

DFP/24/03

Children's Scrutiny Committee

18 January 2024

## 2024/25 Budget

Joint Report of the Director of Finance and Public Value and the Director of Children and Young People's Futures

### 1. Recommendation

That the Committee be asked to:

- a) Consider whether it wishes to draw to the attention of Cabinet any observations on the proposals contained within the draft Revenue Budget 2024/25 and Capital Programme for 2024/25 to 2028/29.

### 2. Introduction & Commentary

- 2.1 In previous years, Cabinet has agreed target budgets for services in December, based on financial planning forecasts constructed in advance of the provisional settlement. However, this year, with uncertainty over the level of central government funding to local government and further expected cost increases following the Autumn Statement 2023, more time was needed to develop service targets.
- 2.2 It was therefore prudent to defer setting service budget targets until January, after the announcement of the Provisional Local Government Finance Settlement and further development of budget plans. At its meeting on 10 January 2024 Cabinet approved revenue net budget targets as set out in paragraph 2.6.
- 2.3 At the time of writing, 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. The latest available information will be provided when the County Council considers final budget proposals for 2024/25 on 15 February 2024. Given the late notification of the Settlement and in line with arrangements in previous years, 20 February 2024 has been set aside for a second County Council budget meeting should it be required.
- 2.4 The ongoing impact of cost-of-living effects of high inflation and interest rates, and the lasting impact of the pandemic on supplier markets and demand for public services, has created huge financial pressures nationally. The Authority continues to face price and demand pressures as a result. Significant and sustainable savings are being delivered with further savings required in 2024/25 and subsequent years. Some one-off savings measures

have been included within plans and will ultimately need to be replaced with more sustainable alternatives.

- 2.5 The target budgets include investment of £48.5 million to cover inflation and national living wage cost increases and a further £44.9 million to cover demand pressures. To enable the authority to set a balanced budget, savings, alternative funding and additional income of £49.6 million have been identified. Overall, there is net additional funding of £43.8 million or 6.3% for service budgets next year.
- 2.6 The approved service revenue budget targets for the 2024/25 financial year are set out in the table below.

	2023/24 Adjusted Base Budget £'000	Inflation and National Living Wage £'000	Other Growth and Pressures £'000	Savings Plans and additional income £'000	2024/25 Target Budget £'000	Net Change	
Integrated Adult Social Care	340,245	29,887	20,025	(29,411)	360,746	20,501	6.0%
Children and Young People's Futures	206,278	9,795	20,862	(9,150)	227,785	21,507	10.4%
Public Health, Communities and Prosperity	21,678	533	289	(1,577)	20,923	(755)	-3.5%
Corporate Services	49,755	2,160	1,361	(4,831)	48,445	(1,310)	-2.6%
Climate Change, Environment and Transport	81,619	6,144	2,348	(4,629)	85,482	3,863	4.7%
<b>Total Service Budgets</b>	<b>699,575</b>	<b>48,519</b>	<b>44,886</b>	<b>(49,598)</b>	<b>743,382</b>	<b>43,807</b>	<b>6.3%</b>

- 2.7 This report provides detailed budget proposals in line with these targets.

### 3. The Provisional Local Government Finance Settlement 2024/25

- 3.1 On 18 December 2023, the Rt Hon Michael Gove, Secretary of State for Levelling Up, Housing and Communities released a written Ministerial Statement to Parliament setting out the provisional local government finance settlement for 2024/25 financial year.
- 3.2 The 2024/25 local government finance settlement is for one year only, being the final year of the 3-year period covered by the Spending Review 2021 (SR21), as updated for announcements made in the Autumn Statement on the 22 November 2023. Government has outlined national funding levels for 2024/25 and provisional allocations of funding individual council level. However, the funding position for subsequent years is unknown and will be subject to the next Spending Review and subsequent annual finance settlements.
- 3.3 The key matters in the provisional settlement are set out below -
- **Core Spending Power** – The government has increased the Authority's overall Core Spending Power by 6.5% which provides some welcome additional flexibility to respond to national inflationary pressures and protect services that local people rely on as far as possible. This incorporates a Government assumption that the Council will implement the full flexibility to increase Council Tax up to the referendum threshold.

- **Council Tax** – The provisional settlement confirms that the Core Spending Power includes the flexibility in setting Council Tax for 2024/25 by setting the referendum limit at 2.99% and that social care authorities may increase the precept by a further 2% for adult social care, and therefore raise Council Tax by up to 4.99% overall without a referendum being required.
- **Revenue Support Grant** – The provisional allocation for 2024/25 of this general funding grant is £713,381, an increase of £44,316 (6.6%) compared to 2023/24.
- **Business Rates** – the business rates funding system and government compensation grant for under-indexing contain a combination of fixed and variable elements making budgeting for this funding complex. The three elements included in the Settlement, and within the Government's assessment of Core Spending Power, have increased by 7.7%. However, actual funding through the business rates system will be subject to actual collection totals locally and estimates for this will not be confirmed until the beginning of February through information to be provided by district / borough / city councils in Devon.
- **New Homes Bonus** – this grant, which is based on delivered housing growth within the County, has been extended by a further year. The provisional allocation of NHB grant in 2024/25 is £1.14 million, which is an increase of £176,859 (18%) compared to 2023/24.
- **Rural Services Delivery Grant** – the provisional allocation for this general funding grant is £8.744 million – the same amount as received in 2023/24.
- **Services Grant** – the provisional allocation of this general funding grant towards the cost of local services is £653,263 in 2024/25, a decrease of £3.499 million (84%) compared to 2023/24.
- **Social Care Grant** – as reported last year, it was announced in the Autumn Statement 2022 that adult social care charging reforms that were due to be introduced from October 2023 are postponed for 2 years, but that the funding that had been allocated by government would be repurposed and still allocated to councils. In 2023/24 this repurposed funding was added to the social care grant, and the former Independent Living Fund grant was also consolidated within the social care grant. The provisional allocation of this general grant funding in 2024/25, which aims to support local authorities in meeting the costs of adults' and children's social care needs, is £63.28 million, an increase of £9.265 million (17%) compared to 2023/24.
- **Improved Better Care Fund** – this grant funding may be used only for the purposes of meeting adult social care needs, reducing pressures on the NHS, including seasonal winter pressures, supporting people to be discharged from hospital when they are ready, and ensuring that the social care provider market is supported. The funding is pooled into the local Better Care Fund. The provisional allocation for 2024/25 is £29.127 million – the same amount as 2023/24.

