adjusted Budget Approved by the Council for 2015/16	299,942
Inflation and Pressures	36,052
Budget reduction/Savings	(19,876)
Target Approved by Cabinet 13th January 2016	316,118

## **4. Service Specific Budget Issues**

- 4.1 The overall financial approach in People is to strike a balance between the reality of financial austerity while protecting the most vulnerable and preventing future costs from rising. This involves driving out waste and eliminating any unnecessary spend, but increasingly it means looking for ways to deliver the services that are needed more effectively, while seeking to curb the cost

pressures that otherwise arise from an ageing population and rising incidence of need for care within children and adults of working age.

- 4.2 This budget recognises that there have been significant financial pressures in the current year, especially within Children's Services, and that the costs we must pay to obtain sustainable care of the right quality will rise, notably because of the introduction of a National Living Wage, but also due to existing pressures in the labour market. As has been noted earlier budget pressures of £36.1 millions are recognised, which are offset by savings planned of £19.9 millions across People to give a net budget change of £16.2 millions. The need to plan transformational change on this scale in several areas, at the same time as dealing with increasing pressures of demand and price remains very challenging.
- 4.3 The Director's Commentary points to four areas of focus across all services in People: Performance; Workforce; Demand Management and Strategic Commissioning. Our savings strategies align to these areas of focus, but also to the vital need to work to achieve financial stability and good outcomes by working closely with partners in schools, the NHS, the police, district councils as well as other parts of the Council to ensure that we jointly meet the needs of people in Devon efficiently, and without organisational barriers obstructing us.
- 4.4 There are considerable uncertainties in Education and Learning partly due to government intentions to increase the number of academies, which may in time reduce the influence of the Council and affect some of the central support functions it provides. At the same time we look forward to a consultation planned by the government early this year on a national funding formula for schools. For costs funded by the Council, the greatest pressure in Education and Learning is in the costs of transport. We will review all aspects of this following the principles of demand management, efficient commissioning, partnership working and a personalised approach to find cost effective solutions.
- 4.5 In Adult Social Care the long standing demographic pressures continue but we also face increasing cost pressures, largely due to increasing labour cost, and the need to ensure sufficient supply of care of the right quality is a continual challenge. Although the budget includes the estimated effect of the National Living Wage, this injects still greater uncertainty to these vital providers.
- 4.6 Finally, it should be noted that the universal Youth Service has recently transferred to Place in line with the Council's decision to support the establishment of a Public Sector Mutual.

## **5. Capital Programme**

- 5.1 The Council's capital programme has been produced to maximise investment in the county's infrastructure and assets and to support service delivery and priorities. Unlike 2015/16, new starts within the Service have been restricted to those schemes which are funded from external sources such as grant or contributions
- 5.2 As part of the 2016/17 capital plan for People, there are no new starts funded from corporate resources. This is in line with the council's policy to not undertake any new borrowing. Within the programme there are projects to provide new multi service Hubs at Tavistock and Barnstaple. There is also continued support for Extra Care Housing schemes, notably Riverside in Totnes.

- 5.3 The Social Care Capital grant continues to be available to invest within services as part of the Better Care Fund and new projects will be considered and approved on an ongoing basis in agreement with Partners.

## **6. Equality Impact Assessment**

- 6.1 Under the Equality Act 2010, the County Council has a legal duty to give due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations when making decisions about services. This duty applies to the eight 'protected characteristics' of age, disability, gender reassignment, pregnancy and maternity, race, religion and belief, sex and sexual orientation. Where relevant, Impact Assessments are carried out to consider how best to meet this duty and mitigate against the negative impact of service reductions. The Equality Act 2010 and other relevant legislation does not prevent the Council from taking difficult decisions which result in service reductions or closures for example, it does however require the Council to ensure that such decisions are:
- Informed and properly considered with a rigorous, conscious approach and open mind.
  - Taking due regard of the effects on the protected characteristics with the need to ensure nothing results in unlawful discrimination in terms of access to, or standards of, services or employment as well as considering any opportunities to advance equality and foster good relations.
  - Proportionate (negative impacts are proportionate to the aims of the policy decision).
  - Fair
  - Necessary
  - Reasonable, and
  - Those affected have been adequately consulted.
- 6.2 The report Budget 2016/7 Impact Assessment is an assessment of the potential impacts for new savings strategies. With the majority of savings strategies agreed last year, only a handful of new proposals are being put forward this year. Previous years assessments are available at <https://new.devon.gov.uk/impact/> under 'Published Assessments'. The report for 2015/16 provides a detailed analysis of the cumulative impact of cuts on communities.
- 6.3 The Council's vision Better Together and 'operating model' describe how we will change our structure, purpose, processes and culture to meet our key challenges and future opportunities. Better Together has five themes: resilient, healthy, prosperous, connected and safe. Increasingly changes to budgets and how our work is delivered should be viewed not simply as changes the Council is making but as part of a wider local system. The impacts of changes alongside future opportunities and mitigations should be viewed alongside that wider perspective.

Mary Davis  
County Treasurer

Jennie Stephens  
Strategic Director People

Electoral Divisions : All  
Local Government Act 1972

**List of Background Papers**

Contact for Enquiries : Mary Davis  
Tel No: (01392) 383310 Room 199  
Background Paper Date File Ref  
Nil  
Date Published 13th January 2016

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## **People Services**

## Director's Commentary

2015/16 has been a very challenging year for all the major services within People as we face increasingly stringent regulation and continued financial pressures with local government funding continuing to reduce while the need for services and the costs of those services continue to rise.

Before turning to the general challenges we face it is worth noting the particularly keen demand pressures felt in Children's Social Care and Child Protection in the current year. These must be seen alongside improvements in the service as we have moved from an overall Ofsted judgment of "inadequate" to "requires improvement" as judged by Ofsted's inspection of February to March 2015. This certainly does not leave room for complacency, and we have much to do, but the changes that we and our staff have instituted set us on a road to improvement and we must keep improving in all areas. However the year has also seen very great spending pressures and in retrospect the level of savings that were accepted in last year's budget (a cash reduction of £5.4 millions) was probably too great to deliver at the same time as delivering the necessary improvements in quality. There have also been increases in the costs of placements and the number of children in care; this in turn meant that plans to reduce social work staffing numbers could not be instituted and the costs of agency staff continued to be high. Devon is certainly not alone in facing increasing pressure, especially in the numbers of children requiring an assessment. As this commentary is written, the number of placements has for several months been steady or very slightly down, while both overall social work staff numbers and agency numbers have been reducing. Nonetheless, this budget recognises the need to put more funding into Children's Social Work and Child Protection, which will always be an area of the utmost importance for the Council. Including the increased cost of National Insurance and the effect of the introduction of the National Living Wage, financial pressures of £14.4 millions have been recognised, offset by savings plans of £3 millions to give a cash injection of £11.4 millions.

The financial savings plans in Children's Social Care and Child Protection for next year concentrate on improving both our management of the provider market and our own practice in arranging care so that we obtain better average rates, rather than reducing the numbers of children in care. The budget will buy care for 687 looked after children, which is close to the level that we have had for several months. In staffing we plan to keep social work teams at approximately the current levels until the number of children who require an assessment of need starts to reduce. There is a relatively small planned staffing reduction of £160,000, and we also intend to reduce the rates we pay for Agency staff saving £348,000 but overall these are outweighed by the funding put into social work staffing to reflect current pressures, so "budget to budget" there is an increase in funding of £1.7 millions.

The plans to reduce staffing costs in the future will rely in part on enhancing Early Help, including family group conferencing and specific focus on avoiding teenagers coming into care by working closely with families. We expect that this will lead to fewer children entering care in the future, but the numbers will be low at first, averaging six diversions from care per month toward the end of the 2016/17 financial year, increasing to ten per month toward the middle of 2017/18.

