

Phil Norrey  
Chief Executive

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To: The Chairman and Members of  
the Joint Scrutiny Budget Meeting

County Hall  
Topsham Road  
Exeter  
Devon  
EX2 4QD

(See below)

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Your ref :  
Our ref :

Date : 20 January 2017  
Please ask for : Rob Hooper 01392 382300

Email: rob.hooper@devon.gov.uk

**JOINT SCRUTINY BUDGET MEETING**

Monday, 30th January, 2017

A meeting of the Joint Scrutiny Budget Meeting is to be held on the above date at 10.00 am at Committee Suite - County Hall to consider the following matters.

P NORREY  
Chief Executive

**AGENDA**

**PART ONE - OPEN COMMITTEE**

1 Apologies

2 Items Requiring Urgent Attention

Items which in the opinion of the Chairman should be considered at the meeting as matters of urgency.

3 2017/18 Budget (Pages 1 - 138)

The purpose of this Joint Scrutiny meeting is to enable all Scrutiny Committee Members to consider the Council's budget proposals, across all service areas, and to examine the implications of those proposals for the Council's draft revenue budget and capital programme for 2017/18.

The meeting may wish to consider whether it wishes to draw to the attention of the Cabinet any particular issues or make any observations upon the proposals relating thereto.

The detailed budget papers previously considered by individual Scrutiny Committees (referred to below) are enclosed with this Agenda) and the meeting will also be provided, as soon as is practicable, with a summary of any issues or themes identified thereat and by Scrutiny Committee Chairmen & Vice-Chairmen to facilitate and enable discussion of a single, cohesive, set of recommendations to Cabinet and the Council on the overall implications of the budget proposals:

- (a) Health & Wellbeing (CT/17/2);
- (b) Place Services (CT/17/3);
- (c) People's Services (CT/17/4);
- (d) Corporate Services (CT/17/5).

[NOTES:

1. The Order of Proceedings will be:

- the Chairman of each Scrutiny Committee will comment on any issue(s) identified by their Committee
- the Chairman of the meeting will introduce any summary or draft recommendations
- receipt of public representations/presentations\*, if any
- questions to individual Cabinet Members, if any
- questions to Leader of the Council, if any
- general debate
- summing up/vote

*\* upon which the meeting may wish to reflect or incorporate in its views to the Cabinet and Council: this is not a facility for persons to ask specific 'questions' requiring detailed answers; rather to enable persons to make representations and /or express views or opinions only]*

2. *Impact Assessments: Members are requested to bring with them to this meeting the 2017/18 Impact Assessment for all service areas: previously been made available to all Members of the Council in order that members of individual Scrutiny Committees may have had regard to the content thereof for the purpose of those meetings - and also for this Joint meeting - and to all necessary equality impact assessments undertaken as part of the budget's preparation. This Impact Assessment (which contains links to all documentation referred to therein) may be found on the Council's website at:*

*<https://new.devon.gov.uk/impact/published/budget-setting-201718/>. Further relevant information may be found also at: <https://www.toughchoices.co.uk/> ; <https://new.devon.gov.uk/impact/> and <https://new.devon.gov.uk/haveyoursay/>*

## **PART II - ITEMS WHICH MAY BE TAKEN IN THE ABSENCE OF THE PUBLIC AND PRESS**

*Members are reminded that Part II Reports contain confidential information and should therefore be treated accordingly. They should not be disclosed or passed on to any other person(s). Members are also reminded of the need to dispose of such reports carefully and are therefore invited to return them to the Democratic Services Officer at the conclusion of the meeting for disposal.*

**MEMBERS ARE REQUESTED TO SIGN THE ATTENDANCE REGISTER**

**Membership**

Councillors J Brazil (Chairman), R Rowe, G Dezart, J Berry, F Biederman, P Bowden, A Boyd, J Brook, C Channon, J Christophers, C Chugg, C Clarence, P Colthorpe, A Connett, T Dempster, A Dewhirst, E Barisic, P Diviani, A Eastman, R Edgell, M Edmunds, O Foggin, R Gilbert, B Greenslade, G Gribble, R Hannaford, A Hannan, J Hawkins, R Hill, J Hone, G Hook, R Hosking, B Hughes, R Julian, J Knight, C Mabin, J Mannix, J Mathews, E Morse, J Owen, R Radford, S Randall-Johnson, K Ball, P Sanders, D Sellis, M Squires, R Vint, N Way, R Westlake, E Wragg, C Wright, J Yabsley and R Younger-Ross

**Declaration of Interests**

Members are reminded that they must declare any interest they may have in any item to be considered at this meeting, prior to any discussion taking place on that item.

**Access to Information**

Any person wishing to inspect any minutes, reports or lists of background papers relating to any item on this agenda should contact Karen Strahan on 01392 382264

Agenda and minutes of the Committee are published on the Council's Website.

**Webcasting, Recording or Reporting of Meetings and Proceedings**

The proceedings of this meeting may be recorded for broadcasting live on the internet via the 'Democracy Centre' on the County Council's website. The whole of the meeting may be broadcast apart from any confidential items which may need to be considered in the absence of the press and public. For more information go to: <http://www.devoncc.public-tv/core/>

In addition, anyone wishing to film part or all of the proceedings may do so unless the press and public are excluded for that part of the meeting or there is good reason not to do so, as directed by the Chairman. Any filming must be done as unobtrusively as possible from a single fixed position without the use of any additional lighting; focusing only on those actively participating in the meeting and having regard also to the wishes of any member of the public present who may not wish to be filmed. As a matter of courtesy, anyone wishing to film proceedings is asked to advise the Chairman or the Democratic Services Officer in attendance so that all those present may be made aware that is happening.

Members of the public may also use Facebook and Twitter or other forms of social media to report on proceedings at this meeting. An open, publicly available Wi-Fi network (i.e. DCC) is normally available for meetings held in the Committee Suite at County Hall. For information on Wi-Fi availability at other locations, please contact the Officer identified above.

**Public Participation**

At the annual Joint Budget Scrutiny meeting, any member of the public who is resident in the area served by the County Council may make oral representations on any matter relating to the proposed budget. Such representations will be limited to 3 minutes per person, within an overall time limit of 30 minutes. If you wish to make such a representation, you should, via email or letter, submit a brief outline of the points or issues you may wish to raise, before 12 noon on the day before the meeting. As outlined above, you will not receive detailed 'answers' to any points that you might raise. Anyone wishing to speak is requested to register in writing with Karen Strahan ([karen.strahan@devon.gov.uk](mailto:karen.strahan@devon.gov.uk)) All Scrutiny Committee agenda are published at least seven days before the meeting on the Council's website.

**Emergencies**

In the event of the fire alarm sounding leave the building immediately by the nearest available exit, following the fire exit signs. If doors fail to unlock press the Green break glass next to the door. Do not stop to collect personal belongings, do not use the lifts, do not re-enter the building until told to do so.

**Mobile Phones**

Please switch off all mobile phones before entering the Committee Room or Council Chamber

If you need a copy of this Agenda and/or a Report in another format (e.g. large print, audio tape, Braille or other languages), please contact the Information Centre on 01392 380101 or email to: [centre@devon.gov.uk](mailto:centre@devon.gov.uk) or write to the Democratic and Scrutiny Secretariat at County Hall, Exeter, EX2 4QD.



Induction loop system available



CT/17/02

## Health and Wellbeing Scrutiny Committee

19th January 2017

### Joint Report of the County Treasurer and Chief Officer for Communities, Public Health, Environment and Prosperity.

#### 2017/18 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 2017/18 and Capital Programme for 2017/18 to 2021/22.

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

- 1.1 At its meeting of 14th December 2016, Cabinet set Revenue Budget targets for 2017/18. The targets incorporate inflation and pressures and income initiatives and savings 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 along with the local element of Business Rates. Information should be available by the time that County Council considers final budget proposals for 2017/18 on 16th February 2017. However, given the late notification of the provisional settlement and in line with arrangements from previous years, 23rd February 2017 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 14th December which total £459.585 millions. The total includes funding for budget pressures of £43.0 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. Savings and income initiatives of £22.2 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 table below shows the 2017/18 Budget Targets by Chief Officer as following the restructure we no longer have Strategic Directors. Service specific implications of the restructure are set out in detail later in this report.

	<b>2016/17 Adjusted Base Budget £000</b>	<b>Inflation &amp; Pressures £000</b>	<b>Savings &amp; Income Initiatives £000</b>	<b>2017/18 Base Budget £000</b>	
Adult Care & Health	197,747	26,936	(8,190)	216,493	+9.5%
Children's Services	115,827	7,843	(5,539)	118,131	+2.0%
Communities, Public Health, Environment & Prosperity	33,311	2,468	(576)	35,203	+5.7%
Corporate Services	33,466	2,283	(2,397)	33,352	-0.3%
Highways, Infrastructure Development & Waste	58,437	3,496	(5,527)	56,406	-3.5%
	<b>438,788</b>	<b>43,026</b>	<b>(22,229)</b>	<b>459,585</b>	

# Agenda Item 3

- 1.5 This report provides detailed budget proposals in respect of all Health and Wellbeing Services, in line with the targets outlined above. The Budget Scrutiny day will provide Members with the opportunity to question further budget issues for 2017/18 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 On 15th December 2016, the Secretary of State for the Department for Communities and Local Government, Rt. Hon. Sajid Javid MP, made a statement to Parliament on the Provisional Local Government Finance Settlement for 2017/18. The main items of note are set out below.
- 2.2 In 2016/17, the Social Care Precept on Council Tax was set at 2% per annum for the period 2016/17 to 2019/20 inclusive. The terms of this precept have now been changed for the period 2017/18 to 2019/20. Local Authorities will now be able to increase the Social Care Precept by up to 3% per annum in 2017/18 and 2018/19. However, authorities that go ahead with the 3% increase in both years will not be able to make a further increase in 2019/20 (i.e. the total allowable increase over the three year period remains at 6%).
- 2.3 The 2017/18 New Homes Bonus allocations and details of the consultation on the future of the scheme have been announced (previously these figures were indicative). The number of years the scheme will be based upon, currently six years, will reduce to five years in 2017/18 and four years from 2018/19 onwards. The scheme will now also only reward growth in homes above 0.4% per annum, currently all growth is rewarded. These changes have reduced the County Council's expected New Homes Bonus allocation by £709,000. The majority of New Homes Bonus, 80%, is retained by the District Councils and the impact of this change is therefore felt more keenly by them. The Devon Districts have between them seen their funding reduced by £2.95 millions in 2017/18.
- 2.4 The changes to the New Homes Bonus Scheme have allowed the government to remove £241m from the 2017/18 scheme. This saving has been used to create the new Adult Social Care Support Grant. This funding is being distributed based on the relative needs formula and is for 2017/18 only. The County Council will receive £3.592 millions.
- 2.5 As the Adult Social Care Support Grant is for 2017/18 only and the increased freedoms relating to the Social Care Precept being a matter of timing only there is no change to funding levels from these two changes in 2019/20.
- 2.6 Within the Business Rates Retention system the Top Up element has been amended to reflect the 2017 revaluation. For the County Council this amounts to an additional £74,000 in 2017/18; this is not a gain however, as the local element of Business Rates is expected to reduce by this amount. The other elements of Core Funding are as expected.
- 2.7 The provisional settlement has confirmed that the Council Tax increase that will trigger a referendum, excluding the Social Care Precept, will remain at 2% for 2017/18.
- 2.8 In 2017/18 government funding (core funding) for the County Council will reduce from £151.6 millions in 2016/17 to £128.3 millions in 2017/18. This is a reduction of £23.3 millions, nearly 15.4%. Although this is inline with the four

year settlement announced in 2016/17 it is still a significant reduction to our funding at a time when there are huge pressures on Social Care services.

### **3. Service Specific Budget Issues**

- 3.1 The targets set for each service area have been based on the new structure. This committee will receive the proposed budgets for Public Health which is the responsibility of the Chief Officer for Communities, Public Health, Environment and Prosperity. For the sake of completeness these proposed budgets will also be presented to Place Scrutiny Committee along with the other service areas under this Chief Officer.
- 3.2 The Public Health grant remains ring fenced for 2017/18. The value of the grant for 2017/18 is £28,238,000 which represents a reduction of £714,000 or 2.5% on the grant received in 2016/17.
- 3.3 A letter from Public Health England (27.11.15) described future grant allocations as being reduced by a further 2.6% each year for the years 2018/19 and 2019/20 with a flat cash allocation in 2020/21.
- 3.4 In order to achieve a balanced budget against the future forecast of reduced funding, there are plans for all key service areas to be re-procured during 2017/18 including Sexual Health Services, 0-19 Public Health Nursing Services, substance misuse services and domestic violence services. Re-procurement will seek to make these services as efficient as possible and sustainable within the grant.
- 3.5 The biggest area of spend from the grant are the 0-19 Public Health Nursing Services which are delivered through the Integrated Care Services contract which is jointly commissioned between Devon County Council and NEW Devon Clinical Commissioning Group. In 2017/18 £11.8millions of the Public Health Grant is committed to this contract and will remain so until the contract terminates in March 2018.
- 3.6 The demand on sexual health services continues to grow, however the budgetary allocation shows only a marginal increase for these services as strong contract management and negotiations with providers continue to achieve increasing value for money in this area.
- 3.7 Substance misuse is the second largest single area of spend against the grant. This budget has been reduced to reflect the overall reduction in funding. The new recovery based service, which commenced in 2014/15, is creating alternative pathways to recovery within community settings, and additional sources of funding are continuously being explored to support these.
- 3.8 2017/18 sees the re-introduction of the universal NHS Healthcheck programme and approaches are currently being explored to the most efficient form of delivery.
- 3.9 Public Health services continue to be funded through the Public Health Grant. However, the reduction in the grant, outlined above, has led to a budget shortfall of £800,000 in 2017/18. This shortfall is for one year only as in future years changes will be made to contracted services to bring the budget back in to balance. It is a consequence of the removal of the £1.6 millions from the ring-fenced reserve by the Department of Health in December 2015 as part of the Government's programme of £200 millions funding reductions. This one off shortfall has therefore been funded from corporate resources.

# Agenda Item 3

- 3.10 Savings have been achieved through the replacement of previous health promotion activities with a newly procured healthy lifestyle and smoking cessation service which is to be launched in 2016/17 under the brand "OneSmallStep".

## **4. Capital Programme**

- 4.1 There is no Capital Programme in relation to Public Health

## **5. Equality Impact Needs Assessment**

- 5.1 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, which includes mitigating against the negative impact of service reductions.

- 5.2 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.



# Agenda Item 3

- 5.3 The report 'Budget 2017 – 2018 Equality Impact Assessment' provides information on the impacts of savings strategies. Previous years assessments are available at <https://new.devon.gov.uk/impact/> under 'Published Assessments'. The report for 2017/18 provides a detailed analysis of community feedback and data and views on budget priorities and council tax.

The 2017/18 report is published at  
<https://new.devon.gov.uk/impact/published/budget-setting-201718/>

Mary Davis  
County Treasurer

Dr Virginia Pearson  
Chief Officer

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: 10th January 2017

# Agenda Item 3

## **Leadership Group Commentary**

### **Introduction**

Against a national back drop of economic and political uncertainty, Devon County Council is facing increasing pressures on its budget. Uncertainties around the potential fall out from Brexit make for a nervous economic picture, and there remains a lack of any clear direction around the devolution agenda and the potential for the Heart of the South West to benefit financially.

What is clear though is that while resources reduce, demand on services is growing. With people living longer and having increased and more complex needs, expectations of how the Council delivers services need to be managed more effectively.

We remain a large organisation and a major employer in the South West, with a budget of over £1 billion. This is becoming increasingly challenging to manage but by working in new and innovative ways with our staff, Members, partners and communities, it is achievable.

### **Services under pressure**

The combination of increased need and increased complexity of need is putting our services under pressure. While we have already taken steps to increase efficiency and effectiveness, we need to do more to prevent unnecessary escalation into our high cost specialist service areas.

Our budget recognises that the health and social care system is a critical area that is under severe pressure, resulting in escalating demand on resources and the need for better integration. Our core purpose is to look after the old, the young and the most vulnerable people in our society and ensure they have the best outcomes while achieving value for money across all areas of our work.

With a greater emphasis on prevention and tackling health inequalities, we will work with our partners to identify opportunities for better local outcomes, encourage greater independence, and help people to help themselves and live their lives well.

Supporting people, whatever their circumstances, through education and into work is a cornerstone of our commitment to improving quality of life and giving back to the local economy.

We also work hard to keep Devon on the move, with a smooth transition to our new Term Maintenance Contractor helping to reduce costs, and Government grants helping to improve the rural road network.

### **Building community resilience**

One of Devon's biggest assets is its communities. We know that many people are active in supporting others in their town and village, and our voluntary and community sector is strong, playing a key role in helping people to live independently, feel connected and build more resilient communities.

We are beginning to have a different sort of conversation with our communities and discovering more about what matters to them and how they want to work with others to reduce dependency on services. Our recent community survey revealed:

- 80% say their community is active in helping people to stay healthy with a good quality of life
- 84% think local people come together to support each other
- 71% say they look out for neighbours or anyone who might be isolated or lonely
- 68% say they can get the help and support they need from family, friends and the community

- 83% say they are active in helping to shape community life
- 72% say their community helps plan for emergencies such as flooding
- 90% say Devon is a place where people and communities can do well

A prime example of community self help is the innovative Integrated Care for Exeter (ICE) programme, bringing together local government, public and community sector organisations and NHS providers. ICE aims to improve the experience of health and social care and support people to remain independent.

And our place based community self-help scheme involves volunteers in a range of activities to enhance their community and keep it moving in the event of flooding or snow.

## **Efficiency and innovation**

By changing our approach to service delivery, we are challenging ourselves to be more focused on what matters by looking through the eyes of individuals and communities at what we do and how we do it.

We will make the most of the talents, skills and energy of our staff, Councillors and residents to redesign and modernise our services.

We will learn from the best and from experience, developing new ideas and digital solutions.

And we will inject more pace into everything we do, becoming more agile in our approach and ensuring that the best value services get to the right people, at the right time, by the right organisation.

For more information on the contents of this section, please contact Nicky Allen, Senior Assistant County Treasurer on 01392 383590 or email [nicola.allen@devon.gov.uk](mailto:nicola.allen@devon.gov.uk)

# Agenda Item 3

## Public Health

2016/17 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2017/18 <b>Outturn Budget £'000</b>	2017/18 Net Changes £'000
<b>Public Health</b>					
2,989	Children 5-19 Public Health Programmes	2,973	0	<b>2,973</b>	(16)
895	Community Safety, Violence Prevention and Social Exclusion	1,000	0	<b>1,000</b>	105
40	Health At Work	40	0	<b>40</b>	0
101	Health Protection	96	0	<b>96</b>	(5)
8,989	Mandated 0-5 Children's Services	9,101	0	<b>9,101</b>	112
90	National Child Measurement Programme	96	0	<b>96</b>	6
90	NHS Health Check Programme	349	0	<b>349</b>	259
421	Obesity	268	0	<b>268</b>	(153)
580	Other Public Health	440	0	<b>440</b>	(140)
213	Physical Activity	268	0	<b>268</b>	55
338	Public Health Advice to NHS Commissioners	365	0	<b>365</b>	27
(28,952)	Public Health Income	0	(28,238)	<b>(28,238)</b>	714
639	Public Mental Health	772	(151)	<b>621</b>	(18)
5,933	Sexual Health	5,987	0	<b>5,987</b>	54
650	Smoking and Tobacco	1,133	(650)	<b>483</b>	(167)
6,038	Substance Misuse	5,995	0	<b>5,995</b>	(43)
1,093	Support Services	1,103	0	<b>1,103</b>	10
<b>147</b>		<b>29,986</b>	<b>(29,039)</b>	<b>947</b>	<b>800</b>

### Analysis of changes:

£'000

#### Technical and Service Changes

Community Safety, Violence prevention and social exclusion- staffing reallocation	105
Mandated 0-5 children's services - staffing reallocation	112
NHS Health Check programme - universal programme recommences	259
Obesity - savings through re-procurement of lifestyle services	(153)
Other Public Health - food for life partnership and health at work savings	(140)
Physical activity - one small step programme commenced	55
Public Health Income - reduction in Department of Health grant	714
Sexual Health - service demand growth	54
Smoking and Tobacco - savings through re-procurement	(167)
Other minor changes	(39)
<b>Total</b>	<b>800</b>

## Service Commentary

Public Health is funded by a ring-fenced grant from the Department of Health which has reduced by £714,000 or 2.5% for 2017/18. Future grant allocations have been confirmed as being reduced by 2.6% for 2018/19 and 2019/20 and a programme of procurement for all service areas is in place to enable the services to be delivered within the funding available.

The Integrated Children's Service contract, which terminates in March 2018, continues to deliver the 0-19 services for Public Health, with an overall commitment to this from the Public Health Grant of £11.8millions.

The universal NHS Healthchecks programme is being re-introduced during 2017/18. Service demand for Sexual Health and Substance Misuse services continue to grow, but costs are being managed through strong contract management and negotiation. The introduction of the new healthy lifestyle service, OneSmallStep, has contributed to savings.

The reduction in the grant has led to a budget shortfall of £800,000 in 2017/18. This shortfall is for one year only as in future years changes will be made to contracted services to bring the budget back in to balance. This one off shortfall has therefore been funded from corporate resources.

## Service Statistics and Other Information

<b>Service/ Activity</b>	<b>Unit of Measurement</b>	<b>2016/17 Actual</b>	<b>Change</b>	<b>2017/18 Forecast</b>
Referrals to substance misuse service	Individuals	3,687	0	3,687
New structured treatments starts in substance misuse service	Individuals	1,532	0	1,532
Genito-urinary medicine patients treated	Individuals	28,988	1,449	30,437
Contraception services accessed	Individuals	30,780	1,539	32,319

# Agenda Item 3

## Communities, Public Health, Economy and Prosperity - Risk Assessment

<b>Service</b>	<b>Budget 2017/18 £'000</b>	<b>Risk and Impact</b>	<b>Mitigation</b>
Public Health - Grant Allocation	28,238	The value of the grant is reducing by 2.5% in 2017/18 and by 2.6% for both 2018/19 and 2019/20.	There are plans in place for the re-procurement of all large areas of spend (sexual health, Public Health Nursing services and substance misuse) which will lead to service delivery being re-designed in order to achieve efficiency.
Public Health - Sexual Health	5,987	Demand on service delivery continues to rise by an average of 4% each year but funds available are flatlined at best, if not subject to reduction.	Re-designing service pathways to ensure that needs are met as efficiently as possible across the whole system of delivery.

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# Agenda Item 3

## Consolidated Pages

The following consolidated pages have been produced to show the overall proposed budgets for the Authority and are based on the new management structure implemented on 1st November 2016.

The targets set for each service area have been based on this new structure. The impact for scrutiny committees is:-

- Health and Wellbeing Scrutiny Committee will continue to receive the proposed budgets for Public Health which is the responsibility of the Chief Officer for Communities, Public Health, Environment and Prosperity.
- Place Scrutiny Committee will receive the proposed budgets for Capital Development and Waste Management and Highways and Traffic Management which is the responsibility of the Chief Officer for Highways, Infrastructure Development and Waste. It will also receive the proposed budgets for Economy, Enterprise and Skills, Planning Transportation and Environment and Communities and Other Services which is the responsibility of the Chief Officer for Communities, Public Health, Environment and Prosperity. This reflects the change to include Public Health and Skills. For the sake of completeness the proposed budgets for Public Health have also been included which have been considered by the Health and Wellbeing Scrutiny Committee.
- People Scrutiny Committee will receive the proposed budgets for Adult Services which is the responsibility of the Chief Officer for Adult Care and Health. It will also receive the proposed budgets for Children's Services which is the responsibility of the Chief Officer for Children's Services. This reflects the movement of Skills to Place Scrutiny.
- Corporate Services Scrutiny Committee will continue to receive the proposed budgets for all the Corporate Services.

These pages are for information only and show how the services being scrutinised by this Committee fit into the overall structure of the Council. Any questions on these pages relating to services outside of this Committees remit will need to be considered at the Joint Scrutiny meeting on 30th January 2017.



## How the 2017/18 budget has been built up

	2016/17 Adjusted Budget	Changes	2017/18 Outturn Budget
	£'000	£'000	£'000
Adult Care Operations and Health	173,852	16,786	190,638
Adult Commissioning and Health	23,895	1,960	25,855
<b>Adult Care and Health</b>	<b>197,747</b>	<b>18,746</b>	<b>216,493</b>
Childrens Social Work and Child Protection	75,767	2,046	77,813
Education and Learning - General Fund	40,060	258	40,318
Education and Learning - School Funding	0	0	0
<b>Children's Services</b>	<b>115,827</b>	<b>2,304</b>	<b>118,131</b>
Communities and Other Services	11,201	7	11,208
Economy, Enterprise and Skills	4,923	32	4,955
Planning, Transportation and Environment	17,040	1,053	18,093
Public Health	147	800	947
<b>Community, Health, Environment, Prosperity</b>	<b>33,311</b>	<b>1,892</b>	<b>35,203</b>
Chief Executive, Legal and Communications	4,792	(104)	4,688
Digital Transformation and Business Support	14,241	83	14,324
Human Resources and Organisational Development	3,406	(200)	3,206
Treasurer's Services	11,027	107	11,134
<b>Corporate Services</b>	<b>33,466</b>	<b>(114)</b>	<b>33,352</b>
Capital Development and Waste Management	26,909	(205)	26,704
Highways and Traffic Management	31,528	(1,826)	29,702
<b>Highways, Infrastructure and Waste</b>	<b>58,437</b>	<b>(2,031)</b>	<b>56,406</b>
<b>Total</b>	<b>438,788</b>	<b>20,797</b>	<b>459,585</b>

	Change £' 000
<b>Reasons for changes in Revenue Budget</b>	
<b>Technical and Service Changes</b>	
Inflation	10,683
Increase in Pension Contributions	4,078
National Living Wage	2,531
Children's Services demographic and demand pressures	5,425
Adult Services demographic and demand pressures	16,919
Care Act Removal of External funding	3,047
Waste Services demographic and contract pressures	1,135
Other demographic, contract and service pressures	1,708
Increase in External Contributions	(2,500)
<b>Savings Requirements</b>	<b>(22,229)</b>
<b>Total</b>	<b>20,797</b>

# Agenda Item 3

## Staffing Data

	2016/17		2017/18		Total FTEs
	Adjusted Total FTEs	Changes FTEs	Revenue Funded FTEs	Externally Funded FTEs	
Adult Care Operations and Health	992	1	895	98	993
Adult Commissioning and Health	166	2	158	10	168
<b>Adult Care and Health</b>	<b>1,158</b>	<b>3</b>	<b>1,053</b>	<b>108</b>	<b>1,161</b>
Childrens Social Work and Child Protection	738	(4)	704	30	734
Education and Learning - General Fund	122	0	108	14	122
Education and Learning - School Funding	27	3	0	30	30
<b>Children's Services</b>	<b>887</b>	<b>(1)</b>	<b>812</b>	<b>74</b>	<b>886</b>
Communities and Other Services	92	(48)	20	24	44
Economy, Enterprise and Skills	137	6	59	84	143
Planning, Transportation and Environment	150	25	165	10	175
Public Health	31	0	31	0	31
<b>Community, Health, Environment, Prosperity</b>	<b>410</b>	<b>(17)</b>	<b>275</b>	<b>118</b>	<b>393</b>
Chief Executive, Legal and Communications	108	2	110	0	110
Digital Transformation and Business Support	472	(7)	465	0	465
Human Resources and Organisational Development	175	(3)	172	0	172
Treasurer's Services	265	2	161	106	267
<b>Corporate Services</b>	<b>1,020</b>	<b>(6)</b>	<b>908</b>	<b>106</b>	<b>1,014</b>
Capital Development and Waste Management	102	0	102	0	102
Highways and Traffic Management	253	0	253	0	253
<b>Highways, Infrastructure and Waste</b>	<b>355</b>	<b>0</b>	<b>355</b>	<b>0</b>	<b>355</b>
<b>Total</b>	<b>3,830</b>	<b>(21)</b>	<b>3,403</b>	<b>406</b>	<b>3,809</b>

### Explanation of Movements

#### Adult Care Operations and Health

Net movement as a result of workforce reductions	(4)
Increase in corporate staff to support new duties under part 1 of the Care Act	10
Social Care Reablement removal of vacant posts	(10)
Externally funded posts to support improvement to intermediate care provision	5
	<b>1</b>

#### Adult Commissioning and Health

Increase in staff to support market sufficiency duties under part 1 of the Care Act	6
Increase in staff to support transformation and savings programmes	3
Mental Health operational efficiencies	(2)
Transfer of posts to Learn Devon	(5)
	<b>2</b>

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

Disabled Children's Services Restructure	(9)
Fostering Team Restructure	(2)
Supervised Contact Team Restructure/Movement Across Service	4
Additional Personal Advisors within Social Work	2
Atkinson Unit Additional Support Posts	2
Reducing Exploitation and Absence from Care or Home (REACH) Team Restructure	(1)
	<b>(4)</b>

# Agenda Item 3

## **Education and Learning**

### General Fund

Additional Special Educational Needs & Disability (SEND) Implementation support staff funded by grant 8

Review of Early Years services (3)

Academisation of Teacher Training (5)

### Dedicated Schools Grant

Review of Admissions services 1

Review of Early Years services 2

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**3**

## **Communities and Other Services**

Youth Service - staff transferring to an independent entity (48)

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**(48)**

## **Economy, Enterprise and Skills**

Learn Devon - apprentices 3

Learn Devon - transfer in from Adult Care Commissioning 5

Restructure of team hours (2)

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**6**

## **Planning Transportation & Environment**

NHS Transport staff transferred in 8

Reinstatement of School Crossing patrol staff numbers 14

Modern apprenticeships and interns 3

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**25**

## **Chief Executive, Legal & Communications**

Legal support to address capacity issues 1

Assistant Solicitor Adult Social Care 1

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**2**

## **Digital Transformation and Business Support**

Business Support - transfer in from Children's Social Work and Child Protection 4