- **Adult Social Care Market Sustainability and Improvement Fund** – the primary purpose of the fund is to support local authorities to make tangible improvements to adult social care services in their area, in particular to build capacity and improve market sustainability in both social worker workforce capacity and social care providers. The Authority’s allocation of funding for 2023/24 came in two tranches: £8.373 million allocated in the Settlement in February 2023, plus £5.438 million additional in-year allocation confirmed in August 2023. Total funding in 2023/24 is therefore £13.811 million. The Authority’s 2024/25 provisional allocation is £15.643 million next year, an increase of £1.832 million (13%) on the funding received in 2023/24.
- **Adult Social Care Discharge Fund** – the funding allocated to local authorities nationally has increased from £300 million in 2023/24 to £500 million in 2024/25. The grant funding must be pooled into the Better Care Fund and may be used to: enable more people to be discharged to an appropriate setting; prioritise those approaches that are most effective in freeing up the maximum number of hospital beds and reducing bed days lost; and boost general adult social care workforce capacity. The provisional allocation for the Authority is £6.806 million which is an increase of £2.722 million (67%) compared to 2023/24.
- **Local Government funding reform** – The Government confirmed through the Settlement it is not currently prioritising the Review of Relative Needs and Resources (generally referred to as the ‘Fair Funding Review’).

<b>Core Funding Income</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>Settlement</b>	<b>Provisional Settlement</b>
	<b>£000</b>	<b>£000</b>
Revenue Support Grant (RSG)	669	713
Business Rates – Central Government Top Up	83,428	86,461
Business Rates – Local Element*	21,566	23,884
<b>Total Core Funding</b>	<b>105,663</b>	<b>111,058</b>

\*The actual amount we receive will be derived from returns completed by our Devon Districts in January 2024.

<b>Other Grant Income Included in the Settlement</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>Settlement</b>	<b>Provisional Settlement</b>
	<b>£000</b>	<b>£000</b>
New Homes Bonus	963	1,140
Rural Services Delivery Grant	8,744	8,744
Services Grant	4,152	653
Social Care Grant	54,015	63,280
Improved Better Care Fund	29,127	29,127
Adult Social Care Market Sustainability and Improvement Fund*	13,811	15,643
Adult Social Care Discharge Fund	4,084	6,806
<b>Total Other Grant Income</b>	<b>114,896</b>	<b>125,393</b>

\*The ASC Market Sustainability and Improvement Fund 2023/24 settlement figure includes £8.373 million allocated in the Settlement in February 2023, plus £5.438 million additional in-year allocation confirmed in August 2023.

- 3.4 The tables above set out the Authority's Core Funding of £111.1 million and shows the other government grants that have been announced so far. Other existing grants are expected to be published soon (for example, public health grant) and, together with any updates to funding allocations when the Final Settlement is announced, will be reported as part of the overall budget papers in February, if known by then.

#### **4. Children's Services overview**

- 4.1 The draft total budget for Children's and Young People's Futures (excluding the Dedicated Schools Grant) is £227.8 million. This is an increase of £21.5 million or 10.4% from the 2023/24 adjusted budget. The following pages set out the detail for each of Children's Social Care and Health and Wellbeing, Education, Learning and Inclusion Services and School Funding.
- 4.2 Our Improvement Plan sets out our aspiration to provide consistently Good, or better, services to children and their families, and we recognise that we have considerable work to do to achieve this. Strengthened practice, performance and quality assurance should in turn ensure that we are meeting the needs of our children at the right time in the right place. This in turn will result in improved decision making, efficiencies and better value for money. These improvements underpin the planned savings strategies and identification of other sources of funding to support service delivery. Implementation plans have been developed with the establishment of a cross-council task force to support the delivery of these strategies. There are a number of inter-dependencies which bring a level of risk to delivery such as workforce stability and placement sufficiency. The level of challenge faced by Children's and Young People's Futures is recognised as part of the risk assessments section within this pack, and if budget allows later in the process a budget contingency will be established to help mitigate these risks.

#### **5. Children's Social Care**

- 5.1 Overall, the budget provides additional investment of £13.8 million (9.2%). This is net of savings.
- 5.2 Growth and demand pressures amount to £14.2 million. The impact of inflation, including pay and national living wage adds £7.4 million and planned savings amount to £7.8 million.
- 5.3 Provision of appropriate accommodation and support for our vulnerable children is a key priority. The care and support that some of our young people require is increasingly more complex and expensive for us to buy. The budget allows for additional investment of £16.5 million, before savings, for placements for our Children in Care, Separated Migrant Children (formerly referred to as Unaccompanied Asylum Seeking Children - UASC) and Care Experienced Young People.
- 5.4 The number of looked after Separated Migrant Children is expected to continue to rise, adding £1.7 million budget pressure. The rising cost of

supported and residential provision for young people adds £8.9 million, with a further £2.7 million relating to other types of placements and support. Combined they give rise to £13.3 million of the £16.5 million placements funding pressure.

- 5.5 Lack of sufficiency of placements of the right kind, in the right places, means that children are not consistently getting access to care and accommodation that meets their needs. An additional £3.2 million investment is provided to develop three in-house children's homes for our most complex children and young people creating seven to eight new beds. This funding will go some way towards addressing the shortage of appropriate accommodation options.
- 5.6 The budget also allows an additional £700,000 for those placed in Special Guardianship or Adoption arrangements. Some of this funding will pay for the change to allowances expected when Devon adopts the DfE means testing calculator in 2024. The proposed budget for allowances is based on 539 full year cost Special Guardianship Orders and 87 full year cost Adoption arrangements.
- 5.7 In 2023/24 the Children's Social Care staffing teams were reshaped to improve both the quality and sustainability of our services. Just over £1 million of investment has been set aside to fund this.
- 5.8 A continued focus on workforce recruitment, retention and wellbeing is gradually leading to a more stable workforce, which in turn is expected to lead to reduced spend over the medium term. However, it is anticipated that agency workers will continue to fulfil essential roles in the short term. The budget has, therefore, been increased by £800,000.
- 5.9 In 2023/24 a budget of £120,000 was set aside for Innovation Grants. This scheme provides up to £5,000 to organisations who support children and young people to access their local community and take part in activities alongside their friends, parent carers and siblings. In 2024/25 £65,000 of this budget will be re-purposed and delivered as part of the Family Hubs offer.
- 5.10 Savings and alternative funding