More generally across all services in People there are four areas of focus:



- **Performance** – our services must be safe and effective whether they are provided by the Council or purchased. Reference has been made above to improvements in Children’s Services and there are more good and outstanding schools than a year ago. 88% are now judged to be good or better which places DCC maintained schools 4% above the national average, and 2nd overall compared with all Shire counties nationally. Adult Social Care continues to perform well, being rated as good as or better than the national average in 17 of 27 national framework indicators, but in all areas we can do better and we will continue to plan and press for improvement.
- Our own **workforce** is critical to success and we all recognise and value the complexity of many of the decisions our staff make every day. Our task is to provide our workforce with the right tools to assist decisions, in the right environment and with the right support, so that we can offer the best options, especially for vulnerable people. Very many of the savings strategies set out in this budget are reliant on our workers adopting approaches that help people and families to come up with solutions that maximise their personal independence and / or strengths. Such choices are individual, based on each person’s circumstances which means there is no predetermined set pattern. Seeking solutions that are based on people trying to find their own answers is an essential component of meeting the financial challenge, as this approach can enhance someone’s independence, even if in the short term more help must be applied, perhaps to meet a particular crisis. But the complexity of doing this while ensuring safety is something we must recognise. Recruiting sufficient skilled workers to achieve these outcomes is a constant challenge, particularly given a highly competitive national labour market for social workers, teachers, educational psychologists, therapists and others. In all these areas there are financial risks of having to pay more to attract people - or paying still more because we cannot recruit and have to pay premium costs for agency workers. To mitigate this, a workforce that is confident and supported is vital, so that we create an environment where people positively want to work for us.
- Our operational workforce also plays a key role in **demand management**, as do our commissioning strategies. Demand management involves at one level deploying strategies to prevent, reduce or delay the need for services where it is appropriate to do so. This includes the Early Help approach in Children’s Social Care; and important alignment with public health and schools through working with district nurses and health visitors. In adults the approach to demand management includes the continuing success of reablement strategies and rapid response, working closely with health partners. In all cases the aim is to ensure we have the right support at the right time and place and to the right level.
- Our **commissioning** strategies involve working closely with private and voluntary providers of care so that we have a joined up view of what the future need for services will be in terms of levels of demand, quality requirements and to understand the strains and risks in the provider market. In adults there is a new statutory duty under the Care Act to ensure market sufficiency, which, combined with the introduction of the National Living Wage in an employment market that is under strain, poses clear financial risks. In all parts of People we have to make sure that we can buy services that we need, and that these are resilient, so that we are reasonably secure in the future. But risks of escalating cost cannot be ruled out.

The above four areas of focus do not work in isolation from each other – rather we need to bring each to bear in any approach. A final aspect that runs throughout everything that we do is the vital need to work in partnership with others to achieve the results we need. None of this can be achieved alone, we need to work with the private sector,

voluntary, and public bodies including education partners, NHS colleagues, using partnership forums such as the Children's Safeguarding Board, Devon Education Forum, and Youth Justice Board, to get the best results for people.

In Education and Learning, the government policy of promoting conversion to academies will take funding away from the Council, and in time may pose risks to central support functions, although Devon's schools have generally wished to maintain these and are purchasing a range of services. The government has also announced that it will implement the first ever national funding formula for schools in 2017/18 and will consult on proposals in early 2016. The effects of this may be very significant and we will keep a close watch on developments, through continued active involvement with the "f40" group of low funded education authorities.

Rising incidence of Special Educational Needs and Disability (SEND) alongside changes in legislation has led to increased demand for assessments and funding pressures. Placement costs for complex cases have also risen significantly. We will seek to address these pressures by challenging ourselves and our partners to create a culture and expectation that supports children close to home through improved join up across the Council and other public bodies such as NHS and schools.

Leaving the Dedicated Schools Grant, the greatest pressure in Education and Learning "general fund" is in transport. While the numbers of pupils transported to mainstream schools has fallen, costs continue to rise, mainly due to increased provider rates. The number of pupils receiving personalised transport (often because of special educational need) has risen, and these cases tend to be more complex and therefore high cost. In the coming year we will review all options to contain spending. In the first place, as noted above there have been increasing numbers of children reported with special educational needs, and we will seek to manage demand in this area by reviewing needs earlier and in partnership with Children's social work and the NHS and where need exists, discussing with schools and families how it can be most effectively met. In support of this we will seek to create satellite centres, bringing more local provision closer to where it is needed, thus reducing some costs; and we will expand access to Independent Travel Training.

The backdrop for financial challenges in the care for adults has for many years been growing demand due to demographic pressures and increasing incidence of disability. Services for younger adults with disabilities or a mental health condition continue to rise rapidly nationally, as does the number of older people who are likely to need social care support. Devon has one of the most elderly population profiles in the country, with people over 75 years of age comprising 11.6% of our population - 3.4 percentage points above the average for England. The Office of National Statistics predicts that the number of people over the age of 75 in Devon will increase by 2.6% next year, rising to 3.5% per year by 2020.

Overlaid on demographic and demand pressures, there are several other factors at work this year that pose significant financial risks in adult social care.

The effect of the National Living Wage announced in the summer, which replaces the National Minimum Wage for people aged 25 and over, has been calculated according to our best estimates for 2016 /17 and future years, and the 2016/17 effect is included in this budget. The introduction of the National Living Wage is particularly important in the fee rates that we pay for social care.

The new duties set out for market sufficiency in the Care Act 2014 for adult social care have already been mentioned, and the interplay with a provider market that is under strain.

- We will be awarding contracts for Personal Care by the end of March 2016. The tender has been achieved jointly with our NHS CCG partners, and the estimated value of the Council's share of the total contract value over 7 years is £191.4 million. We have made allowance in the budget for expected higher prices here, recognising the vital importance of maintaining supply in this sector, however as we will not know the outcome of the tender at the time of budget setting, there is an inevitable risk that bids are higher than we have estimated.
- There are also concerns about sufficiency in the residential and nursing sector, especially for older people. We will consider options for new models of commissioning to ensure resilient and sufficient supply, and have applied additional funding over inflation to this market in this budget (as well as in the current year, and also for 2017/18 in our medium term planning). We need to keep a watchful eye to ensure that our pricing remains realistic in maintaining a viable market that operates at the right quality and with sufficient capacity that we can purchase.

It will always be a challenge to contain spending within budgets in the services that comprise People, where our statutory duty is to meet the needs of the most vulnerable, where those needs are difficult to predict, and where we depend on a market that is influenced by external pressures. There are many risk factors at work outlined in the risk assessment to this budget. . We have to keep balancing these risks with the need to ensure that we deliver as effectively and efficiently as possible, and it is right that we set a budget that is realistic but challenging.

## ***Jennie Stephens***

Strategic Director People

### **References**

<https://new.devon.gov.uk/ofsted/Projections of Demand for Social Care and Disability Benefits for Younger Adults in England>

<http://www.poppi.org.uk/>

<http://www.pansi.org.uk/>

Care Act 2014

<http://www.legislation.gov.uk/ukpga/2014/23/contents/enacted>

<https://www.gov.uk/government/news/department-for-educations-settlement-at-the-spending-review-2015>

Performance

<https://www.gov.uk/government/publications/adult-social-care-outcomes-framework-2014-to-2015>

For more information on the contents of this section, contact John Holme, Assistant County Treasurer, 01392 38 2357 - [john.holme@devon.gov.uk](mailto:john.holme@devon.gov.uk)

## How the 2016/17 Budget has been built up

	2015/16 Adjusted Budget	Changes	2016/17 Outturn Budget
	£'000	£'000	£'000
<b>Childrens Social Work and Child Protection</b>	64,862	11,355	76,217
<b>Adult Social Care</b>	182,373	5,158	187,531
<b>Adult Care Commissioning</b>	10,471	8	10,479
<b>Education and Learning - General Fund</b>	42,236	(345)	41,891
<b>Education and Learning - School Funding</b>	0	0	0
<b>Total</b>	<b>299,942</b>	<b>16,176</b>	<b>316,118</b>

	Change £'000
<b>Reasons for changes in Revenue Budget</b>	
<b>Technical and Service Changes</b>	
Additional spend - inflation, demographic and other growth in demand	24,310
National Living Wage	6,889
National Insurance	1,103
Reduction in Better Care Fund contributions from CCGs	3,750
	<b>36,052</b>
<b>Savings requirements</b>	<b>(19,876)</b>
<b>Total</b>	<b>16,176</b>

<b>Savings Strategies Analysis</b>	
Strategies to reduce the number of children needing care by early help to families including family group conferences and interventions to avert the need for teenagers to enter care	(311)
Reduce in house care provision and costs	(4,714)
Targeted support - further personalise approach to care	(2,636)
Further personalise the approach to adult care, so that people choose how to direct resources to achieve the outcomes they need on a fair and equitable basis	(4,176)
Strategies to manage demand in adult care including the reablement service and introduction of Extra Care settings	(1,873)
Transfer of expenditure to capital funding	(950)
Consolidation and cost reductions from various external contracts	(847)
Home to school/college transport - efficiency savings and personalised approach to transport	(375)
High cost case reviews	(1,171)
Planned additional income from changes to charging policies	(220)
Planned additional income from increased fee rates (traded services)	(125)
Review of Early Years contracts and service	(449)
Reduce staff costs and rates paid to agency workers in Children's social work	(508)
Residential Special Schools review and redirection to DSG	(315)
Planned reductions in management costs	(140)
Improved practice and strategic commissioning - market management	(1,066)
	<b>(19,876)</b>