Review of Business Support (12)

Modern Apprenticeship 1

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**(7)**

## **Human Resources and Organisational Development**

Change Management 8

Review of HR structure (11)

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**(3)**

## **Treasurer's Services**

Finance Management Team restructure (2)

Devon Audit Partnership (2)

Peninsula Pensions - new legislation 7

Reduction of hours across service (1)

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**2**

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**Total (21)**

# Agenda Item 3

## Analysis of Total Expenditure for 2017/18

	Gross Expenditure	Grant and Contribution Income	External Income	Internal Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000
Adult Care Operations and Health	251,644	(16,799)	(44,207)	0	190,638
Adult Commissioning and Health	27,769	(1,274)	(636)	(4)	25,855
<b>Adult Care and Health</b>	<b>279,413</b>	<b>(18,073)</b>	<b>(44,843)</b>	<b>(4)</b>	<b>216,493</b>
Childrens Social Work and Child Protection	86,810	(5,080)	(358)	(3,559)	77,813
Education and Learning - General Fund	43,358	(1,043)	(1,371)	(626)	40,318
Education and Learning - School Funding	522,982	(522,373)	(220)	(389)	0
<b>Children's Services</b>	<b>653,150</b>	<b>(528,496)</b>	<b>(1,949)</b>	<b>(4,574)</b>	<b>118,131</b>
Communities and Other Services	11,685	(53)	(354)	(70)	11,208
Economy, Enterprise and Skills	6,946	(100)	(1,781)	(110)	4,955
Planning, Transportation and Environment	24,354	(1,044)	(3,517)	(1,700)	18,093
Public Health	29,986	(28,979)	0	(60)	947
<b>Community, Health, Environment, Prosperity</b>	<b>72,971</b>	<b>(30,176)</b>	<b>(5,652)</b>	<b>(1,940)</b>	<b>35,203</b>
Chief Executive, Legal and Communications	8,036	0	(2,473)	(875)	4,688
Digital Transformation and Business Support	28,936	(8,812)	(3,715)	(2,085)	14,324
Human Resources and Organisational Development	17,099	0	(2,681)	(11,212)	3,206
Treasurer's Services	20,424	0	(6,970)	(2,320)	11,134
<b>Corporate Services</b>	<b>74,495</b>	<b>(8,812)</b>	<b>(15,839)</b>	<b>(16,492)</b>	<b>33,352</b>
Capital Development and Waste Management	31,901	0	(4,278)	(919)	26,704
Highways and Traffic Management	31,454	(118)	(1,281)	(353)	29,702
<b>Highways, Infrastructure and Waste</b>	<b>63,355</b>	<b>(118)</b>	<b>(5,559)</b>	<b>(1,272)</b>	<b>56,406</b>
<b>Total</b>	<b>1,143,384</b>	<b>(585,675)</b>	<b>(73,842)</b>	<b>(24,282)</b>	<b>459,585</b>

# Agenda Item 3

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

	<b>Gross Expenditure</b>	<b>Grant and Contribution Income</b>	<b>External Income</b>	<b>Internal Income</b>	<b>Net Expenditure</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Digital Transformation and Business Support</b>					
ScoMIS	9,699	0	(2,105)	(7,594)	0
<b>Treasurer's Services</b>					
Devon Audit Partnership	1,240	0	(1,240)	0	0
<b>Childrens Social Work and Child Protection</b>					
Atkinson Unit	3,261	(180)	(2,509)	(572)	0
<b>Capital Development and Waste Management</b>					
Ecowaste4Food Project	37	(32)	0	(5)	0
<b>Highways and Traffic Management</b>					
On Street Parking	6,302	(104)	(6,198)	0	0
<b>Communities and Other Services</b>					
Active Devon	1,517	(831)	(70)	(616)	0
Syrian Refugees	500	(500)	0	0	0
<b>Economy, Enterprise and Skills</b>					
LAG - MIL (Making It Local 2)	58	(58)	0	0	0
LAG - REAL Devon	51	(51)	0	0	0
Learn Devon	3,781	(3,384)	(206)	(191)	0
<b>Planning, Transportation and Environment</b>					
AONB Blackdown Hills	213	(202)	0	(11)	0
AONB North Devon	185	(172)	0	(13)	0
Cycle Bikeability Training	280	(280)	0	0	0
Devon Maritime Forum	14	(5)	(4)	(5)	0
Exe Estuary Partnership	26	(17)	0	(9)	0
INNOVASUMP	45	(38)	0	(7)	0
Other Countryside Projects	150	(141)	0	(9)	0
South West Coast Path Team	109	(109)	0	0	0
Transport Co-Ordination Service	3,239	(1,146)	(2,075)	(18)	0
<b>Total</b>	<b>30,707</b>	<b>(7,250)</b>	<b>(14,407)</b>	<b>(9,050)</b>	<b>0</b>
<b>Grand total</b>	<b>1,174,091</b>	<b>(592,925)</b>	<b>(88,249)</b>	<b>(33,332)</b>	<b>459,585</b>

# Agenda Item 3

## Government Grants and Contributions Received

Some of the costs of providing services are funded by external grants and contributions, the table below shows the details of the funding expected.

<u>Service and Grant Title</u>	<u>Funded by</u>	<b>2017/18</b> <b>£'000</b>	<b>2018/19</b> <b>£'000</b>	<b>2019/20</b> <b>£'000</b>	<b>2020/21</b> <b>£'000</b>
<b>Adult Care Operations and Health</b>					
Local Reform Community Voices Grant	Department of Health	138	138	138	138
Social Care in Prisons Grant	Department of Health	303	303	303	303
Contributions	Health and other local authorities	16,358	16,358	16,358	16,358
		<b>16,799</b>	<b>16,799</b>	<b>16,799</b>	<b>16,799</b>
<b>Adult Commissioning and Health</b>					
Local Reform Community Voices Grant	Department of Health	344	344	344	344
Contributions	Health and other local authorities	930	930	930	930
		<b>1,274</b>	<b>1,274</b>	<b>1,274</b>	<b>1,274</b>
<b>Children's Social Work and Child Protection</b>					
Assessed and Supported Year in Employment	Department for Education	52	52	52	52
Youth Detention Grant	Ministry of Justice	26	26	26	26
Youth Justice Grant	Youth Justice Board	67	67	67	67
Police & Crime Commissioner Grant	Office of the Police & Crime Commissioner	19	19	19	19
Unaccompanied Asylum Seekers Grant	Home Office	2,162	3,783	4,045	4,045
Troubled Families Programme	Department for Communities & Local Government	1,050	1,050	1,050	1,050
Contributions	Health and other local authorities	1,884	1,884	1,884	1,884
		<b>5,260</b>	<b>6,881</b>	<b>7,143</b>	<b>7,143</b>
<b>Education and Learning - Dedicated Schools Grant</b>					
Dedicated Schools Grant*	Education Funding Agency	477,365	477,365	477,365	477,365
Early Years - Disadvantaged 2 Year Olds	Education Funding Agency	5,083	5,083	5,083	5,083
Post 16 Funding	Education Funding Agency	5,129	5,129	5,129	5,129
Pupil Premium	Education Funding Agency	23,496	23,496	23,496	23,496
Universal Infant Free School Meals	Education Funding Agency	7,813	7,813	7,813	7,813
PE & Sport Grant	Department for Education	2,765	2,765	2,765	2,765
Music Grant	Arts Council	919	919	919	919
Contributions	Health and other local authorities	846	846	846	846
		<b>523,416</b>	<b>523,416</b>	<b>523,416</b>	<b>523,416</b>
<b>Economy and Enterprise</b>					
LAG - MIL (Making it Local 2)	RPA	58	60	58	0
LAG - REAL Devon	RPA	51	52	51	0
Learn Devon - Community Learning	Skills Funding Agency	2,185	2,185	2,185	2,185
Learn Devon - Adult Skills Budget (inc Apprenticeships / Additional Learning Support)	Skills Funding Agency	1,064	1,064	1,064	1,064
Learn Devon - 24+ Advanced Learning Loans Facility	Skills Funding Agency				
Learn Devon - 14-19 EFA Funding	Education Funding Agency	135	135	135	135
Trading Standards	Government Grants	100	100	100	100
		<b>3,593</b>	<b>3,596</b>	<b>3,593</b>	<b>3,484</b>
<b>Planning, Transportation and Environment</b>					
Natural Futures	Heritage Lottery	78	0	0	0
Areas of Outstanding Natural Beauty	DEFRA	301	306	311	311
Areas of Outstanding Natural Beauty	Other Local Authorities	73	73	73	73
Environment and Sustainable Travel	Other Local Authorities	43	73	43	73
Maritime and Fisheries projects	Other	11	11	11	11
Taw Valley Countryside Stewardship Facilitation Fund	European Agricultural Fund	39	39	39	39
Devon Resilience Fourm	Environment Agency	2	0	0	0
Devon Resilience Fourm	Office of the Police & Crime Commissioner	2	0	0	0
Coastal Creatures	Heritage Lottery Fund	20	5	0	0
South West Coast Path & Country Parks	Natural England	109	109	109	109
Bikeability	Department of Transport	280	280	280	0
Innovasump	ERDF	38	19	0	0
Bus Service Operators Grant	Department of Transport	1,146	1,146	1,146	1,146
Transport contributions	Other Local Authorities	62	62	62	62
Transport contributions	Other	950	946	871	824
		<b>3,154</b>	<b>3,069</b>	<b>2,945</b>	<b>2,648</b>

# Agenda Item 3

<b>Service and Grant Title</b>	<b>Funded by</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>
<b>Communities and Other Services</b>					
Active Devon	Sport England	748	748	748	748
Active Devon	Other	83	83	83	83
Syrian Refugee	Home Office	500	900	900	900
Youth Services	Other	13	13	13	13
		<b>1,344</b>	<b>1,744</b>	<b>1,744</b>	<b>1,744</b>
<b>Public Health</b>					
Public Health	Department of Health	28,238	27,504	26,788	26,092
Public Mental Health	Better Care Fund	91	30	0	0
Nicotine Replacement Therapy Contribution	NEW Devon CCG	650	650	650	650
Emergency Planning	Other Local Authorities	40	40	40	40
		<b>29,019</b>	<b>28,224</b>	<b>27,478</b>	<b>26,782</b>
<b>Digital Transformation and Business Support</b>					
Private Finance Initiative	Department for Communities and Local Government	6,937	6,937	6,937	6,937
Private Finance Initiative	Exeter Diocesan Board	1,875	1,889	1,905	1,920
		<b>8,812</b>	<b>8,826</b>	<b>8,842</b>	<b>8,857</b>
<b>Capital Development and Waste Management</b>					
Ecowaste4food	ERDF	32	32	35	32
<b>Highways and Traffic Management</b>					
ExeRail	Other Local Authorities	30	30	30	30
South West Coast Path & Country Parks	Other Local Authorities	45	45	45	45
South West Coast Path & Country Parks	RPA	25	25	25	25
South West Coast Path & Country Parks	Historic England	10	7	14	0
South West Coast Path & Country Parks	Natural England	112	112	112	112
		<b>222</b>	<b>219</b>	<b>226</b>	<b>212</b>
<b>Total</b>		<b>592,925</b>	<b>594,080</b>	<b>593,495</b>	<b>592,391</b>

# Agenda Item 3

## Grants Paid to External Organisations

2016/17 £000		2017/18 £000
	<b>Service and Grant Title</b>	
	<b>Children's Social Work and Child Protection</b>	
190	University Bursary Grants	194
150	Facilitating Access to Mainstream Activities for Disabled Children's Services	150
32	Calvert Trust Short Holiday Breaks	32
<b>372</b>		<b>376</b>
	<b>Planning, Transportation and Environment</b>	
45	AONB (East, South and Tamar)	48
60	Dorset & East Devon World Heritage site (Jurassic Coast)	60
25	Cornwall & West Devon Mining Landscape World Heritage site	25
20	South West Energy & Environment group	20
4	Wembury Centre	4
2	Tamar Estuaries consultative forum	2
20	Devon Wildlife Trust Nature Improvement Area Project	20
126	Safety Camera Partnership	101
40	Devon & Cornwall Rail Partnership	40
247	Community bodies	247
<b>589</b>		<b>567</b>
	<b>Communities and Other Services</b>	
400	Citizens Advice Bureau	400
72	Community Council of Devon	72
189	Councils for Voluntary Services	189
<b>661</b>		<b>661</b>
	<b>Public Health</b>	
10	Exmoor National Park	0
20	Dartmoor National Park	0
25	Devon Rape Crisis	0
10	Young Devon	10
22	North Devon against Domestic Abuse	0
15	Teignbridge D.C	10
<b>102</b>		<b>20</b>
<b>1,724 TOTAL</b>		<b>1,624</b>



## Abbreviations

Abbreviations used within the budget:

AONB	Area of Outstanding Nature Beauty
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
BRRS	Business Rate Retention Scheme
CCG	Clinical Commissioning Group
CDWM	Capital Development & Waste Management
CIPFA	The Chartered Institute of Public Finance & Accountancy
C of E	Church of England
DAF	Devon Assessment Framework
DCC	Devon County Council
DDA	Disability Discrimination Act
DEFRA	Department for Environmental Food & Rural Affairs
DFC	Devolved Formula Capital
DSG	Dedicated Schools Grant
E&E	Economy & Enterprise
EESI	Energy Efficiency Schools Initiative
EFA	Education Funding Agency
ESPL	Exeter Science Park Ltd
EU	European Union
FAB LAB	Fabrication Laboratory at Exeter Central Library
FTE	Full Time Equivalent
HR	Human Resources
ICT	Information & Communications Technology
IID	Investing in Devon funds
ILF	Independent Living Fund
IT	Information Technology
LAG	Local Action Group
LEP	Local Enterprise Partnership
LIBID	London Interbank BID rate
LIBOR	London Interbank Offered Rate
LLFA	Lead Local Flood Authority
LOBO	Lender Option Borrower Option
LTP	Local Transport Plan
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

# Agenda Item 3

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
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
RSG	Revenue Support Grant
S106	Funding from developers resulting from planning obligations authorised by section 106 of the Town and Country Planning Act 1990
SCOMIS	Schools Management Information Service
SEN	Special Education Needs
SEND	Special Educational Needs and Disabilities
SfC	Services for Communities
VAT	Value Added Tax
VELP	Vehicle Equipment Loan Pool
WEEE	Waste Electrical and Electronic Equipment Regulation

**Joint Report of the County Treasurer, Chief Officer for Communities, Public Health, Environment and Prosperity, Chief Officer for Highways, Infrastructure Development and Waste.**

**2017/18 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 2017/18 and Capital Programme for 2017/18 to 2021/22.

**1. Introduction and Commentary**

- 1.1 At its meeting of 14th December 2016, Cabinet set Revenue Budget targets for 2017/18. The targets incorporate inflation and pressures and income initiatives and savings 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 along with the local element of Business Rates. Information should be available by the time that County Council considers final budget proposals for 2017/18 on 16th February 2017. However, given the late notification of the provisional settlement and in line with arrangements from previous years, 23rd February 2017 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 14th December which total £459.585 millions. The total includes funding for budget pressures of £43.0 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. Savings and income initiatives of £22.2 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 table below shows the 2017/18 Budget Targets by Chief Officer as following the restructure we no longer have Strategic Directors. Service specific implications of the restructure are set out in detail later in this report.

	<b>2016/17</b>		<b>Savings &amp;</b>	<b>2017/18</b>	
	<b>Adjusted</b>	<b>Base Inflation &amp;</b>	<b>Income</b>	<b>Base</b>	
	<b>Budget</b>	<b>Pressures</b>	<b>Initiatives</b>	<b>Budget</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	
Adult Care & Health	197,747	26,936	(8,190)	216,493	+9.5%
Children's Services	115,827	7,843	(5,539)	118,131	+2.0%
Communities, Public Health, Environment & Prosperity	33,311	2,468	(576)	35,203	+5.7%
Corporate Services	33,466	2,283	(2,397)	33,352	-0.3%
Highways, Infrastructure Development & Waste	58,437	3,496	(5,527)	56,406	-3.5%
	<b>438,788</b>	<b>43,026</b>	<b>(22,229)</b>	<b>459,585</b>	

- 1.5 This report provides detailed budget proposals in respect of all Services, in line with the targets outlined above. The Budget Scrutiny day will provide Members with the opportunity to question further budget issues for 2017/18 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 On 15th December 2016, the Secretary of State for the Department for Communities and Local Government, Rt. Hon. Sajid Javid MP, made a statement to Parliament on the Provisional Local Government Finance Settlement for 2017/18. The main items of note are set out below.
- 2.2 In 2016/17, the Social Care Precept on Council Tax was set at 2% per annum for the period 2016/17 to 2019/20 inclusive. The terms of this precept have now been changed for the period 2017/18 to 2019/20. Local Authorities will now be able to increase the Social Care Precept by up to 3% per annum in 2017/18 and 2018/19. However, authorities that go ahead with the 3% increase in both years will not be able to make a further increase in 2019/20 (i.e. the total allowable increase over the three year period remains at 6%).
- 2.3 The 2017/18 New Homes Bonus allocations and details of the consultation on the future of the scheme have been announced (previously these figures were indicative). The number of years the scheme will be based upon, currently six years, will reduce to five years in 2017/18 and four years from 2018/19 onwards. The scheme will now also only reward growth in homes above 0.4% per annum, currently all growth is rewarded. These changes have reduced the County Council's expected New Homes Bonus allocation by £709,000. The majority of New Homes Bonus, 80%, is retained by the District Councils and the impact of this change is therefore felt more keenly by them. The Devon Districts have between them seen their funding reduced by £2.95 millions in 2017/18.
- 2.4 The changes to the New Homes Bonus Scheme have allowed the government to remove £241 millions from the 2017/18 scheme. This saving has been used to create the new Adult Social Care Support Grant. This funding is being distributed based on the relative needs formula and is for 2017/18 only. The County Council will receive £3.592 millions.
- 2.5 As the Adult Social Care Support Grant is for 2017/18 only and the increased freedoms relating to the Social Care Precept being a matter of timing only, there is no change to funding levels from these two changes in 2019/20.
- 2.6 Within the Business Rates Retention system the Top Up element has been amended to reflect the 2017 revaluation. For the County Council this amounts to an additional £74,000 in 2017/18; this is not a gain however, as the local element of Business Rates is expected to reduce by this amount. The other elements of Core Funding are as expected.
- 2.7 The provisional settlement has confirmed that the Council Tax increase that will trigger a referendum, excluding the Social Care Precept, will remain at 2% for 2017/18.
- 2.8 In 2017/18 government funding (core funding) for the County Council will reduce from £151.6 millions in 2016/17 to £128.3 millions in 2017/18. This is a reduction of £23.3 millions, nearly 15.4%. Although this is inline with the four

year settlement announced in 2016/17 it is still a significant reduction to our funding at a time when there are huge pressures on Social Care services.

### **3. Service Specific Budget Issues**

- 3.1 The targets set for each service area have been based on this new structure. Place Scrutiny Committee will receive the proposed budgets for Infrastructure Development and Waste Management and Highways and Traffic Management which is the responsibility of the Chief Officer for Highways, Infrastructure Development and Waste. It will also receive the proposed budgets for Economy, Enterprise and Skills, Planning Transportation and Environment and Communities and Other Services which is the responsibility of the Chief Officer for Communities, Public Health, Environment and Prosperity. This reflects the change to include Public Health and Skills. For the sake of completeness the proposed budgets for Public Health have also been included however, they have also been considered by the Health and Wellbeing Scrutiny Committee.
- 3.2 The approach taken has looked to ensure a balance between reduced funding to maintain statutory and essential services and preventing future costs rising as a result of demand and demographic pressures. This approach seeks to maximise efficiency, minimise unnecessary spend whilst continuing to look at different ways of delivering the services. Within the budget proposals there are challenges to achieving the reductions especially where significant change is required in a relatively short space of time.
- 3.3 The demand on these areas to undertake transformational change whilst continuing to provide services remains testing. Strategies used to achieve the target budget include income generation, review of policies and statutory levels, alternative methods of service delivery including collaboration and community self-help and process changes including digital by design.
- 3.4 Additionally the corporate transformation agenda will highlight areas of change. Savings of £333,000 is shown under the DCC funded budget in Communities and Other Services. However in reality this is a corporate target across the County relating to a review of countywide information management and change resources.
- 3.5 The financial year 2016/17 saw the Library Service externalised into a mutual, Libraries Unlimited (South West) (Cabinet Report SC/15/23) and this will be followed on 1st February 2017 by the Youth Service transferring in to DYS SPACE (Cabinet Report SC/15/20).
- 3.6 Highways and Traffic Management face continued cost pressures. The procurement of a new term maintenance contract is expected to generate significant savings for the service from 1st April 2017. This, with the redirection of some expenditure to alternative funding sources, has allowed an overall budget reduction of £1.8 millions.
- 3.7 Income generation has been explored in order to reduce the impact on services of the savings required. Current charges will continue to be reviewed to ensure they are reasonable and comparable. Any new and significantly increased charges being proposed will be subject to approval by Cabinet in February 2017. The On-street parking (OSP) income and costs are within a ring-fenced account which is shown on the page entitled "Analysis of Total Expenditure for 2017/18". This account is governed by legislation and any excess income can only be used for prescribed activities. Additionally an online payments system should aid all services to collect income due more efficiently.

- 3.8 The Waste Service is showing a reduction in net expenditure of £200,000. A number of waste processing contracts have been re-procured with start dates of 1st April 2017 and are expected to deliver a net saving. Anticipated waste tonnage growth and other demographic pressures have reduced the overall saving.
- 3.9 The reductions presented to this committee will have an impact on some front line services. The key challenge is to ensure effective communication with communities on what can, and cannot, be achieved during another difficult year.

#### **4. Capital Programme**

- 4.1 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.
- 4.2 The capital programme continues to be focussed on maximising leverage of external funding to support growth across the County. A number of the Heart of South West LEP and developer funded Growth Deal schemes are underway or expected to start shortly including Bridge Road, Exeter and A361 Portmore Junction, Barnstaple. Further bids have been, and will be, submitted for funding from various sources which, subject to approval, will be added to the capital programme if they are successful. There is one new scheme funded from corporate resources for £0.5 millions to fund the decommissioning costs for Broadpath In Vessel Composting Site.
- 4.3 The Local Highways Maintenance capital block funding announced in December 2014 set the needs based formula funding allocation with indicative levels for 2018/19 - 2020/21. A new element was introduced called an Incentive Fund. This fund rewards high performing local authorities who demonstrate they are delivering value for money in carrying out cost effective improvements and have effective asset management planning. Indicative allocations have been advised and have been included in the budget for the period 2017/18 - 2021/22.
- 4.4 In addition a £250 millions Pothole action fund was announced in the 2015 Budget. This is allocated by formula each financial year and is being shared by local authorities between 2016/17 and 2020/21, based on the road length for which each authority is responsible. The government has outlined its commitment to road improvements as part of the Autumn Statement and has confirmed the County's Pothole Action Fund allocation for 2017/18 which has been built into the capital programme. The government will announce further capital allocations to be funded from the £1.8 billions Local Growth Fund in due course.
- 4.5 The Department for Transport continues with the policy that it will no longer set aside a proportion of funding for a resilience contingency fund and has recommended that local highway authorities ensure they retain a contingency for repairing damage to local highways and associated assets caused by incidents such as extreme weather. A sum of £2 millions from Devon's Local Highways Maintenance capital block allocation has been separately identified within the local Transport Plan (LTP) maintenance budget in 2017/18 to address this issue.

#### **5. Equality Impact Assessment**

- 5.1 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, which includes mitigating against the negative impact of service reductions.

5.2 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.

5.3 The report 'Budget 2017 – 2018 Equality Impact Assessment' provides information on the impacts of savings strategies. Previous years' assessments are available at <https://new.devon.gov.uk/impact/> under 'Published Assessments'. The report for 2017/18 provides a detailed analysis of community feedback and data and views on budget priorities and council tax.

The 2017/18 report is published at <https://new.devon.gov.uk/impact/published/budget-setting-201718/>

Mary Davis

David Whitton

Virginia Pearson

County Treasurer

Chief Officer

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Electoral Divisions: All

Local Government Act 1972

### **List of Background Papers**

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Background Paper Date File Ref

Nil

Date Published 11th January 2017

# Leadership Group Commentary

## Introduction

Against a national back drop of economic and political uncertainty, Devon County Council is facing increasing pressures on its budget. Uncertainties around the potential fall out from Brexit make for a nervous economic picture, and there remains a lack of any clear direction around the devolution agenda and the potential for the Heart of the South West to benefit financially.

What is clear though is that while resources reduce, demand on services is growing. With people living longer and having increased and more complex needs, expectations of how the Council delivers services need to be managed more effectively.

We remain a large organisation and a major employer in the South West, with a budget of over £1 billion. This is becoming increasingly challenging to manage but by working in new and innovative ways with our staff, Members, partners and communities, it is achievable.

## Services under pressure

The combination of increased need and increased complexity of need is putting our services under pressure. While we have already taken steps to increase efficiency and effectiveness, we need to do more to prevent unnecessary escalation into our high cost specialist service areas.

Our budget recognises that the health and social care system is a critical area that is under severe pressure, resulting in escalating demand on resources and the need for better integration. Our core purpose is to look after the old, the young and the most vulnerable people in our society and ensure they have the best outcomes while achieving value for money across all areas of our work.

With a greater emphasis on prevention and tackling health inequalities, we will work with our partners to identify opportunities for better local outcomes, encourage greater independence, and help people to help themselves and live their lives well.

Supporting people, whatever their circumstances, through education and into work is a cornerstone of our commitment to improving quality of life and giving back to the local economy.

We also work hard to keep Devon on the move, with a smooth transition to our new Term Maintenance Contractor helping to reduce costs, and Government grants helping to improve the rural road network.

## Building community resilience

One of Devon's biggest assets is its communities. We know that many people are active in supporting others in their town and village, and our voluntary and community sector is strong, playing a key role in helping people to live independently, feel connected and build more resilient communities.

We are beginning to have a different sort of conversation with our communities and discovering more about what matters to them and how they want to work with others to reduce dependency on services. Our recent community survey revealed:

- 80% say their community is active in helping people to stay healthy with a good quality of life
- 84% think local people come together to support each other
- 71% say they look out for neighbours or anyone who might be isolated or lonely
- 68% say they can get the help and support they need from family, friends and the community



- 83% say they are active in helping to shape community life
- 72% say their community helps plan for emergencies such as flooding
- 90% say Devon is a place where people and communities can do well

A prime example of community self help is the innovative Integrated Care for Exeter (ICE) programme, bringing together local government, public and community sector organisations and NHS providers. ICE aims to improve the experience of health and social care and support people to remain independent.

And our place based community self-help scheme involves volunteers in a range of activities to enhance their community and keep it moving in the event of flooding or snow.

## **Efficiency and innovation**

By changing our approach to service delivery, we are challenging ourselves to be more focused on what matters by looking through the eyes of individuals and communities at what we do and how we do it.

We will make the most of the talents, skills and energy of our staff, Councillors and residents to redesign and modernise our services.

We will learn from the best and from experience, developing new ideas and digital solutions.

And we will inject more pace into everything we do, becoming more agile in our approach and ensuring that the best value services get to the right people, at the right time, by the right organisation.

For more information on the contents of this section, please contact Nicky Allen, Senior Assistant County Treasurer on 01392 383590 or email [nicola.allen@devon.gov.uk](mailto:nicola.allen@devon.gov.uk)

# Communities, Public Health, Environment and Prosperity

## Communities and Other Services

2016/17 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2017/18 Outturn Budget £'000	2017/18 Net Changes £'000
<b>Commissioning Services For Communities</b>					
676	Heritage Centre and Devon Records Office	710	(10)	<b>700</b>	24
5,924	Library and Information Service	6,457	(290)	<b>6,167</b>	243
1,695	Youth Services	1,793	(33)	<b>1,760</b>	65
8,295		8,960	(333)	<b>8,627</b>	332
<b>Planning and Insight</b>					
0	County Wide Research, Performance Review	(333)	0	<b>(333)</b>	(333)
149	Emergency Planning	191	(40)	<b>151</b>	2
198	Research, Intelligence and Performance	202	0	<b>202</b>	4
347		60	(40)	<b>20</b>	(327)
<b>Safer and Stronger Communities</b>					
845	Commissioning / Grants	806	0	<b>806</b>	(39)
494	Community	639	(104)	<b>535</b>	41
1,220	Locality / Town and Parish	1,220	0	<b>1,220</b>	0
2,559		2,665	(104)	<b>2,561</b>	2
<b>11,201</b>		<b>11,685</b>	<b>(477)</b>	<b>11,208</b>	<b>7</b>

<b>Analysis of Changes:</b>	<b>£'000</b>
<b>Technical and Service changes</b>	
Inflation	224
Increase in Pension contributions	116
<b>Savings Strategies</b>	
County-wide information management and change resources review	(333)
<b>Total</b>	<b>7</b>

## Service Commentary

The Communities portfolio links commissioning, services and support to help people and organisations in communities to be better connected, resilient and safe. Given pressures on public services there remains a clear priority for the organisation to realise and connect personal and community assets. This links with the team's commissioning of library and information services, a Devonwide youth service, community safety work, promoting cultural and heritage activities, promoting physical activity and sport and determining a sustainable offer to Communities, from the Council. Other Services covers Countywide activities.

The corporate transformation agenda will highlight areas of change. A saving of £333,000 is shown under the Research, Intelligence and Performance service. However in reality this is a corporate target across the County relating to a review of countywide information management and change resources.