The draft budget includes savings and alternative funding of £7.8 million. This is made up of:

- 5.10.1 Ensuring each child is in the right placement for their needs at the right price will deliver better outcomes for our children and provide best value. Plans to deliver this include expanding in-house residential capacity and recruiting and retaining more in-house foster carers. This is expected to reduce costs by £6.2 million.
- 5.10.2 In May 2023 the Authority was awarded a revenue grant of £1.1 million over two years to pilot the Staying Close programme and provide semi-independent supported accommodation for care experienced young

people who are currently living in high cost placements. £1 million of revenue savings are planned for next year.

5.10.3 Expanding access for families to a broader range of resources will enable them to receive direct support from a wider network. This includes signposting to community groups and grant funding sources. These changes are expected to reduce costs by £100,000.

5.10.4 Children's Centres/Family Hubs external grant contribution and contract review releases £500,000 of core revenue budget.

5.10.5 Combined, savings of £7.8 million are planned for next year.

5.11 The detailed budget information for this service is shown on pages 16 to 19 of this scrutiny report.

## **6. Public Health Nursing**

6.1 The Public Health Nursing Service provides health visiting and school nursing services across Devon and is fully funded by £13 million of Public Health Grant.

6.2 The Service is progressing with procuring a new clinical management system in 2024. Recruiting appropriately qualified staff remains challenging at both a national and local level but there continues to be success in recruiting student health visitors and school nurses. The recruitment and retention strategy being developed for children's services will help to address some workforce challenges.

6.3 The detailed budget information for this service is shown on pages 16 to 19 of this scrutiny report.

## **7. Education Learning and Inclusion Services**

7.1 Overall, the budget provides additional investment of £7.7 million (13.2%). This is net of savings and removal of one off funding allocated for specific purposes in 2023/24.

7.2 The cost of Personalised School Transport continues to rise due to a continued increase in the number of children requiring complex transport arrangements; this has also led to increased journey times for many students in order to access appropriate provision. The regulatory and operational pressures remain high and together with external market pressures which is putting pressure on bus, coach, and taxi operators.

7.3 Work has begun with our partner, Essex County Council, on an organisation redesign of the Education, SEND and Inclusion Services which is looking to create new future focused ways of working to meet the needs of schools, children and young people.

7.4 Savings, alternative funding, and additional income

The draft budget includes savings ,alternative funding and additional income of £1.3 million. This is made up of:

7.4.1 Building on the success of network efficiencies within Home to School Transport routes, routes will continue to be reviewed to identify savings to reduce costs by £564,000. In addition, the removal of vacant posts across School Effectiveness, Inclusion and Safeguarding services will realise savings of £651,000.

7.5 The detailed budget information for this service is shown on pages 20 to 21 of this scrutiny report.

## **8. Schools Funding**

8.1 The Dedicated Schools Grant (DSG) is a grant that is paid in support of the local authority's schools budget. It is the main source of income for the schools budget. In 2024/25 the DSG for schools and early years setting is increasing by £38 million. The Mainstream Schools Additional Grant (MSAG) of £17 million that was received in 2023/24 has now been included within the base funding of the DSG.

8.2 Of this increase in funding Early Years Funding has seen an additional £25 million due to the introduction of funding for children aged 9 months up to (and including) 2 year olds to assist new working parent entitlements. This also recognises increases to reflect teachers' pay and pensions and the National Living Wage (NLW).

8.3 Within the DSG a significant cost pressure continues to relate to support for children with special educational needs and disabilities (SEND). This is largely due to the continued rise in the number of children with an Education Health and Care Plan (EHCP) and a year on year increase in demand for higher cost independent specialist provision. Whilst Devon supports a higher than average percentage of children in mainstream settings, which could be linked to the higher proportion of EHCPs in Devon overall, it does not have sufficient state funded special school or specialist resource provision to meet the current or future demand; this has resulted in more independent places needing to be commissioned.

8.4 Increasing demand and expenditure within SEND will be mitigated by the SEND Transformation Programme Deficit Management Plan, which has been developed with support from the Department for Education. These pressures will be managed across four key strategic areas, Inclusion and early help; Preparation for Adulthood; Sufficiency; and Financial Management and placement value. The overarching aim is to ensure that the children and young people of Devon are supported according to their level of need within the funding envelope available.

8.5 Significant investment by the authority and the DfE (through the Free Schools Programme) has recently increased the number of places in our special schools. Between 2020-2025 it is estimated that Devon's special school estate will increase by 48%, this is an expansion of 525 places



including three new schools. Further work will be undertaken over the next three years to improve Devon's SEND sufficiency.

- 8.6 Continued demand within SEND has meant it has been difficult to contain the costs within the funding being received from Government. In line with the Safety Valve Intervention Programme the deficit for 2024/25 is budgeted to be £37 million.
- 8.7 The Authority's DSG Deficit Management Plan was submitted to the DfE's Safety Valve Intervention Programme in December 2023. Discussions with the DfE are ongoing.
- 8.8 The detailed budget information for this service is shown on pages 22 to 25 of this scrutiny report.