## Staffing Data

	2015/16 Adjusted Total FTEs	Changes FTEs	2016/17		Total FTEs
			Revenue Funded FTEs	Externally Funded FTEs	
<b>Children's Social Work and Child Protection</b>	<b>726</b>	14	705	35	<b>740</b>
<b>Adult Social Care</b>	<b>1,154</b>	(78)	943	133	<b>1,076</b>
<b>Adult Care Commissioning</b>	<b>80</b>	2	82	0	<b>82</b>
<b>Education and Learning</b>	<b>143</b>	7	112	38	<b>150</b>
<b>Total</b>	<b>2,103</b>	<b>(55)</b>	<b>1,842</b>	<b>206</b>	<b>2,048</b>

### Explanation of Movements

#### Children's Social Work and Child Protection

Children with Disabilities social work team	1
Fostering team restructure	(2)
Youth Offending - Statutory & Prevention	(1)
Early Help Reach services - Child sexual exploitation	4
Additional Personal Advisors within social work	8
Atkinson Unit - additional support posts to reduce need for agency cover	4
	<b>14</b>

#### Adult Social Care

Reduction in Assessment & Support Staff due to non implementation of parts of the Care Act	(28)
Implementation of reduced in house residential care provision	(82)
Direct Payments & Brokerage staff funded by Health	7
Additional staff for extended hours working	14
Learning Disability care management	11
	<b>(78)</b>

#### Adult Care Commissioning

Additional capacity to deliver business, efficiency changes and strategic savings	2
	<b>2</b>

#### Education and Learning

Recommissioning escorts under external contractors for pupils with additional needs	(3)
SEND Implementation support staff funded by grant	6
Virtual School and Inclusion team reflecting service restructure	3
Review of early years service	(1)
Special Educational Services team reflecting restructure	2
	<b>7</b>

<b>Total</b>	<b>(55)</b>
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## Analysis of Total Expenditure for 2016/17

	Gross Expenditure £'000	Grant and Contribution Income £'000	External Income £'000	Internal Income £'000	Net Expenditure £'000
<b>Childrens Social Work and Child Protection</b>	82,811	(3,890)	(194)	(2,510)	76,217
<b>Adult Social Care</b>	248,977	(17,807)	(43,639)	0	187,531
<b>Adult Care Commissioning</b>	11,089	(606)	0	(4)	10,479
<b>Education and Learning - General Fund</b>	45,145	(917)	(1,658)	(679)	41,891
<b>Education and Learning - School Funding</b>	507,027	(506,641)	(130)	(256)	0
<b>Total</b>	<b>895,049</b>	<b>(529,861)</b>	<b>(45,621)</b>	<b>(3,449)</b>	<b>316,118</b>

The following services (which are not included above) are wholly self-funded and do not impact on Council Tax.

	Gross Expenditure £'000	Grant and Contribution Income £'000	External Income £'000	Internal Income £'000	Net Expenditure £'000
<b>Childrens Social Work and Child Protection</b>					
Atkinson Unit	3,047	(165)	(2,261)	(621)	0
<b>Total</b>	<b>3,047</b>	<b>(165)</b>	<b>(2,261)</b>	<b>(621)</b>	<b>0</b>
<b>Grand total</b>	<b>898,096</b>	<b>(530,026)</b>	<b>(47,882)</b>	<b>(4,070)</b>	<b>316,118</b>

# Grants and Contributions

## Grant Summary

Service and Grant title	Funded by	Amount £'000
<b>Children's Social Work and Child Protection</b>		
Assessed and Support Year in Employment	Department for Education	26
Youth Detention Grant	Ministry of Justice	26
Youth Justice Grant	Youth Justice Board	241
Police & Crime Commissioner Grant	Office of the Police & Crime Commissioner	24
Unaccompanied Asylum Seekers Grant	Home Office	35
Adoption Inter-agency Fees Grant	Department for Education	23
Troubled Families Programme	Department for Communities & Local Government	1,333
Contributions	Health and other local authorities	<u>2,347</u>
		<b>4,055</b>
<b>Adult Social Care</b>		
Local Reform Community Voices Grant	Department of Health	138
Contributions	Health and other local authorities	<u>17,669</u>
		<b>17,807</b>
<b>Adult Care Commissioning</b>		
Local Reform Community Voices Grant	Department of Health	344
Contributions	Health and other local authorities	<u>262</u>
		<b>606</b>
<b>Education and Learning - Dedicated Schools Grant</b>		
Dedicated Schools Grant*	Education Funding Agency	461,340
Early Years - Disadvantaged 2 Year Olds	Education Funding Agency	4,299
Post 16 Funding	Education Funding Agency	6,267
Pupil Premium	Education Funding Agency	23,498
Universal Free School Meals	Education Funding Agency	7,995
PE & Sport Grant	Department for Education	2,775
Music Grant	Arts Council	841
Contributions	Health and other local authorities	<u>543</u>
		<b>507,558</b>
<b>Total</b>		<b><u>530,026</u></b>

\*The Dedicated Schools Grant is estimated on October 2015 pupil numbers.  
The final grant allocation is expected to be notified by end of March 2016

# Service Statistics

## Education and Learning

### Number of Local Authority Maintained schools and Academies

at Dec 2015

		Number of organisations	Number of Schools	
<b>Local Authority Maintained schools</b>			<b>273</b>	
	Federations	43	112	
	Management Partnerships	4	10	
	% of schools actively collaborating		45%	
<b>Free Schools</b>			<b>5</b>	
<b>Academies</b>			<b>87</b>	
	Number of schools in multi-Academy trusts/collaborations		70	
	% of Academies in multi Academy trusts/collaborations		80%	
<b>Total all schools and Academies</b>			<b>365</b>	
<b>Number of pupils in LA maintained schools</b>		<b>Oct-2014</b>	<b>Change</b>	<b>Oct-2015</b>
Nursery Schools	Hours being funded converted to FTE	167	(20)	147
Maintained Nurseries within Primary Schools	Hours being funded converted to FTE	1,556	47	1,603
		<b>1,723</b>	<b>27</b>	<b>1,750</b>
Primary Schools	Numbers on Roll	43,553	(1,109)	42,444
Secondary Schools	Numbers on Roll	14,556	(158)	14,398
		<b>58,109</b>	<b>(1,267)</b>	<b>56,842</b>
<b>Number of pupils in Academy schools</b>				
Primary Schools	Numbers on Roll	9,130	2,209	11,339
Secondary Schools	Numbers on Roll	19,581	(235)	19,346
		<b>28,711</b>	<b>1,974</b>	<b>30,685</b>
<b>Number of pupils in Free schools</b>				
Primary Schools	Numbers on Roll	222	(1)	221
Secondary Schools	Numbers on Roll	212	75	287
		<b>434</b>	<b>74</b>	<b>508</b>
<b>Total number of pupils in LA Maintained schools, Academies and Free schools</b>				
Nursery Schools	Pupil Numbers FTE	1,723	27	1,750
Primary Schools (including Free schools)	Numbers on Roll	52,905	1,099	54,004
Secondary Schools (including Free schools)	Numbers on Roll	34,349	(318)	34,031
		<b>88,977</b>	<b>808</b>	<b>89,785</b>
<b>Percentage of pupils in academy schools</b>				
Primary Schools	Numbers on Roll	17.3%	3.9%	21.2%
Secondary Schools	Numbers on Roll	57.0%	(0.1%)	56.9%



<b>Early Years Education Provision</b>		<b>2015/16</b>	<b>Change</b>	<b>2016/17</b>
Early Years Independent Provision	Pupil Numbers FTE	7,894	309	8,203
Early Years Entitlement Take up	Percentage of eligible children	97.6%	0.4%	98.0%
Disadvantaged Two Year Olds	Pupil Numbers FTE	1,872	(308)	1,564

<b>Young People with Additional Needs</b>		<b>2015/16</b>	<b>Change</b>	<b>2016/17</b>
Number of pupils receiving Top Up funding (Statutory)	Number of young people with a Statutory statement	1,958	(342)	1,616
Number of pupils receiving Top Up funding (Non Statutory)	No of young people with a 'My Plan'	91	450	541
Independent Special Schools (pre 16)	Pupil Numbers	134	(34)	100

		<b>2015/16</b>	<b>Change</b>	<b>2016/17</b>
Maintained Special Schools Pre 16	Number of Planned Places	824	64	888
Maintained Special Schools Post 16	Number of Planned Places	100	0	100
Post 16 placements: young people with learning difficulties & disabilities (excl Special Schools)	Number of Planned Places	384	91	475
Number of pupils receiving Top Up funding in Alternative Provision	Number of Learners	250	0	250