## Service Statistics and Other Information

<b>Service/ Activity</b>	<b>Unit of Measurement</b>	<b>2016/17</b>	<b>Change</b>	<b>2017/18</b>
		<b>Adjusted Estimate</b>		<b>Estimate</b>
<b>Libraries</b>				
Libraries	No.	50	0	50
Mobile Libraries	No.	4	0	4
PCs Available with public access	No.	502	0	502

## Economy, Enterprise and Skills

2016/17 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	<b>2017/18 Outturn Budget £'000</b>	2017/18 Net Changes £'000
<b>Business Support and Innovation</b>					
0	Business Growth Support	358	(4)	<b>354</b>	354
1,810	Trading Standards	3,285	(1,367)	<b>1,918</b>	108
1,810		3,643	(1,371)	<b>2,272</b>	462
<b>Economic Infrastructure and Development</b>					
1,321	Economic Development	1,041	(275)	<b>766</b>	(555)
(11)	Industrial Estates	125	(136)	<b>(11)</b>	0
1,310		1,166	(411)	<b>755</b>	(555)
<b>Employment and Skills</b>					
42	Labour Market Development	376	(209)	<b>167</b>	125
1,761	Post 16 Provision	1,761	0	<b>1,761</b>	0
1,803		2,137	(209)	<b>1,928</b>	125
<b>4,923</b>		<b>6,946</b>	<b>(1,991)</b>	<b>4,955</b>	<b>32</b>

### Analysis of changes:

£'000

#### Technical and Service changes

Inflation	24
Increase in Pension contributions	117
BDUK Project - Phase 1	(31)

#### Savings Strategies

Reduction in activity based business support and infrastructure development	(10)
Income generation from contracts	(68)

### Total

**32**

## Service Commentary

This service leads the County Council's role in supporting and delivering economic growth, prosperity and protection for Devon's residents and businesses. It provides a strategic overview of the Devon economy and collaborates with a wide range of partners to support the achievement of growth and employment and in safe-guarding public and consumer interests.

Working with partners, including the Local Enterprise Partnership, the key priorities for the service are:

- Improving skills attainment and supporting people into work, particularly the most disadvantaged,
- Supporting the personal, social, health and economic development of individuals and communities,
- Stimulating innovation and business support,
- Protecting consumers and communities by ensuring a safe, fair, responsible, sustainable and competitive trading environment,
- Promoting Devon as a business location, including the facilitation of strategic employment space, managed workspace, broadband and mobile infrastructure,
- Developing growth sectors and supply chains, including energy, Agri-tech and the rural economy,
- Leading on an economic evidence base and analysis to support growth strategies, funding bids and lobbying campaigns on key issues impacting on the Devon economy.

Income generation is being continuously explored in order to reduce the impact on this service of the savings required. This will include new externally funded projects, collaborative working and using specialisms to deliver other savings.

## Service Statistics and Other Information

Service/ Activity	Unit of Measurement	2016/17	Change	2017/18
		Adjusted Estimate		Estimate
<b>Trading Standards</b>				
Business premises on Trading Standards database	No.	65,782	1,722	67,504
Programmed interventions at high priority premises	Percentage	100	0	100
Complaints and service requests	No.	20,000	(4,200)	15,800
<b>Learn Devon</b>				
Learn Devon - Learner Recruitment	No.	10,000	(1,500)	8,500

## Planning, Transportation and Environment

2016/17 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	<b>2017/18 Outturn Budget £'000</b>	2017/18 Net Changes £'000
<b>Environment Service</b>					
468	Environment Policy	560	(59)	<b>501</b>	33
940	Flood Risk and Surface Water Management	950	0	<b>950</b>	10
418	Projects and Partnerships	458	(45)	<b>413</b>	(5)
1,826		1,968	(104)	<b>1,864</b>	38
<b>Planning and Transportation</b>					
532	Development Management	1,379	(744)	<b>635</b>	103
2,513	Planning and Transportation	3,072	(287)	<b>2,785</b>	272
3,045		4,451	(1,031)	<b>3,420</b>	375
<b>Public and Community Transport</b>					
38	Management Support	1,895	(1,694)	<b>201</b>	163
9,084	National Concessionary Travel Scheme	9,285	(20)	<b>9,265</b>	181
0	NHS Patient Transport Advice Service	2,420	(2,400)	<b>20</b>	20
3,047	Public Transport Support	4,335	(1,012)	<b>3,323</b>	276
12,169		17,935	(5,126)	<b>12,809</b>	640
<b>17,040</b>		<b>24,354</b>	<b>(6,261)</b>	<b>18,093</b>	<b>1,053</b>

### Analysis of changes:

£'000

#### Technical and Service changes

Inflation	298
Increase in Pension contributions	179
National Living Wage	32
Funding for bus services previously paid under S106	280
Cyclical renewal of National Travel scheme bus passes	100
Reprocurement of Fleet arrangements	75
Reinstatement of School Crossing Patrol budget	254

#### Savings Strategies

Transport efficiency savings	(159)
Restructured community transport awards	(6)

<b>Total</b>	<b>1,053</b>
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## Service Commentary

The Planning, Transportation and Environment service includes strategic infrastructure planning and statutory responses including development of the Education and Transport Plans and other strategic documents, such as the Waste and Minerals plans. Additionally services include development and delivery of large infrastructure projects including planning applications, consultations, overview of planning applications and delivery of projects to enhance the ecology, landscape, marine and historic environment of Devon, and progressing the carbon management agenda. The responsibility for planning schools infrastructure, sustainable travel and road safety resides in this team along with the flood and coastal risk management functions. The Transport Co-ordination team provide a range of public transport services including subsidised services, concessionary fares, fleet management and services to education and the NHS.

Reductions for this year mainly relate to contract efficiencies where collaboration and tight contract management provide opportunities to make savings.

## Service Statistics and Other Information

Service/ Activity	Unit of Measurement	2016/17 Adjusted Estimate	Change	2017/18 Estimate
<b>Planning, Transportation &amp; Environment</b>				
County Matter applications	No.	60	0	60
County Council development applications	No.	40	0	40
Listed building consent applications	No.	5	0	5
Strategic Planning consultations	No.	40	0	40
Pre Application advice	No.	125	0	125
Discharge of Planning Condition Applications	No.	40	0	40
Non Material Amendments to planning applications	No.	20	0	20
Formal monitoring visits for Minerals and Waste sites	No.	80	0	80
Planning application consultations (externally driven by the economy)	No.	12,500	0	12,500
Verified historic monument records on Heritage Gateway website	No.	73,943	7,057	81,000
Specialist historic environment responses to all enquiries, including responses for development	No.	1,050	0	1,050
Specialist ecology, landscape and greenhouse gas responses provided to planning case officers for development management activity	No.	155	0	155
Sustainable drainage consultations for major development	No.	918	32	950
Land drainage consents	No.	33	2	35
Number of Local Plans which have successfully progressed through the examination stage	No.	10	(7)	3
East Devon Traffic Screenline - Average daily no. of vehicles crossing (predicted)	No.	114000	0	114,000
<b>Public Transport</b>				
Local bus services contracts	No.	122	8	130
Bus passenger journeys started in Devon	No.	26.5 million	(0.25) million	26.25 million
Train trips within Devon and to/from neighbours	No.	4.6 million	0.15 million	4.75 million
Ring and Ride community transport schemes	No. of schemes	16	0	16
Shop mobility schemes	No. of schemes	8	0	8
Community buses	No.	9	0	9
Fare car supported taxi schemes	No. of schemes	6	1	7

## Public Health

2016/17 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2017/18 Outturn Budget £'000	2017/18 Net Changes £'000
<b>Public Health</b>					
2,989	Children 5-19 Public Health Programmes	2,973	0	<b>2,973</b>	(16)
895	Community Safety, Violence Prevention and Social Exclusion	1,000	0	<b>1,000</b>	105
40	Health At Work	40	0	<b>40</b>	0
101	Health Protection	96	0	<b>96</b>	(5)
8,989	Mandated 0-5 Children's Services	9,101	0	<b>9,101</b>	112
90	National Child Measurement Programme	96	0	<b>96</b>	6
90	NHS Health Check Programme	349	0	<b>349</b>	259
421	Obesity	268	0	<b>268</b>	(153)
580	Other Public Health	440	0	<b>440</b>	(140)
213	Physical Activity	268	0	<b>268</b>	55
338	Public Health Advice to NHS Commissioners	365	0	<b>365</b>	27
(28,952)	Public Health Income	0	(28,238)	<b>(28,238)</b>	714
639	Public Mental Health	772	(151)	<b>621</b>	(18)
5,933	Sexual Health	5,987	0	<b>5,987</b>	54
650	Smoking and Tobacco	1,133	(650)	<b>483</b>	(167)
6,038	Substance Misuse	5,995	0	<b>5,995</b>	(43)
1,093	Support Services	1,103	0	<b>1,103</b>	10
<b>147</b>		<b>29,986</b>	<b>(29,039)</b>	<b>947</b>	<b>800</b>

### Analysis of changes:

£'000

#### Technical and Service Changes

Community Safety, Violence prevention and social exclusion- staffing reallocation	105
Mandated 0-5 children's services - staffing reallocation	112
NHS Health Check programme - universal programme recommences	259
Obesity - savings through re-procurement of lifestyle services	(153)
Other Public Health - food for life partnership and health at work savings	(140)
Physical activity - one small step programme commenced	55
Public Health Income - reduction in Department of Health grant	714
Sexual Health - service demand growth	54
Smoking and Tobacco - savings through re-procurement	(167)
Other minor changes	(39)
<b>Total</b>	<b>800</b>



## Service Commentary

Public Health is funded by a ring-fenced grant from the Department of Health which has reduced by £714,000 or 2.5% for 2017/18. Future grant allocations have been confirmed as being reduced by 2.6% for 2018/19 and 2019/20 and a programme of procurement for all service areas is in place to enable the services to be delivered within the funding available.

The Integrated Children's Service contract, which terminates in March 2018, continues to deliver the 0-19 services for Public Health, with an overall commitment to this from the Public Health Grant of £11.8millions.

The universal NHS Healthchecks programme is being re-introduced during 2017/18. Service demand for Sexual Health and Substance Misuse services continue to grow, but costs are being managed through strong contract management and negotiation. The introduction of the new healthy lifestyle service, OneSmallStep, has contributed to savings.

The reduction in the grant has led to a budget shortfall of £800,000 in 2017/18. This shortfall is for one year only as in future years changes will be made to contracted services to bring the budget back in to balance. This one off shortfall has therefore been funded from corporate resources.

## Service Statistics and Other Information

<b>Service/ Activity</b>	<b>Unit of Measurement</b>	<b>2016/17 Adjusted Estimate</b>	<b>Change</b>	<b>2017/18 Estimate</b>
Referrals to substance misuse service	Individuals	3,687	0	3,687
New structured treatments starts in substance misuse service	Individuals	1,532	0	1,532
Genito-urinary medicine patients treated	Individuals	28,988	1,449	30,437
Contraception services accessed	Individuals	30,780	1,539	32,319

# Highways, Infrastructure Development and Waste

## Infrastructure Development and Waste Management

2016/17 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2017/18 Outturn Budget £'000	2017/18 Net Changes £'000
<b>Engineering, Design and Built Environments Team</b>					
196	Compliance Surveys - School Buildings	196	0	<b>196</b>	0
(438)	Engineering and Design Group	483	(904)	<b>(421)</b>	17
83	Schools Estates Work	83	0	<b>83</b>	0
(159)		762	(904)	<b>(142)</b>	17
<b>Waste Disposal and Recycling</b>					
10,913	Disposal of Statutory Waste	14,051	(3,998)	<b>10,053</b>	(860)
5,613	Landfill Tax on Disposal	5,533	0	<b>5,533</b>	(80)
323	Other Site Related Costs	330	(7)	<b>323</b>	0
5,067	Recycling Centres	5,769	(3)	<b>5,766</b>	699
4,280	Recycling Credits	4,258	0	<b>4,258</b>	(22)
673	Waste Management	749	(15)	<b>734</b>	61
199	Waste Minimisation Activities	449	(270)	<b>179</b>	(20)
27,068		31,139	(4,293)	<b>26,846</b>	(222)
<b>26,909</b>		<b>31,901</b>	<b>(5,197)</b>	<b>26,704</b>	<b>(205)</b>

### Analysis of changes:

£'000

#### Technical and Service changes

Inflation	618
Increase in Pension contributions	22
Waste tonnage growth	113
Landfill tax tonnage growth	56
Price changes for Energy from Waste plants	116
Increase in IVC tonnage cost	100
Change in market conditions for recycling contracts	750

#### Savings Strategies

Contract efficiency savings	(1,510)
Operational efficiencies on the Plymouth Energy from Waste plant	(250)
Reduced recycling credit budget	(150)
Generating income from advertising	(20)
Reduced treatment and disposal costs through collaboration	(50)

### Total

**(205)**

## Service Commentary

### Infrastructure Development (Engineering Design Group & Built Environments)

The purpose of the service is to deliver the County Council's Capital Programme. The Service provides technical engineering consultancy services. The Group is the Authority's intelligent client for the procurement of construction contracts and is focussed on driving efficiency and providing a flexible and responsive service to meet the needs of the council.

### Waste Management

The purpose of the service is to dispose of local authority collected waste. The service supports and enables waste prevention activity, manages waste contracts for recycling, treatment and disposal, provides new waste infrastructure and manages redundant landfill sites. The service works with Waste Collection Authorities to join up waste collection and waste disposal where possible.

Waste tonnage is extremely volatile and sensitive to both economic and demographic factors and needs to be closely monitored as growth in this area could have a significant impact on the budget.

A number of waste processing contracts have been re-procured recently, with start dates of 1st April 2017, and are expected to deliver a net saving. Anticipated waste tonnage growth and other demographic pressures have reduced the overall net saving to £0.2 millions.

## Service Statistics and Other Information

Service/ Activity	Unit of Measurement	2016/17	Change	2017/18
		Adjusted Estimate		Estimate
Municipal waste disposal to landfill	Tonnes	64,500	800	65,300
Municipal waste recycled (excl. soil & rubble)	Tonnes	214,000	0	214,000
Municipal waste recovered	Tonnes	14,000	0	14,000
Exeter Energy from Waste	Tonnes	60,000	0	60,000
Plymouth Energy from Waste	Tonnes (approx)	53,027	960	53,987
Recycling, reusing and composting	Percentage	55.0	0	55.0
Recycling centres provided	No.	19	0	19
Landfill sites after care	No.	55	0	55

## Highways and Traffic Management

2016/17 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2017/18 Outturn Budget £'000	2017/18 Net Changes £'000
<b>Highway Maintenance</b>					
4,237	Cyclic Maintenance	4,199	(32)	<b>4,167</b>	(70)
4,446	Highway Lighting	3,888	(30)	<b>3,858</b>	(588)
625	Maintenance of Public Rights of Way	653	(26)	<b>627</b>	2
23	Other Highway Services	159	(133)	<b>26</b>	3
734	Retaining Walls and Bridges	483	(8)	<b>475</b>	(259)
2,972	Routine Maintenance	1,857	(30)	<b>1,827</b>	(1,145)
6,365	Safety Reaction	6,263	(63)	<b>6,200</b>	(165)
6,596	Winter and Emergencies	6,284	(60)	<b>6,224</b>	(372)
25,998		23,786	(382)	<b>23,404</b>	(2,594)
<b>Highway Network Management</b>					
5,527	Highway Network Management	7,451	(1,157)	<b>6,294</b>	767
3	Management and Support	217	(213)	<b>4</b>	1
5,530		7,668	(1,370)	<b>6,298</b>	768
<b>31,528</b>		<b>31,454</b>	<b>(1,752)</b>	<b>29,702</b>	<b>(1,826)</b>

### Analysis of Changes:

£'000

#### Technical and Service changes

Inflation	1,367
Increase in Pension contributions	254
Impact of Ash die back on Highways trees	100

#### Savings Strategies

Income generation from sponsorship and advertising	(150)
Reduced street lighting energy and usage	(967)
Highways maintenance procurement savings	(980)
Focus on preventative maintenance for bridges and structures	(250)
Reduced emergency works based on 3 year average	(200)
Redirection of costs to alternative funding streams	(1,000)

<b>Total</b>	<b>(1,826)</b>
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## Service Commentary

The purpose of the Highways and Traffic Management services is to maintain, improve and operate the existing local highway and public rights of way networks. The service is driving efficiency in the way it works, managing demand and enabling community self-help. The service prioritises safety and meeting the travel needs of businesses, communities and individuals.

To cope with reducing budgets, the service adopts asset management principles to identify priority needs and to focus the available funding on reducing whole life maintenance costs, for example by delivering preventative maintenance rather than repairing roads on a worst first basis. The main road network is being maintained in a good condition, however, parts of the minor road network are not holding up so well and some minor roads will continue to deteriorate. Such roads will be kept safe by repairing defects in accordance with adopted policy.

The service works in a collaborative way with its contractors, communities and individuals. This should enable Devon to maximise Government capital funding. Service discipline on spending enables the service to respond to in-year changes and pressures due, for example, to extreme weather events.

The service continues to face cost pressures. The procurement of a new term maintenance contract is expected to generate significant savings for the service from 1st April 2017. This, with the redirection of some expenditure to alternative funding sources, has allowed an overall budget reduction of £1.8 millions.

## Service Statistics and Other Information

Service/ Activity	Unit of Measurement	2016/17 Adjusted Estimate	Change	2017/18 Estimate
Size of Network	Km	12,915	0	12,915
Bridges	No.	3,291	0	3,291
Structural retaining walls (>1.35m height)	No.	1,564	0	1,564
Structural retaining walls (>1.35m height)	Km	113	0	113
Street lights total	No.	77,752	48	77,800
Street lights to have been converted to part night lighting	No.	50,000	95	50,095
Rights of way	Km	5,000	0	5,000
Strategic road salted after route optimisation	Km	2,471	0	2,471
Illuminated road markings and signs	No.	10,524	0	10,524
Gullies emptied	No.	130,000	0	130,000
Total grass area cut	m <sup>2</sup>	1 million	0	1 million
Surface dressed	Km	854	(30)	824
Resurfacing / reconstruction	Km	25	9	34

## 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	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
<b>Economy, Enterprise and Skills</b>						
Devon and Somerset Superfast Broadband Programme	13,500	1,580	1,440	480	0	0
District Heating Networks	177	177	0	0	0	0
Devon employment space strategy		52	0	0	0	0
<b>Total</b>		<b>1,809</b>	<b>1,440</b>	<b>480</b>	<b>0</b>	<b>0</b>
<b>Planning, Transportation and Environment</b>						
<b>Large and Major Highway Schemes</b>						
A361 North Devon Link Road Improvements		145	300	300	0	0
A38 Deep Lane - junction, Phase 1 Northern side	3,100	487	0	0	0	0
A382 Widening, Southern Phase, Newton Abbot	13,000	907	4,400	5,565	0	0
Bridge Road - Exeter	13,455	769	0	0	0	0
Crediton Link Road	8,421	51	10	10	0	0
Drumbridges and Battle Road Junction		100	0	0	0	0
Growth Deal Infrastructure Preparation		0	156	0	0	0
Moor Lane Roundabout widening		150	0	0	0	0
Roundswell Phase 2 - Barnstaple	2,855	288	0	0	0	0
South Devon Highway	117,998	5,884	3,166	1,643	241	277
		<b>8,781</b>	<b>8,032</b>	<b>7,518</b>	<b>241</b>	<b>277</b>
<b>Sustainable Transport</b>						
Around Devon Cycle Route - Exeter to Broadclyst		1	1	1	0	0
Around Devon cycle route - Teign Estuary		313	61	265	0	0
Cycling - Exe Estuary		230	0	0	0	0
E4 : Exeter Strategic Cycle Route		150	0	0	0	0
Hollow Lane pedestrian and cycle route	108	95	0	0	0	0
Okehampton East Station		20	227	0	0	0
		<b>809</b>	<b>289</b>	<b>266</b>	<b>0</b>	<b>0</b>
<b>LTP</b>						
Local Transport Plan (LTP) Integrated transport block		<b>3,601</b>	<b>3,601</b>	<b>3,601</b>	<b>3,601</b>	<b>3,601</b>
<b>Environment</b>						
<b>Schools Expansion</b>						
Advanced Design Fees		324	350	0	0	0
Canada Hill Primary School - Expansion Early Stages of Development	70	50	0	0	0	0
Chudleigh Primary - Expansion	20	20	0	0	0	0
John Tallack Centre - Adaptations to Childrens Centre	5	5	0	0	0	0
Orchard Vale Community School - Expansion to 420	20	20	0	0	0	0
Proposed new primary school Sherford	1,000	0	1,000	0	0	0
Willand Primary - Studio / Performance Hall	20	20	0	0	0	0
		<b>439</b>	<b>1,350</b>	<b>0</b>	<b>0</b>	<b>0</b>

Project	*Total Scheme Approval	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
Confirmed Basic Need Allocation		0	17,125	0	0	0
Estimated Basic Need		0	0	3,742	3,742	3,742
Energy cost reduction initiative		99	0	0	0	0
Axminster Primary (Green Lodge) - Expansion	360	100	0	0	0	0
Bodley House - Special educational need provision	1,380	1,000	0	0	0	0
Bovey Tracey Primary School - Expansion	160	130	0	0	0	0
Cranbrook New Community - Education Campus	1,608	442	0	0	0	0
Digital Free School (West Clyst) - New school contribution	576	576	0	0	0	0
Haywards (Credition) Primary - Expansion to 420	1,020	775	0	0	0	0
High Bickington C of E primary – Expansion	641	507	42	0	0	0
Highweek Primary - Additional Capacity	1,568	102	0	0	0	0
Honiton Primary School - Phased Expansion	1,230	1,000	0	0	0	0
Kingsteignton – New Primary School site	1,759	1,518	0	0	0	0
Landscape Primary (Credition) - Expansion up to 420	1,240	29	0	0	0	0
Loddiswell Primary School - Replacement School	2,919	1,789	1,000	0	0	0
North Tawton Community Primary School - Additional classroom / Remodelling	314	284	0	0	0	0
Okehampton Primary - Additional Classroom	633	100	0	0	0	0
Proposed new primary / special school Bideford	1,000	0	1,000	0	0	0
Proposed new primary Newcourt (Trinity C of E Primary)	6,885	4,156	150	0	0	0
Proposed new primary Okehampton	1,722	250	0	0	0	0
South Molton Infants - Expansion to 420	569	508	15	0	0	0
St Andrews Primary (Cullompton) - Phased Expansion to PAN 60	1,364	1,230	0	0	0	0
Sticklepath Primary School - Expansion	608	30	0	0	0	0
Teignmouth Community School - Expansion to 420 Place	800	480	0	0	0	0
Westcliff School - Expansion to 420	1,950	1,600	300	0	0	0
Withycombe Primary School, Exmouth - Expansion up to 630	1,401	1,085	0	0	0	0
		<b>17,790</b>	<b>19,632</b>	<b>3,742</b>	<b>3,742</b>	<b>3,742</b>
<b>Commissioning Services For Communities</b>						
Youth service minor capital works		37	37	37	37	37
Cranbrook library		0	230	0	0	0
Library modernisation partnership schemes - Bideford	1,580	0	1,280	0	0	0
Vehicle Equipment Loans Pool - Fleet management		1,000	1,000	1,000	1,000	1,000
		<b>1,037</b>	<b>2,547</b>	<b>1,037</b>	<b>1,037</b>	<b>1,037</b>
<b>Total</b>		<b>32,457</b>	<b>35,451</b>	<b>16,164</b>	<b>8,621</b>	<b>8,657</b>
<b>Communities, Public Health, Environment &amp; Prosperity Total</b>						
		<b>34,266</b>	<b>36,891</b>	<b>16,644</b>	<b>8,621</b>	<b>8,657</b>
<b>Financed by:</b>						
Borrowing - Unsupported		3,276	3,696	1,057	0	0
Borrowing - VELP		1,000	1,000	1,000	1,000	1,000
Capital Receipts - General		3,320	1,400	831	198	222
Capital Receipts - IID		334	290	266	0	0
Direct Revenue Funds - Services		350	0	0	0	0
External Funding - Contributions		2,740	1,522	781	80	92
External Funding - Grants		17,201	28,983	7,609	7,343	7,343
External Funding - S106		6,045	0	5,100	0	0
<b>Total</b>		<b>34,266</b>	<b>36,891</b>	<b>16,644</b>	<b>8,621</b>	<b>8,657</b>

\* Scheme Approvals have been included for individual projects.

This table does not show expenditure on capital projects currently programmed in financial year 2016/17 which may be deferred to 2017/18 owing to changes in project delivery timescales.

<b>Project</b>	<b>*Total Scheme Approval £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>
<b>Waste Service</b>						
Broadpath In Vessel Composting Plant		500	0	0	0	0
Ivybridge recycling centre	3,703	210	4	0	0	0
<b>Waste Total</b>		<b>710</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Schools Maintenance and Improvements</b>						
Abbotskerswell Primary School - Replacement of Block 90	20	16	4	0	0	0
Alphington Primary School - Block 01 - Replace Roof	267	49	0	0	0	0
Ashleigh Church of England Primary School - Block 06 replacement and roof improvements	445	115	0	0	0	0
Bearnas Primary - Mezzanine Floor	100	46	0	0	0	0
Berrynarbor CofE Primary School - Block 03 internal wall refurb and joinery	31	25	6	0	0	0
Bishops Nympton Primary School - Block 01 - Renew Wet Heating System, Block 04 - Replace Boiler and Wet Heating System.	113	40	10	0	0	0
Bishops Nympton Primary School - Block 01 Window replacement. Block 02 window/door replacement and timber cladding	20	16	4	0	0	0
Bishops Tawton Primary - Refurburbish Hard Play Area	22	18	4	0	0	0
Bovey Tracey Primary School - Block 01 roof improvements and replace external retaining wall	15	12	3	0	0	0
Bratton Fleming Community Primary School - Block 01 Replace oil tank and pressure jet burner. CO Detection and Auto Shut off	43	35	8	0	0	0
Braunton Caen Primary School - Blk04 Windows / Blk01 Masonary improvements	149	120	29	0	0	0
Capital Maintenance (contingency)		565	450	0	0	0
Cheriton Fitzpaine Primary School - Replace biomass boiler flues	18	15	3	0	0	0
Combe Martin Primary School - Block 01 Replace Fire Alarm	51	41	10	0	0	0
Cornwood CofE Primary School - Block 01 - Replace Water Distribution Pipework and Improve External Walls	36	29	7	0	0	0
Cullompton Community College - Block 01 - Renew Boilers and Heating System	168	42	0	0	0	0
Dartington C of E Primary School - Remedial work	6,806	4,313	0	0	0	0
Dawlish Community College - Block 01 - Replace Windows, Roof & Hot and Cold Water System, Block 07 & 03 - Replace Boiler. Devon Lady Improvements	242	44	0	0	0	0
DDA Projects Contingency		400	300	0	0	0
Decoy Primary School - Blocks 01, 05 & 07 CO Detection and Auto shutoff	14	12	2	0	0	0
East Anstey Primary School - Block 01 Window replacement & external refurbishment. Block 02 Window and door replacement and timber/exterior cladding	37	30	7	0	0	0
Ellen Tinkham School - Block 01 partial replacement of roof, rooflights and downpipes. Block 01 Replace boiler control panel. CO Detection and Auto shutoff	104	84	20	0	0	0
		<b>6,067</b>	<b>867</b>	<b>0</b>	<b>0</b>	<b>0</b>



<b>Project</b>	<b>*Total Scheme Approval</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Schools Maintenance and Improvements continued</b>						
Estimated Capital Maintenance		0	5,500	5,250	5,000	4,750
Great Torrington Bluecoat Primary School - Block 01 - Replace Windows, doors, timber cladding, & Fascias, guttering, downpipes and flat roofing	205	165	40	0	0	0
Heathcoat Primary School - Roof Improvements	406	194	0	0	0	0
Holbeton School - Block 02 - Replace Roof	56	45	11	0	0	0
Holsworthy CofE Primary School - Roof improvements	383	45	0	0	0	0
Holsworthy Community College - Blk 01 Heat, Blk10 Windows, Roof, Ext.	735	30	0	0	0	0
Holsworthy Community College - Block 01 - Fenestrations	19	16	3	0	0	0
Ifracombe CofE Junior - Blocks 01 & 03 External Refurbishment. Block 08 roof and window improvements	173	139	34	0	0	0
Ifracombe Infant & Nursery School - Block 01 - Replace Boiler, Windows and Shelving in Kitchen	67	54	13	0	0	0
King Edward Vi Community College - Site Refurbishment and Roof improvements	410	160	50	0	0	0
King's Nympton Primary - Block 01 - Fenestrations	20	16	4	0	0	0
Kingsbridge Community Primary School - Block 02 Replace windows	31	25	6	0	0	0
Ladysmith Infant School - Improve underground drainage	123	99	24	0	0	0
Littleham CofE Primary School, Exmouth - Block 01 - Rewire	58	46	11	0	0	0
Marland School - Expansion	4,067	2,445	500	0	0	0
Milton Abbot Primary School - Replacement Roof	185	148	37	0	0	0
MUMIS (contingency)		90	90	0	0	0
Newton St Cyres Primary School - PSBP Contribution	532	0	300	0	0	0
Northlew and Ashbury Primary - Structural Repairs	35	28	7	0	0	0
Oaklands Park - Block 02 Mechanical ventilation works	26	21	5	0	0	0
Okehampton College - Block 01 replace windows, doors, timber cladding, render and roofing works. Block 13 windows and spalling concrete panels	613	491	122	0	0	0
Okehampton College - Block 11 Window replacement	17	14	3	0	0	0
Pathfield School - Block 01 - Replace Sliding External Doors.	194	38	0	0	0	0
Pathfield School - Blocks 1,5 & 6 CO Detection and Autoshtut off	15	12	3	0	0	0
Princetown Primary - Block 01 - Improve Wall to Resolve Dampness	24	20	4	0	0	0
Ratcliffe School - Replace Water Mains	58	13	0	0	0	0
Sandford School - Improve retaining walls	74	60	14	0	0	0
School Buildings Temporary Planning Permissions		25	0	0	0	0
Seaton Primary School - Block 01 - Replace Incoming Panel, Distribution Board, Upgrade Fire Alarm and Fenestrations	126	101	25	0	0	0
South Tawton Primary School - Replace Blocks 03, 04, 05 & 06	1,574	32	0	0	0	0
St Michaels CofE Primary School, Kingsteignton - Block 01 Roof improvements including drainage and rooflights	62	50	12	0	0	0
Stoke Canon CofE Primary School - Block 03 - Replace Windows	41	33	8	0	0	0
		<b>4,655</b>	<b>6,826</b>	<b>5,250</b>	<b>5,000</b>	<b>4,750</b>

<b>Project</b>	<b>*Total Scheme Approval</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Schools Maintenance and Improvements continued</b>						
Stoke Hill Infants School - Block 01 re-roofing above water tank and associated works.	86	69	17	0	0	0
Stoke Hill Junior School - Block 01 - Replace Fluorescent Lighting and Main Heating Pumps, Block 03 - Replace Fluorescent Lighting & Upgrade Fire Alarm, Block 02 - Replace Timber Cladding.	200	44	0	0	0	0
Stoke Hill Junior School - Blocks 1,2 & 3 Emergency Lighting	38	31	7	0	0	0
Stokenham Area Primary School - Block 01 Roof replacement	35	28	7	0	0	0
Tavistock College – Block 01 Replacement Windows	126	25	0	0	0	0
Tavistock Community Primary & Nursery School - DDA Project	62	20	0	0	0	0
Tedburn St Mary School - Block 01 - Replace Fenestrations.	52	10	0	0	0	0
The Axe Valley Community College - Replace blocks 07, 14, 17 & 20	1,987	500	0	0	0	0
The Chestnut Centre - Block 01 Structural Internal/External wall repairs	31	25	6	0	0	0
The Erme Primary School, Ivybridge - Block 01 window replacement and lift improvement works	22	18	4	0	0	0
The Park Community School - Block 04 renew wet system and radiators. Block 08 concrete cladding panel works	86	69	17	0	0	0
Two Moors Primary School, Tiverton - Block 01 roof and drainage improvements. Blocks 1,2,3,4,10,90 CO Detection and Auto Shut off	28	23	5	0	0	0
Ugborough Primary School - Block 01 - Replace Windows, Fascias & Redecorate, Block 02 & 03 - Replace Windows.	65	13	0	0	0	0
Upottery Primary School – Glazed roofing panes work	40	10	0	0	0	0
Wembury Primary School - Block 01 Window and Door Replacement	26	21	5	0	0	0
Whimble Primary School - Block 01 & 04 Replace Windows	53	10	0	0	0	0
Willowbank Primary - Electrical work	71	57	14	0	0	0
Winkleigh Primary School NOW D1 - Block 01 - Replace Roof and rooflights	37	30	7	0	0	0
Woolsery Primary School - Blocks 01 and 03 Mechanical Works	30	24	6	0	0	0
Other Schools Maintenance and Improvement Schemes		78	0	0	0	0
		<b>1,105</b>	<b>95</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Schools Maintenance and Improvements Total</b>		<b>11,827</b>	<b>7,788</b>	<b>5,250</b>	<b>5,000</b>	<b>4,750</b>
<b>Highways</b>						
Challenge Fund Street Lighting Improvements	13,156	3,962	0	0	0	0
Depot Strategy		225	75	0	0	0
Local Transport Plan (LTP) Maintenance		44,325	41,132	41,132	41,132	41,132
Mamhead Slipway, Exmouth		275	0	0	0	0
<b>Highways Total</b>		<b>48,787</b>	<b>41,207</b>	<b>41,132</b>	<b>41,132</b>	<b>41,132</b>
<b>Highways, Capital Development and Waste Total</b>		<b>61,324</b>	<b>48,999</b>	<b>46,382</b>	<b>46,132</b>	<b>45,882</b>

**Financed by:**

Borrowing - Unsupported	4,523	4	0	0	0
Capital Receipts - General	1,000	75	0	0	0
External Funding - Grants	55,787	48,920	46,382	46,132	45,882
External Funding - S106	14	0	0	0	0
<b>Total</b>	<b>61,324</b>	<b>48,999</b>	<b>46,382</b>	<b>46,132</b>	<b>45,882</b>

\* Scheme Approvals have been included for individual projects.