## **9. Capital Programme**

- 9.1 The capital programme has been produced to maximise investment in infrastructure and assets, and to support service delivery and priorities.
- 9.2 Given the financial pressures on resources, bids for corporate capital funding were invited only where they offered revenue savings, cost reductions or where expenditure is required to perform a statutory duty.
- 9.3 No bids were received for the Children's & Young People's Futures capital programme.
- 9.4 Historically, the capital programme contained corporately funded allocations for areas such as Grants to Foster Carers, as rolling budgets. Such projects were awarded funding on an annual rolling basis. In 2023, as part of the Financial Sustainability Programme (FSP) the Capital Programme Group (CPG) agreed to not allocate further rolling budgets beyond 2026/27.
- 9.5 The Capital Programme Group will consider any calls for increases in these budgets either in year, during 2024/25, via the approvals process, or via the budget setting process as a formal Capital bid to the 2025/26 capital programme.
- 9.6 There is continued funding available for vehicle and equipment loans to schools.
- 9.7 External Funding for projects such as the Devolved Formula Capital Grant and External Contributions or Grants to Schools projects are subject to future government announcements or in the success of fund raising. Therefore, this funding cannot be guaranteed.
- 9.8 Commitments will not be made in future years, until funding is either announced or secured.
- 9.9 In order to support the Deficit Management Plan and discussions taking place with the DfE the authority is seeking to minimise the use of capital receipts to fund the wider Capital Programme, representing a change in

capital financing strategy. The flexible use of capital receipts is one of the options being explored to support any local contribution to the accumulated deficit as part of the Safety Valve Intervention Programme therefore holding and growing capital receipts reserves will be a key element of the capital strategy to be considered by Council in February.

## **10. Equality Impact Assessment**

- 10.1 Under the Equality Act 2010, the Authority 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.
- 10.2 The Equality Act 2010 and other relevant legislation does not prevent the Authority from taking difficult decisions which result in service reductions or closures for example, it does however require the Authority 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.
- 10.3 The impact assessment for the 2024/25 budget is published at [www.devon.gov.uk/impact/budget-2024-2025/](http://www.devon.gov.uk/impact/budget-2024-2025/)

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Electoral Divisions: All

Cabinet Member: Councillor Phil Twiss

**Local Government Act 1972: List of Background Papers**

Spending Review 2022 & Provisional Settlement 2024/25

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## Strategic Leadership Team Commentary

This is a time of significant challenge for local government as a whole. Despite the government increasing local councils' spending power, a combination of high inflation and rising demand mean that they face some of their toughest ever financial decisions. The Government's local government financial settlement for 2024/25 assumes that all councils will increase their council tax bills by the maximum allowed in 2024/25. The increase in the national living wage poses a significant additional pressure, particularly on the adult social care budget.

In common with all local authorities, Devon County Council has a legal obligation to set a balanced annual budget. Preparing for the financial year 2024/25 has meant a continuation of plans to make savings by getting best value from all contracts, maximising income, reducing the number of employees and selling Council owned property.

Our overriding focus for the next twelve months will continue to be to meet the needs of the young, old and most vulnerable across Devon and we will work closely with our NHS partners to support and develop the local health and care system. We will also continue to work closely with all our partners across Team Devon to help support the local economy, improve job prospects and housing opportunities for local people, respond to climate change, champion opportunities for our young people, and address the impacts of the rising cost of living for those hardest hit.

The year ahead is not going to be easy but we remain fully committed to doing all we can to get the most from every single pound we spend. With key local partners we will transform how we do things so we can continue to deliver vital local services and improve outcomes for the people of Devon as efficiently and effectively as we can.

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# Children and Young People's Futures

## How the 2024/25 Budget has been built up

	<b>2023/24 Adjusted Budget</b>	<b>Changes</b>	<b>2024/25 Outturn Budget</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Children Social Care, Health and Wellbeing</b>	148,322	13,832	162,154
<b>Education and Learning - School Funding</b>	0	0	0
<b>Education Learning and Inclusion Services</b>	57,956	7,675	65,631
<b>Total</b>	<b>206,278</b>	<b>21,507</b>	<b>227,785</b>

	<b>Change £'000</b>
<b>Reasons for changes in Revenue Budget</b>	
<b>Inflation, National Living Wage, and other pressures</b>	
Inflation and National Living Wage	9,795
Demographic and demand pressures	13,169
Transformation and improvement	7,693
	<u>30,657</u>
<b>Savings</b>	
Improvements to placements sufficiency and Placement Pathways	(7,260)
Removal of vacant posts	(651)
Route reviews of Home to School transport	(500)
Realignment of service	(175)
	<u>(8,411)</u>
<b>Alternative sources of funding and additional income</b>	
Children's Centres / Family Hubs - alternative funding source	(500)
Education Transport Fee increase for Concenssionary & Post 16 charges	(64)
	<u>(564)</u>
<b>Total</b>	<b>21,682</b>

## Analysis of Total Expenditure 2024/25

	<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>Children Social Care, Health and Wellbeing</b>	192,920	(14,448)	(1,177)	(15,141)	162,154
<b>Education and Learning - School Funding</b>	763,809	(759,444)	(598)	(3,767)	0
<b>Education Learning and Inclusion Services</b>	76,989	(5,887)	(1,701)	(3,770)	65,631
<b>Total</b>	<b>1,033,718</b>	<b>(779,779)</b>	<b>(3,476)</b>	<b>(22,678)</b>	<b>227,785</b>

The following services (which are not included above) are wholly self-funded and do not directly 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>Children Social Care, Health and Wellbeing</b>					
Atkinson Home	4,823	(495)	(3,640)	(688)	0
<b>Education Learning and Inclusion Services</b>					
Music Services	1,148	(1,090)	(58)	0	0
Outdoor Learning	551	0	(541)	(10)	0
School Library Service	703	0	(324)	(379)	0
<b>Total</b>	<b>7,225</b>	<b>(1,585)</b>	<b>(4,563)</b>	<b>(1,077)</b>	<b>0</b>
<b>Grand total</b>	<b>1,040,943</b>	<b>(781,364)</b>	<b>(8,039)</b>	<b>(23,755)</b>	<b>227,785</b>