<b>Transport</b>		<b>2015/16</b>	<b>Change</b>	<b>2016/17</b>
School/ College Transport	Pupil Numbers p.a.	14,711	(450)	14,261
SEN Transport	Pupil Numbers p.a.	1,508	31	1,539

#### **Children's Social Work and Child Protection**

		<b>2015/16</b>	<b>Change</b>	<b>2016/17</b>
<b>Looked After Children</b>				
External Residential	Number of young people	90	11	101
Internal Fostering Placements	Number of young people	264	53	317
External Fostering Placements	Number of young people	77	47	124
Foster to Adopt	Number of young people	9	0	9
External Supported Lodgings/Housing	Number of young people	12	15	27
Independent Living	Number of young people	6	(6)	0
Internal Residential Special School	Number of young people	12	4	16
Medical Establishment	Number of young people	12	(6)	6
Placed For Adoption	Number of young people	89	(33)	56
Placed with Parents	Number of young people	29	0	29
Secure Welfare	Number of young people	2	0	2
Remand / Custody	Number of young people	3	(3)	0
<b>Total Looked After Children</b>		<b>605</b>	<b>82</b>	<b>687</b>

		<b>2015/16</b>	<b>Change</b>	<b>2016/17</b>
<b>Other Children's Services</b>				
Staying Put/Care Leavers	Number of young people	55	12	67
Children subject to a Child Protection Plan	Number of young people	580	111	691
Children in Need - Assessments	Number of young people	7,010	696	7,706
Adoption Allowances	Number of young people	152	(24)	128
Special Guardianship Order Allowances	Number of young people	212	59	271
Residence/Child Arrangement Order Allowances	Number of young people	91	(24)	67
Adoption Orders	Number of young people	69	(19)	50
Shortbreak Services and Direct Payments	Number of young people	1,355	(63)	1,292

#### **Adult Social Care**

		<b>2015/16</b>	<b>Change</b>	<b>2016/17</b>
Reablement (across all client groups)	Service Users	2,304	192	2,496
These are new people expected to go through the reablement process				

#### **Number of people budgeted to receive service Average through Year**

		<b>2015/16</b>	<b>Change</b>	<b>2016/17</b>
<b>Older People - Commissioning</b>				
Residential Care (including Respite)	Service Users	2,029	(32)	1,997
Nursing Care (including Respite)	Service Users	481	18	499
Personal Care	Service Users	3,774	(467)	3,307
Direct Payments	Service Users	689	52	741
Day Opportunities	Service Users	491	(20)	471
Enabling	Service Users	128	7	135
<b>Disability Services - Commissioning</b>				
Residential Care (including Respite)	Service Users	588	(2)	586
Nursing Care (including Respite)	Service Users	44	(2)	42
Personal Care	Service Users	595	(72)	523
Direct Payments	Service Users	1,185	115	1,300
Day Opportunities	Service Users	249	41	290
Enabling	Service Users	1,165	124	1,289
Autistic Spectrum	Service Users	68	8	76
<b>Older People and Disability - In house</b>				
Residential Care (including Respite)	Service Users	71	(21)	50
Day Opportunities	Service Users	300	0	300
Community Enabling	Service Users	240	100	340
<b>Mental Health Services</b>				
Residential Care (including Respite)	Service Users	136	15	151
Nursing Care	Service Users	8	(2)	6
Personal Care	Service Users	19	2	21
Direct Payments	Service Users	136	(14)	122
Day Opportunities	Service Users	11	(3)	8
Enabling/Other	Service Users	558	55	613
Universal Services - Open access day care	Service Users	728	0	728
In house Care Provision - Open access day care	Service Users	292	0	292

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## Children's Social Work and Child Protection

2015/16 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2016/17 Outturn Budget £'000	2016/17 Net Changes £'000
<b>Children With Disabilities</b>					
5,275	Children In Need Short-Break Services	4,815	(425)	<b>4,390</b>	(885)
4,716	Contracts	4,289	(23)	<b>4,266</b>	(450)
2,762	Social Work Area Teams	3,017	(178)	<b>2,839</b>	77
12,753		12,121	(626)	<b>11,495</b>	(1,258)
<b>Looked After Children (Placements)</b>					
5,891	Children With Disabilities Placements	7,571	(1,188)	<b>6,383</b>	492
2,254	Independent Residential Care	6,036	(333)	<b>5,703</b>	3,449
390	Independent Supported Accommodation	1,682	0	<b>1,682</b>	1,292
3,296	Independent Fostering	6,573	0	<b>6,573</b>	3,277
1,505	Internal Supported Accommodation	545	0	<b>545</b>	(960)
4,853	Internal Fostering	6,684	(35)	<b>6,649</b>	1,796
516	Secure Accommodation	551	(26)	<b>525</b>	9
18,705		29,642	(1,582)	<b>28,060</b>	9,355
<b>Looked After Children (Operations)</b>					
1,749	Special Guardianship Orders	2,234	0	<b>2,234</b>	485
506	Child Arrangements and Private Kinship	406	0	<b>406</b>	(100)
1,481	Adoption Allowances and Fees	1,467	(450)	<b>1,017</b>	(464)
766	Independent Post 18 Placements	1,316	0	<b>1,316</b>	550
689	Internal Post 18 Placements	659	0	<b>659</b>	(30)
3,460	Fostering Team	3,374	(25)	<b>3,349</b>	(111)
1,687	Adoption Team	1,925	0	<b>1,925</b>	238
994	Supervised Contact	1,065	0	<b>1,065</b>	71
512	Children In Need Support	524	0	<b>524</b>	12
11,844		12,970	(475)	<b>12,495</b>	651
<b>Early Help (Provision)</b>					
1,394	Family Service	3,530	(2,107)	<b>1,423</b>	29
286	Early Help Co-Ordination	292	0	<b>292</b>	6
1,143	Youth Offending - Statutory and Prevention	2,247	(1,021)	<b>1,226</b>	83
2,823		6,069	(3,128)	<b>2,941</b>	118
<b>Early Help (Access)</b>					
510	Reach	546	0	<b>546</b>	36
728	Emergency Duty Team	902	(131)	<b>771</b>	43
697	Multi Agency Safeguarding Hub	724	0	<b>724</b>	27
1,935		2,172	(131)	<b>2,041</b>	106
1,138	<b>Independent Reviewing Unit</b>	1,192	0	<b>1,192</b>	54
12,485	<b>Social Work Teams</b>	14,180	(26)	<b>14,154</b>	1,669
3,179	<b>Strategic Management and Legal Costs</b>	4,465	(626)	<b>3,839</b>	660
<b>64,862</b>		<b>82,811</b>	<b>(6,594)</b>	<b>76,217</b>	<b>11,355</b>

2015/16 £'000	2016/17 £'000
<b>Breakdown of Gross Income</b>	
(105) Customer and Client Receipts	(194)
(2,132) Government and EU Grants	(1,708)
(1,503) Internal Recharges	(2,510)
(2,807) Reimbursements	(2,182)
<b>(6,547)</b>	<b>(6,594)</b>

## Service Commentary

This service brings together the statutory duties of the Council in relation to child protection. It also includes the Youth Offending Team the Emergency Duty Team and a range of services targeted to support families and thus help to avoid the need for children to come into care.

### Analysis of changes:

£'000

### Technical and Service Changes

Additional spend - inflation, demographic and other growth in demand	13,619
National Insurance	491
National Living Wage	300

### Savings Strategies

Strategies to reduce the number of children needing care by early help to families including family group conferences and interventions to avert the need for teenagers to enter care	(311)
Transfer of expenditure to capital funding	(50)
Consolidation and cost reductions from various external contracts	(400)
High cost case reviews	(500)
Planned additional income from increased fee rates (traded service)	(125)
Reduce staff costs and rates paid to agency workers in Children's social work	(508)
Planned reductions in management costs	(95)
Improved practice and strategic commissioning - market management	(1,066)