This table does not show expenditure on capital projects currently programmed in financial year 2016/17 which may be deferred to 2017/18 owing to changes in project delivery timescales.

## Communities, Public Health, Economy and Prosperity - Risk Assessment

Service	Budget 2017/18 £'000	Risk and Impact	Mitigation
Public & Community Transport	5,734 (budget and other funding)	Around 75% of passenger journeys are on commercial bus services with no DCC control over them. The remainder are on supported (contracted) bus services. The commercial sector therefore shapes the network, and DCC responds to fill in gaps, optimising the scope for an integrated network. The reductions will have an impact on Devon communities as 19% of Devon residents have no access to a car, this places an increased strategic pressure on supported services.	Budget is based on actual services each year. Service support is based upon criteria related to DCC strategic objectives. Wherever possible Commercial Operators are encouraged to take up services. DCC supported services are developed to achieve commercial viability where possible.
National Concessionary Travel Scheme	9,265	Under statutory provision Commercial Bus Operators are reimbursed for the use of free travel passes by more than 178,000 pass-holders in Devon and by non Devon residents travelling in the County. Travel levels and patterns are subject to a range of influences which are outside the control of DCC so cannot be predicted precisely.	Budgets reflect recent trend data. Fixed fee contracts with bus providers have been negotiated to alleviate most of the uncertainty around costs.
Flood Risk Management – surface water	950	DCC is the Lead Local Flood Authority (LLFA) as defined by the Flood and Water Management Act and the Flood Risk Regulations. Consequently there would be costs associated with statutory requirements in the event of a major incident.	DCC has processes in place to undertake the required duty should there be a significant flood incident. However funding over and above the Place budget might need to be identified.
Public Health - Grant Allocation		The value of the grant is reducing by 2.5% in 2017/18 and by 2.6% for both 2018/19 and 2019/20.	There are plans in place for the re-procurement of all large areas of spend (sexual health, children's services and substance misuse) which will lead to service delivery being re-designed in order to achieve efficiency.

Public Health - Sexual Health		Demand on service delivery continues to rise by an average of 4% each year but funds available are flatlined at best, if not subject to reduction.	Re-designing service pathways to ensure that needs are met as efficiently as possible across the whole system of delivery.
Exeter Science Park (loan guarantee)	Max 2,652	Construction has been completed by Exeter Science Park Limited (ESPL) on a Science Park Innovation Centre. This was partially funded via a loan from the Growing Places Fund through the Local Enterprise Partnership (LEP). DCC have guaranteed 50% of the loan and interest. It is likely that part of the guarantee will be required and to date budgetary provision has been made to cover £800k. This figure is based on the current shortfall shown in the ESPL business plan which is now two years old and due to be revised.	The guarantee is based on development monies being generated in the future to repay the loan. If the budgeted requirement increases further funds may need to be set aside. This will be monitored during the year via ESPL Business Plans which have to be approved by the Board at regular intervals. However, the existing plan is now two years old.
Budget Reductions (incl. Policy Changes)	576	A programme of budgets cuts is planned for 2017/18. Reductions are becoming harder to achieve with the time and capacity needed to achieve the outcomes greater than at the start of the austerity process. Some reductions are reliant on collaboration and co-operation from partners which cannot be fully guaranteed or controlled by DCC. In order to achieve budget reductions, policies are continually being reviewed using a more risk based approach. This may lead to an increase in risk of challenge or failure.	The first priority is to maintain statutory compliance. A rigorous programme with risk assessment has been developed and will be continually monitored during 2017/18 with particular emphasis on high risk, or under developed, strategies. Continuous efforts to influence and negotiate with partners will be maintained. All policy changes are developed and tested/piloted prior to full implementation. An Equality Needs Impact Assessment is undertaken for each change. The effects and impact of the changes is continually monitored.

## Partnership Risk Assessment

	<b>Partnership</b>	<b>Purpose</b>	<b>Partner</b>	<b>Gross Value £'000</b>	<b>Risk Analysis / Mitigation</b>
Place	Safety Camera Partnership	To encourage road safety in the region.	Devon County Council, Cornwall Council, Torbay Council, Plymouth Council Devon and Cornwall Police, Highways England	101 (DCC only)	There is a legal agreement in place between the partners. The Road Safety Partnership board decides which schemes to fund and Cornwall Council is the Accountable body. There is no risk of unexpected material costs arising unless the partnership is disbanded where liability for exit costs will be shared between partners. This risk is partially mitigated by a partnership reserve to part fund exit costs.

## Highway, Infrastructure Development and Waste - Risk Assessment

Service	Budget 2017/18 £'000	Risk and Impact	Mitigation
Winter Maintenance and Emergencies	Approx. 4,700	Winter maintenance and other emergencies which are typically weather related, cannot be predicted. There is a risk of overspend in the event of severe weather conditions. Proportions of this budget are based on a mild to average winter. Therefore a worse than average year will place additional pressure on this budget.	There is limited scope for management action as the bulk of the costs tend to fall in the latter part of the financial year thus precluding funding by deferral of planned maintenance work. DCC policy is to respond appropriately to such events and wherever possible divert resources from other works in order to mitigate some of the costs. Scenario modelling is undertaken to assess any potential overspend.
Safety Defect Repairs	Approx. 5,600	This continues to be a volatile service area. Prolonged adverse weather conditions significantly affect the level of safety defects needing attention. Over the last 3-4 years significant extra resources from both central government and DCC have been targeted towards this area. A change to the policy with regard to Highways Safety Inspections may increase the risk in this area.	New ways of providing this service will take effect in 2017/18. Works are closely monitored during the year and funds diverted from planned works where possible.
Mobilisation and demobilisation of the Term Maintenance Contract for Highways	700	The Term Maintenance Contract (TMC) has been awarded with a start date of 1st April 2017. This entails a change of contractor. The risk involves both the mobilisation of the new contract and demobilisation of the existing contract.	A six month mobilisation plan prior to the start date of the contract. Dedicated teams from both DCC and Skanska working on the mobilisation.  The demobilisation plan will be monitored carefully into 2017/18.
Ash Die Back Disease – impact on Highways	100	Ash dieback could have an effect on DCC budgets and resources. This impact will not be immediate but the effects will probably be dealt with over a 10 year period. There is evidence that Ash Die Back is	The rate of the spread of disease will be monitored closely and will ensure that all trees not owned by DCC are dealt with by the land owner.

		infiltrating into Devon's tree population. Ash trees make up approx. 20% of Devon's tree population. If 20% of those trees are the responsibility of DCC this could result in a £350k cost per annum.	
Waste Management	26,846	Waste tonnage levels and growth rates are volatile and difficult to predict as they are subject to a range of influences outside the control of DCC. Due to the current economic climate a small growth level has been assumed based on current levels of tonnage going to landfill disposal. Similarly, the extent to which contractors will meet recycling targets is uncertain. These risks may result in the budget being over or under provided. A variation in tonnages of +/- 1% could result in a financial variation of £315k.	Extra resources have been targeted towards this area to deal with an, above average, increase in the tonnage levels. Budgets reflect recent trends. Other than undertaking work to influence behaviours there is limited scope for management to alleviate financial pressures should tonnage increase. Tonnage levels are closely monitored. More cost effective ways of disposing of waste are continually explored such as the recent Energy from Waste Plants at both Exeter and Plymouth which are now open.
Budget Reductions (incl. Policy Changes)	5,527	An extensive programme of budgets cuts is planned for 2017/18. Reductions are becoming harder to achieve with the time and capacity needed to achieve the outcomes greater than at the start of the austerity process. Some reductions are reliant on collaboration and co-operation from partners which cannot be fully guaranteed or controlled by DCC. In order to achieve budget reductions, policies are continually being reviewed using a more risk based approach. This may lead to an increase in risk of challenge or failure.	The first priority is to maintain statutory compliance. A rigorous programme with risk assessment has been developed and will be continually monitored during 2017/18 with particular emphasis on high risk, or under developed, strategies. Continuous efforts to influence and negotiate with partners will be maintained. All policy changes are developed and tested/piloted prior to full implementation. An Equality Needs Impact Assessment is undertaken for each change. The effects and impact of the changes is continually monitored.



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## Consolidated Pages

The following consolidated pages have been produced to show the overall proposed budgets for the Authority and are based on the new management structure implemented on 1st November 2016.

The targets set for each service area have been based on this new structure. The impact for scrutiny committees is:-

- Health and Wellbeing Scrutiny Committee will continue to receive the proposed budgets for Public Health which is the responsibility of the Chief Officer for Communities, Public Health, Environment and Prosperity.
- Place Scrutiny Committee will receive the proposed budgets for Capital Development and Waste Management and Highways and Traffic Management which is the responsibility of the Chief Officer for Highways, Infrastructure Development and Waste. It will also receive the proposed budgets for Economy, Enterprise and Skills, Planning Transportation and Environment and Communities and Other Services which is the responsibility of the Chief Officer for Communities, Public Health, Environment and Prosperity. This reflects the change to include Public Health and Skills. For the sake of completeness the proposed budgets for Public Health have also been included which have been considered by the Health and Wellbeing Scrutiny Committee.
- People Scrutiny Committee will receive the proposed budgets for Adult Services which is the responsibility of the Chief Officer for Adult Care and Health. It will also receive the proposed budgets for Children's Services which is the responsibility of the Chief Officer for Children's Services. This reflects the movement of Skills to Place Scrutiny.
- Corporate Services Scrutiny Committee will continue to receive the proposed budgets for all the Corporate Services.

These pages are for information only and show how the services being scrutinised by this Committee fit into the overall structure of the Council. Any questions on these pages relating to services outside of this Committees remit will need to be considered at the Joint Scrutiny meeting on 30th January 2017.

## How the 2017/18 budget has been built up

	2016/17 Adjusted Budget	Changes	2017/18 Outturn Budget
	£'000	£'000	£'000
Adult Care Operations and Health	173,852	16,786	190,638
Adult Commissioning and Health	23,895	1,960	25,855
<b>Adult Care and Health</b>	<b>197,747</b>	<b>18,746</b>	<b>216,493</b>
Childrens Social Work and Child Protection	75,767	2,046	77,813
Education and Learning - General Fund	40,060	258	40,318
Education and Learning - School Funding	0	0	0
<b>Children's Services</b>	<b>115,827</b>	<b>2,304</b>	<b>118,131</b>
Communities and Other Services	11,201	7	11,208
Economy, Enterprise and Skills	4,923	32	4,955
Planning, Transportation and Environment	17,040	1,053	18,093
Public Health	147	800	947
<b>Community, Health, Environment, Prosperity</b>	<b>33,311</b>	<b>1,892</b>	<b>35,203</b>
Chief Executive, Legal and Communications	4,792	(104)	4,688
Digital Transformation and Business Support	14,241	83	14,324
Human Resources and Organisational Development	3,406	(200)	3,206
Treasurer's Services	11,027	107	11,134
<b>Corporate Services</b>	<b>33,466</b>	<b>(114)</b>	<b>33,352</b>
Capital Development and Waste Management	26,909	(205)	26,704
Highways and Traffic Management	31,528	(1,826)	29,702
<b>Highways, Infrastructure and Waste</b>	<b>58,437</b>	<b>(2,031)</b>	<b>56,406</b>
<b>Total</b>	<b>438,788</b>	<b>20,797</b>	<b>459,585</b>

	Change £' 000
<b>Reasons for changes in Revenue Budget</b>	
<b>Technical and Service Changes</b>	
Inflation	10,683
Increase in Pension Contributions	4,078
National Living Wage	2,531
Children's Services demographic and demand pressures	5,425
Adult Services demographic and demand pressures	16,919
Care Act Removal of External funding	3,047
Waste Services demographic and contract pressures	1,135
Other demographic, contract and service pressures	1,708
Increase in External Contributions	(2,500)
<b>Savings Requirements</b>	<b>(22,229)</b>
<b>Total</b>	<b>20,797</b>

## Staffing Data

	2016/17		2017/18		Total FTEs
	Adjusted Total FTEs	Changes FTEs	Revenue Funded FTEs	Externally Funded FTEs	
Adult Care Operations and Health	992	1	895	98	993
Adult Commissioning and Health	166	2	158	10	168
<b>Adult Care and Health</b>	<b>1,158</b>	<b>3</b>	<b>1,053</b>	<b>108</b>	<b>1,161</b>
Childrens Social Work and Child Protection	738	(4)	704	30	734
Education and Learning - General Fund	122	0	108	14	122
Education and Learning - School Funding	27	3	0	30	30
<b>Children's Services</b>	<b>887</b>	<b>(1)</b>	<b>812</b>	<b>74</b>	<b>886</b>
Communities and Other Services	92	(48)	20	24	44
Economy, Enterprise and Skills	137	6	59	84	143
Planning, Transportation and Environment	150	25	165	10	175
Public Health	31	0	31	0	31
<b>Community, Health, Environment, Prosperity</b>	<b>410</b>	<b>(17)</b>	<b>275</b>	<b>118</b>	<b>393</b>
Chief Executive, Legal and Communications	108	2	110	0	110
Digital Transformation and Business Support	472	(7)	465	0	465
Human Resources and Organisational Development	175	(3)	172	0	172
Treasurer's Services	265	2	161	106	267
<b>Corporate Services</b>	<b>1,020</b>	<b>(6)</b>	<b>908</b>	<b>106</b>	<b>1,014</b>
Capital Development and Waste Management	102	0	102	0	102
Highways and Traffic Management	253	0	253	0	253
<b>Highways, Infrastructure and Waste</b>	<b>355</b>	<b>0</b>	<b>355</b>	<b>0</b>	<b>355</b>
<b>Total</b>	<b>3,830</b>	<b>(21)</b>	<b>3,403</b>	<b>406</b>	<b>3,809</b>

### Explanation of Movements

#### Adult Care Operations and Health

Net movement as a result of workforce reductions	(4)
Increase in corporate staff to support new duties under part 1 of the Care Act	10
Social Care Reablement removal of vacant posts	(10)
Externally funded posts to support improvement to intermediate care provision	5
	<b>1</b>

#### Adult Commissioning and Health

Increase in staff to support market sufficiency duties under part 1 of the Care Act	6
Increase in staff to support transformation and savings programmes	3
Mental Health operational efficiencies	(2)
Transfer of posts to Learn Devon	(5)
	<b>2</b>

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

Disabled Children's Services Restructure	(9)
Fostering Team Restructure	(2)
Supervised Contact Team Restructure/Movement Across Service	4
Additional Personal Advisors within Social Work	2
Atkinson Unit Additional Support Posts	2
Reducing Exploitation and Absence from Care or Home (REACH) Team Restructure	(1)
	<b>(4)</b>

<b>Education and Learning</b>	
<u>General Fund</u>	
Additional Special Educational Needs & Disability (SEND) Implementation support staff funded by grant	8
Review of Early Years services	(3)
Academisation of Teacher Training	(5)
<u>Dedicated Schools Grant</u>	
Review of Admissions services	1
Review of Early Years services	2
	<b>3</b>
<b>Communities and Other Services</b>	
Youth Service - staff transferring to an independent entity	(48)
	<b>(48)</b>
<b>Economy, Enterprise and Skills</b>	
Learn Devon - apprentices	3
Learn Devon - transfer in from Adult Care Commissioning	5
Restructure of team hours	(2)
	<b>6</b>
<b>Planning Transportation &amp; Environment</b>	
NHS Transport staff transferred in	8
Reinstatement of School Crossing patrol staff numbers	14
Modern apprenticeships and interns	3
	<b>25</b>
<b>Chief Executive, Legal &amp; Communications</b>	
Legal support to address capacity issues	1
Assistant Solicitor Adult Social Care	1
	<b>2</b>
<b>Digital Transformation and Business Support</b>	
Business Support - transfer in from Children's Social Work and Child Protection	4
Review of Business Support	(12)
Modern Apprenticeship	1
	<b>(7)</b>
<b>Human Resources and Organisational Development</b>	
Change Management	8
Review of HR structure	(11)
	<b>(3)</b>
<b>Treasurer's Services</b>	
Finance Management Team restructure	(2)
Devon Audit Partnership	(2)
Peninsula Pensions - new legislation	7
Reduction of hours across service	(1)
	<b>2</b>
<b>Total</b>	<b>(21)</b>

## Analysis of Total Expenditure for 2017/18

	Gross Expenditure	Grant and Contribution Income	External Income	Internal Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000
Adult Care Operations and Health	251,644	(16,799)	(44,207)	0	190,638
Adult Commissioning and Health	27,769	(1,274)	(636)	(4)	25,855
<b>Adult Care and Health</b>	<b>279,413</b>	<b>(18,073)</b>	<b>(44,843)</b>	<b>(4)</b>	<b>216,493</b>
Childrens Social Work and Child Protection	86,810	(5,080)	(358)	(3,559)	77,813
Education and Learning - General Fund	43,358	(1,043)	(1,371)	(626)	40,318
Education and Learning - School Funding	522,982	(522,373)	(220)	(389)	0
<b>Children's Services</b>	<b>653,150</b>	<b>(528,496)</b>	<b>(1,949)</b>	<b>(4,574)</b>	<b>118,131</b>
Communities and Other Services	11,685	(53)	(354)	(70)	11,208
Economy, Enterprise and Skills	6,946	(100)	(1,781)	(110)	4,955
Planning, Transportation and Environment	24,354	(1,044)	(3,517)	(1,700)	18,093
Public Health	29,986	(28,979)	0	(60)	947
<b>Community, Health, Environment, Prosperity</b>	<b>72,971</b>	<b>(30,176)</b>	<b>(5,652)</b>	<b>(1,940)</b>	<b>35,203</b>
Chief Executive, Legal and Communications	8,036	0	(2,473)	(875)	4,688
Digital Transformation and Business Support	28,936	(8,812)	(3,715)	(2,085)	14,324
Human Resources and Organisational Development	17,099	0	(2,681)	(11,212)	3,206
Treasurer's Services	20,424	0	(6,970)	(2,320)	11,134
<b>Corporate Services</b>	<b>74,495</b>	<b>(8,812)</b>	<b>(15,839)</b>	<b>(16,492)</b>	<b>33,352</b>
Capital Development and Waste Management	31,901	0	(4,278)	(919)	26,704
Highways and Traffic Management	31,454	(118)	(1,281)	(353)	29,702
<b>Highways, Infrastructure and Waste</b>	<b>63,355</b>	<b>(118)</b>	<b>(5,559)</b>	<b>(1,272)</b>	<b>56,406</b>
<b>Total</b>	<b>1,143,384</b>	<b>(585,675)</b>	<b>(73,842)</b>	<b>(24,282)</b>	<b>459,585</b>

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

	<b>Gross Expenditure</b>	<b>Grant and Contribution Income</b>	<b>External Income</b>	<b>Internal Income</b>	<b>Net Expenditure</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Digital Transformation and Business Support</b>					
ScoMIS	9,699	0	(2,105)	(7,594)	0
<b>Treasurer's Services</b>					
Devon Audit Partnership	1,240	0	(1,240)	0	0
<b>Childrens Social Work and Child Protection</b>					
Atkinson Unit	3,261	(180)	(2,509)	(572)	0
<b>Capital Development and Waste Management</b>					
Ecowaste4Food Project	37	(32)	0	(5)	0
<b>Highways and Traffic Management</b>					
On Street Parking	6,302	(104)	(6,198)	0	0
<b>Communities and Other Services</b>					
Active Devon	1,517	(831)	(70)	(616)	0
Syrian Refugees	500	(500)	0	0	0
<b>Economy, Enterprise and Skills</b>					
LAG - MIL (Making It Local 2)	58	(58)	0	0	0
LAG - REAL Devon	51	(51)	0	0	0
Learn Devon	3,781	(3,384)	(206)	(191)	0
<b>Planning, Transportation and Environment</b>					
AONB Blackdown Hills	213	(202)	0	(11)	0
AONB North Devon	185	(172)	0	(13)	0
Cycle Bikeability Training	280	(280)	0	0	0
Devon Maritime Forum	14	(5)	(4)	(5)	0
Exe Estuary Partnership	26	(17)	0	(9)	0
INNOVASUMP	45	(38)	0	(7)	0
Other Countryside Projects	150	(141)	0	(9)	0
South West Coast Path Team	109	(109)	0	0	0
Transport Co-Ordination Service	3,239	(1,146)	(2,075)	(18)	0
<b>Total</b>	<b>30,707</b>	<b>(7,250)</b>	<b>(14,407)</b>	<b>(9,050)</b>	<b>0</b>
<b>Grand total</b>	<b>1,174,091</b>	<b>(592,925)</b>	<b>(88,249)</b>	<b>(33,332)</b>	<b>459,585</b>

## Government Grants and Contributions Received

Some of the costs of providing services are funded by external grants and contributions, the table below shows the details of the funding expected.

<b>Service and Grant Title</b>	<b>Funded by</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>
<b>Adult Care Operations and Health</b>					
Local Reform Community Voices Grant	Department of Health	138	138	138	138
Social Care in Prisons Grant	Department of Health	303	303	303	303
Contributions	Health and other local authorities	16,358	16,358	16,358	16,358
		<b>16,799</b>	<b>16,799</b>	<b>16,799</b>	<b>16,799</b>
<b>Adult Commissioning and Health</b>					
Local Reform Community Voices Grant	Department of Health	344	344	344	344
Contributions	Health and other local authorities	930	930	930	930
		<b>1,274</b>	<b>1,274</b>	<b>1,274</b>	<b>1,274</b>
<b>Children's Social Work and Child Protection</b>					
Assessed and Supported Year in Employment	Department for Education	52	52	52	52
Youth Detention Grant	Ministry of Justice	26	26	26	26
Youth Justice Grant	Youth Justice Board	67	67	67	67
Police & Crime Commissioner Grant	Office of the Police & Crime Commissioner	19	19	19	19
Unaccompanied Asylum Seekers Grant	Home Office	2,162	3,783	4,045	4,045
Troubled Families Programme	Department for Communities & Local Government	1,050	1,050	1,050	1,050
Contributions	Health and other local authorities	1,884	1,884	1,884	1,884
		<b>5,260</b>	<b>6,881</b>	<b>7,143</b>	<b>7,143</b>
<b>Education and Learning - Dedicated Schools Grant</b>					
Dedicated Schools Grant*	Education Funding Agency	477,365	477,365	477,365	477,365
Early Years - Disadvantaged 2 Year Olds	Education Funding Agency	5,083	5,083	5,083	5,083
Post 16 Funding	Education Funding Agency	5,129	5,129	5,129	5,129
Pupil Premium	Education Funding Agency	23,496	23,496	23,496	23,496
Universal Infant Free School Meals	Education Funding Agency	7,813	7,813	7,813	7,813
PE & Sport Grant	Department for Education	2,765	2,765	2,765	2,765
Music Grant	Arts Council	919	919	919	919
Contributions	Health and other local authorities	846	846	846	846
		<b>523,416</b>	<b>523,416</b>	<b>523,416</b>	<b>523,416</b>
<b>Economy and Enterprise</b>					
LAG - MIL (Making it Local 2)	RPA	58	60	58	0
LAG - REAL Devon	RPA	51	52	51	0
Learn Devon - Community Learning	Skills Funding Agency	2,185	2,185	2,185	2,185
Learn Devon - Adult Skills Budget (inc Apprenticeships / Additional Learning Support)	Skills Funding Agency	1,064	1,064	1,064	1,064
Learn Devon - 24+ Advanced Learning Loans Facility	Skills Funding Agency				
Learn Devon - 14-19 EFA Funding	Education Funding Agency	135	135	135	135
Trading Standards	Government Grants	100	100	100	100
		<b>3,593</b>	<b>3,596</b>	<b>3,593</b>	<b>3,484</b>
<b>Planning, Transportation and Environment</b>					
Natural Futures	Heritage Lottery	78	0	0	0
Areas of Outstanding Natural Beauty	DEFRA	301	306	311	311
Areas of Outstanding Natural Beauty	Other Local Authorities	73	73	73	73
Environment and Sustainable Travel	Other Local Authorities	43	73	43	73
Maritime and Fisheries projects	Other	11	11	11	11
Taw Valley Countryside Stewardship Facilitation Fund	European Agricultural Fund	39	39	39	39
Devon Resilience Fourm	Environment Agency	2	0	0	0
Devon Resilience Fourm	Office of the Police & Crime Commissioner	2	0	0	0
Coastal Creatures	Heritage Lottery Fund	20	5	0	0
South West Coast Path & Country Parks	Natural England	109	109	109	109
Bikeability	Department of Transport	280	280	280	0
Innovasump	ERDF	38	19	0	0
Bus Service Operators Grant	Department of Transport	1,146	1,146	1,146	1,146
Transport contributions	Other Local Authorities	62	62	62	62
Transport contributions	Other	950	946	871	824
		<b>3,154</b>	<b>3,069</b>	<b>2,945</b>	<b>2,648</b>