## Children's Social Care, Health and Wellbeing

2023/24 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2024/25 Outturn Budget £'000	2024/25 Net Changes £'000
4,192	<b>Family Hubs</b>	3,710	(40)	<b>3,670</b>	(522)
	<b>Corporate Parenting Service</b>				
2,139	Adopt South West	2,227	0	<b>2,227</b>	88
885	Adoption Allowances and Fees	1,073	0	<b>1,073</b>	188
270	Child Arrangement Orders	262	0	<b>262</b>	(8)
4,904	Corporate Parenting Teams	5,047	0	<b>5,047</b>	143
1,062	Family Time - Contact Centre	1,110	0	<b>1,110</b>	48
4,948	Fostering Team	5,384	0	<b>5,384</b>	436
5,583	Special Guardianship Orders	6,046	0	<b>6,046</b>	463
1,278	Support For Children and Young People	1,323	0	<b>1,323</b>	45
21,069		22,472	0	<b>22,472</b>	1,403
	<b>Disabled Children Services</b>				
9,160	Children In Need Short-Break Services	10,251	(1,054)	<b>9,197</b>	37
4,468	Social Work Area Teams	5,726	(1,084)	<b>4,642</b>	174
2,136	Support For Disabled Children	2,165	(23)	<b>2,142</b>	6
15,764		18,142	(2,161)	<b>15,981</b>	217
	<b>Early Help</b>				
2,153	Bridges	2,233	0	<b>2,233</b>	80
2,529	Early Help Co-Ordination	6,926	(3,688)	<b>3,238</b>	709
596	REACH	556	(10)	<b>546</b>	(50)
771	Youth Justice Service	1,918	(1,135)	<b>783</b>	12
6,049		11,633	(4,833)	<b>6,800</b>	751
	<b>MASH and EDS Services</b>				
1,667	Emergency Duty Team	1,723	0	<b>1,723</b>	56
1,678	Multi Agency Safeguarding Hub	1,942	0	<b>1,942</b>	264
3,345		3,665	0	<b>3,665</b>	320
	<b>Placements</b>				
8,059	Disabled Children's Placements	9,913	(580)	<b>9,333</b>	1,274
9,190	Independent Fostering	10,271	(12)	<b>10,259</b>	1,069
5,648	Independent Post 18 Placements	4,361	(980)	<b>3,381</b>	(2,267)
24,105	Independent Residential Care	22,937	(306)	<b>22,631</b>	(1,474)
9,412	Independent Supported Accommodation	14,252	0	<b>14,252</b>	4,840
10,609	Internal Fostering	12,016	(162)	<b>11,854</b>	1,245
386	Internal Post 18 Placements	477	(464)	<b>13</b>	(373)
604	Internal Residential	3,862	0	<b>3,862</b>	3,258
985	Secure Accommodation	1,101	(20)	<b>1,081</b>	96
1,548	Unaccompanied Asylum Seeking Children	10,580	(7,353)	<b>3,227</b>	1,679
70,546		89,770	(9,877)	<b>79,893</b>	9,347
0	<b>Public Health Nursing</b>	12,983	(12,983)	<b>0</b>	0
	<b>Quality Assurance and Practice</b>				
2,398	Quality Assurance Reviewing Safeguarding	3,527	0	<b>3,527</b>	1,129
1,300	Workforce Academy	1,060	(80)	<b>980</b>	(320)
3,698		4,587	(80)	<b>4,507</b>	809
18,703	<b>Social Work Teams</b>	20,013	0	<b>20,013</b>	1,310
4,956	<b>Strategic Management, Legal Disbursement</b>	5,945	(792)	<b>5,153</b>	197
<b>148,322</b>		<b>192,920</b>	<b>(30,766)</b>	<b>162,154</b>	<b>13,832</b>



**Inflation, National Living Wage, and other pressures**

Inflation and National Living Wage	7,425
Children in Care placements - higher demand and increased costs	8,604
In-house children's homes - open new residential provision	3,200
Adoption and SGO allowances - implementation of DfE means testing calculator and Regional Adoption Agency formula review	515
Management and frontline staffing	1,794
Expansion of Mockingbird foster carers support programme	122
	<hr/>
	21,660

**Savings**

Staying Close Programme for Care Experienced Young People	(1,000)
In-house children's homes - open new residential provision	(3,054)
Placement Pathways	(2,474)
Foster carer recruitment	(632)
Other various	(168)
	<hr/>
	(7,328)

**Alternative sources of funding and additional income**

Children's Centres / Family Hubs - external grant contribution	(500)
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	(500)

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<b>Total</b>	<b>13,832</b>
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## Service Commentary

### Children's Social Care

The Council has a statutory duty to deliver services to children in need, children in need of protection, children in our care and care experienced young people. It includes a range of services to support children, and their families (Early Help), at the earliest opportunity to prevent needs or risks increasing, and to avoid whenever it is safe to do so the need for children to come into our care.

Our vision is to:

- offer help and support to the right children, in the right way at the right time
- intervene when children need help so that they are able to remain in the care of their families and in their communities.
- help all children and young people to have the best possible start in life, and grow up with good health, education and emotional wellbeing
- work restoratively with families and their networks to harness strengths and find solutions that last
- champion the voice and influence of children and young people and ensure their lived experience is understood
- ensure children and young people in our care and leaving our care are healthy, feel safe and reach their full potential

The budget for 2024/25 reflects the continued investment required to embed the reshape to support improved service delivery and recognises the ongoing recruitment and retention challenges experienced locally and across the country. Achieving a stable and experienced workforce is the cornerstone of our improvement work.

Provision of appropriate homes, suitable accommodation along with support for our vulnerable children is a key priority. The care and support that some of our children and young people require is increasingly complex and expensive. The budget reflects the additional investment required to meet need, but successful delivery of a balanced budget is going to require careful demand management and cost control.

Achievement of the improvements needed to get us to where we want to be requires a whole system response from the wider council, partner agencies, voluntary sector and our communities.

The Public Health Nursing Service provides health visiting and school nursing services across Devon, working alongside Children's Social Care delivering universal child and family health services as well as ongoing additional services for vulnerable children and families.