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**Total**

**11,355**

## Adult Social Care

2015/16 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2016/17 Outturn Budget £'000	2016/17 Net Changes £'000
<b>Older People</b>					
23,511	Residential Care	56,178	(30,299)	<b>25,879</b>	2,368
7,381	Nursing Care	15,385	(6,402)	<b>8,983</b>	1,602
15,924	Personal Care	29,105	(8,895)	<b>20,210</b>	4,286
6,077	Direct Payments	7,741	(1,194)	<b>6,547</b>	470
1,185	Day Opportunities	1,387	(155)	<b>1,232</b>	47
4,879	Enabling/Other	3,100	(836)	<b>2,264</b>	(2,615)
58,957		112,896	(47,781)	<b>65,115</b>	6,158
<b>Disability Services</b>					
21,299	Residential Care	27,669	(4,206)	<b>23,463</b>	2,164
1,369	Nursing Care	1,840	(326)	<b>1,514</b>	145
4,413	Personal Care	6,250	(1,380)	<b>4,870</b>	457
17,225	Direct Payments	19,207	(1,199)	<b>18,008</b>	783
1,857	Day Opportunities	1,960	(99)	<b>1,861</b>	4
29,586	Enabling/Other	28,010	(41)	<b>27,969</b>	(1,617)
75,749		84,936	(7,251)	<b>77,685</b>	1,936
18,279	<b>OP&amp;D Care Management</b>	22,335	(3,778)	<b>18,557</b>	278
554	<b>Workforce Development</b>	561	0	<b>561</b>	7
<b>In House Services</b>					
7,571	Residential Care	3,760	(3)	<b>3,757</b>	(3,814)
3,174	Day Opportunities	3,297	(64)	<b>3,233</b>	59
5,347	Reablement and Community Enabling	6,306	(838)	<b>5,468</b>	121
16,092		13,363	(905)	<b>12,458</b>	(3,634)
<b>Mental Health</b>					
3,479	Residential Care	4,768	(728)	<b>4,040</b>	561
188	Nursing Care	139	(20)	<b>119</b>	(69)
69	Personal Care	92	0	<b>92</b>	23
617	Direct Payments	477	(1)	<b>476</b>	(141)
1,614	Day Opportunities	1,785	(173)	<b>1,612</b>	(2)
3,054	Enabling/Other	3,393	(352)	<b>3,041</b>	(13)
3,721	Care Management	4,232	(457)	<b>3,775</b>	54
12,742		14,886	(1,731)	<b>13,155</b>	413
<b>182,373</b>		<b>248,977</b>	<b>(61,446)</b>	<b>187,531</b>	<b>5,158</b>

2015/16 £'000	2016/17 £'000
<b>Breakdown of Gross Income</b>	
(42,701) Customer and Client Receipts	(43,639)
(138) Government and EU Grants	(138)
(21,370) Reimbursements	(17,669)
(64,209)	(61,446)

## Service Commentary

The adult social care service is the operational service which offers advice, information and signposting as well as assessment, support planning and reviews for people with eligible social care needs. It arranges care, largely from the independent sector, for either short-term interventions or long-term care on a personalised basis.

<b>Analysis of changes:</b>	<b>£'000</b>
<b>Technical and Service Changes</b>	
Additional spend - inflation, demographic and other growth in demand	10,153
National Insurance	465
National Living Wage	5,910
Reduction in Better Care Fund Contributions from CCGs	3,750
<b>Savings strategies</b>	
Reduce in house care provision and costs	(4,714)
Targeted Support - further personalise approach to care	(2,636)
Further personalise the approach to adult care, so that people choose how to direct resources to achieve the outcomes they need on a fair and equitable basis	(4,176)
Strategies to manage demand in adult care including the reablement service and introduction of extra care settings	(1,873)
Transfer of expenditure to capital funding	(900)
High cost case reviews	(671)
Planned additional income from changes to charging policies	(150)
<b>Total</b>	<b>5,158</b>

## Adult Care Commissioning

2015/16 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	<b>2016/17 Outturn Budget £'000</b>	2016/17 Net Changes £'000
<b>Adult Care Commissioning</b>					
1,963	Strategic Commissioning	2,195	0	<b>2,195</b>	232
998	Information and Quality	937	0	<b>937</b>	(61)
6,169	Centrally Managed Contracts	6,627	(580)	<b>6,047</b>	(122)
1,341	Transformation	1,330	(30)	<b>1,300</b>	(41)
<b>10,471</b>		<b>11,089</b>	<b>(610)</b>	<b>10,479</b>	<b>8</b>

<b>2015/16 £'000</b>	<b>2016/17 £'000</b>
<b><u>Breakdown of Gross Income</u></b>	
(344) Government and EU Grants	(344)
(4) Internal Recharges	(4)
(333) Reimbursements	(262)
<b>(681)</b>	<b>(610)</b>



## Service Commentary

Strategic Commissioning staff work to assess the strategic health and social care needs of the Devon population, and shape the care provider markets from which Devon County Council purchases most of its social care services; to ensure that the right services are available for vulnerable people at the time they are needed and at prices which are affordable within the Council's social care budgets. The commissioning team is also responsible for the coordination of activity and governance of the statutory Safeguarding Adults Board.

Information & Quality comprises the Management Information team responsible for statutory and internal performance, and quality improvement and assurance staff who monitor the quality of all services, whether they are provided internally or purchased externally.

Centrally Managed Contracts are those managed directly by commissioning staff including support to carers, homelessness and service user representation.

Transformation drives the complex changes required to improve services and which supports the delivery of the budget savings strategies across all of People services, in addition to business change in response to a constantly changing regulatory environment.

<b>Analysis of changes:</b>	<b>£'000</b>
<b>Technical and Service Changes</b>	
Additional spend - inflation	46
National Insurance	80
<b>Savings Strategies</b>	
Consolidation and cost reductions from various external contracts	(118)
<hr/> <b>Total</b>	<hr/> <b>8</b>

## Education and Learning (General Fund)

2015/16 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2016/17 Outturn Budget £'000	2016/17 Net Changes £'000
<b>Infrastructure</b>					
130	Legal Disbursements	70	0	<b>70</b>	(60)
664	Admissions, Data and Strategic Management	849	(244)	<b>605</b>	(59)
0	Teacher Development	312	(312)	<b>0</b>	0
1,141	Teachers Pension - Historic Enhancements	1,201	0	<b>1,201</b>	60
1,935		2,432	(556)	<b>1,876</b>	(59)
<b>School Improvement and Inclusion Services</b>					
2,502	Closing The Gap	2,387	(19)	<b>2,368</b>	(134)
2,656	Inclusion	2,895	(248)	<b>2,647</b>	(9)
1,405	Quality Service and Provision	2,217	(887)	<b>1,330</b>	(75)
694	Safeguarding Every Learner	652	0	<b>652</b>	(42)
7,257		8,151	(1,154)	<b>6,997</b>	(260)
<b>School Transport</b>					
449	Home to College	929	(480)	<b>449</b>	0
12,951	Home to School	13,410	(506)	<b>12,904</b>	(47)
7,380	Personalised Transport	8,515	(304)	<b>8,211</b>	831
20,780		22,854	(1,290)	<b>21,564</b>	784
2,539	<b>Vulnerable Groups and Virtual School</b>	2,567	(95)	<b>2,472</b>	(67)
315	<b>Special Schools - Residential</b>	0	0	<b>0</b>	(315)
9,410	<b>Children's Centres and Early Years Services</b>	9,141	(159)	<b>8,982</b>	(428)
<b>42,236</b>		<b>45,145</b>	<b>(3,254)</b>	<b>41,891</b>	<b>(345)</b>

2015/16 £'000	2016/17 £'000
<b>Breakdown of Gross Income</b>	
(1,530) Customer and Client Receipts	(1,658)
0 Government and EU Grants	(841)
(734) Internal Recharges	(679)
0 Reimbursements	(76)
(2,264)	(3,254)

## Service Commentary

This service represents the Council's responsibilities for education and learning other than those funded by the Dedicated Schools Grant and Post 16 funding which are shown separately. It includes infrastructure and support to ensure the delivery of more than 200 statutory duties in education and learning and to deliver a range of specialist support for inclusion services, admissions, home to school transport as well as education support for children with special needs and vulnerable groups of children.