<b>Service and Grant Title</b>	<b>Funded by</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>
<b>Communities and Other Services</b>					
Active Devon	Sport England	748	748	748	748
Active Devon	Other	83	83	83	83
Syrian Refugee	Home Office	500	900	900	900
Youth Services	Other	13	13	13	13
		<b>1,344</b>	<b>1,744</b>	<b>1,744</b>	<b>1,744</b>
<b>Public Health</b>					
Public Health	Department of Health	28,238	27,504	26,788	26,092
Public Mental Health	Better Care Fund	91	30	0	0
Nicotine Replacement Therapy Contribution	NEW Devon CCG	650	650	650	650
Emergency Planning	Other Local Authorities	40	40	40	40
		<b>29,019</b>	<b>28,224</b>	<b>27,478</b>	<b>26,782</b>
<b>Digital Transformation and Business Support</b>					
Private Finance Initiative	Department for Communities and Local Government	6,937	6,937	6,937	6,937
Private Finance Initiative	Exeter Diocesan Board	1,875	1,889	1,905	1,920
		<b>8,812</b>	<b>8,826</b>	<b>8,842</b>	<b>8,857</b>
<b>Capital Development and Waste Management</b>					
Ecowaste4food	ERDF	32	32	35	32
<b>Highways and Traffic Management</b>					
ExeRail	Other Local Authorities	30	30	30	30
South West Coast Path & Country Parks	Other Local Authorities	45	45	45	45
South West Coast Path & Country Parks	RPA	25	25	25	25
South West Coast Path & Country Parks	Historic England	10	7	14	0
South West Coast Path & Country Parks	Natural England	112	112	112	112
		<b>222</b>	<b>219</b>	<b>226</b>	<b>212</b>
<b>Total</b>		<b>592,925</b>	<b>594,080</b>	<b>593,495</b>	<b>592,391</b>

## Grants Paid to External Organisations

2016/17 £000	Service and Grant Title	2017/18 £000
<b>Children's Social Work and Child Protection</b>		
190	University Bursary Grants	194
150	Facilitating Access to Mainstream Activities for Disabled Children's Services	150
32	Calvert Trust Short Holiday Breaks	32
<b>372</b>		<b>376</b>
<b>Planning, Transportation and Environment</b>		
45	AONB (East, South and Tamar)	48
60	Dorset & East Devon World Heritage site (Jurassic Coast)	60
25	Cornwall & West Devon Mining Landscape World Heritage site	25
20	South West Energy & Environment group	20
4	Wembury Centre	4
2	Tamar Estuaries consultative forum	2
20	Devon Wildlife Trust Nature Improvement Area Project	20
126	Safety Camera Partnership	101
40	Devon & Cornwall Rail Partnership	40
247	Community bodies	247
<b>589</b>		<b>567</b>
<b>Communities and Other Services</b>		
400	Citizens Advice Bureau	400
72	Community Council of Devon	72
189	Councils for Voluntary Services	189
<b>661</b>		<b>661</b>
<b>Public Health</b>		
10	Exmoor National Park	0
20	Dartmoor National Park	0
25	Devon Rape Crisis	0
10	Young Devon	10
22	North Devon against Domestic Abuse	0
15	Teignbridge D.C	10
<b>102</b>		<b>20</b>
<b>1,724 TOTAL</b>		<b>1,624</b>

# Abbreviations

Abbreviations used within the budget:

AONB	Area of Outstanding Nature Beauty
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
BRRS	Business Rate Retention Scheme
CCG	Clinical Commissioning Group
CDWM	Capital Development & Waste Management
CIPFA	The Chartered Institute of Public Finance & Accountancy
C of E	Church of England
DAF	Devon Assessment Framework
DCC	Devon County Council
DDA	Disability Discrimination Act
DEFRA	Department for Environmental Food & Rural Affairs
DFC	Devolved Formula Capital
DSG	Dedicated Schools Grant
E&E	Economy & Enterprise
EESI	Energy Efficiency Schools Initiative
EFA	Education Funding Agency
ESPL	Exeter Science Park Ltd
EU	European Union
FAB LAB	Fabrication Laboratory at Exeter Central Library
FTE	Full Time Equivalent
HR	Human Resources
ICT	Information & Communications Technology
IID	Investing in Devon funds
ILF	Independent Living Fund
IT	Information Technology
LAG	Local Action Group
LEP	Local Enterprise Partnership
LIBID	London Interbank BID rate
LIBOR	London Interbank Offered Rate
LLFA	Lead Local Flood Authority
LOBO	Lender Option Borrower Option
LTP	Local Transport Plan
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

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
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
RSG	Revenue Support Grant
S106	Funding from developers resulting from planning obligations authorised by section 106 of the Town and Country Planning Act 1990
SCOMIS	Schools Management Information Service
SEN	Special Education Needs
SEND	Special Educational Needs and Disabilities
SfC	Services for Communities
VAT	Value Added Tax
VELP	Vehicle Equipment Loan Pool
WEEE	Waste Electrical and Electronic Equipment Regulation

**Joint Report of the County Treasurer, Chief Officer for Adult Care and Health and Chief Officer for Children's Services.**

**2017/18 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 2017/18 and Capital Programme for 2017/18 to 2021/22.

**1. Introduction and Commentary**

- 1.1 At its meeting of 14th December 2016, Cabinet set Revenue Budget targets for 2017/18. The targets incorporate inflation and pressures and income initiatives and savings 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 along with the local element of Business Rates. Information should be available by the time that County Council considers final budget proposals for 2017/18 on 16th February 2017. However, given the late notification of the provisional settlement and in line with arrangements from previous years, 23rd February 2017 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 14th December which total £459.585 millions. The total includes funding for budget pressures of £43.0 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. Savings and income initiatives of £22.2 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 table below shows the 2017/18 Budget Targets by Chief Officer as following the restructure we no longer have Strategic Directors. Service specific implications of the restructure are set out in detail later in this report.

	2016/17			2017/18	
	Adjusted		Savings &	Base	
	Base	Inflation &	Income	Base	
	Budget	Pressures	Initiatives	Budget	
	£000	£000	£000	£000	
Adult Care & Health	197,747	26,936	(8,190)	216,493	+9.5%
Children's Services	115,827	7,843	(5,539)	118,131	+2.0%
Communities, Public Health, Environment & Prosperity	33,311	2,468	(576)	35,203	+5.7%
Corporate Services	33,466	2,283	(2,397)	33,352	-0.3%
Highways, Infrastructure Development & Waste	58,437	3,496	(5,527)	56,406	-3.5%
	<b>438,788</b>	<b>43,026</b>	<b>(22,229)</b>	<b>459,585</b>	

- 1.5 This report provides detailed budget proposals in respect of all Services, in line with the targets outlined above. The Budget Scrutiny day will provide Members with the opportunity to question further budget issues for 2017/18 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 On 15th December 2016, the Secretary of State for the Department for Communities and Local Government, Rt. Hon. Sajid Javid MP, made a statement to Parliament on the Provisional Local Government Finance Settlement for 2017/18. The main items of note are set out below.
- 2.2 In 2016/17, the Social Care Precept on Council Tax was set at 2% per annum for the period 2016/17 to 2019/20 inclusive. The terms of this precept have now been changed for the period 2017/18 to 2019/20. Local Authorities will now be able to increase the Social Care Precept by up to 3% per annum in 2017/18 and 2018/19. However, authorities that go ahead with the 3% increase in both years will not be able to make a further increase in 2019/20 (i.e. the total allowable increase over the three year period remains at 6%).
- 2.3 The 2017/18 New Homes Bonus allocations and details of the consultation on the future of the scheme have been announced (previously these figures were indicative). The number of years the scheme will be based upon, currently six years, will reduce to five years in 2017/18 and four years from 2018/19 onwards. The scheme will now also only reward growth in homes above 0.4% per annum, currently all growth is rewarded. These changes have reduced the County Council's expected New Homes Bonus allocation by £709,000. The majority of New Homes Bonus, 80%, is retained by the District Councils and the impact of this change is therefore felt more keenly by them. The Devon Districts have between them seen their funding reduced by £2.95 millions in 2017/18.
- 2.4 The changes to the New Homes Bonus Scheme have allowed the government to remove £241 millions from the 2017/18 scheme. This saving has been used to create the new Adult Social Care Support Grant. This funding is being distributed based on the relative needs formula and is for 2017/18 only. The County Council will receive £3.592 millions.
- 2.5 As the Adult Social Care Support Grant is for 2017/18 only and the increased freedoms relating to the Social Care Precept being a matter of timing only there is no change to funding levels from these two changes in 2019/20.
- 2.6 Within the Business Rates Retention system the Top Up element has been amended to reflect the 2017 revaluation. For the County Council this amounts to an additional £74,000 in 2017/18; this is not a gain however, as the local element of Business Rates is expected to reduce by this amount. The other elements of Core Funding are as expected.
- 2.7 The provisional settlement has confirmed that the Council Tax increase that will trigger a referendum, excluding the Social Care Precept, will remain at 2% for 2017/18.
- 2.8 In 2017/18 government funding (core funding) for the County Council will reduce from £151.6 millions in 2016/17 to £128.3 millions in 2017/18. This is a reduction of £23.3 millions, nearly 15.4%. Although this is inline with the four year settlement announced in 2016/17 it is still a significant reduction to our funding at a time when there are huge pressures on Social Care services.

### **3. Service Specific Budget Issues**

- 3.1 The targets set for each service area have been based on the new structure. This committee will receive the proposed budget for Adult Services and Children's Services. These budgets reflect the movement of Skills from People Scrutiny to Place Scrutiny.
- 3.2 The overall financial approach in Adult Services and Children's Services 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.
- 3.3 This budget recognises that there have been significant financial pressures in the current year, especially within Adult Services, and that the costs we must pay to obtain sustainable care of the right quality will rise. As has been noted earlier budget pressures of £34.8 millions are recognised, which are partially offset by savings planned of £13.7 millions across Adults and Children's Services to give a net budget increase of nearly £21.1 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.
- 3.4 In Adult Social Care the significant 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. This has seen Adult Services increase by £26.9 millions to cover inflation and demand. The most up to date data has been used in our planning assumptions for this budget. This in itself presents a risk if volumes and unit prices continue to rise for the remainder of the 2016/17 financial year. There are two main drivers for this pressure:-
- 3.4.1 Demand - the number of packages of care is increasing, especially around the disability services with numbers increasing significantly during 2016/17. With the exception of Direct Payments and Personal Care, the 2017/18 budget has been planned on the basis of the most recent volume data available at the time of preparation.
- 3.4.2 Unit Cost - the unit cost for packages of care has been increasing during 2016/17. This can be extremely volatile and now that very few services are provided in-house, can be dependent on the sufficiency of the care market in Devon. Latest average unit rates (uplifted for inflation) have been used during budget planning.
- 3.5 A guiding principle has been to ensure that clients are supported in the care setting that most effectively maximises their independence.
- 3.6 Looked after children placement costs (40% of total Children's Social Care budget) is demand led, volatile and high risk. The budget has been set recognising current pressures on placement costs and assumes active cost control and management. Strategies centre on fewer children going into high cost placements, or spending less time in higher cost placements along with improved care proceedings for Child & Parent cases.

- 3.7 The Dedicated Schools Grant (DSG) has increased by £15.6 millions. This relates, in the main, to an increase in pupil numbers along with increased funding for Early Year to fund the introduction of the move from 15 hours to 30 hours.
- 3.8 Within the DSG the significant cost pressure relates to the High Needs service, largely due to increase demand. The cost of educating pupils with complex educational and physical needs can be significant and volatile and in particular the number of students remaining in Education post 16 is rising. This has seen the need to invest £5.7 millions to cover demand and assumes the implementation of management action. 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.
- 3.9 Increased funding has been allocated to the High Needs services. A report to Cabinet on 11th January 2017 approved a transfer of £2.22 millions from Individual Schools Budgets to the High Needs budget by way of a reduction in the Age Weighted Pupil Unit (AWPU) of £33. This coupled with additional funding through the grant will cover the additional investment required of £5.7 millions shown above.
- 3.10 School Transport continues to be challenging with the number of pupils with personalised transport needs increasing with costs continuing to rise.
- 3.11 Risk assessments for both Adults and Children's Services are included within the budget pages and cover more detail around the risks and mitigations for the services.

#### **4. Capital Programme**

- 4.1 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.
- 4.2 As part of the 2017/18 capital plan for Adult and Children's Services, there are no new starts funded from corporate resources. Within the programme there is funding to support the multi service Hub at Barnstaple and continued support for Extra Care Housing with £10 millions available over the next three years of then plan. There is investment for Early Years provision to provide suitable accommodation within Kingsbridge.

#### **5. Equality Impact Assessment**

- 5.1 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, which includes mitigating against the negative impact of service reductions.
- 5.2 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.

5.3 The report 'Budget 2017 – 2018 Equality Impact Assessment' provides information on the impacts of savings strategies. Previous years assessments are available at <https://new.devon.gov.uk/impact/> under 'Published Assessments'. The report for 2017/18 provides a detailed analysis of community feedback and data and views on budget priorities and council tax.

The 2017/18 report is published at <https://new.devon.gov.uk/impact/published/budget-setting-201718/>

Mary Davis  
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Electoral Divisions : All  
Local Government Act 1972

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**List of Background Papers**

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Background Paper Date File Ref  
Nil  
Date Published 11th January 2017

# Leadership Group Commentary

## Introduction

Against a national back drop of economic and political uncertainty, Devon County Council is facing increasing pressures on its budget. Uncertainties around the potential fall out from Brexit make for a nervous economic picture, and there remains a lack of any clear direction around the devolution agenda and the potential for the Heart of the South West to benefit financially.

What is clear though is that while resources reduce, demand on services is growing. With people living longer and having increased and more complex needs, expectations of how the Council delivers services need to be managed more effectively.

We remain a large organisation and a major employer in the South West, with a budget of over £1 billion. This is becoming increasingly challenging to manage but by working in new and innovative ways with our staff, Members, partners and communities, it is achievable.

## Services under pressure

The combination of increased need and increased complexity of need is putting our services under pressure. While we have already taken steps to increase efficiency and effectiveness, we need to do more to prevent unnecessary escalation into our high cost specialist service areas.

Our budget recognises that the health and social care system is a critical area that is under severe pressure, resulting in escalating demand on resources and the need for better integration. Our core purpose is to look after the old, the young and the most vulnerable people in our society and ensure they have the best outcomes while achieving value for money across all areas of our work.

With a greater emphasis on prevention and tackling health inequalities, we will work with our partners to identify opportunities for better local outcomes, encourage greater independence, and help people to help themselves and live their lives well.

Supporting people, whatever their circumstances, through education and into work is a cornerstone of our commitment to improving quality of life and giving back to the local economy.

We also work hard to keep Devon on the move, with a smooth transition to our new Term Maintenance Contractor helping to reduce costs, and Government grants helping to improve the rural road network.

## Building community resilience

One of Devon's biggest assets is its communities. We know that many people are active in supporting others in their town and village, and our voluntary and community sector is strong, playing a key role in helping people to live independently, feel connected and build more resilient communities.

We are beginning to have a different sort of conversation with our communities and discovering more about what matters to them and how they want to work with others to reduce dependency on services. Our recent community survey revealed:

- 80% say their community is active in helping people to stay healthy with a good quality of life
- 84% think local people come together to support each other
- 71% say they look out for neighbours or anyone who might be isolated or lonely
- 68% say they can get the help and support they need from family, friends and the community

- 83% say they are active in helping to shape community life
- 72% say their community helps plan for emergencies such as flooding
- 90% say Devon is a place where people and communities can do well

A prime example of community self help is the innovative Integrated Care for Exeter (ICE) programme, bringing together local government, public and community sector organisations and NHS providers. ICE aims to improve the experience of health and social care and support people to remain independent.

And our place based community self-help scheme involves volunteers in a range of activities to enhance their community and keep it moving in the event of flooding or snow.

## **Efficiency and innovation**

By changing our approach to service delivery, we are challenging ourselves to be more focused on what matters by looking through the eyes of individuals and communities at what we do and how we do it.

We will make the most of the talents, skills and energy of our staff, Councillors and residents to redesign and modernise our services.

We will learn from the best and from experience, developing new ideas and digital solutions.

And we will inject more pace into everything we do, becoming more agile in our approach and ensuring that the best value services get to the right people, at the right time, by the right organisation.

For more information on the contents of this section, please contact Nicky Allen, Senior Assistant County Treasurer on 01392 383590 or email [nicola.allen@devon.gov.uk](mailto:nicola.allen@devon.gov.uk)

## Adult Care Operations and Health

2016/17 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2017/18 Outturn Budget £'000	2017/18 Net Changes £'000
<b>Disability Services</b>					
1,815	Day Opportunities	2,155	(99)	<b>2,056</b>	241
17,389	Direct Payments	21,278	(1,239)	<b>20,039</b>	2,650
28,061	Enabling/Other	32,639	(167)	<b>32,472</b>	4,411
1,458	Nursing Care	1,473	(250)	<b>1,223</b>	(235)
4,565	Personal Care	8,149	(1,517)	<b>6,632</b>	2,067
23,515	Residential Care	28,837	(3,062)	<b>25,775</b>	2,260
76,803		94,531	(6,334)	<b>88,197</b>	11,394
<b>In House Services</b>					
3,212	Day Opportunities	3,207	(64)	<b>3,143</b>	(69)
4,929	Reablement and Community Enabling	5,943	(838)	<b>5,105</b>	176
3,673	Residential Care	3,438	(3)	<b>3,435</b>	(238)
11,814		12,588	(905)	<b>11,683</b>	(131)
<b>Older People</b>					
1,208	Day Opportunities	1,383	(155)	<b>1,228</b>	20
6,047	Direct Payments	7,366	(1,202)	<b>6,164</b>	117
2,250	Enabling/Other	3,627	(836)	<b>2,791</b>	541
8,829	Nursing Care	17,187	(6,703)	<b>10,484</b>	1,655
21,281	Personal Care	29,062	(11,468)	<b>17,594</b>	(3,687)
26,240	Residential Care	61,658	(31,555)	<b>30,103</b>	3,863
65,855		120,283	(51,919)	<b>68,364</b>	2,509
18,731	<b>OP&amp;D Care Management</b>	23,584	(1,848)	<b>21,736</b>	3,005
649	<b>Workforce Development</b>	658	0	<b>658</b>	9
<b>173,852</b>		<b>251,644</b>	<b>(61,006)</b>	<b>190,638</b>	<b>16,786</b>

### Analysis of changes:

£'000

#### Technical and Service Changes

Demographic and other growth in demand	13,462
Removal of Care Act funding	2,230
Inflation	5,721
Increase in pension contributions	975
National Living Wage	2,111

#### Savings strategies

Increase in External Contributions	(2,500)
Promoting independence for people in their own home	(1,203)
Continuing transfer of personal care to the Living Well At Home contract and finding alternative solutions for those with small packages of care.	(1,000)
Supporting people with disabilities live more independently and to reduce their dependence over time	(1,464)
Service reviews to reduce in house care provision and costs while improving income	(531)
Cost savings in placements for people with disabilities	(692)
Workforce reductions	(323)

**Total**

**16,786**

## Service Commentary

Adult Care Operations and Health is the operational care management service which offers advice, information and signposting as well as assessment, support planning and reviews for older people and younger adults with disabilities 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. It undertakes statutory safeguarding responsibilities for vulnerable adults. The staff undertaking these functions – including professionally qualified social workers and occupational therapists – are co-located and co-managed with community-based staff from the NHS.

Additionally, it provides those adult social care services we continue to deliver directly rather than commission from the independent sector. These include two residential care homes for older people with dementia, three respite centres for younger adults with learning disabilities, eleven day centres for people of all eligible adults of all ages and the delivery of short-term interventions such as social care reablement and community enabling.

Key challenges to operations include management of volume and price pressures, both of which have risen significantly in 2016/17, and delivery of the operational change required under the Promoting Independence programme.

As service users become better able to live more independent and fulfilling lives, the requirement for the current levels of commissioned services will reduce, both in terms of the numbers of packages of care, and the volume of services supplied per client.

		<b>Number of people budgeted to receive service Average through Year</b>		
		<b>2016/17</b>	<b>Change</b>	<b>2017/18</b>
Reablement (across all client groups)	Service Users	2,496	290	2,786
These are new people expected to go through the reablement process				
<b>Disability Services</b>				
Day Opportunities	Service Users	290	21	311
Direct Payments	Service Users	1,300	(11)	1,289
Enabling	Service Users	1,333	12	1,345
Nursing Care (including Respite)	Service Users	42	(8)	34
Personal Care	Service Users	523	137	660
Residential Care (including Respite)	Service Users	586	(2)	584
Autistic Spectrum	Service Users	76	73	149
<b>Older People and Disability - In house</b>				
Day Opportunities	Service Users	300	(146)	154
Community Enabling	Service Users	340	(30)	310
Residential Care (including Respite)	Service Users	50	(8)	42
<b>Older People</b>				
Day Opportunities	Service Users	471	(18)	453
Direct Payments	Service Users	741	(36)	705
Enabling	Service Users	135	144	279
Nursing Care (including Respite)	Service Users	499	21	520
Personal Care	Service Users	3,307	(450)	2,857
Residential Care (including Respite)	Service Users	2,022	(50)	1,972

## Adult Commissioning and Health

2016/17 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	<b>2017/18 Outturn Budget £'000</b>	2017/18 Net Changes £'000
<b>Adult Commissioning and Health</b>					
6,656	Centrally Managed Contracts	7,275	(517)	<b>6,758</b>	102
937	Policy, Performance and Involvement	1,004	0	<b>1,004</b>	67
1,911	Strategic Commissioning	2,583	(160)	<b>2,423</b>	512
1,300	Transformation	1,533	(20)	<b>1,513</b>	213
10,804		12,395	(697)	<b>11,698</b>	894
13,091	<b>Mental Health</b>	15,374	(1,217)	<b>14,157</b>	1,066
<b>23,895</b>		<b>27,769</b>	<b>(1,914)</b>	<b>25,855</b>	<b>1,960</b>

### Analysis of changes:

£'000

#### Technical and Service Changes

Demographic and other growth in demand	957
Inflation	422
Removal of Care Act funding	817
Increase in pension contributions	241

#### Savings Strategies

Management and support reductions	(174)
Promoting independence for adults with mental health needs	(303)

<b>Total</b>	<b>1,960</b>
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## Service Commentary

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

The Policy, Performance and Involvement function comprises the Management Information Team responsible for commissioning intelligence, statutory returns and surveys, internal performance management, and involvement in sector-led improvement; the Policy Team responsible for commissioning and operational policy development and strategic planning; and the Involvement and Policy Team responsible for engaging the users of our services and their carers, and ensuring we are considering their diverse needs, in everything we do.

Commissioning staff work with NHS colleagues to assess the strategic health and social care needs of the Devon population. This then shapes the care provider markets from which Devon County Council purchases most of its adult social care services to ensure that the right preventive, short-term and longer-term services are available to those with eligible needs at the time they are needed, and at prices which are affordable within the Council's social care budgets. This is undertaken by working with the Care Quality Commission to assure and improve their quality along with managing contractual provider relationships to ensure their delivery.

The commissioning team is also responsible for commissioning arrangements for support to carers, for the care management of people with mental health needs (working with the Devon Partnership Trust), and for the coordination of activity and governance of the statutory Safeguarding Adults Board.

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

The key challenges for Adult Commissioning and Health will be to lead the commissioning aspects of the Promoting Independence programme and its supporting strategies, whilst at the same time continuing to manage relationships with a provider market which is under pressure, and recommission services in such a way as to promote functional and efficient care markets and best value for the public purse.

Mental Health services continue a transformation programme to improve efficiency with significant savings planned for 2017/18 to come from a cessation of open access contracts and move to targeted provision of services on a more personalised basis.

## Service Statistics and Other Information

		Number of people budgeted to receive service Average through Year		
		2016/17	Change	2017/18
<b>Mental Health Services</b>				
Day Opportunities	Service Users	8	6	14
Direct Payments	Service Users	122	(28)	94
Enabling	Service Users	613	56	669
Nursing Care (including Respite)	Service Users	6	2	8
Personal Care	Service Users	21	19	40
Residential Care (including Respite)	Service Users	151	10	161
Universal services - open access day services	Service Users	728	(728)	0

## Children's Social Work and Child Protection

2016/17 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2017/18 Outturn Budget £'000	2017/18 Net Changes £'000
	<b>Disabled Children's Services</b>				
4,390	Children In Need Short-Break Services	4,979	(244)	<b>4,735</b>	345
4,266	Contracts	4,267	(23)	<b>4,244</b>	(22)
2,826	Social Work Area Teams	2,822	(30)	<b>2,792</b>	(34)
11,482		12,068	(297)	<b>11,771</b>	289
	<b>Early Help (Access)</b>				
770	Emergency Duty Team	951	(144)	<b>807</b>	37
721	Multi Agency Safeguarding Hub	741	0	<b>741</b>	20
546	Reach	526	0	<b>526</b>	(20)
2,037		2,218	(144)	<b>2,074</b>	37
	<b>Early Help (Provision)</b>				
1,659	Early Help Co-Ordination	4,416	(2,990)	<b>1,426</b>	(233)
893	Youth Offending - Statutory and Prevention	1,010	(130)	<b>880</b>	(13)
2,552		5,426	(3,120)	<b>2,306</b>	(246)
1,183	<b>Independent Reviewing Unit</b>	1,231	0	<b>1,231</b>	48
	<b>Looked After Children (Operations)</b>				
1,017	Adoption Allowances and Fees	1,181	(264)	<b>917</b>	(100)
1,920	Adoption Team	2,059	0	<b>2,059</b>	139
406	Child Arrangements and Private Kinship	394	0	<b>394</b>	(12)
524	Children In Need Support	524	0	<b>524</b>	0
3,500	Fostering Team	3,472	(7)	<b>3,465</b>	(35)
2,234	Special Guardianship Orders	2,633	0	<b>2,633</b>	399
1,071	Supervised Contact	1,100	0	<b>1,100</b>	29
10,672		11,363	(271)	<b>11,092</b>	420
	<b>Looked After Children and Care Leaver (Placements)</b>				
6,383	Disabled Children's Placements	5,930	(1,049)	<b>4,881</b>	(1,502)
6,573	Independent Fostering	7,497	0	<b>7,497</b>	924
1,316	Independent Post 18 Placements	1,359	(44)	<b>1,315</b>	(1)
5,703	Independent Residential Care	5,990	(1,079)	<b>4,911</b>	(792)
1,682	Independent Supported Accommodation	2,377	0	<b>2,377</b>	695
6,649	Internal Fostering	8,601	(167)	<b>8,434</b>	1,785
659	Internal Post 18 Placements	605	(37)	<b>568</b>	(91)
545	Internal Supported Accommodation	402	0	<b>402</b>	(143)
525	Secure Accommodation	561	(26)	<b>535</b>	10
0	Unaccompanied Asylum Seeking Children	2,583	(2,162)	<b>421</b>	421
30,035		35,905	(4,564)	<b>31,341</b>	1,306
13,721	<b>Social Work Teams</b>	13,855	0	<b>13,855</b>	134
4,085	<b>Strategic Management and Legal Costs</b>	4,744	(601)	<b>4,143</b>	58
<b>75,767</b>		<b>86,810</b>	<b>(8,997)</b>	<b>77,813</b>	<b>2,046</b>



<b>Analysis of changes:</b>	<b>£'000</b>
<b>Technical and Service Changes</b>	
Inflation	556
Increase in Pension Contributions	922
National Living Wage	146
Demographic and other growth in demand	
Increased numbers of Looked After Children and other changes in provision and support	3,748
Unaccompanied Asylum Seeker Children Looked After and changes to statutory provision for homeless children	623
<b>Savings Strategies</b>	
Targeted support for families on the edge of care delivered through Family Solutions Service and other early interventions	(417)
Improved practice and strategic commissioning including block contracts	(1,319)
Improved care proceedings for Child and Parent cases	(825)
Planned reductions in legal costs arising from improved care proceedings	(150)
Planned reductions in management costs and other reorganisation	(908)
Planned efficiencies across Social Worker Teams and Agency staffing	(330)
<b>Total</b>	<b>2,046</b>

## Service Commentary

This service brings together the statutory duties of the Council in relation to children in need, child protection and looked after children. 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.

One of the main drivers of costs is the mix of placement types rather than simply the numbers of children in care. Savings strategies centre on fewer children coming into higher cost placements or spending a reduced amount of time in higher cost placements (particularly residential).

Improved targeting of children's social work and better screening by the Multi-Agency Safeguarding Hub (MASH) continues to reduce the number of assessments that do not result in any further action by the Children's Social Care service, directly contributing to lower caseloads.