## Service Statistics

		Number of people budgeted to receive service		
		Average through Year		
Children's Social Care		2023/24	Change	2024/25
<b>Children in Care and Care Experienced Young People</b>				
External Residential	Full Year Equivalents	109	(5)	104
Internal Residential	Full Year Equivalents	0	5	5
Internal Fostering Placements	Full Year Equivalents	386	45	431
External Fostering Placements	Full Year Equivalents	163	(16)	147
External Supported Lodgings/Housing	Full Year Equivalents	53	6	59
Internal Residential Special School	Full Year Equivalents	4	(2)	2
Medical Establishment	Full Year Equivalents	3	0	3
Placed For Adoption	Full Year Equivalents	23	8	31
Placed with Parents	Full Year Equivalents	61	1	62
Other Placements	Full Year Equivalents	1	2	3
Secure Welfare	Full Year Equivalents	1	0	1
Separated Migrant Children	Full Year Equivalents	76	60	136
Separated Migrants over 18	Full Year Equivalents	27	0	27
Staying Put/Care Experienced	Full Year Equivalents	95	(31)	64
<b>Total</b>		<b>1002</b>	<b>73</b>	<b>1075</b>
		<b>2023/24</b>	<b>Change</b>	<b>2024/25</b>
<b>Other Children's Services</b>				
Adoption Allowances	Full Year Equivalents	89	(2)	87
Special Guardianship Order Allowances	Full Year Equivalents	530	9	539

## Education Learning and Inclusion Services

2023/24 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2024/25 Outturn Budget £'000	2024/25 Net Changes £'000
0	<b>Education and Learning Reserves</b>	350	(350)	<b>0</b>	0
	<b>Infrastructure</b>				
1,046	Admissions, Data and Strategic Management	1,588	(587)	<b>1,001</b>	(45)
14	Support Team Services	1,188	(1,156)	<b>32</b>	18
1,292	Teachers Pension - Historic Enhancements	1,337	0	<b>1,337</b>	45
2,352		4,113	(1,743)	<b>2,370</b>	18
	<b>School Improvement Inclusion and Safeguard</b>				
813	Inclusion Service	1,589	(376)	<b>1,213</b>	400
878	Safeguarding and Attendance	1,458	(541)	<b>917</b>	39
1,153	School Effectiveness	1,343	(711)	<b>632</b>	(521)
6,561	SEND Services	10,562	(882)	<b>9,680</b>	3,119
9,405		14,952	(2,510)	<b>12,442</b>	3,037
	<b>School Transport</b>				
0	Home to College	144	(208)	<b>(64)</b>	(64)
18,530	Home to School	19,204	(131)	<b>19,073</b>	543
26,607	Personalised Transport	30,704	(85)	<b>30,619</b>	4,012
45,137		50,052	(424)	<b>49,628</b>	4,491
542	<b>Vulnerable Groups and Virtual School</b>	1,151	(585)	<b>566</b>	24
520	<b>Early Years Service</b>	6,371	(5,746)	<b>625</b>	105
<b>57,956</b>		<b>76,989</b>	<b>(11,358)</b>	<b>65,631</b>	<b>7,675</b>

### Analysis of changes:

£'000

### Inflation, National Living Wage, and other pressures

Inflation and National Living Wage	2,370
Supporting the Delivery of the SEND Transformation Programme	3,252
Removal of Early Years External Grant Contribution	79
Increased demand and cost in School Transport	3,296
	<u>8,997</u>

### Savings

Network efficiencies within Home to School Transport	(500)
Removal of Vacant Posts	(651)
Realignment of Service	(107)
	<u>(1,258)</u>

### Alternative funding and additional income

Education Transport Fee increase for Concenssionary & Post 16 charges	(64)
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### Total

**7,675**

## Service Commentary

This service budget represents the Authority'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 to deliver a range of specialist support for inclusion services, admissions, home to school transport, safeguarding in schools, maintained schools, education support for children with special needs and vulnerable groups of children. This now incorporates the services that had previously been provided from the joint venture.

The Transport Coordination Service manages school transport alongside public, health and social care transport. This coordinated approach is nationally recognised as the best way to provide an integrated, cost effective transport service. However, the regulatory and operational pressures remain high and together with external market pressures which is putting pressure on bus, coach, and taxi operators.

The cost of Personalised School Transport continues to rise due to ongoing increases in the number of children requiring complex transport arrangements. This has also led to increased journey times for many students in order to access their nearest appropriate provision.

## Service Statistics

<b>Transport</b>	<b>Unit of Measurement</b>	<b>2023/24</b>	<b>Change</b>	<b>2024/25</b>
School/College Transport	Pupil Numbers p.a.	12,800	13	12,813
Personalised Transport	Pupil Numbers p.a.	2,379	139	2,518

## Education and Learning - School Funding

2023/24 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	<b>2024/25 Outturn Budget £'000</b>	2024/25 Net Changes £'000
<b>Schools</b>					
23,928	Academy Grants	24,658	0	<b>24,658</b>	730
293,067	Primary Schools	294,322	0	<b>294,322</b>	1,255
238,821	Secondary Schools	241,706	0	<b>241,706</b>	2,885
(275)	Pupil Growth	2,638	0	<b>2,638</b>	2,913
555,541		563,324	0	<b>563,324</b>	7,783
<b>De-Delegated Schools Budget</b>					
103	Facilitation and Representation	91	0	<b>91</b>	(12)
673	Licences and Subscriptions	675	0	<b>675</b>	2
994	Maternity	981	0	<b>981</b>	(13)
59	School Intervention Fund	24	0	<b>24</b>	(35)
547	Schools and DSG Contingency	610	0	<b>610</b>	63
871	Targeted Specialist Services	1,274	(409)	<b>865</b>	(6)
3,247		3,655	(409)	<b>3,246</b>	(1)
<b>Central Provision Within Schools Budget</b>					
550	Admissions	643	(74)	<b>569</b>	19
1,652	Other DSG Services	1,804	(152)	<b>1,652</b>	0
292	Phase Associations	292	0	<b>292</b>	0
868	Support Services	961	(85)	<b>876</b>	8
873	Termination of Employment Costs	873	0	<b>873</b>	0
4,235		4,573	(311)	<b>4,262</b>	27
<b>High Needs Budget</b>					
7,469	Alternative Provision	8,223	(588)	<b>7,635</b>	166
1,649	Children In Care and Inclusion	1,652	0	<b>1,652</b>	3
574	Hospital Education Services	579	0	<b>579</b>	5
150	Inclusion	150	0	<b>150</b>	0
41,535	Maintained and Academy Special Schools	49,222	(182)	<b>49,040</b>	7,505
49,780	Other Special School Fees	53,209	(1,757)	<b>51,452</b>	1,672
1,767	Recoupment	3,482	(1,715)	<b>1,767</b>	0
343	Safeguarding Every Learner	390	0	<b>390</b>	47
2,167	SEND Early Years Services	2,380	(213)	<b>2,167</b>	0
22,274	SEND Mainstream	26,986	0	<b>26,986</b>	4,712
7,741	SEND Mainstream - Further Education	9,357	0	<b>9,357</b>	1,616
2,566	SEND Specialist Support	2,442	0	<b>2,442</b>	(124)
1,794	SEND Support	2,273	(446)	<b>1,827</b>	33
0	SEND100 Projects	423	(423)	<b>0</b>	0
139,809		160,768	(5,324)	<b>155,444</b>	15,635
42,865	<b>Early Years Budget</b>	68,314	(71)	<b>68,243</b>	25,378
<b>Schools Funding</b>					
(658,976)	Dedicated Schools Grant (DSG)	0	(714,046)	<b>(714,046)</b>	(38,010)
(31,705)	Other School Grants	0	(13,760)	<b>(13,760)</b>	885
(20)	Post 16 Funding	0	(20)	<b>(20)</b>	0
(28,769)	Pupil Premium	0	(29,868)	<b>(29,868)</b>	(1,099)
(719,470)		0	(757,694)	<b>(757,694)</b>	(38,224)
(26,227)	<b>Transfer to DSG Deficit Reserve</b>	(36,825)	0	<b>(36,825)</b>	(10,598)
<b>0</b>		<b>763,809</b>	<b>(763,809)</b>	<b>0</b>	<b>0</b>