<b>Analysis of changes:</b>	<b>£'000</b>
<b>Technical and Service Changes</b>	
Additional spend - inflation, demographic and other growth in demand	492
National Insurance	67
National Living Wage	679
<b>Savings Strategies</b>	
Consolidation and cost reductions from various external contracts	(329)
Home to School/College transport - efficiency and personalised approach to transport	(375)
Planned additional income from changes to charging policies	(70)
Review of Early Years contracts and service	(449)
Residential Special Schools review and redirection to DSG	(315)
Planned reductions in management costs	(45)
<b>Total</b>	<b>(345)</b>

## Education and Learning (Dedicated Schools Grant and other schools funding)

2015/16 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2016/17 Outturn Budget £'000	2016/17 Net Changes £'000
<b>Schools</b>					
2,010	Academy and Independents	2,140	0	<b>2,140</b>	130
536	Nursery Schools	485	0	<b>485</b>	(51)
229,194	Primary Schools	233,369	0	<b>233,369</b>	4,175
181,647	Secondary Schools	180,011	0	<b>180,011</b>	(1,636)
413,387		416,005	0	<b>416,005</b>	2,618
<b>De-Delegated Schools Budget</b>					
614	Licences and Subscriptions	596	0	<b>596</b>	(18)
790	Schools and DSG Contingency	1,248	0	<b>1,248</b>	458
1,417	Targeted Specialist Services	1,448	0	<b>1,448</b>	31
133	School Intervention Fund	141	0	<b>141</b>	8
1,165	Maternity	1,284	0	<b>1,284</b>	119
148	Facilitation and Representation	161	(8)	<b>153</b>	5
4,267		4,878	(8)	<b>4,870</b>	603
<b>Central Provision Within Schools Budget</b>					
326	Admissions	397	(91)	<b>306</b>	(20)
875	Pupil Growth - Falling Rolls	1,500	0	<b>1,500</b>	625
873	Termination of Employment Costs	873	0	<b>873</b>	0
930	Local Learning Communities	0	0	<b>0</b>	(930)
207	Other DSG Services	224	(17)	<b>207</b>	0
292	Phase Associations	304	(12)	<b>292</b>	0
937	Support Services	1,022	(85)	<b>937</b>	0
4,440		4,320	(205)	<b>4,115</b>	(325)
<b>High Needs Budget</b>					
0	Early Help and Behaviour Support	236	0	<b>236</b>	236
0	Prevention of Exclusion	20	0	<b>20</b>	20
4,808	Alternative Provision	1,700	0	<b>1,700</b>	(3,108)
1,145	Children In Care and Exclusions	1,236	0	<b>1,236</b>	91
1,558	Closing The Gap	1,558	0	<b>1,558</b>	0
244	Inclusion	364	0	<b>364</b>	120
183	Safeguarding Every Learner	164	0	<b>164</b>	(19)
22,730	Maintained Special Schools	23,366	0	<b>23,366</b>	636
263	Hospital Education Services	292	0	<b>292</b>	29
10,348	SEN Mainstream	10,866	0	<b>10,866</b>	518
1,219	SEN Services	1,219	0	<b>1,219</b>	0
12,585	Other Special School Fees	12,785	(467)	<b>12,318</b>	(267)
3,100	Support Centre Funding	2,512	0	<b>2,512</b>	(588)
706	Nursery Plus	1,164	0	<b>1,164</b>	458
58,889		57,482	(467)	<b>57,015</b>	(1,874)
25,087	<b>Early Years Budget</b>	24,342	(173)	<b>24,169</b>	(918)
<b>Schools Funding</b>					
(5,175)	Early Years - Disadvantaged 2 Year Olds	0	(4,299)	<b>(4,299)</b>	876
(461,388)	Dedicated Schools Grant (DSG)	0	(461,340)	<b>(461,340)</b>	48
(10,762)	Other School Grants	0	(10,770)	<b>(10,770)</b>	(8)
(5,267)	Post 16 Funding	0	(6,267)	<b>(6,267)</b>	(1,000)
(23,478)	Pupil Premium	0	(23,498)	<b>(23,498)</b>	(20)
(506,070)		0	(506,174)	<b>(506,174)</b>	(104)
<b>0</b>		<b>507,027</b>	<b>(507,027)</b>	<b>0</b>	<b>0</b>

2015/16 £'000	2016/17 £'000
<b>Breakdown of Gross Income</b>	
(339) Customer and Client Receipts	(130)
(506,070) Government and EU Grants	(506,174)
(166) Internal Recharges	(256)
(467) Reimbursements	(467)
<b>(507,042)</b>	<b>(507,027)</b>

## Service Commentary

Services funded by the Dedicated Schools Grant, Post 16 Funding and Pupil Premium. Most funding is delegated directly to schools.

<b>Analysis of changes:</b>	<b>£'000</b>
Changes in school budget due to pupil numbers, pupil premium, new delegation and other school grants	2,618
Changes in de-delegation due to academy conversion and increased demand	583
Delegation of Local Learning Community funding to schools	(930)
Pupil Growth - new and expanding schools	625
Additional funding for children with complex needs including increase in maintained special school capacity	1,023
Special School funding review and redirection to DSG	131
Planned reduction in placements within Support Centres and Independent Special Schools	(855)
High Needs Place funding for Alternative Provision directly funded by the Education Funding Agency	(3,108)
Additional support for vulnerable students including those at risk of exclusion	477
County wide early intervention strategy for nursery aged children with additional needs	458
Increase in Dedicated Schools Grant arising from new schools, pupil growth and changes in Early Years take up of hours	(5,840)
High Needs Placements in Non Maintained Special Schools and Academies directly funded by Education Funding Agency	5,818
Increase in Post 16 directly funded placements by Education Funding Agency	(1,000)
<b>Total</b>	<b>0</b>

# Capital Programme

The following table details the medium term capital programme for this service and how that programme is being funded.

Project	*Total Scheme Approval £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
<b>Children's Social Work and Child Protection</b>						
Adaptations - Disabled childrens houses		140	130	130	130	127
Children in care (contingency)		10	20	20	10	0
Grants to adapt foster carers houses		50	40	50	30	40
The Atkinson Unit outdoor classroom	21	10	0	0	0	0
<b>Total</b>		<b>210</b>	<b>190</b>	<b>200</b>	<b>170</b>	<b>167</b>
<b>Adult Social Care</b>						
Adaptations - Disabled adults houses		150	150	150	0	0
Barnstaple Hub		1,800	1,000	0	0	0
Lifting and handling equipment		10	10	0	0	0
Works for Care Quality Commission & Provider Services		120	0	0	0	0
<b>Total</b>		<b>2,080</b>	<b>1,160</b>	<b>150</b>	<b>0</b>	<b>0</b>
<b>Adult Care Commissioning</b>						
Better Care Fund (Capital)		1,991	0	0	0	0
Disabled Facilities Grant		3,392	0	0	0	0
Extra Care Housing		0	3,818	6,150	0	0
Grants to independent care homes to improve quality / capacity		0	1,000	500	0	0
<b>Total</b>		<b>5,383</b>	<b>4,818</b>	<b>6,650</b>	<b>0</b>	<b>0</b>
<b>Education &amp; Learning</b>						
Devolved Formula Capital (DFC)		2,255	1,904	1,617	1,617	1,617
East-the-Water Community Primary School – Expansion project	50	50	0	0	0	0
External contribution to school projects		50	50	50	50	50
External Grants to school projects		50	50	50	50	50
School budget share contribution to school projects		250	250	250	250	250
St Michaels Church of England Primary School Orchard Rooms	10	10	0	0	0	0
The Grove Primary School – Fixtures, Fittings, ICT and LED lighting	131	41	0	0	0	0
Early Years provision (Kingsbridge) - New Facility	600	0	400	150	0	0
Energy Efficiency Schools Initiative (EESI)		300	400	0	0	0
Vehicle Equipment Loans Pool - Schools		150	150	150	150	150
<b>Total</b>		<b>3,156</b>	<b>3,204</b>	<b>2,267</b>	<b>2,117</b>	<b>2,117</b>
<b>Total</b>		<b>10,829</b>	<b>9,372</b>	<b>9,267</b>	<b>2,287</b>	<b>2,284</b>
<b>Financed by:</b>						
Borrowing - Unsupported		0	1,418	6,171	0	0
Borrowing - VELP		450	550	150	150	150
Capital Receipts - General		2,180	4,140	680	170	167
Direct Revenue Funds - Services		250	250	250	250	250
External Funding - Contributions		50	50	50	50	50
External Funding - Grants		7,899	2,964	1,966	1,667	1,667
<b>Total</b>		<b>10,829</b>	<b>9,372</b>	<b>9,267</b>	<b>2,287</b>	<b>2,284</b>

\* Scheme Approvals have been included for individual projects.

This table does not show expenditure on capital projects currently programmed in financial year 2015/16 which may be deferred to 2016/17 owing to changes in project delivery timescales.