## Service Statistics

Children's Social Work and Child Protection		Number of people budgeted to receive service		
		Average through Year		
	Unit of Measurement	2016/17	Change	2017/18
<b>Looked After Children</b>				
External Residential	Service Users	98	(28)	70
Internal Fostering Placements	Service Users	316	47	363
External Fostering Placements	Service Users	124	49	173
Foster to Adopt	Service Users	9	(3)	6
External Supported Lodgings/Housing	Service Users	27	18	45
Internal Residential Special School	Service Users	16	(12)	4
Medical Establishment	Service Users	6	(1)	5
Placed For Adoption	Service Users	56	(30)	26
Placed with Parents	Service Users	29	(4)	25
Secure Welfare	Service Users	2	0	2
Unaccompanied Asylum Seeking Children	Service Users	1	52	53
<b>Total Looked After Children</b>		<b>684</b>	<b>88</b>	<b>772</b>
		<b>2016/17</b>	<b>Change</b>	<b>2017/18</b>
<b>Other Children's Services</b>				
Staying Put/Care Leavers	Service Users	67	(9)	58
Children subject to a Child Protection Plan	Service Users	691	(306)	385
Children in Need - Assessments	Service Users	7,706	(1,836)	5,870
Children in Need - Placements	Service Users	3	(1)	2
Adoption Allowances	Service Users	128	(22)	106
Special Guardianship Order Allowances	Service Users	271	56	327
Residence/Child Arrangement Order Allowances	Service Users	67	(15)	52
Adoption Orders	Service Users	50	(8)	42
Shortbreak Services and Direct Payments	Service Users	1,292	(27)	1,265

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## Education and Learning (General Fund)

2016/17 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	<b>2017/18 Outturn Budget £'000</b>	2017/18 Net Changes £'000
8,978	<b>Children's Centres and Early Years Services</b>	8,525	(159)	<b>8,366</b>	(612)
	<b>Infrastructure</b>				
594	Admissions, Data and Strategic Management	719	(244)	<b>475</b>	(119)
70	Legal Disbursements	45	0	<b>45</b>	(25)
1,201	Teachers Pension - Historic Enhancements	1,201	0	<b>1,201</b>	0
1,865		1,965	(244)	<b>1,721</b>	(144)
	<b>School Improvement Inclusion and Safeguard</b>				
2,368	Closing The Gap	2,237	(19)	<b>2,218</b>	(150)
2,597	Inclusion	2,823	(195)	<b>2,628</b>	31
1,330	Quality Service and Provision	2,239	(965)	<b>1,274</b>	(56)
652	Safeguarding Every Learner	538	0	<b>538</b>	(114)
6,947		7,837	(1,179)	<b>6,658</b>	(289)
	<b>School Transport</b>				
449	Home to College	840	(528)	<b>312</b>	(137)
12,943	Home to School	13,829	(593)	<b>13,236</b>	293
8,208	Personalised Transport	9,795	(242)	<b>9,553</b>	1,345
21,600		24,464	(1,363)	<b>23,101</b>	1,501
670	<b>Vulnerable Groups and Virtual School</b>	567	(95)	<b>472</b>	(198)
<b>40,060</b>		<b>43,358</b>	<b>(3,040)</b>	<b>40,318</b>	<b>258</b>

### Analysis of changes:

£'000

#### Technical and Service Changes

Inflation	453
Increase in Pension Contributions	129
National Living Wage	212
Demographic and other growth in demand - Transport	1,054

#### Savings Strategies

Consolidation and cost reductions from various external contracts	(554)
Home to School/College transport - efficiency and personalised approach to transport	(195)
Planned additional income from changes to charging policies	(10)
Review of Early Years contracts and service	(649)
Planned reductions in management costs	(124)
Planned reductions in other costs	(58)

#### Total

**258**

## 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.

## Service Statistics

<b>Transport</b>	<b>Unit of Measurement</b>	<b>2016/17</b>	<b>Change</b>	<b>2017/18</b>
School/ College Transport	Pupil Numbers p.a.	14,261	19	14,280
Personalised Transport	Pupil Numbers p.a.	1,539	(9)	1,530

## Education and Learning (School Funding)

2016/17 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2017/18 Outturn Budget £'000	2017/18 Net Changes £'000
<b>Central Provision Within Schools Budget</b>					
306	Admissions	440	(134)	<b>306</b>	0
227	Other DSG Services	1,639	(17)	<b>1,622</b>	1,395
292	Phase Associations	304	(12)	<b>292</b>	0
900	Pupil Growth - Falling Rolls	1,500	0	<b>1,500</b>	600
937	Support Services	933	(85)	<b>848</b>	(89)
873	Termination of Employment Costs	873	0	<b>873</b>	0
3,535		5,689	(248)	<b>5,441</b>	1,906
<b>De-Delegated Schools Budget</b>					
146	Facilitation and Representation	151	(8)	<b>143</b>	(3)
591	Licences and Subscriptions	535	0	<b>535</b>	(56)
1,212	Maternity	1,189	0	<b>1,189</b>	(23)
133	School Intervention Fund	130	0	<b>130</b>	(3)
1,176	Schools and DSG Contingency	1,150	0	<b>1,150</b>	(26)
1,373	Targeted Specialist Services	1,364	0	<b>1,364</b>	(9)
4,631		4,519	(8)	<b>4,511</b>	(120)
29,545	<b>Early Years Budget</b>	36,482	(353)	<b>36,129</b>	6,584
<b>High Needs Budget</b>					
1,630	Alternative Provision	2,247	0	<b>2,247</b>	617
1,241	Children In Care and Exclusions	1,206	0	<b>1,206</b>	(35)
1,558	Closing The Gap	1,500	0	<b>1,500</b>	(58)
236	Early Help and Behaviour Support	118	0	<b>118</b>	(118)
292	Hospital Education Services	292	0	<b>292</b>	0
364	Inclusion	349	0	<b>349</b>	(15)
23,408	Maintained Special Schools	26,379	0	<b>26,379</b>	2,971
1,164	Nursery Plus	1,164	0	<b>1,164</b>	0
11,990	Other Special School Fees	15,015	0	<b>15,015</b>	3,025
328	Recoupment	1,200	(722)	<b>478</b>	150
164	Safeguarding Every Learner	144	0	<b>144</b>	(20)
10,867	SEN Mainstream	10,975	0	<b>10,975</b>	108
1,219	SEN Services	924	0	<b>924</b>	(295)
2,512	Support Centre Funding	1,843	0	<b>1,843</b>	(669)
56,973		63,356	(722)	<b>62,634</b>	5,661
<b>Schools</b>					
10,332	Academy and Independents	10,991	0	<b>10,991</b>	659
226,163	Primary Schools	227,167	0	<b>227,167</b>	1,004
174,910	Secondary Schools	174,778	0	<b>174,778</b>	(132)
411,405		412,936	0	<b>412,936</b>	1,531
<b>Schools Funding</b>					
(461,797)	Dedicated Schools Grant (DSG)	0	(477,365)	<b>(477,365)</b>	(15,568)
(4,882)	Early Years - Disadvantaged 2 Year Olds	0	(5,083)	<b>(5,083)</b>	(201)
(10,726)	Other School Grants	0	(10,578)	<b>(10,578)</b>	148
(5,188)	Post 16 Funding	0	(5,129)	<b>(5,129)</b>	59
(23,496)	Pupil Premium	0	(23,496)	<b>(23,496)</b>	0
(506,089)		0	(521,651)	<b>(521,651)</b>	(15,562)
<b>0</b>		<b>522,982</b>	<b>(522,982)</b>	<b>0</b>	<b>0</b>

<b>Analysis of changes:</b>	<b>£'000</b>
Education Service Grant Retained Duties funding	1,429
Pupil Growth - new and expanding schools	600
Changes in de-delegation - net effect of academy conversions and increased demand	(120)
Increase in Early Years Free Entitlement and pupil number changes	6,584
Additional support for vulnerable students including those at risk of exclusion	617
Additional investment for children with complex needs	6,200
Realignment of planned places in specialist Support Centres	(669)
Planned cost reductions and redirection to children with complex needs	(541)
Net changes to mainstream school budgets arising mainly from demographic changes and transfer to High Needs block	1,531
Other minor changes	(69)
Increase in Dedicated Schools Grant and other grants arising from demographic changes, inclusion of Education Services Grant funding and increase in Early Years funding rate	(15,562)
<b>Total</b>	<b>0</b>

## Service Commentary

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

		at Dec 2016		
		Number of organisations	Number of Schools	
<b>Local Authority Maintained schools and Academies</b>				
<b>Local Authority Maintained schools</b>				<b>250</b>
	Federations	40		104
	Management Partnerships	7		20
	% of schools actively collaborating			50%
<b>Free Schools</b>				<b>7</b>
<b>Academies</b>				<b>109</b>
	Number of schools in multi-Academy trusts/collaborations			93
	% of Academies in multi Academy trusts/collaborations			85%
<b>Total all schools and Academies</b>				<b>366</b>
<b>Number of pupils in LA maintained schools</b>	<b>Unit of Measurement</b>	<b>Oct-2015</b>	<b>Change</b>	<b>Oct-2016</b>
Nursery Schools	Hours being funded converted to FTE	147	10	157
Maintained Nurseries within Primary Schools	Hours being funded converted to FTE	1,603	(38)	1,565
		<b>1,750</b>	<b>(28)</b>	<b>1,722</b>
Primary Schools	Numbers on Roll	42,444	(2,653)	39,791
Secondary Schools	Numbers on Roll	14,398	(1,958)	12,440
		<b>56,842</b>	<b>(4,611)</b>	<b>52,231</b>
<b>Number of pupils in Academy schools</b>				
Primary Schools	Numbers on Roll	11,339	3,548	14,887
Secondary Schools	Numbers on Roll	19,346	2,102	21,448
		<b>30,685</b>	<b>5,650</b>	<b>36,335</b>
<b>Number of pupils in Free schools</b>				
Primary Schools	Numbers on Roll	221	142	363
Secondary Schools	Numbers on Roll	287	121	408
		<b>508</b>	<b>263</b>	<b>771</b>
<b>Total number of pupils in LA Maintained schools, Academies and Free schools</b>				
Nursery Schools	Pupil Numbers FTE	1,750	(28)	1,722
Primary Schools (including Free schools)	Numbers on Roll	54,004	1,037	55,041
Secondary Schools (including Free schools)	Numbers on Roll	34,031	265	34,296
		<b>89,785</b>	<b>1,274</b>	<b>91,059</b>
<b>Percentage of pupils in academy schools</b>				
Primary Schools	Numbers on Roll	21.2%	6%	27.1%
Secondary Schools	Numbers on Roll	56.9%	6%	62.5%
<b>Early Years Education Provision</b>		<b>2016/17</b>	<b>Change</b>	<b>2017/18</b>
Early Years Independent Provision	Pupil Numbers FTE	8,203	206	8,409
Early Years Entitlement Take up	Percentage of eligible children	98.0%	2%	100.0%
3 & 4 year old additional 15 hours (Sept-March 17/18)	Pupil Numbers FTE	0	2,273	2,273
Disadvantaged Two Year Olds	Pupil Numbers FTE	1,564	579	2,143
<b>Young People with Additional Needs</b>		<b>2016/17</b>	<b>Change</b>	<b>2017/18</b>
Statemeted Pupil (Statutory)	Number of young people with a Statutory statement	1,492	18	1,510
Pupils with a 'My Plan' (non statutory)	No of young people with a 'My Plan'	650	324	974
Independent Special Schools (pre 16)	Pupil Numbers	141	24	165
SEN referral placements	Number of planned places	0	15	15
Maintained Special Schools Pre 16	Number of planned places	888	63	951
Maintained Special Schools Post 16	Number of planned places	100	0	100
Post 16 placements: young people with learning difficulties & disabilities (excl Maintained Special Schools)	Number of planned places	475	(19)	456
Number of pupils receiving Top Up funding in Alternative Provision	Number of Learners	250	10	260



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## 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	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
<b>Adult Care Operations and Health</b>						
Adaptations - Disabled adults houses		150	150	150	0	0
Works for Care Quality Commission & Provider Services		30	50	50	50	0
Barnstaple Hub	3,000	1,000	0	0	0	0
Lifting and handling equipment		10	10	10	0	0
<b>Total</b>		<b>1,190</b>	<b>210</b>	<b>210</b>	<b>50</b>	<b>0</b>
<b>Adult Commissioning and Health</b>						
Disabled Facilities Grant		5,737	0	0	0	0
Extra Care Housing		818	6,150	3,000	0	0
Grants to independent care homes to improve quality / capacity	2,500	0	1,000	500	0	0
<b>Total</b>		<b>6,555</b>	<b>7,150</b>	<b>3,500</b>	<b>0</b>	<b>0</b>
<b>Adult Care &amp; Health Total</b>		<b>7,745</b>	<b>7,360</b>	<b>3,710</b>	<b>50</b>	<b>0</b>
<b>Financed by:</b>						
Borrowing - Unsupported		718	6,150	700	0	0
Capital Receipts - General		250	1,000	2,800	0	0
External Funding - Grants		6,777	210	210	50	0
<b>Total</b>		<b>7,745</b>	<b>7,360</b>	<b>3,710</b>	<b>50</b>	<b>0</b>

\* Scheme Approvals have been included for individual projects.

This table does not show expenditure on capital projects currently programmed in financial year 2016/17 which may be deferred to 2017/18 owing to changes in project delivery timescales.

<b>Project</b>	<b>*Total Scheme Approval</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Children's Social Care</b>						
Atkinson Unit - Front of house extension	1,104	633	17	0	0	0
Atkinson Unit - Staff room expansion	152	2	0	0	0	0
Adaptations - Disabled childrens houses		130	132	130	127	0
Children in care (contingency)		0	5	0	0	0
Grants to adapt foster carers houses		40	40	40	40	39
Upgrade of the Care First System		631	0	0	0	0
<b>Total</b>		<b>1,436</b>	<b>194</b>	<b>170</b>	<b>167</b>	<b>39</b>
<b>Education &amp; Learning</b>						
Early Years provision (Kingsbridge) - New Facility	505	400	28	0	0	0
Devolved Formula Capital (DFC)		1,904	1,617	1,617	1,617	1,617
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
Schools Company South & West Devon Academy - Dartington School site	765	455	0	0	0	0
Vehicle Equipment Loans Pool - Schools		200	200	200	200	200
<b>Total</b>		<b>3,309</b>	<b>2,195</b>	<b>2,167</b>	<b>2,167</b>	<b>2,167</b>
<b>Childrens Services Total</b>		<b>4,745</b>	<b>2,389</b>	<b>2,337</b>	<b>2,334</b>	<b>2,206</b>
<b>Financed by:</b>						
Borrowing - Unsupported		455	5	10	0	18
Borrowing - VELP		200	200	200	200	200
Capital Receipts - General		1,201	172	160	167	21
Direct Revenue Funds - Services		250	250	250	250	250
External Funding - Contributions		50	50	50	50	50
External Funding - Grants		2,589	1,712	1,667	1,667	1,667
<b>Total</b>		<b>4,745</b>	<b>2,389</b>	<b>2,337</b>	<b>2,334</b>	<b>2,206</b>

\* Scheme Approvals have been included for individual projects.

This table does not show expenditure on capital projects currently programmed in financial year 2016/17 which may be deferred to 2017/18 owing to changes in project delivery timescales.

## Adult Care and Health - Risk Assessment

Service	Budget 2017/18 £'000	Risk and Impact	Mitigation
Strategic Risk - demand and unit cost	226,595 (gross)	<p>Devon continues to have one of the most elderly population profiles in the country, particularly in people over 75 years of age with 11.4% of our population falling into this category (3.3% above the average for England).</p> <p>The Office of National Statistics predictions indicate that this number will increase by 2.3% next year, rising to 3% per year by 2021.</p> <p>This budget is based on the most recent service volumes at the time of budget preparation, outlined on the individual budget pages. This requires an overall reduction in the number of clients to achieve the budget levels.</p> <p>The unit price for each element of the service is also based on the most recent data available at the time of preparation, with an additional uplift for inflation. No increase has been included for any additional market premium.</p>	<p>Consistent application of eligibility criteria and continued development / enhancement of strategies to promote independence as well as managing demand through early prevention activities.</p> <p>Continue to prevent reliance on ongoing care wherever possible by earlier intervention and reablement, and increase the proportion of care spending on short term recovery based services so that resources are redirected to where they will be most effective.</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.</p>
Strategic Risk - Promoting Independence	5,685	<p>Within this options appraisal there are ambitious strategies to promote independence which will require change and achieve savings. Officers across adults services are engaged fully with the need to ensure budget savings (which total £6.691millions</p>	<p>Monitor and manage budgets rigorously so that management at all levels are alerted if budgets start to overheat.</p> <p>The change programme methods are well established and there is regular consideration by</p>

		<p>in 17/18) are delivered.</p> <p>There are many strategies that are now advancing, but the scale of change is likely to severely test the capacity of managers at different levels, especially where pressures of essential work cannot be reprioritised without risk to those who receive services.</p>	<p>the Care and Health Leadership Team as to whether resources to implement change are sufficient. Where necessary, resources to alleviate pressure will be allocated.</p> <p>This is a cross council approach to working with our communities and residents and other parts of the authority will be contributing to the implementation of Promoting Independence</p>
Specific Demand Management Approaches - Personal care	37,211 (gross)	<p>Our 'promoting independence' strategy in personal care depends on reducing the number of people with lower level needs receiving ongoing care by identifying individuals where other solutions ( which will often be short-term or one-off) might be more appropriate, including the use of assistive technology or informal support. This depends upon our care management staff adopting a more strengths-based approach on assessment and expecting people to progress at review.</p> <p>However, with an ageing population and a culture of expectation (including NHS colleagues who are responsible for many of our referrals) making the projected reductions in the numbers of people receiving services and the intensity of the service received, will be challenging.</p>	<p>We will continue to manage the transition to the Living Well at Home contract: supporting and challenging lead providers to ensure sufficiency and quality of service at the agreed price; to work as trusted assessors to find other solutions for those with lower level needs where possible; and to introduce outcomes based commissioning to promote independence.</p> <p>Our care management staff will undertake training and development to better work with people at assessment and review to find the best solution to their needs, avoiding or reducing dependence on personal care services over time, recognising that short-term interventions to enable someone to recover independence are usually better than ongoing services for most people.</p> <p>We have introduced weekly measures of personal care activity and spend; monthly</p>

			tracking of specified cohorts ; and team level targets that are performance managed.
Specific Demand Management Approaches - Direct Payments	29,118 (gross)	Direct payments are paid to a recipient to enable them to use a provider of personal care services of their choice rather than one from our contract. More often they enable people to choose the kinds of support they want to meet their eligible needs.	<p>We have introduced the 'Devon card' to automate the monitoring of direct payments and more easily enable clawback of unspent funds.</p> <p>We are introducing the progression model into the setting of direct payments, with a default position that payments reduce over time, and are to be used in a way that enables people to progress to greater levels of independence wherever possible.</p> <p>The monitoring and targeting of direct payments activity and spend will be done in a similar way to that for personal care services</p>
Specific Demand Management Approaches: Residential and Nursing Care	114,083 (gross)	<p>Our greatest challenge in the residential and nursing markets is ensuring sufficiency of locally available care at a good or better quality at an affordable price.</p> <p>The market in Devon features a greater proportion of smaller providers, often operating homes in non-purpose-built buildings and a sub-optimal number of beds, leaving them more vulnerable to changing market conditions.</p> <p>In a rural county market price is impacted by geography and local scarcity and our system of banded rates established to provide a consistent fair cost of care are under pressure, as well as being subject to inflation mainly driven by the</p>	<p>We will continue to seek solutions for people in their own homes – or other accommodation with care options – wherever possible, asking questions about proposed placements for people with lower levels of dependency.</p> <p>We will introduce a more tightly managed brokerage system, maximising the potential benefits of being a purchaser of over 40% of care home beds in the county.</p> <p>We will be more flexible in where we place people, being clear there are limits on choice unless a top-up is paid.</p>

		<p>National Living Wage.</p> <p>For specialist provision for younger adults, the rates we have managed to negotiate have been relatively low, but small fluctuations in the number of people with very complex needs can incur very significant costs.</p>	<p>We will work ever more closely with our NHS partners, neighbouring local authorities, and the regulator in shaping, managing and quality assuring the care home market.</p>
<p>Specific Demand Management Approaches Mental Health</p>	14,157	<p>Our services to people with mental health needs are provided in partnership with the Devon Partnership Trust which takes an operational lead and has our staff assigned to its frontline teams.</p> <p>Our joint plan to improve outcomes within reducing resources requires some significant reconfiguration of services through changing direct provision or contractual arrangements.</p>	<p>Our joint governance and planning arrangements are now more robust and transparent with more effective monitoring of activity, performance and spend and a stronger culture of joint working to achieve jointly agreed objectives.</p>
<p>Specific Demand Management Approaches: Support to people with disabilities</p>	88,197	<p>As with personal care, our 'promoting independence' strategy in individualised support depends on reducing the number of people with lower level needs receiving ongoing support, identifying those where other solutions (which will often be short-term or one-off) might be more appropriate, including the use of assistive technology or informal support, ensuring support in supported living settings is appropriate to all residents, and expecting the enablement of greater levels of independence over time. This depends upon our care management staff adopting a more strengths-based approach on assessment and expecting people to progress at review.</p>	<p>We are introducing the progression model into the care management of younger adults, especially those with learning disabilities, with an expectation that the person, their carer, the care manager, and the service provider will work together to enable greater levels of independence over time.</p> <p>We will work with providers on training and developing their workforce and incentivise them to achieve outcomes of greater levels of independence.</p> <p>The monitoring and targeting of individualised support activity and spend will be done in a similar way to that for personal care services.</p>

<p>Enablers to Managing Demand - Care management changing role and approach</p>		<p>To shift our culture and practice to make promoting independence its overriding purpose is a significant challenge when partners and people in the community often judge success by an outcome of an ongoing service rather than alternative solutions.</p> <p>Without this shift in expectation, culture, practice and provision we will be unable to focus our constrained resources on those who need them most.</p>	<p>Central to promoting independence is a care management strategy that involves reviewing every aspect of the service: its operating model, staff mix, workforce development etc.</p> <p>Allied to this is a communications strategy aimed at staff, people who use services and their carers, providers and the wider community helping everyone to understand the 'promoting independence' approach and their contribution to making it happen.</p>
<p>Enablers to Managing Demand - NHS Financial Contributors to Social Care (including Better Care Fund)</p>	<p>Total pooled budget currently planned to be in the region of £61 millions of which £15.129 millions is included in DCC revenue budget as income</p>	<p>The Council entered a pooled budget arrangement in 2015/16 with Northern Eastern and Western 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 £12.5 millions of support to DCC social care budgets.</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 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</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</p>



		deployment of resources, ultimately making more difficult the very changes that are necessary to overcome those financial challenges.	together to deal with similar challenges faced by each organisation and create integrated services across organisational barriers.
Enablers to Managing Demand - Capacity to implement change		<p>To meet the challenges of the future, we will need to remain open to all options including service remodelling, transfer or closure.</p> <p>More widely, we are proposing a wide and far-reaching change programme at the same time as major reconfiguration of local NHS services.</p> <p>Without this being a common endeavour our leadership capacity and capability will be stretched.</p>	<p>Changing delivery model can be difficult for service users and their carers, staff, communities and the members who represent them.</p> <p>We will build on our experience of managing similar situations in the past to doing what is right for the future by following best practice in change management, in particular regarding communication, governance and benefits realisation.</p> <p>We recognise that we must support in particular our middle managers in operational services who work across the NHS and local government and must manage the conflicting priorities of business-as-usual and change.</p>

## Children's Social Work and Child Protection - Risk Assessment

Service	Budget 2017/18 £'000	Risk and Impact	Mitigation
Children's Social Work and Child Protection	77,813	<p>The current interim Head of Service is due to leave in June. This could lead to a temporary loss of focus, as priorities settle down.</p> <p>Looked after children placements costs (40% of total Children's Social Care budget) is demand led, volatile and high risk.</p> <p>The budget has been set recognising current pressures on placement costs and assumes active cost control and management.</p> <p>Strategies centre on fewer children going into high cost placements, or spending less time in higher cost placements; includes improved care proceedings for Child &amp; Parent cases.</p> <p>The budget is at risk if there is insufficient, appropriate lower cost provision to meet the needs of the children; or if the numbers of children coming into care rise.</p> <p>Social work staff costs (17.8% of total Children's Social Care budgets):</p> <p>Reduction in reliance on agency staff can only be improved if appropriate level of recruitment and retention are achieved, including newly qualified staff.</p> <p>The budget is at risk if a high number of vacancies have to be covered by higher cost agency staff.</p>	<p>Recruitment of strong replacement with clear objectives and hand over</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 children 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 - external focus on relations with providers.</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</p>

			families and children get through times of difficulty. Additional investment in the Social Work Academy to deliver high quality training and development for new entrants and existing workforce.
Education and Learning – General Fund		A third of Devon's schools are academies. 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.	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. Continue to encourage Academies to buy back Traded Services.
School/College Transport	23,101	The number of pupils with personalised transport needs has been increasing with costs continuing to rise.	Continue work 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.
Education and Learning – Schools budgets	522,982 (gross)	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	Ensure a clear and well understood approach to robust commissioning negotiations with providers. Continue to engage with national reviews of schools funding arrangements.

		which may in turn impact on traded services and de-delegation decisions.	
High Needs budgets	62,634 (net)	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. Risk of more exclusions and increase in harder to admit children.	<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.</p> <p>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>

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## Consolidated Pages

The following consolidated pages have been produced to show the overall proposed budgets for the Authority and are based on the new management structure implemented on 1st November 2016.

The targets set for each service area have been based on this new structure. The impact for scrutiny committees is:-

- Health and Wellbeing Scrutiny Committee will continue to receive the proposed budgets for Public Health which is the responsibility of the Chief Officer for Communities, Public Health, Environment and Prosperity.
- Place Scrutiny Committee will receive the proposed budgets for Capital Development and Waste Management and Highways and Traffic Management which is the responsibility of the Chief Officer for Highways, Infrastructure Development and Waste. It will also receive the proposed budgets for Economy, Enterprise and Skills, Planning Transportation and Environment and Communities and Other Services which is the responsibility of the Chief Officer for Communities, Public Health, Environment and Prosperity. This reflects the change to include Public Health and Skills. For the sake of completeness the proposed budgets for Public Health have also been included which have been considered by the Health and Wellbeing Scrutiny Committee.
- People Scrutiny Committee will receive the proposed budgets for Adult Services which is the responsibility of the Chief Officer for Adult Care and Health. It will also receive the proposed budgets for Children's Services which is the responsibility of the Chief Officer for Children's Services. This reflects the movement of Skills to Place Scrutiny.
- Corporate Services Scrutiny Committee will continue to receive the proposed budgets for all the Corporate Services.

These pages are for information only and show how the services being scrutinised by this Committee fit into the overall structure of the Council. Any questions on these pages relating to services outside of this Committees remit will need to be considered at the Joint Scrutiny meeting on 30th January 2017.

## How the 2017/18 budget has been built up

	2016/17 Adjusted Budget	Changes	2017/18 Outturn Budget
	£'000	£'000	£'000
Adult Care Operations and Health	173,852	16,786	190,638
Adult Commissioning and Health	23,895	1,960	25,855
<b>Adult Care and Health</b>	<b>197,747</b>	<b>18,746</b>	<b>216,493</b>
Childrens Social Work and Child Protection	75,767	2,046	77,813
Education and Learning - General Fund	40,060	258	40,318
Education and Learning - School Funding	0	0	0
<b>Children's Services</b>	<b>115,827</b>	<b>2,304</b>	<b>118,131</b>
Communities and Other Services	11,201	7	11,208
Economy, Enterprise and Skills	4,923	32	4,955
Planning, Transportation and Environment	17,040	1,053	18,093
Public Health	147	800	947
<b>Community, Health, Environment, Prosperity</b>	<b>33,311</b>	<b>1,892</b>	<b>35,203</b>
Chief Executive, Legal and Communications	4,792	(104)	4,688
Digital Transformation and Business Support	14,241	83	14,324
Human Resources and Organisational Development	3,406	(200)	3,206
Treasurer's Services	11,027	107	11,134
<b>Corporate Services</b>	<b>33,466</b>	<b>(114)</b>	<b>33,352</b>
Capital Development and Waste Management	26,909	(205)	26,704
Highways and Traffic Management	31,528	(1,826)	29,702
<b>Highways, Infrastructure and Waste</b>	<b>58,437</b>	<b>(2,031)</b>	<b>56,406</b>
<b>Total</b>	<b>438,788</b>	<b>20,797</b>	<b>459,585</b>

	Change £' 000
<b>Reasons for changes in Revenue Budget</b>	
<b>Technical and Service Changes</b>	
Inflation	10,683
Increase in Pension Contributions	4,078
National Living Wage	2,531
Children's Services demographic and demand pressures	5,425
Adult Services demographic and demand pressures	16,919
Care Act Removal of External funding	3,047
Waste Services demographic and contract pressures	1,135
Other demographic, contract and service pressures	1,708
Increase in External Contributions	(2,500)
<b>Savings Requirements</b>	<b>(22,229)</b>
<b>Total</b>	<b>20,797</b>

## Staffing Data

	2016/17		2017/18		Total FTEs
	Adjusted Total FTEs	Changes FTEs	Revenue Funded FTEs	Externally Funded FTEs	
Adult Care Operations and Health	992	1	895	98	993
Adult Commissioning and Health	166	2	158	10	168
<b>Adult Care and Health</b>	<b>1,158</b>	<b>3</b>	<b>1,053</b>	<b>108</b>	<b>1,161</b>
Childrens Social Work and Child Protection	738	(4)	704	30	734
Education and Learning - General Fund	122	0	108	14	122
Education and Learning - School Funding	27	3	0	30	30
<b>Children's Services</b>	<b>887</b>	<b>(1)</b>	<b>812</b>	<b>74</b>	<b>886</b>
Communities and Other Services	92	(48)	20	24	44
Economy, Enterprise and Skills	137	6	59	84	143
Planning, Transportation and Environment	150	25	165	10	175
Public Health	31	0	31	0	31
<b>Community, Health, Environment, Prosperity</b>	<b>410</b>	<b>(17)</b>	<b>275</b>	<b>118</b>	<b>393</b>
Chief Executive, Legal and Communications	108	2	110	0	110
Digital Transformation and Business Support	472	(7)	465	0	465
Human Resources and Organisational Development	175	(3)	172	0	172
Treasurer's Services	265	2	161	106	267
<b>Corporate Services</b>	<b>1,020</b>	<b>(6)</b>	<b>908</b>	<b>106</b>	<b>1,014</b>
Capital Development and Waste Management	102	0	102	0	102
Highways and Traffic Management	253	0	253	0	253
<b>Highways, Infrastructure and Waste</b>	<b>355</b>	<b>0</b>	<b>355</b>	<b>0</b>	<b>355</b>
<b>Total</b>	<b>3,830</b>	<b>(21)</b>	<b>3,403</b>	<b>406</b>	<b>3,809</b>

### Explanation of Movements

#### Adult Care Operations and Health

Net movement as a result of workforce reductions	(4)
Increase in corporate staff to support new duties under part 1 of the Care Act	10
Social Care Reablement removal of vacant posts	(10)
Externally funded posts to support improvement to intermediate care provision	5
	<b>1</b>

#### Adult Commissioning and Health

Increase in staff to support market sufficiency duties under part 1 of the Care Act	6
Increase in staff to support transformation and savings programmes	3
Mental Health operational efficiencies	(2)
Transfer of posts to Learn Devon	(5)
	<b>2</b>

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

Disabled Children's Services Restructure	(9)
Fostering Team Restructure	(2)
Supervised Contact Team Restructure/Movement Across Service	4
Additional Personal Advisors within Social Work	2
Atkinson Unit Additional Support Posts	2
Reducing Exploitation and Absence from Care or Home (REACH) Team Restructure	(1)
	<b>(4)</b>