<b>Analysis of changes:</b>	<b>£'000</b>
Additional investment for children with complex needs	15,635
Net changes to mainstream school budgets due to increase in Schools Funding Block and demographic changes	7,079
Net changes to Early years funding due to increase in Early Years funding and demographic changes	25,378
Increase in DSG and other grants arising from National Funding Formula changes and demographic changes	(33,322)
Increase in DSG due to baseline changes to the High Needs block and demographic changes.	(4,688)
Net change of Academy Grant funding due to Teachers Pay & Pension Grant now part of DSG	730
Net movement in Other Grant funding	(214)
Increase to Unfunded High Needs Block deficit (Funding shortfall)	(10,598)
<b>Total</b>	<b>0</b>

## Service Commentary

Services funded by the Dedicated Schools Grant (DSG) include high needs funding, Post 16 funding, Early years funding, Pupil Premium and other school grants. Most funding in the Dedicated Schools Grant is delegated directly to schools or early years settings.

Funding for maintained schools is delegated and managed by the individual schools, in the same way as academies, therefore the staffing data does not include the 6,372 staff working in these schools.

Within the DSG a significant cost pressure continues to relate to support for children with special educational needs and disabilities (SEND). This is largely due to the continued rise in the number of children with an Education Health and Care Plan (EHCP) and a year on year increase in demand for higher cost independent specialist provision. Whilst Devon supports a higher than average percentage of children in mainstream settings, which could be linked to the higher proportion of EHCPs in Devon overall, it does not have sufficient state funded special school or specialist resource provision to meet the current or future demand; this has resulted in more independent places needing to be commissioned.

Significant investment by the authority and the DfE (through the Free Schools Programme) has recently increased the number of places in our special schools. It is estimated the special school estate will increase by 48% between 2020 and 2025, 525 additional places including three new schools. Further work will be undertaken over the next three years to improve Devon's SEND sufficiency.

The SEND Transformation Programme will address the significant challenges that the local area faces, improve the experiences of children, young people and their families and will lead to the financial sustainability of the authority. The programme contains seven work strands looking at specific parts of the SEND system;

- 1) Strategy - embedding a shared vision and shared priorities to improve partnership working to support children and young people with SEND.
- 2) Inclusion and Early Help (Education) - strengthening the universal and targeted support available to children and young people with SEND.
- 3) Preparation for Adulthood - ensuring young people with SEND receive the appropriate support to go on to lead fulfilling lives.
- 4) SEND Statutory processes – improving the Education, Health and Care needs assessment and review processes.
- 5) Sufficiency - ensuring that there is a continuum of provision available to meet the diverse needs of children and young people with SEND.
- 6) Financial management and placement value - improving the Council's systems and processes, and commissioning strategies, to drive better value for money.
- 7) Multi-agency pathways - improving the way partnership services work together to ensure a seamless experience for families when accessing support.



## Service Statistics

### Number of local authority maintained schools and academies

	Number of organisations	Number of Schools
<b>Local Authority Maintained Schools</b>		<b>153</b>
Federations	29	81
Management Partnerships	19	39
% of schools actively collaborating		78%
<b>Free Schools</b>		<b>14</b>
<b>Academies</b>		<b>204</b>
Number of schools in multi-academy trusts/collaborations		199
% of academies in multi academy trusts / collaborations		91%
<b>Total all schools and academies</b>		<b>371</b>