## People - Risk Assessment

Service	Budget 2016/17 £'000	Risk and Impact	Mitigation
<p>Adult Care Commissioning and general risks across all services</p>		<p>The change programme throughout People is engaged fully with the need to ensure budget savings (which total £19.876millions in 15/16) are delivered.</p> <p>Throughout the budget there are a number of areas where there are financial assumptions which relate to decisions which will be taken during the course of the year.</p> <p>There are many strategies that are now advancing, but where the scale of change in implementation is likely to severely test the capacity of managers at different levels. This is generally an ambitious programme of far-reaching change in how we deliver and commission services, which affects managers at all levels. There are inevitably pressures on operational managers in particular to deliver the change that's needed while also keeping on top of day-to-day pressures of essential work that cannot be put off without risk to those who receive services.</p> <p>There is a risk in all services that central government actions may seek to find savings by measures that have the effect of disadvantaging local authorities. There have been recent examples of this in Youth Justice grants (reduced by £65,000) and very recent notification by NHS nationally that LAs must pay for "collaborative payments". The scale of this and the legal position are under review, but it is extremely difficult to plan for changes introduced in this piecemeal way</p>	<p>The risk of the financial impact of a decision going outside the budget allocations cannot be avoided, since the financial constraint is only one element out of many that must be taken into account in reaching decisions on services that affect the public and vulnerable people.</p> <p>The change programme methods are well established and there is regular consideration by the Leadership Team for People as to whether resources are sufficient. Where necessary, resources to alleviate pressure will be brought in.</p> <p>Further mitigations are - good experience of successfully delivering change and an open discussion which includes acknowledgement of the efforts made by our workforce in delivering change while keeping things running, and importantly their understanding of the reasons for change.</p> <p>Considerable time in 2015/16 has been devoted to working in partnership with social care providers, and developing common understanding.</p> <p>Robust contract monitoring and early negotiations with providers are required in order to achieve savings targets and reduce overspending.</p>

Carers	4,975 (gross)	<p>The Council introduced a new and more flexible support offer to carers from April 2015 in line with changes to entitlement set out in the Care Act 2014. In the first year take up has been lower than expected, but there is a risk that demand could escalate significantly as the offer becomes established in the Carer Community, and the resultant cost could exceed budget provision.</p>	<p>Arrangements have been established for weekly monitoring of carers services demand and associated costs, in order to identify the cost trajectory of this service to improve information for management and control decisions.</p>
Personal care	35,447 (gross)	<p>Devon County Council is currently reprocurring most of the personal care the Council purchases in a joint procurement process with the Devon CCGs. The bids will be evaluated in January 2016 with contract awards expected by the end of March.</p> <p>The prices which are tendered may be higher than budget planning assumptions as the labour market is very different from when these contracts were last retendered in 2012. Providers will also be considering the effect of the National Living Wage due to be introduced in April 2016.</p> <p>The annual cost is approximately £300,000 for every 1% above planning assumptions.</p> <p>Furthermore there is ongoing risk to the security of labour supply, which could affect the delivery of care.</p> <p>Cost changes in the personal care market will need to be reflected in how the Council calculates appropriate personal budgets for Direct Payment. The impact of higher than planned personal care prices from the current reprocurement could mean that budget planning assumptions for the cost of Direct Payments is insufficient.</p>	<p>Financial modelling has been undertaken with our partners to inform budget allocations, and the service specification and financial evaluation have been designed to minimise exposure of both the Council and providers to financial risk, but ultimately the price the Council will have to pay for care will be determined among other factors by a rapidly changing local labour market and how this is viewed by and affects providers of care.</p>



Better Care Fund	Total pooled budget 59,657 of which 14,861 is included in DCC revenue budget as income	<p>The Council entered a pooled budget arrangement in 2015/16 with North East and West Devon Clinical Commissioning Group (NEWDCCG) and South Devon &amp; Torbay Clinical Commissioning Group, described nationally as the Better Care Fund (BCF). This pooled arrangement includes circa £13millions of support to DCC social care budgets including £2millions towards the costs of implementing Care Act 2014 part 1 duties as required by central government (part 2 was deferred by government in July until 2020).</p> <p>All commissioning partners to the Better Care Fund, as well as provider organisations, are under financial strain, and the health community in NEWDCCG has been identified as facing particularly strong financial challenges, which now includes NEWDCCG being under a 'success regime' aimed at joint action to recover financial balance. The financial challenges faced by all partners inevitably pose a risk to the short term deployment of resources, ultimately making more difficult the very changes that are necessary to overcome those financial challenges.</p>	<p>A joint commissioning group comprising senior officers for each organisation and with detailed governance and specialist support is overseeing the operation of BCF and will ensure clear communication between DCC and its health partners.</p> <p>Strong professional relationships between the health and social care sectors have been developed over the past years both with CCGs and provider trusts including hospitals. This creates better opportunities, both for resolving potential conflicts and for aligning strategic objectives of all parties to best meet the needs of the public.</p> <p>All partners are committed to working together to deal with similar challenges faced by each organisation and create integrated services across organisational barriers.</p>
Care market sufficiency	202,586 (gross)	<p>The Care Act 2014 introduced a clear statutory duty for Councils "to maintain sufficiency of provision – in terms of both capacity and capability – to meet anticipated needs for all people in their area needing care and support – regardless of how they are funded."</p> <p>There have been clear recent instances where providers have ceased to provide care at the rates we pay and although</p>	<p>3 new sector lead posts have been created to engage with providers and develop better market intelligence.</p> <p>Monitoring and risk profiles systems have been improved and continue to be developed.</p> <p>For personal care, the reprocurement seeks to appoint up to 8 lead providers across Devon</p>

		<p>they remain relatively low the number of instances where we cannot purchase personal care has grown compared with last year.</p> <p>Changes in the supply and price of labour, including the introduction of the National Living Wage, as well as a more stringent regulatory regime for providers (and nursing care in particular), present risks to future market sufficiency for care services.</p> <p>The consequences of a loss of sufficiency are threefold:</p> <ul style="list-style-type: none"> <li>Operational risk – that DCC or NHS partners would be unable to place vulnerable clients with suitable care arrangements at an affordable price, or people well enough to leave hospital would be unable to do so due to a lack of suitable care</li> <li>Legal challenge to the Council for failure to meet the Care Act sufficiency duty and/or a reasonable location of placement</li> <li>Ultimately DCC could have to pay higher prices for care which might not be affordable within social care budgets. This could be through controlled price rises by sector, or uncontrolled, reactionary higher prices for individual placements.</li> </ul>	<p>which are required to secure a supply of care to the Council and CCGs.</p> <p>For residential and nursing care, DCC operates a "market premium" process for when a suitable placement is unavailable at the Council's usual price. Whilst this enables the Council to maintain its statutory duty, it has a financial impact if the frequency and value of market premia increases.</p> <p>A project team has been set up to review current purchasing arrangements and explore future options for commissioning care home services in a different way.</p>
Independent Living Fund	2,820	<p>Responsibility for former ILF clients passed to local government in 15/16. The government has pledged to fund the cost of the clients in full under the 'new burdens' approach, but has not at the time of writing indicated what the level of funding in 2016/17 will be.</p> <p>Once funding is announced it could be insufficient to meet anticipated costs.</p>	<p>Detailed analysis of cost and volume data has been undertaken to calculate the budget requirement in next year.</p> <p>DCC has lobbied government for a full transfer of funding for ILF duties.</p>

<p>Adult Social Care</p>	<p>187,531</p>	<p>Devon continues to have one of the most elderly population profiles in the country, particularly in people over 75 years of age with 11.6% of our population falling into this category which is 3.4% above the average for England.</p> <p>Furthermore the Office of National Statistics predictions indicate that the number of people over the age of 75 in Devon will increase by 2.6% next year, rising to 3.5% per year by 2020.</p> <p>In addition to the pressures above, there is a challenging programme of savings strategies totalling £15.1millions and management action plans required to deliver a balanced budget. The savings plans include £4.2millions by further personalising the approach to adult care and increasing people's ability to direct resources themselves in a fair and equitable way. Lack of a sufficient and effective range of interventions with people with dementia to support them at home for as long as possible leading to higher costs as more intensive care is needed earlier.</p> <p>Demand for services is high, creating budget pressure across all services. In Learning Disability and in Mental Health, this means that the risk of overspending is viewed as very high in the coming year.</p> <p>Continuing need to be aware of issues at the interface between Health and Social Care responsibility for funding of individuals (this includes but is not confined to cases eligible for aftercare under Section 117 of the Mental Health Act and eligibility for NHS Continuing Healthcare).</p>	<p>Consistent application of eligibility criteria and continued development / enhancement of strategies to maintain people's independence while living at home as well as managing demand through early prevention activities including an asset-based approach.</p> <p>Continue to prevent reliance on ongoing care wherever possible by earlier intervention and reablement, and increase the proportion of care spending on community based services so that resources are redirected to where they will be most effective.</p> <p>Longer run risks are mitigated by further investment in preventative services such as social care reablement.</p> <p>Maximise opportunities for joint investment with the NHS, including joint agreements on the use of the Better Care Fund financial transfers, to achieve changes needed, and support essential services where appropriate.</p> <p>Monitor and manage budgets rigorously so that management at all levels are alerted if budgets start to overheat, and plans to restrain spending can be put in place.</p> <p>Demand management plans need to include application of eligibility criteria and regular reviews of need.</p> <p>Ensure professional operational practice throughout the joint teams.</p>
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Mental Health	13,155	<p>There is particular risk relating to the delivery of the joint mental health recovery plan - this sets out cost containment measures in the order of £1.2millions. Service delivery is currently arranged through staff assigned to Devon Partnership Trust</p>	<p>Discussions are underway regarding potential alternative options for service delivery.</p>
Children's Social Work and Child Protection	76,217	<p>The current interim Head of Service is due to leave in April. This could lead to temporary loss of focus, as priorities settle down</p> <p>Reduction in social work staff costs especially agency towards levels in comparator authorities can be achieved only as caseloads reduce and newly qualified staff take up full caseloads.</p> <p>Plans to reduce agency costs across the region are underway as Devon strives to become less reliant on agency staff, resulting in more opportunity to manage this market and realise efficiencies. Work in childrens social work remains under constant review, with the volatility of childrens services having the inherent potential to increase the level of resource required.</p> <p>The placements budget is inevitably volatile and high risk, depending as it does on the highly varied and individual needs of children facing the most difficult circumstances.</p> <p>Even if needs were predictable, the placements budget would still be very high risk because</p> <ul style="list-style-type: none"> <li>- The numbers of children taken into care can vary.</li> <li>- The same factors increasing prices in the adult care market can also act to increase prices for the care of children.</li> <li>- although the budget has been set at a reasonably</li> </ul>	<p>Recruitment of strong replacement with clear objectives and hand over</p> <p>More effective working methods, including greater use of mobile technology and efficient contact service will enable social workers to concentrate on direct work with families and children.</p> <p>Regional review of agency usage underway, with hourly cost reductions expected.</p> <p>Improved care planning and controls via panels to ensure children and young people are held in lowest possibility cost placements (with flexible additional support as required). Work via commissioning and education to identify needs and develop local solutions to ensure youngsters stay close to home, reduce overnights where possible, ensure rehabilitation, effective education placements and reduce transport costs.</p> <p>Consideration required in respect of process improvement, consistency and quality of needs statements to improve effectiveness of brokerage, linkage with education searches and single plan for a child; more widely market development -</p>