<b>Education and Learning</b>	
<u>General Fund</u>	
Additional Special Educational Needs & Disability (SEND) Implementation support staff funded by grant	8
Review of Early Years services	(3)
Academisation of Teacher Training	(5)
<u>Dedicated Schools Grant</u>	
Review of Admissions services	1
Review of Early Years services	2
	<b>3</b>
<b>Communities and Other Services</b>	
Youth Service - staff transferring to an independent entity	(48)
	<b>(48)</b>
<b>Economy, Enterprise and Skills</b>	
Learn Devon - apprentices	3
Learn Devon - transfer in from Adult Care Commissioning	5
Restructure of team hours	(2)
	<b>6</b>
<b>Planning Transportation &amp; Environment</b>	
NHS Transport staff transferred in	8
Reinstatement of School Crossing patrol staff numbers	14
Modern apprenticeships and interns	3
	<b>25</b>
<b>Chief Executive, Legal &amp; Communications</b>	
Legal support to address capacity issues	1
Assistant Solicitor Adult Social Care	1
	<b>2</b>
<b>Digital Transformation and Business Support</b>	
Business Support - transfer in from Children's Social Work and Child Protection	4
Review of Business Support	(12)
Modern Apprenticeship	1
	<b>(7)</b>
<b>Human Resources and Organisational Development</b>	
Change Management	8
Review of HR structure	(11)
	<b>(3)</b>
<b>Treasurer's Services</b>	
Finance Management Team restructure	(2)
Devon Audit Partnership	(2)
Peninsula Pensions - new legislation	7
Reduction of hours across service	(1)
	<b>2</b>
<b>Total</b>	<b>(21)</b>

## Analysis of Total Expenditure for 2017/18

	Gross Expenditure	Grant and Contribution Income	External Income	Internal Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000
Adult Care Operations and Health	251,644	(16,799)	(44,207)	0	190,638
Adult Commissioning and Health	27,769	(1,274)	(636)	(4)	25,855
<b>Adult Care and Health</b>	<b>279,413</b>	<b>(18,073)</b>	<b>(44,843)</b>	<b>(4)</b>	<b>216,493</b>
Childrens Social Work and Child Protection	86,810	(5,080)	(358)	(3,559)	77,813
Education and Learning - General Fund	43,358	(1,043)	(1,371)	(626)	40,318
Education and Learning - School Funding	522,982	(522,373)	(220)	(389)	0
<b>Children's Services</b>	<b>653,150</b>	<b>(528,496)</b>	<b>(1,949)</b>	<b>(4,574)</b>	<b>118,131</b>
Communities and Other Services	11,685	(53)	(354)	(70)	11,208
Economy, Enterprise and Skills	6,946	(100)	(1,781)	(110)	4,955
Planning, Transportation and Environment	24,354	(1,044)	(3,517)	(1,700)	18,093
Public Health	29,986	(28,979)	0	(60)	947
<b>Community, Health, Environment, Prosperity</b>	<b>72,971</b>	<b>(30,176)</b>	<b>(5,652)</b>	<b>(1,940)</b>	<b>35,203</b>
Chief Executive, Legal and Communications	8,036	0	(2,473)	(875)	4,688
Digital Transformation and Business Support	28,936	(8,812)	(3,715)	(2,085)	14,324
Human Resources and Organisational Development	17,099	0	(2,681)	(11,212)	3,206
Treasurer's Services	20,424	0	(6,970)	(2,320)	11,134
<b>Corporate Services</b>	<b>74,495</b>	<b>(8,812)</b>	<b>(15,839)</b>	<b>(16,492)</b>	<b>33,352</b>
Capital Development and Waste Management	31,901	0	(4,278)	(919)	26,704
Highways and Traffic Management	31,454	(118)	(1,281)	(353)	29,702
<b>Highways, Infrastructure and Waste</b>	<b>63,355</b>	<b>(118)</b>	<b>(5,559)</b>	<b>(1,272)</b>	<b>56,406</b>
<b>Total</b>	<b>1,143,384</b>	<b>(585,675)</b>	<b>(73,842)</b>	<b>(24,282)</b>	<b>459,585</b>

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

	<b>Gross Expenditure</b>	<b>Grant and Contribution Income</b>	<b>External Income</b>	<b>Internal Income</b>	<b>Net Expenditure</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Digital Transformation and Business Support</b>					
ScoMIS	9,699	0	(2,105)	(7,594)	0
<b>Treasurer's Services</b>					
Devon Audit Partnership	1,240	0	(1,240)	0	0
<b>Childrens Social Work and Child Protection</b>					
Atkinson Unit	3,261	(180)	(2,509)	(572)	0
<b>Capital Development and Waste Management</b>					
Ecowaste4Food Project	37	(32)	0	(5)	0
<b>Highways and Traffic Management</b>					
On Street Parking	6,302	(104)	(6,198)	0	0
<b>Communities and Other Services</b>					
Active Devon	1,517	(831)	(70)	(616)	0
Syrian Refugees	500	(500)	0	0	0
<b>Economy, Enterprise and Skills</b>					
LAG - MIL (Making It Local 2)	58	(58)	0	0	0
LAG - REAL Devon	51	(51)	0	0	0
Learn Devon	3,781	(3,384)	(206)	(191)	0
<b>Planning, Transportation and Environment</b>					
AONB Blackdown Hills	213	(202)	0	(11)	0
AONB North Devon	185	(172)	0	(13)	0
Cycle Bikeability Training	280	(280)	0	0	0
Devon Maritime Forum	14	(5)	(4)	(5)	0
Exe Estuary Partnership	26	(17)	0	(9)	0
INNOVASUMP	45	(38)	0	(7)	0
Other Countryside Projects	150	(141)	0	(9)	0
South West Coast Path Team	109	(109)	0	0	0
Transport Co-Ordination Service	3,239	(1,146)	(2,075)	(18)	0
<b>Total</b>	<b>30,707</b>	<b>(7,250)</b>	<b>(14,407)</b>	<b>(9,050)</b>	<b>0</b>
<b>Grand total</b>	<b>1,174,091</b>	<b>(592,925)</b>	<b>(88,249)</b>	<b>(33,332)</b>	<b>459,585</b>

## Government Grants and Contributions Received

Some of the costs of providing services are funded by external grants and contributions, the table below shows the details of the funding expected.

<b>Service and Grant Title</b>	<b>Funded by</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>
<b>Adult Care Operations and Health</b>					
Local Reform Community Voices Grant	Department of Health	138	138	138	138
Social Care in Prisons Grant	Department of Health	303	303	303	303
Contributions	Health and other local authorities	16,358	16,358	16,358	16,358
		<b>16,799</b>	<b>16,799</b>	<b>16,799</b>	<b>16,799</b>
<b>Adult Commissioning and Health</b>					
Local Reform Community Voices Grant	Department of Health	344	344	344	344
Contributions	Health and other local authorities	930	930	930	930
		<b>1,274</b>	<b>1,274</b>	<b>1,274</b>	<b>1,274</b>
<b>Children's Social Work and Child Protection</b>					
Assessed and Supported Year in Employment	Department for Education	52	52	52	52
Youth Detention Grant	Ministry of Justice	26	26	26	26
Youth Justice Grant	Youth Justice Board	67	67	67	67
Police & Crime Commissioner Grant	Office of the Police & Crime Commissioner	19	19	19	19
Unaccompanied Asylum Seekers Grant	Home Office	2,162	3,783	4,045	4,045
Troubled Families Programme	Department for Communities & Local Government	1,050	1,050	1,050	1,050
Contributions	Health and other local authorities	1,884	1,884	1,884	1,884
		<b>5,260</b>	<b>6,881</b>	<b>7,143</b>	<b>7,143</b>
<b>Education and Learning - Dedicated Schools Grant</b>					
Dedicated Schools Grant*	Education Funding Agency	477,365	477,365	477,365	477,365
Early Years - Disadvantaged 2 Year Olds	Education Funding Agency	5,083	5,083	5,083	5,083
Post 16 Funding	Education Funding Agency	5,129	5,129	5,129	5,129
Pupil Premium	Education Funding Agency	23,496	23,496	23,496	23,496
Universal Infant Free School Meals	Education Funding Agency	7,813	7,813	7,813	7,813
PE & Sport Grant	Department for Education	2,765	2,765	2,765	2,765
Music Grant	Arts Council	919	919	919	919
Contributions	Health and other local authorities	846	846	846	846
		<b>523,416</b>	<b>523,416</b>	<b>523,416</b>	<b>523,416</b>
<b>Economy and Enterprise</b>					
LAG - MIL (Making it Local 2)	RPA	58	60	58	0
LAG - REAL Devon	RPA	51	52	51	0
Learn Devon - Community Learning	Skills Funding Agency	2,185	2,185	2,185	2,185
Learn Devon - Adult Skills Budget (inc Apprenticeships / Additional Learning Support)	Skills Funding Agency	1,064	1,064	1,064	1,064
Learn Devon - 24+ Advanced Learning Loans Facility	Skills Funding Agency				
Learn Devon - 14-19 EFA Funding	Education Funding Agency	135	135	135	135
Trading Standards	Government Grants	100	100	100	100
		<b>3,593</b>	<b>3,596</b>	<b>3,593</b>	<b>3,484</b>
<b>Planning, Transportation and Environment</b>					
Natural Futures	Heritage Lottery	78	0	0	0
Areas of Outstanding Natural Beauty	DEFRA	301	306	311	311
Areas of Outstanding Natural Beauty	Other Local Authorities	73	73	73	73
Environment and Sustainable Travel	Other Local Authorities	43	73	43	73
Maritime and Fisheries projects	Other	11	11	11	11
Taw Valley Countryside Stewardship Facilitation Fund	European Agricultural Fund	39	39	39	39
Devon Resilience Fourm	Environment Agency	2	0	0	0
Devon Resilience Fourm	Office of the Police & Crime Commissioner	2	0	0	0
Coastal Creatures	Heritage Lottery Fund	20	5	0	0
South West Coast Path & Country Parks	Natural England	109	109	109	109
Bikeability	Department of Transport	280	280	280	0
Innovasump	ERDF	38	19	0	0
Bus Service Operators Grant	Department of Transport	1,146	1,146	1,146	1,146
Transport contributions	Other Local Authorities	62	62	62	62
Transport contributions	Other	950	946	871	824
		<b>3,154</b>	<b>3,069</b>	<b>2,945</b>	<b>2,648</b>

<b>Service and Grant Title</b>	<b>Funded by</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>
<b>Communities and Other Services</b>					
Active Devon	Sport England	748	748	748	748
Active Devon	Other	83	83	83	83
Syrian Refugee	Home Office	500	900	900	900
Youth Services	Other	13	13	13	13
		<b>1,344</b>	<b>1,744</b>	<b>1,744</b>	<b>1,744</b>
<b>Public Health</b>					
Public Health	Department of Health	28,238	27,504	26,788	26,092
Public Mental Health	Better Care Fund	91	30	0	0
Nicotine Replacement Therapy Contribution	NEW Devon CCG	650	650	650	650
Emergency Planning	Other Local Authorities	40	40	40	40
		<b>29,019</b>	<b>28,224</b>	<b>27,478</b>	<b>26,782</b>
<b>Digital Transformation and Business Support</b>					
Private Finance Initiative	Department for Communities and Local Government	6,937	6,937	6,937	6,937
Private Finance Initiative	Exeter Diocesan Board	1,875	1,889	1,905	1,920
		<b>8,812</b>	<b>8,826</b>	<b>8,842</b>	<b>8,857</b>
<b>Capital Development and Waste Management</b>					
Ecowaste4food	ERDF	32	32	35	32
<b>Highways and Traffic Management</b>					
ExeRail	Other Local Authorities	30	30	30	30
South West Coast Path & Country Parks	Other Local Authorities	45	45	45	45
South West Coast Path & Country Parks	RPA	25	25	25	25
South West Coast Path & Country Parks	Historic England	10	7	14	0
South West Coast Path & Country Parks	Natural England	112	112	112	112
		<b>222</b>	<b>219</b>	<b>226</b>	<b>212</b>
<b>Total</b>		<b>592,925</b>	<b>594,080</b>	<b>593,495</b>	<b>592,391</b>

## Grants Paid to External Organisations

2016/17 £000	Service and Grant Title	2017/18 £000
<b>Children's Social Work and Child Protection</b>		
190	University Bursary Grants	194
150	Facilitating Access to Mainstream Activities for Disabled Children's Services	150
32	Calvert Trust Short Holiday Breaks	32
<b>372</b>		<b>376</b>
<b>Planning, Transportation and Environment</b>		
45	AONB (East, South and Tamar)	48
60	Dorset & East Devon World Heritage site (Jurassic Coast)	60
25	Cornwall & West Devon Mining Landscape World Heritage site	25
20	South West Energy & Environment group	20
4	Wembury Centre	4
2	Tamar Estuaries consultative forum	2
20	Devon Wildlife Trust Nature Improvement Area Project	20
126	Safety Camera Partnership	101
40	Devon & Cornwall Rail Partnership	40
247	Community bodies	247
<b>589</b>		<b>567</b>
<b>Communities and Other Services</b>		
400	Citizens Advice Bureau	400
72	Community Council of Devon	72
189	Councils for Voluntary Services	189
<b>661</b>		<b>661</b>
<b>Public Health</b>		
10	Exmoor National Park	0
20	Dartmoor National Park	0
25	Devon Rape Crisis	0
10	Young Devon	10
22	North Devon against Domestic Abuse	0
15	Teignbridge D.C	10
<b>102</b>		<b>20</b>
<b>1,724 TOTAL</b>		<b>1,624</b>

# Abbreviations

Abbreviations used within the budget:

AONB	Area of Outstanding Nature Beauty
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
BRRS	Business Rate Retention Scheme
CCG	Clinical Commissioning Group
CDWM	Capital Development & Waste Management
CIPFA	The Chartered Institute of Public Finance & Accountancy
C of E	Church of England
DAF	Devon Assessment Framework
DCC	Devon County Council
DDA	Disability Discrimination Act
DEFRA	Department for Environmental Food & Rural Affairs
DFC	Devolved Formula Capital
DSG	Dedicated Schools Grant
E&E	Economy & Enterprise
EESI	Energy Efficiency Schools Initiative
EFA	Education Funding Agency
ESPL	Exeter Science Park Ltd
EU	European Union
FAB LAB	Fabrication Laboratory at Exeter Central Library
FTE	Full Time Equivalent
HR	Human Resources
ICT	Information & Communications Technology
IID	Investing in Devon funds
ILF	Independent Living Fund
IT	Information Technology
LAG	Local Action Group
LEP	Local Enterprise Partnership
LIBID	London Interbank BID rate
LIBOR	London Interbank Offered Rate
LLFA	Lead Local Flood Authority
LOBO	Lender Option Borrower Option
LTP	Local Transport Plan
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

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
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
RSG	Revenue Support Grant
S106	Funding from developers resulting from planning obligations authorised by section 106 of the Town and Country Planning Act 1990
SCOMIS	Schools Management Information Service
SEN	Special Education Needs
SEND	Special Educational Needs and Disabilities
SfC	Services for Communities
VAT	Value Added Tax
VELP	Vehicle Equipment Loan Pool
WEEE	Waste Electrical and Electronic Equipment Regulation



**Joint Report of the County Treasurer and Chief Executive****2017/18 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 2017/18 and Capital Programme for 2017/18 to 2021/22.

**1. Introduction and Commentary**

- 1.1 At its meeting of 14th December 2016, Cabinet set Revenue Budget targets for 2017/18. The targets incorporate inflation and pressures and income initiatives and savings 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 along with the local element of Business Rates. Information should be available by the time that County Council considers final budget proposals for 2017/18 on 16th February 2017. However, given the late notification of the provisional settlement and in line with arrangements from previous years, 23rd February 2017 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 14th December which total £459.585 millions. The total includes funding for budget pressures of £43.0 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. Savings and income initiatives of £22.2 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 table below shows the 2017/18 Budget Targets by Chief Officer as following the restructure we no longer have Strategic Directors. Service specific implications of the restructure are set out in detail later in this report.

	2016/17			2017/18	
	Adjusted		Savings & Income Initiatives	Base Budget	
	Base Budget	Inflation & Pressures	Income Initiatives	Base Budget	
	£000	£000	£000	£000	
Adult Care & Health	197,747	26,936	(8,190)	216,493	+9.5%
Children's Services	115,827	7,843	(5,539)	118,131	+2.0%
Communities, Public Health, Environment & Prosperity	33,311	2,468	(576)	35,203	+5.7%
Corporate Services	33,466	2,283	(2,397)	33,352	-0.3%
Highways, Infrastructure Development & Waste	58,437	3,496	(5,527)	56,406	-3.5%
	<b>438,788</b>	<b>43,026</b>	<b>(22,229)</b>	<b>459,585</b>	

- 1.5 This report provides detailed budget proposals in respect of all Corporate Services, in line with the targets outlined above. The Budget Scrutiny day will provide Members with the opportunity to question further budget issues for 2017/18 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 On 15th December 2016, the Secretary of State for the Department for Communities and Local Government, Rt. Hon. Sajid Javid MP, made a statement to Parliament on the Provisional Local Government Finance Settlement for 2017/18. The main items of note are set out below.
- 2.2 In 2016/17, the Social Care Precept on Council Tax was set at 2% per annum for the period 2016/17 to 2019/20 inclusive. The terms of this precept have now been changed for the period 2017/18 to 2019/20. Local Authorities will now be able to increase the Social Care Precept by up to 3% per annum in 2017/18 and 2018/19. However, authorities that go ahead with the 3% increase in both years will not be able to make a further increase in 2019/20 (i.e. the total allowable increase over the three year period remains at 6%).
- 2.3 The 2017/18 New Homes Bonus allocations and details of the consultation on the future of the scheme have been announced (previously these figures were indicative). The number of years the scheme will be based upon, currently six years, will reduce to five years in 2017/18 and four years from 2018/19 onwards. The scheme will now also only reward growth in homes above 0.4% per annum, currently all growth is rewarded. These changes have reduced the County Council's expected New Homes Bonus allocation by £709,000. The majority of New Homes Bonus, 80%, is retained by the District Councils and the impact of this change is therefore felt more keenly by them. The Devon Districts have between them seen their funding reduced by £2.95 millions in 2017/18.
- 2.4 The changes to the New Homes Bonus Scheme have allowed the government to remove £241 millions from the 2017/18 scheme. This saving has been used to create the new Adult Social Care Support Grant. This funding is being distributed based on the relative needs formula and is for 2017/18 only. The County Council will receive £3.592 millions.
- 2.5 As the Adult Social Care Support Grant is for 2017/18 only and the increased freedoms relating to the Social Care Precept being a matter of timing only there is no change to funding levels from these two changes in 2019/20.
- 2.6 Within the Business Rates Retention system the Top Up element has been amended to reflect the 2017 revaluation. For the County Council this amounts to an additional £74,000 in 2017/18; this is not a gain however, as the local element of Business Rates is expected to reduce by this amount. The other elements of Core Funding are as expected.
- 2.7 The provisional settlement has confirmed that the Council Tax increase that will trigger a referendum, excluding the Social Care Precept, will remain at 2% for 2017/18.
- 2.8 In 2017/18 government funding (core funding) for the County Council will reduce from £151.6 millions in 2016/17 to £128.3 millions in 2017/18. This is a reduction of £23.3 millions, nearly 15.4%. Although this is inline with the four

year settlement announced in 2016/17 it is still a significant reduction to our funding at a time when there are huge pressures on Social Care services.

### **3. Service Specific Budget Issues**

- 3.1 The targets set for each service area have been based on the new structure. Corporate Service Scrutiny committee will continue to receive the proposed budgets for all of Corporate Services. However, the proposed budgets for Public Health will be presented to the Place Scrutiny Committee along with the other services falling under the remit of the Chief Officer for Communities, Public Health, Environment and Prosperity.
- 3.2 In order to deliver budget targets set by Cabinet, budget reductions of £2.397 millions are required.
- 3.3 To achieve this, significant budget reductions are required in respect of staffing, incorporating restructuring of services, revised management structures and other fundamental operational changes. For some services process mapping has helped to engineer change and produce increased efficiencies and reduced costs.
- 3.4 Work on cross-cutting strategies continue along with increasing property rationalisation and contractual savings including energy efficiency.
- 3.5 At the same time we continue to develop new delivery models, alongside a further progression of partnership arrangements and increased use of joint venture arrangements, wherever appropriate, in order to bring down costs.
- 3.6 We have also increased income targets, utilising increased growth from the educational marketplace by way of the Schools Management Information Service (ScoMIS), as well as charging academies for conveyancing work.
- 3.7 Furthermore, significant reductions are predicated on changes within the cost of democracy resulting from Boundary reforms, and a review of committee and other meeting structures and support.
- 3.8 For Corporate Services as a whole, there are risks associated with the targets, not least the increasing demands placed by front-line services, also undergoing significant organisational change.
- 3.9 With transformational change taking place across several areas at the same time, the challenge of delivering considerable budget reductions whilst meeting increased operational demands is not insignificant.
- 3.10 It is evident that the level of demand in recent years has exceeded capacity, not least through increased pressure in child and adult safeguarding. This has been offset by additional savings in other areas, and has added significantly to the overall pressure on Corporate Services.

### **4. Capital Programme**

- 4.1 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.
- 4.2 Corporate Services will have £11.5 millions of new capital investment across the service, funded from corporate resources. This will include ongoing £5.5 millions investment within ICT for IT replacement and renewal to support the

Authority's new operating model. In addition there will be new investment covering digital technologies, business intelligence infrastructure and productivity tools. There will be £3 millions of investment to the County's corporate estate including heating and ventilation systems, electrical works, lifts and other improvements and £3 millions investment within County Farms to ensure the County is able to meet its statutory and legislative requirements.

## **5. Equality Impact Assessment**

- 5.1 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, which includes mitigating against the negative impact of service reductions.
- 5.2 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.
- 5.3 The report 'Budget 2017 – 2018 Equality Impact Assessment' provides information on the impacts of savings strategies. Previous years assessments are available at <https://new.devon.gov.uk/impact/> under 'Published Assessments'. The report for 2017/18 provides a detailed analysis of community feedback and data and views on budget priorities and council tax.

The 2017/18 report is published at <https://new.devon.gov.uk/impact/published/budget-setting-201718/>

Mary Davis  
County Treasurer

Phil Norrey  
Chief Executive

Electoral Divisions : All  
Local Government Act 1972

**List of Background Papers**

Contact for Enquiries : Mary Davis  
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Background Paper Date File Ref  
Nil  
Date Published 11th January 2017

# Leadership Group Commentary

## Introduction

Against a national back drop of economic and political uncertainty, Devon County Council is facing increasing pressures on its budget. Uncertainties around the potential fall out from Brexit make for a nervous economic picture, and there remains a lack of any clear direction around the devolution agenda and the potential for the Heart of the South West to benefit financially.

What is clear though is that while resources reduce, demand on services is growing. With people living longer and having increased and more complex needs, expectations of how the Council delivers services need to be managed more effectively.

We remain a large organisation and a major employer in the South West, with a budget of over £1 billion. This is becoming increasingly challenging to manage but by working in new and innovative ways with our staff, Members, partners and communities, it is achievable.

## Services under pressure

The combination of increased need and increased complexity of need is putting our services under pressure. While we have already taken steps to increase efficiency and effectiveness, we need to do more to prevent unnecessary escalation into our high cost specialist service areas.

Our budget recognises that the health and social care system is a critical area that is under severe pressure, resulting in escalating demand on resources and the need for better integration. Our core purpose is to look after the old, the young and the most vulnerable people in our society and ensure they have the best outcomes while achieving value for money across all areas of our work.

With a greater emphasis on prevention and tackling health inequalities, we will work with our partners to identify opportunities for better local outcomes, encourage greater independence, and help people to help themselves and live their lives well.

Supporting people, whatever their circumstances, through education and into work is a cornerstone of our commitment to improving quality of life and giving back to the local economy.

We also work hard to keep Devon on the move, with a smooth transition to our new Term Maintenance Contractor helping to reduce costs, and Government grants helping to improve the rural road network.

## Building community resilience

One of Devon's biggest assets is its communities. We know that many people are active in supporting others in their town and village, and our voluntary and community sector is strong, playing a key role in helping people to live independently, feel connected and build more resilient communities.

We are beginning to have a different sort of conversation with our communities and discovering more about what matters to them and how they want to work with others to reduce dependency on services. Our recent community survey revealed:

- 80% say their community is active in helping people to stay healthy with a good quality of life
- 84% think local people come together to support each other
- 71% say they look out for neighbours or anyone who might be isolated or lonely
- 68% say they can get the help and support they need from family, friends and the community

- 83% say they are active in helping to shape community life
- 72% say their community helps plan for emergencies such as flooding
- 90% say Devon is a place where people and communities can do well

A prime example of community self help is the innovative Integrated Care for Exeter (ICE) programme, bringing together local government, public and community sector organisations and NHS providers. ICE aims to improve the experience of health and social care and support people to remain independent.

And our place based community self-help scheme involves volunteers in a range of activities to enhance their community and keep it moving in the event of flooding or snow.

## **Efficiency and innovation**

By changing our approach to service delivery, we are challenging ourselves to be more focused on what matters by looking through the eyes of individuals and communities at what we do and how we do it.

We will make the most of the talents, skills and energy of our staff, Councillors and residents to redesign and modernise our services.

We will learn from the best and from experience, developing new ideas and digital solutions.

And we will inject more pace into everything we do, becoming more agile in our approach and ensuring that the best value services get to the right people, at the right time, by the right organisation.

For more information on the contents of this section, please contact Nicky Allen, Senior Assistant County Treasurer on 01392 383590 or email [nicola.allen@devon.gov.uk](mailto:nicola.allen@devon.gov.uk)

## Chief Executive, Legal and Communications

2016/17 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	<b>2017/18 Outturn Budget £'000</b>	2017/18 Net Changes £'000
1,352	<b>Coroners Service</b>	1,400	(2)	<b>1,398</b>	46
1,056	<b>Legal Services</b>	2,097	(1,046)	<b>1,051</b>	(5)
836	<b>Media, Marketing and Communications</b>	1,202	(317)	<b>885</b>	49
	<b>Other Services</b>				
212	Corporate Management	288	(64)	<b>224</b>	12
1,740	Cost of Democracy	1,583	(79)	<b>1,504</b>	(236)
130	Local Authority Subscriptions	130	0	<b>130</b>	0
2,082		2,001	(143)	<b>1,858</b>	(224)
(534)	<b>Registration Service</b>	1,336	(1,840)	<b>(504)</b>	30
<b>4,792</b>		<b>8,036</b>	<b>(3,348)</b>	<b>4,688</b>	<b>(104)</b>

	<b>Change £'000</b>
<b>Analysis of changes:</b>	
<b>Technical and Service Changes</b>	
Inflationary increases	155
Increase to Pension contributions	165
Transfer re additional business support (see Digital Transformation and Business Support)	(3)
<b>Savings requirements</b>	
Increased income from Academies	(100)
Savings in cost of Democracy	(321)
<b>Total Chief Executive, Legal and Communications</b>	<b>(104)</b>



## Service Commentary

Chief Executive, Legal Services & Communications provides advice, information and support to staff and Members. In addition it also provides for the Registration of Births, Deaths & Marriages, Her Majesty's Coroners Services, Democratic Services and Scrutiny.

There are a number of pressures affecting the service, not least the increasing demands for legal support in respect of childcare and safeguarding adults, and financial pressures on the Coroners Service.

## Service Statistics and Other Information

	<b>Unit of Measurement</b>	<b>2014/15 actual</b>	<b>Change</b>	<b>2015/16 actual</b>
<b>Coroners Service</b>				
Caseload	No.	2,849	(88)	2,761
Total inquests opened	No.	301	(20)	281
Natural deaths reported with a Post Mortem	No.	529	6	535
<b>Registration Service</b>				
Certificates issued	No.	62,673	1,212	63,885

## Digital Transformation & Business Support

2016/17 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2017/18 Outturn Budget £'000	2017/18 Net Changes £'000
<b>Business Infrastructure</b>					
5,082	Business Services and Support	5,462	(370)	<b>5,092</b>	10
986	Customer Relations	1,122	(162)	<b>960</b>	(26)
2,606	Facilities Management	4,771	(2,104)	<b>2,667</b>	61
(7,288)	Private Finance Initiatives	1,492	(8,812)	<b>(7,320)</b>	(32)
1,386		12,847	(11,448)	<b>1,399</b>	13
<b>Estates</b>					
2,272	Building Maintenance	2,124	(13)	<b>2,111</b>	(161)
1,090	Estates Corporate	1,389	(406)	<b>983</b>	(107)
(362)	Farms	710	(1,092)	<b>(382)</b>	(20)
3,000		4,223	(1,511)	<b>2,712</b>	(288)
<b>ICT</b>					
1,385	Customer Service Centre	1,396	(11)	<b>1,385</b>	0
7,210	ICT	8,858	(1,201)	<b>7,657</b>	447
8,595		10,254	(1,212)	<b>9,042</b>	447
1,260	<b>Procurement</b>	1,612	(441)	<b>1,171</b>	(89)
<b>14,241</b>		<b>28,936</b>	<b>(14,612)</b>	<b>14,324</b>	<b>83</b>

### Analysis of changes:

**Change  
£'000**

#### Technical and Service Changes

Inflationary increases	583
Increase to Pension contributions	506
National living wage (Facilities Management)	30
Rental of corporate premises	70
Combating Ash Dieback in Devon's trees	60
Transfer re additional business support to legal services (Chief Executive, Legal and Comms)	3

#### Savings requirements

Staffing reductions and turnover savings	(635)
Corporate Maintenance savings	(164)
Increased income from joint ventures	(100)
Property rationalisation initiatives	(75)
Contractual savings (PFI)	(35)
ScoMIS - increased growth from educational marketplace	(50)
Energy efficiency savings	(50)
County Farms - rental reviews (net savings)	(20)
Facilities Management savings	(40)

**Total**

**83**

## Service Commentary

The Digital Transformation and Business Support Service is critical for the smooth running of the County Council, enabling all of us to work more efficiently and is fundamental to ensuring that the County Council's key resources are prioritised to meet organisational demand.