		<p>cautious level in recognising current pressures on placement costs, there are still assumptions of cost control measures which will need to be delivered in practice. These include £1.066 millions from improving our practice in decision making, our management of the market and strategic commissioning</p>	<p>external focus on relations with providers, role of Peninsula Framework, commissioning and contracting</p> <p>Continue to intervene earlier to avert crises and seek to work with district councils and partner agencies to provide joint alternatives to placements for 16 and 17 year olds, encouraging a degree of greater independence where safe and appropriate.</p> <p>Direct Early Help work integrating Troubled Families funding to target and support work to help families and children get through times of difficulty.</p>
Education and Learning – General Fund		<p>A quarter of Devon's schools are academies.</p> <p>Changes to the local authority's statutory responsibilities may reduce the influence of the Council and affect some of the central support functions it provides.</p>	<p>Ensure strong and effective collaborative working and information sharing to set out clearly the council's role and relationship with maintained schools, partnerships and academies. The Council will continue to ensure that statutory responsibilities within a diverse educational landscape are secured through a range of protocol and stakeholder agreements.</p> <p>Continue to encourage Academies to buy back Traded Services.</p>
School/College Transport	21,564 (net)	<p>The number of pupils with personalised transport needs has been increasing with costs continuing to rise. On current trends there is a potential over spend of £1.5millions (7% of the budget) in 2015/16 and on top of this savings of £0.375millions are planned for 2016/17</p>	<p>Seek to manage demand for special educational needs (as below for High Needs DSG spending) Increase access to Independent Travel Training. Review policies for discretionary transport provision and increase local provision for children with special educational needs.</p>

<p>Education and Learning – Schools budgets</p>		<p>As delegation to schools budgets and the number of academy conversions increase there is less resource to provide central services with the risk of loss of economies of scale which may impact on smaller schools in particular. This risk is further exacerbated by the impact of the implementation of national changes to employee costs adding to pressure on school budgets. This could lead to schools prioritising spend which may in turn impact on traded services and de-delegation decisions.</p>	<p>Ensure a clear and well understood approach to robust commissioning negotiations with providers.</p> <p>Continue to engage with national reviews of schools funding arrangements. Lobby for a speedy implementation of a national formula to address the issues faced by low funded authorities such as Devon.</p>
<p>High Needs budgets</p>	<p>56,515 (net)</p>	<p>The cost of educating pupils with complex educational and physical needs can be significant and volatile. In particular the number of students remaining in Education post 16 is rising. The deliverability of a balanced budget depends to a large extent on successfully increasing capacity in our maintained special schools and disinvesting from the more expensive independent sector.</p>	<p>Continue active engagement with Devon Education Forum to ensure funding is appropriately distributed and targeted to achieve the best educational outcomes for all children across all ages and levels of need. Agree processes that effectively manage demand and ensure effective use of funding across all blocks of spending, Schools, Early Years and High Needs.</p> <p>SEND Graduated Response and Devon Assessment Framework (DAF) to support individual placements and redistribution from core funding to support schools with the most vulnerable placements.</p>

## Abbreviations

Abbreviations used within the budget:

ACC	Adult Care Commissioning
ACL	Adult & Community Learning
AONB	Area of Outstanding Nature Beauty
ASC	Adult Social Care
ASYE	Assessed and Supported Year in Employment (for children's social workers)
BACS	Bankers automated clearing services (electronic processing of financial transactions)
BCF	Better Care Fund - a national arrangement to pool existing NHS and Local Government funding, which started in April 2015.
BDUK	Broadband Delivery UK
CCG	Clinical Commissioning Group
CDWM	Capital Development & Waste Management
CIPFA	The Chartered Institute of Public Finance & Accountancy
C of E	Church of England
CSR	Comprehensive Spending Review
CSW	Careers South West
DAF	Devon Assessment Framework
DBS	Disclosure & barring service
DCC	Devon County Council
DCLG	Department for Communities and Local Government
DDA	Disability Discrimination Act
DEFRA	Department for Environmental Food & Rural Affairs
DFC	Devolved Formula Capital
DPLS	Devon Personalised Learning Service
DSG	Dedicated Schools Grant
E&E	Economy & Enterprise
EESI	Energy Efficiency Schools Initiative
EFA	Education Funding Agency
EfW	Energy from Waste
EH	Early Help
ESPL	Exeter Science Park Ltd
EU	European Union
EY	Early Years
FABLAB	Fabrication Laboratory at Exeter Central Library
FGC	Family Group Conferencing
FM	Facilities Management
FTE	Full Time Equivalent
HTM	Highways & Traffic Management
HORSA	Hutting Operation for the Raising of the School Leaving Age
HR	Human Resources
ICT	Information & Communications Technology
IID	Investing in Devon funds
ILF	Independent Living Fund

IT	Information Technology
KS1	Key Stage 1
KS2	Key Stage 2
LA	Local Authority
LAG	Local Action Group
LEP	Local Enterprise Partnership
LIBOR	London Interbank Offered Rate
LLPA	Lead Local Flood Authority
LOBO	Lender Option Borrower Option
LTP	Local Transport Plan
MARAC	Multi-Agency Risk Assessment Conference
MASH	Multi Agency Safeguarding Hub
MIL	Making it Local
MMF	Money Market Funds
MRP	Minimum Revenue Provision
MTCP	Medium Term Capital Programme
MTFS	Medium Term Financial Strategy
MUMIS	Major Unforeseen Maintenance Indemnity Scheme
NDL	North Devon Link
NEWDCCG	Northern, Eastern and Western Devon Clinical Commissioning Group
NHS	National Health Service
OFSTED	Office for Standards & Education, Children's Services and Skills
OP & D	Older People and Disability
PE	Physical Education
PEGASEAS	Promoting effective governance of the Channel seas
PFI	Private Finance Initiative
PTE	Planning Transportation & Environment
PWLB	Public Works Loans Board
REAL	Rural Enterprise and Local Livelihoods
RDPE	Rural Development Programme of England
RFID	Radio Frequency Identification (self service kiosks and tags in libraries)
RSG	Revenue Support Grant
S106	Funding from developers resulting from planning obligations authorised by section 106 of the Town and Country Planning Act 1990
s256	Section 256 of the National Health Act - allows CCGs to enter into arrangements with local authorities to carry out activities with health benefits
SCOMIS	Schools Management Information Service
SEACS	Sustainable Energy across a Common Space
SEN	Special Education Needs
SEND	Special Educational Needs and Disabilities
SfC	Services for Communities
TUPE	Transfer of Undertaking (protection of employment)
VAT	Value Added Tax
VELP	Vehicle Equipment Loan Pool
VMS	Variable Message Sign
WEEE	Waste Electrical and Electronic Equipment Regulation
YISP	Youth Inclusion and Support Panel