As such it covers a range of functions that are critical to supporting frontline service delivery including Information and Communications Technology, Property Asset Strategy, Procurement Services, Land and Property Management (including the County Farms Estate), Facilities management, Business Support (both Front line and back office support), Customer Services Centre, Customer Relations and Information Governance.

In terms of pressures, the key challenge is to ensure efficient and effective service delivery to all front-line services, despite ever increasing demands being placed on Digital Transformation and Business Support from all services within the Council whilst concurrently planning and delivering the required budget savings for these services.

Services must also be developed to ensure they meet the changing shape of the Council and to ensure the Council has a robust and secure foundation on which to operate, whilst also contributing to the Council's Budget reduction programme.

## Service Statistics and Other Information

	Unit of Measurement	2016/17	Change	2017/18
<b>Property</b>				
DCC owned operational properties (including schools)	No.	598	(42)	556
The estate valuation based on depreciated replacement costs or market value, (excluding Church Schools)	£m	779	(81)	698
High priority backlog of maintenance works	£m	49	(5)	44
<b>County Farms Estate</b>				
No of Farms	No.	69	0	69
Total acreage	Acres	9624	(34)	9,590
<b>IT Infrastructure</b>				
Managed Desktops	No.	7,254	(123)	7,131
Networked Sites	No.	278	(20)	258
User accounts (DCC IT systems)	No.	6,062	(236)	5,826

## Human Resources and Organisational Development

2016/17 Adjusted Budget £'000	Gross Expenditure £'000	Gross Income £'000	<b>2017/18 Outturn Budget £'000</b>	2017/18 Net Changes £'000
2,680 <b>Human Resources</b>	16,414	(13,793)	<b>2,621</b>	(59)
726 <b>Organisational Development</b>	685	(100)	<b>585</b>	(141)
<b>3,406</b>	<b>17,099</b>	<b>(13,893)</b>	<b>3,206</b>	<b>(200)</b>

### Analysis of changes:

**£'000**

#### Technical and Service Changes

Inflationary increases	94
Increase to Pension contributions	217

#### Savings requirements

Staffing reductions	(309)
County wide information management and change resources review	(167)
Contractual savings	(35)

### Total

**(200)**

## **Service Commentary**

Organisational Development plays a critical role in transforming the way services are delivered, both within the Council and with partners. It helps to shape the Council's approach, operation and structure by bringing together our corporate policy, HR and organisational change functions in a focussed and coherent way to ensure the Council responds effectively to the pressures, policy and legislative developments it faces.

Those pressures and the drive to transform and change are particularly acute at present and balancing those demands with the need to make significant budget savings, particularly within the HR Service, is the key pressure, as there are significant demands for support, particularly HR support, from front-line services that are themselves undergoing significant organisational change.

## Treasurer's Services

2016/17 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	<b>2017/18 Outturn Budget £'000</b>	2017/18 Net Changes £'000
<b>Other Services</b>					
152	Bank Charges	152	0	<b>152</b>	0
106	External Audit	106	0	<b>106</b>	0
5,148	Unfunded Pensions	8,191	(3,265)	<b>4,926</b>	(222)
5,406		8,449	(3,265)	<b>5,184</b>	(222)
<b>Treasurer's Services</b>					
3,060	Accountancy Services	3,786	(938)	<b>2,848</b>	(212)
221	Corporate Management and Commissioning	1,248	(840)	<b>408</b>	187
1,088	Financial Systems, Processes and Compliance	5,269	(4,014)	<b>1,255</b>	167
1,252	Strategic Financial Planning	1,672	(233)	<b>1,439</b>	187
5,621		11,975	(6,025)	<b>5,950</b>	329
<b>11,027</b>		<b>20,424</b>	<b>(9,290)</b>	<b>11,134</b>	<b>107</b>

### TREASURER'S SERVICES

#### Analysis of changes:

**Change  
£'000**

#### Technical and Service Changes

Inflationary increases

168

Increase to Pension contributions

235

#### Savings requirements

Reduced staffing

(296)

#### Total

**107**

## Service Commentary

The Treasurer provides financial advice and support to Members and to Adult Care and Health, Children's Services, Community, Health, Environment and Prosperity, Highways, Infrastructure and Waste as well as Corporate Services. In addition it oversees a range of other services, including audit, bank charges and competition whilst also managing the Devon Local Government Pension Scheme.

In terms of pressures, the most significant of these is managing continuing austerity at a time when there are increasing demands for financial support and advice from front-line services when Treasurer's Services are undergoing significant organisational change.

## Service Statistics and Other Information

	<b>Unit of Measurement</b>	<b>2016/17 estimates</b>	<b>Change</b>	<b>2017/18 estimates</b>
Debtors raised p.a.	No.	82,000	4,000	86,000
Invoices paid p.a.	No.	427,000	11,000	438,000
Proportion paid using BACS	Percentage	98	1	99

## 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	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
<b>Digital Transformation and Business Support</b>						
<b>Information and Communications Technology</b>						
DCC Operating Model ICT Replacement and Renewal		0	1,000	1,000	1,000	0
Digital communications and transactions		328	0	0	0	0
Supporting ICT Infrastructure		685	0	0	0	0
User access and productivity tools		1,467	0	0	0	0
		<b>2,480</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>0</b>
<b>County Farms Estate</b>						
County Farms Estate Enhancement Programme		<b>600</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>600</b>
<b>Corporate Property Estate</b>						
County Hall - Renew electrical & power systems		140	0	0	0	0
Property Enabling Budget		150	150	150	150	0
Replace and Upgrade Corporate Estate		600	600	600	600	600
		<b>890</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>600</b>
<b>Corporate Services Total</b>		<b>3,970</b>	<b>2,350</b>	<b>2,350</b>	<b>2,350</b>	<b>1,200</b>
<b>Financed by:</b>						
Borrowing - Unsupported		140	0	0	0	0
Capital Receipts - General		3,830	2,350	2,350	2,350	1,200
<b>Total</b>		<b>3,970</b>	<b>2,350</b>	<b>2,350</b>	<b>2,350</b>	<b>1,200</b>

\* Scheme Approvals have been included for individual projects.

This table does not show expenditure on capital projects currently programmed in financial year 2016/17 which may be deferred to 2017/18 owing to changes in project delivery timescales.



## Corporate Service – Risk Assessment

Service	Budget 2017/18 £000	Risk and Impact	Mitigation
Digital Transformation and Business Support	14,324	Increasing demands for support for Children & Adults at risk, services subject to organisational change and changes in service plans place increasing pressure on this service.	Work closely with service heads across the authority to ensure consistency of approach.
Legal Services	1,051	<p>Legal is a demand led service and as such subject to external influences, not least the current economic climate. The service also needs to be flexible in responding to the priorities of the County Council as a whole. In doing this it is important to ensure that the necessary skills &amp; knowledge are available in order to respond to changes in legislation &amp; processes.</p> <p>Furthermore, significant levels of income are predicated on charging academies for conveyancing work.</p>	There is little scope for management action to alleviate financial pressures except at the expense of other services. We are continuing to work closely with colleagues to ensure that we manage the situation to the best of our ability.
Coroners Service	1,398	There is a risk of unavoidable additional costs in medical, analysts, funeral directors and mortuary facility fees. This partly arises from problems in commissioning pathology services, increased fees generally, increases in charges set by the Home Office and some increase in workload.	We are continuing to work closely with colleagues across the region conducting ongoing reviews of commissioning processes and joint working arrangements with a view to curtailing expenditure and producing additional efficiencies and economies in this respect.
Treasurer's Services and Human Resources	8,571	Increasing demands for financial and HR support & advice, not least from services subject to organisational change and changes in service plans, place increasing pressure on the capacity of this service at a senior level.	Work closely with service heads across the authority to ensure consistency of approach, smarter working practices and increased use of information systems.

Organisational Development and review of information services	585	Savings required as part of the organisational development service will require commitment and co-operation from across DCC and its partners.	Work closely with service heads across the authority to ensure consistency of approach, smarter working practices and increased use of information systems
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## Consolidated Pages

The following consolidated pages have been produced to show the overall proposed budgets for the Authority and are based on the new management structure implemented on 1st November 2016.

The targets set for each service area have been based on this new structure. The impact for scrutiny committees is:-

- Health and Wellbeing Scrutiny Committee will continue to receive the proposed budgets for Public Health which is the responsibility of the Chief Officer for Communities, Public Health, Environment and Prosperity.
- Place Scrutiny Committee will receive the proposed budgets for Capital Development and Waste Management and Highways and Traffic Management which is the responsibility of the Chief Officer for Highways, Infrastructure Development and Waste. It will also receive the proposed budgets for Economy, Enterprise and Skills, Planning Transportation and Environment and Communities and Other Services which is the responsibility of the Chief Officer for Communities, Public Health, Environment and Prosperity. This reflects the change to include Public Health and Skills. For the sake of completeness the proposed budgets for Public Health have also been included which have been considered by the Health and Wellbeing Scrutiny Committee.
- People Scrutiny Committee will receive the proposed budgets for Adult Services which is the responsibility of the Chief Officer for Adult Care and Health. It will also receive the proposed budgets for Children's Services which is the responsibility of the Chief Officer for Children's Services. This reflects the movement of Skills to Place Scrutiny.
- Corporate Services Scrutiny Committee will continue to receive the proposed budgets for all the Corporate Services.

These pages are for information only and show how the services being scrutinised by this Committee fit into the overall structure of the Council. Any questions on these pages relating to services outside of this Committees remit will need to be considered at the Joint Scrutiny meeting on 30th January 2017.

## How the 2017/18 budget has been built up

	2016/17 Adjusted Budget	Changes	2017/18 Outturn Budget
	£'000	£'000	£'000
Adult Care Operations and Health	173,852	16,786	190,638
Adult Commissioning and Health	23,895	1,960	25,855
<b>Adult Care and Health</b>	<b>197,747</b>	<b>18,746</b>	<b>216,493</b>
Childrens Social Work and Child Protection	75,767	2,046	77,813
Education and Learning - General Fund	40,060	258	40,318
Education and Learning - School Funding	0	0	0
<b>Children's Services</b>	<b>115,827</b>	<b>2,304</b>	<b>118,131</b>
Communities and Other Services	11,201	7	11,208
Economy, Enterprise and Skills	4,923	32	4,955
Planning, Transportation and Environment	17,040	1,053	18,093
Public Health	147	800	947
<b>Community, Health, Environment, Prosperity</b>	<b>33,311</b>	<b>1,892</b>	<b>35,203</b>
Chief Executive, Legal and Communications	4,792	(104)	4,688
Digital Transformation and Business Support	14,241	83	14,324
Human Resources and Organisational Development	3,406	(200)	3,206
Treasurer's Services	11,027	107	11,134
<b>Corporate Services</b>	<b>33,466</b>	<b>(114)</b>	<b>33,352</b>
Capital Development and Waste Management	26,909	(205)	26,704
Highways and Traffic Management	31,528	(1,826)	29,702
<b>Highways, Infrastructure and Waste</b>	<b>58,437</b>	<b>(2,031)</b>	<b>56,406</b>
<b>Total</b>	<b>438,788</b>	<b>20,797</b>	<b>459,585</b>

	Change £' 000
<b>Reasons for changes in Revenue Budget</b>	
<b>Technical and Service Changes</b>	
Inflation	10,683
Increase in Pension Contributions	4,078
National Living Wage	2,531
Children's Services demographic and demand pressures	5,425
Adult Services demographic and demand pressures	16,919
Care Act Removal of External funding	3,047
Waste Services demographic and contract pressures	1,135
Other demographic, contract and service pressures	1,708
Increase in External Contributions	(2,500)
<b>Savings Requirements</b>	<b>(22,229)</b>
<b>Total</b>	<b>20,797</b>

## Staffing Data

	2016/17		2017/18		Total FTEs
	Adjusted Total FTEs	Changes FTEs	Revenue Funded FTEs	Externally Funded FTEs	
Adult Care Operations and Health	992	1	895	98	993
Adult Commissioning and Health	166	2	158	10	168
<b>Adult Care and Health</b>	<b>1,158</b>	<b>3</b>	<b>1,053</b>	<b>108</b>	<b>1,161</b>
Childrens Social Work and Child Protection	738	(4)	704	30	734
Education and Learning - General Fund	122	0	108	14	122
Education and Learning - School Funding	27	3	0	30	30
<b>Children's Services</b>	<b>887</b>	<b>(1)</b>	<b>812</b>	<b>74</b>	<b>886</b>
Communities and Other Services	92	(48)	20	24	44
Economy, Enterprise and Skills	137	6	59	84	143
Planning, Transportation and Environment	150	25	165	10	175
Public Health	31	0	31	0	31
<b>Community, Health, Environment, Prosperity</b>	<b>410</b>	<b>(17)</b>	<b>275</b>	<b>118</b>	<b>393</b>
Chief Executive, Legal and Communications	108	2	110	0	110
Digital Transformation and Business Support	472	(7)	465	0	465
Human Resources and Organisational Development	175	(3)	172	0	172
Treasurer's Services	265	2	161	106	267
<b>Corporate Services</b>	<b>1,020</b>	<b>(6)</b>	<b>908</b>	<b>106</b>	<b>1,014</b>
Capital Development and Waste Management	102	0	102	0	102
Highways and Traffic Management	253	0	253	0	253
<b>Highways, Infrastructure and Waste</b>	<b>355</b>	<b>0</b>	<b>355</b>	<b>0</b>	<b>355</b>
<b>Total</b>	<b>3,830</b>	<b>(21)</b>	<b>3,403</b>	<b>406</b>	<b>3,809</b>

### Explanation of Movements

#### Adult Care Operations and Health

Net movement as a result of workforce reductions	(4)
Increase in corporate staff to support new duties under part 1 of the Care Act	10
Social Care Reablement removal of vacant posts	(10)
Externally funded posts to support improvement to intermediate care provision	5
	<b>1</b>

#### Adult Commissioning and Health

Increase in staff to support market sufficiency duties under part 1 of the Care Act	6
Increase in staff to support transformation and savings programmes	3
Mental Health operational efficiencies	(2)
Transfer of posts to Learn Devon	(5)
	<b>2</b>

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

Disabled Children's Services Restructure	(9)
Fostering Team Restructure	(2)
Supervised Contact Team Restructure/Movement Across Service	4
Additional Personal Advisors within Social Work	2
Atkinson Unit Additional Support Posts	2
Reducing Exploitation and Absence from Care or Home (REACH) Team Restructure	(1)
	<b>(4)</b>

<b>Education and Learning</b>	
<u>General Fund</u>	
Additional Special Educational Needs & Disability (SEND) Implementation support staff funded by grant	8
Review of Early Years services	(3)
Academisation of Teacher Training	(5)
<u>Dedicated Schools Grant</u>	
Review of Admissions services	1
Review of Early Years services	2
	<b>3</b>
<b>Communities and Other Services</b>	
Youth Service - staff transferring to an independent entity	(48)
	<b>(48)</b>
<b>Economy, Enterprise and Skills</b>	
Learn Devon - apprentices	3
Learn Devon - transfer in from Adult Care Commissioning	5
Restructure of team hours	(2)
	<b>6</b>
<b>Planning Transportation &amp; Environment</b>	
NHS Transport staff transferred in	8
Reinstatement of School Crossing patrol staff numbers	14
Modern apprenticeships and interns	3
	<b>25</b>
<b>Chief Executive, Legal &amp; Communications</b>	
Legal support to address capacity issues	1
Assistant Solicitor Adult Social Care	1
	<b>2</b>
<b>Digital Transformation and Business Support</b>	
Business Support - transfer in from Children's Social Work and Child Protection	4
Review of Business Support	(12)
Modern Apprenticeship	1
	<b>(7)</b>
<b>Human Resources and Organisational Development</b>	
Change Management	8
Review of HR structure	(11)
	<b>(3)</b>
<b>Treasurer's Services</b>	
Finance Management Team restructure	(2)
Devon Audit Partnership	(2)
Peninsula Pensions - new legislation	7
Reduction of hours across service	(1)
	<b>2</b>
<b>Total</b>	<b>(21)</b>

## Analysis of Total Expenditure for 2017/18

	Gross Expenditure	Grant and Contribution Income	External Income	Internal Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000
Adult Care Operations and Health	251,644	(16,799)	(44,207)	0	190,638
Adult Commissioning and Health	27,769	(1,274)	(636)	(4)	25,855
<b>Adult Care and Health</b>	<b>279,413</b>	<b>(18,073)</b>	<b>(44,843)</b>	<b>(4)</b>	<b>216,493</b>
Childrens Social Work and Child Protection	86,810	(5,080)	(358)	(3,559)	77,813
Education and Learning - General Fund	43,358	(1,043)	(1,371)	(626)	40,318
Education and Learning - School Funding	522,982	(522,373)	(220)	(389)	0
<b>Children's Services</b>	<b>653,150</b>	<b>(528,496)</b>	<b>(1,949)</b>	<b>(4,574)</b>	<b>118,131</b>
Communities and Other Services	11,685	(53)	(354)	(70)	11,208
Economy, Enterprise and Skills	6,946	(100)	(1,781)	(110)	4,955
Planning, Transportation and Environment	24,354	(1,044)	(3,517)	(1,700)	18,093
Public Health	29,986	(28,979)	0	(60)	947
<b>Community, Health, Environment, Prosperity</b>	<b>72,971</b>	<b>(30,176)</b>	<b>(5,652)</b>	<b>(1,940)</b>	<b>35,203</b>
Chief Executive, Legal and Communications	8,036	0	(2,473)	(875)	4,688
Digital Transformation and Business Support	28,936	(8,812)	(3,715)	(2,085)	14,324
Human Resources and Organisational Development	17,099	0	(2,681)	(11,212)	3,206
Treasurer's Services	20,424	0	(6,970)	(2,320)	11,134
<b>Corporate Services</b>	<b>74,495</b>	<b>(8,812)</b>	<b>(15,839)</b>	<b>(16,492)</b>	<b>33,352</b>
Capital Development and Waste Management	31,901	0	(4,278)	(919)	26,704
Highways and Traffic Management	31,454	(118)	(1,281)	(353)	29,702
<b>Highways, Infrastructure and Waste</b>	<b>63,355</b>	<b>(118)</b>	<b>(5,559)</b>	<b>(1,272)</b>	<b>56,406</b>
<b>Total</b>	<b>1,143,384</b>	<b>(585,675)</b>	<b>(73,842)</b>	<b>(24,282)</b>	<b>459,585</b>



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

	<b>Gross Expenditure</b>	<b>Grant and Contribution Income</b>	<b>External Income</b>	<b>Internal Income</b>	<b>Net Expenditure</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Digital Transformation and Business Support</b>					
ScoMIS	9,699	0	(2,105)	(7,594)	0
<b>Treasurer's Services</b>					
Devon Audit Partnership	1,240	0	(1,240)	0	0
<b>Childrens Social Work and Child Protection</b>					
Atkinson Unit	3,261	(180)	(2,509)	(572)	0
<b>Capital Development and Waste Management</b>					
Ecowaste4Food Project	37	(32)	0	(5)	0
<b>Highways and Traffic Management</b>					
On Street Parking	6,302	(104)	(6,198)	0	0
<b>Communities and Other Services</b>					
Active Devon	1,517	(831)	(70)	(616)	0
Syrian Refugees	500	(500)	0	0	0
<b>Economy, Enterprise and Skills</b>					
LAG - MIL (Making It Local 2)	58	(58)	0	0	0
LAG - REAL Devon	51	(51)	0	0	0
Learn Devon	3,781	(3,384)	(206)	(191)	0
<b>Planning, Transportation and Environment</b>					
AONB Blackdown Hills	213	(202)	0	(11)	0
AONB North Devon	185	(172)	0	(13)	0
Cycle Bikeability Training	280	(280)	0	0	0
Devon Maritime Forum	14	(5)	(4)	(5)	0
Exe Estuary Partnership	26	(17)	0	(9)	0
INNOVASUMP	45	(38)	0	(7)	0
Other Countryside Projects	150	(141)	0	(9)	0
South West Coast Path Team	109	(109)	0	0	0
Transport Co-Ordination Service	3,239	(1,146)	(2,075)	(18)	0
<b>Total</b>	<b>30,707</b>	<b>(7,250)</b>	<b>(14,407)</b>	<b>(9,050)</b>	<b>0</b>
<b>Grand total</b>	<b>1,174,091</b>	<b>(592,925)</b>	<b>(88,249)</b>	<b>(33,332)</b>	<b>459,585</b>

## Government Grants and Contributions Received

Some of the costs of providing services are funded by external grants and contributions, the table below shows the details of the funding expected.

<b>Service and Grant Title</b>	<b>Funded by</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>
<b>Adult Care Operations and Health</b>					
Local Reform Community Voices Grant	Department of Health	138	138	138	138
Social Care in Prisons Grant	Department of Health	303	303	303	303
Contributions	Health and other local authorities	16,358	16,358	16,358	16,358
		<b>16,799</b>	<b>16,799</b>	<b>16,799</b>	<b>16,799</b>
<b>Adult Commissioning and Health</b>					
Local Reform Community Voices Grant	Department of Health	344	344	344	344
Contributions	Health and other local authorities	930	930	930	930
		<b>1,274</b>	<b>1,274</b>	<b>1,274</b>	<b>1,274</b>
<b>Children's Social Work and Child Protection</b>					
Assessed and Supported Year in Employment	Department for Education	52	52	52	52
Youth Detention Grant	Ministry of Justice	26	26	26	26
Youth Justice Grant	Youth Justice Board	67	67	67	67
Police & Crime Commissioner Grant	Office of the Police & Crime Commissioner	19	19	19	19
Unaccompanied Asylum Seekers Grant	Home Office	2,162	3,783	4,045	4,045
Troubled Families Programme	Department for Communities & Local Government	1,050	1,050	1,050	1,050
Contributions	Health and other local authorities	1,884	1,884	1,884	1,884
		<b>5,260</b>	<b>6,881</b>	<b>7,143</b>	<b>7,143</b>
<b>Education and Learning - Dedicated Schools Grant</b>					
Dedicated Schools Grant*	Education Funding Agency	477,365	477,365	477,365	477,365
Early Years - Disadvantaged 2 Year Olds	Education Funding Agency	5,083	5,083	5,083	5,083
Post 16 Funding	Education Funding Agency	5,129	5,129	5,129	5,129
Pupil Premium	Education Funding Agency	23,496	23,496	23,496	23,496
Universal Infant Free School Meals	Education Funding Agency	7,813	7,813	7,813	7,813
PE & Sport Grant	Department for Education	2,765	2,765	2,765	2,765
Music Grant	Arts Council	919	919	919	919
Contributions	Health and other local authorities	846	846	846	846
		<b>523,416</b>	<b>523,416</b>	<b>523,416</b>	<b>523,416</b>
<b>Economy and Enterprise</b>					
LAG - MIL (Making it Local 2)	RPA	58	60	58	0
LAG - REAL Devon	RPA	51	52	51	0
Learn Devon - Community Learning	Skills Funding Agency	2,185	2,185	2,185	2,185
Learn Devon - Adult Skills Budget (inc Apprenticeships / Additional Learning Support)	Skills Funding Agency	1,064	1,064	1,064	1,064
Learn Devon - 24+ Advanced Learning Loans Facility	Skills Funding Agency				
Learn Devon - 14-19 EFA Funding	Education Funding Agency	135	135	135	135
Trading Standards	Government Grants	100	100	100	100
		<b>3,593</b>	<b>3,596</b>	<b>3,593</b>	<b>3,484</b>
<b>Planning, Transportation and Environment</b>					
Natural Futures	Heritage Lottery	78	0	0	0
Areas of Outstanding Natural Beauty	DEFRA	301	306	311	311
Areas of Outstanding Natural Beauty	Other Local Authorities	73	73	73	73
Environment and Sustainable Travel	Other Local Authorities	43	73	43	73
Maritime and Fisheries projects	Other	11	11	11	11
Taw Valley Countryside Stewardship Facilitation Fund	European Agricultural Fund	39	39	39	39
Devon Resilience Fourm	Environment Agency	2	0	0	0
Devon Resilience Fourm	Office of the Police & Crime Commissioner	2	0	0	0
Coastal Creatures	Heritage Lottery Fund	20	5	0	0
South West Coast Path & Country Parks	Natural England	109	109	109	109
Bikeability	Department of Transport	280	280	280	0
Innovasump	ERDF	38	19	0	0
Bus Service Operators Grant	Department of Transport	1,146	1,146	1,146	1,146
Transport contributions	Other Local Authorities	62	62	62	62
Transport contributions	Other	950	946	871	824
		<b>3,154</b>	<b>3,069</b>	<b>2,945</b>	<b>2,648</b>

<b>Service and Grant Title</b>	<b>Funded by</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>
<b>Communities and Other Services</b>					
Active Devon	Sport England	748	748	748	748
Active Devon	Other	83	83	83	83
Syrian Refugee	Home Office	500	900	900	900
Youth Services	Other	13	13	13	13
		<b>1,344</b>	<b>1,744</b>	<b>1,744</b>	<b>1,744</b>
<b>Public Health</b>					
Public Health	Department of Health	28,238	27,504	26,788	26,092
Public Mental Health	Better Care Fund	91	30	0	0
Nicotine Replacement Therapy Contribution	NEW Devon CCG	650	650	650	650
Emergency Planning	Other Local Authorities	40	40	40	40
		<b>29,019</b>	<b>28,224</b>	<b>27,478</b>	<b>26,782</b>
<b>Digital Transformation and Business Support</b>					
Private Finance Initiative	Department for Communities and Local Government	6,937	6,937	6,937	6,937
Private Finance Initiative	Exeter Diocesan Board	1,875	1,889	1,905	1,920
		<b>8,812</b>	<b>8,826</b>	<b>8,842</b>	<b>8,857</b>
<b>Capital Development and Waste Management</b>					
Ecowaste4food	ERDF	32	32	35	32
<b>Highways and Traffic Management</b>					
ExeRail	Other Local Authorities	30	30	30	30
South West Coast Path & Country Parks	Other Local Authorities	45	45	45	45
South West Coast Path & Country Parks	RPA	25	25	25	25
South West Coast Path & Country Parks	Historic England	10	7	14	0
South West Coast Path & Country Parks	Natural England	112	112	112	112
		<b>222</b>	<b>219</b>	<b>226</b>	<b>212</b>
<b>Total</b>		<b>592,925</b>	<b>594,080</b>	<b>593,495</b>	<b>592,391</b>

## Grants Paid to External Organisations

2016/17 £000	Service and Grant Title	2017/18 £000
<b>Children's Social Work and Child Protection</b>		
190	University Bursary Grants	194
150	Facilitating Access to Mainstream Activities for Disabled Children's Services	150
32	Calvert Trust Short Holiday Breaks	32
<b>372</b>		<b>376</b>
<b>Planning, Transportation and Environment</b>		
45	AONB (East, South and Tamar)	48
60	Dorset & East Devon World Heritage site (Jurassic Coast)	60
25	Cornwall & West Devon Mining Landscape World Heritage site	25
20	South West Energy & Environment group	20
4	Wembury Centre	4
2	Tamar Estuaries consultative forum	2
20	Devon Wildlife Trust Nature Improvement Area Project	20
126	Safety Camera Partnership	101
40	Devon & Cornwall Rail Partnership	40
247	Community bodies	247
<b>589</b>		<b>567</b>
<b>Communities and Other Services</b>		
400	Citizens Advice Bureau	400
72	Community Council of Devon	72
189	Councils for Voluntary Services	189
<b>661</b>		<b>661</b>
<b>Public Health</b>		
10	Exmoor National Park	0
20	Dartmoor National Park	0
25	Devon Rape Crisis	0
10	Young Devon	10
22	North Devon against Domestic Abuse	0
15	Teignbridge D.C	10
<b>102</b>		<b>20</b>
<b>1,724 TOTAL</b>		<b>1,624</b>

# Abbreviations

Abbreviations used within the budget:

AONB	Area of Outstanding Nature Beauty
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
BRRS	Business Rate Retention Scheme
CCG	Clinical Commissioning Group
CDWM	Capital Development & Waste Management
CIPFA	The Chartered Institute of Public Finance & Accountancy
C of E	Church of England
DAF	Devon Assessment Framework
DCC	Devon County Council
DDA	Disability Discrimination Act
DEFRA	Department for Environmental Food & Rural Affairs
DFC	Devolved Formula Capital
DSG	Dedicated Schools Grant
E&E	Economy & Enterprise
EESI	Energy Efficiency Schools Initiative
EFA	Education Funding Agency
ESPL	Exeter Science Park Ltd
EU	European Union
FAB LAB	Fabrication Laboratory at Exeter Central Library
FTE	Full Time Equivalent
HR	Human Resources
ICT	Information & Communications Technology
IID	Investing in Devon funds
ILF	Independent Living Fund
IT	Information Technology
LAG	Local Action Group
LEP	Local Enterprise Partnership
LIBID	London Interbank BID rate
LIBOR	London Interbank Offered Rate
LLFA	Lead Local Flood Authority
LOBO	Lender Option Borrower Option
LTP	Local Transport Plan
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

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
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
RSG	Revenue Support Grant
S106	Funding from developers resulting from planning obligations authorised by section 106 of the Town and Country Planning Act 1990
SCOMIS	Schools Management Information Service
SEN	Special Education Needs
SEND	Special Educational Needs and Disabilities
SfC	Services for Communities
VAT	Value Added Tax
VELP	Vehicle Equipment Loan Pool
WEEE	Waste Electrical and Electronic Equipment Regulation