Number of pupils in nursery and LA maintained schools	Unit of Measurement	Census	Change	Census
		Oct-2022		Oct-2023
Nursery Schools (Universal Entitlement 15 hours)	Pupil Numbers PTE	100	(3)	97
Nurseries within Primary Schools (Universal Entitlement 15 hours)	Pupil Numbers PTE	2,886	(84)	2,802
		<b>2,986</b>	<b>(87)</b>	<b>2,899</b>
Primary	Numbers on Roll	28,535	(1,289)	27,246
Secondary	Numbers on Roll	4,649	(747)	3,902
Post 16	Numbers on Roll	149	(149)	0
		<b>33,333</b>	<b>(2,185)</b>	<b>31,148</b>
<b>Number of pupils in academy schools</b>				
Primary	Numbers on Roll	24,926	359	25,285
Secondary	Numbers on Roll	31,718	757	32,475
		<b>56,644</b>	<b>1,116</b>	<b>57,760</b>
<b>Number of pupils in Free schools</b>				
Primary	Numbers on Roll	1,551	200	1,751
Secondary	Numbers on Roll	606	138	744
		<b>2,157</b>	<b>338</b>	<b>2,495</b>
<b>Total number of pupils in LA maintained schools, academies and free schools</b>				
Nursery Schools	Pupil Numbers PTE	2,986	(87)	2,899
Primary	Numbers on Roll	55,012	(730)	54,282
Secondary	Numbers on Roll	36,973	148	37,121
Post 16 (maintained only)	Numbers on Roll	149	(149)	0
		<b>95,120</b>	<b>(818)</b>	<b>94,302</b>
<b>Percentage of pupils in academy/free schools</b>				
Primary	Numbers on Roll	48.1%	1.7%	49.8%
Secondary	Numbers on Roll	87.4%	2.1%	89.5%
<b>Early Years Education Provision</b>		<b>2023/24</b>	<b>Change</b>	<b>2024/25</b>
Early Years Independent Provision (Universal entitlement 15 hours)	Pupil Numbers PTE	6,666	(194)	6,472
Early Years Entitlement Take up	Percentage of eligible children	96.6%	-0.5%	96.1%
3 and 4 Year old additional 15 hours for all sectors	Pupil Numbers PTE	4,122	223	4,345
Disadvantaged two year olds	Pupil Numbers PTE	1,354	(215)	1,139
2 Year old funding for working parents (15 hrs)	Pupil Numbers PTE	0	2,654	2,654
Under 2's funding for working parent (15 hrs from Sept 2024)	Pupil Numbers PTE	0	1,345	1,345
<b>Young People with Additional Needs</b>		<b>2023/24</b>	<b>Change</b>	<b>2024/25</b>
Pupils with Education Health Care Plans in Mainstream provision (pre 16)	Number of young people	3551	152	3703
Educated Other Than At School	Number of young people	214	21	235
Maintained and Academy Special Schools (pre 16 and post 16)	Number of budgeted Places	1,731	56	1,787
Independent Special Schools (pre 16 and post 16)	Number of budgeted Places	1,264	71	1,335
Further Education	Number of Budgeted Places	879	154	1,033
Inter-Authority recoupment	Net number of Exported Pupils	167	0	167
Import / export adjustments for local authorities	Net number of Exported Pupils	566	0	566
Alternative Provision	Number of Planned Places	289	0	289
Alternative Provision - Other Medical Provision	Number of Budgeted Pupils	286	0	286

## Grants Paid to External Organisations

<b>2023/24</b>		<b>2024/25</b>
<b>£'000</b>	<b>Service and Grant Title</b>	<b>£000</b>
	<b>Children's Services</b>	
128	University Bursary Grants	128
120	Facilitating Access to Mainstream Activities for Disabled Children's Services	55
<b>248 TOTAL</b>		<b>183</b>

## Staffing Data 2024/25

	2023/24	Changes FTEs	2024/25		Total FTEs
	Adjusted Total FTEs		Revenue Funded FTEs	Externally Funded FTEs	
Children Social Care, Health and Wellbeing	1,408	36	1,112	332	1,444
Education and Learning - School Funding	104	1	0	105	105
Education Learning and Inclusion Services	289	(8)	252	29	281
<b>Children's Services</b>	<b>1,801</b>	<b>29</b>	<b>1,364</b>	<b>466</b>	<b>1,830</b>
<b>Total</b>	<b>1,801</b>	<b>29</b>	<b>1,364</b>	<b>466</b>	<b>1,830</b>

### Explanation of Movements

#### Children's Social Care, Health and Wellbeing

Formation of new in-house residential provision	40
Reconfiguration of Early Help commissioning arrangements	28
Regional Adoption Agency - addition of Cornwall to partnership	10
Externally funded posts	(24)
Service improvement - organisation restructure	(18)
	<b>36</b>

#### Education and Learning - School Funding

Review of Hospital School	1
Service improvement - organisation restructure	(1)
Externally funded posts	1
	<b>1</b>

#### Education, Learning and Inclusion Services

Service improvement - organisation restructure	(9)
Externally funded posts	1
	<b>(8)</b>

<b>Total</b>	<b>29</b>
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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.

Total Approval (includes prior years)	Project	2024/25	2025/26	2026/27	2027/28	2028/29
£'000		£'000	£'000	£'000	£'000	£'000
<b>Children &amp; Young People's Futures</b>						
<b>Children's Social Care</b>						
N/A	Grant to foster carers	40	40	40	0	0
<b>Children's Social Care Total</b>		<b>40</b>	<b>40</b>	<b>40</b>	<b>0</b>	<b>0</b>
<b>Education &amp; Learning</b>						
N/A	Devolved Formula Capital (DFC)	865	815	765	715	665
N/A	External contribution to school projects	100	100	100	100	100
N/A	External Grants to school projects	100	100	100	100	100
N/A	School budget share contribution to school projects	500	500	500	500	500
N/A	Vehicle Equipment Loans Pool (VELP)	100	100	100	100	100
<b>Education &amp; Learning Total</b>		<b>1,665</b>	<b>1,615</b>	<b>1,565</b>	<b>1,515</b>	<b>1,465</b>
<b>Children &amp; Young People's Futures Total</b>		<b>1,705</b>	<b>1,655</b>	<b>1,605</b>	<b>1,515</b>	<b>1,465</b>
<b>Financed by:</b>						
	Borrowing - Internal	40	40	40	0	0
	Borrowing - VELP	100	100	100	100	100
	Direct Revenue Funds - Services	500	500	500	500	500
	External Funding - Contributions	100	100	100	100	100
	External Funding - Grants	965	915	865	815	765
<b>Total</b>		<b>1,705</b>	<b>1,655</b>	<b>1,605</b>	<b>1,515</b>	<b>1,465</b>

\* Total Scheme Approvals have been included for individual projects only, not for programmes.

This table does not show expenditure on capital projects currently programmed in financial year 2023/24 which may be deferred to 2024/25 or future years.

## Capital - Risk Assessment

Risks to the capital programme and mitigations are set out below, using the following Risk Matrix

LIKELIHOOD	6	12	18	24	30
	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	IMPACT				

Risk Title:	Inherent Score	Current (Mitigated) Score	Mitigations
<b>Capital Scheme costs are higher than estimated</b>	Impact: 4 Likelihood: 5 20 – High	Impact: 2 Likelihood: 4 8 – Low	<ul style="list-style-type: none"> <li>• Early engagement of expert advice and qualified professionals.</li> <li>• Works which may be susceptible to seasonal variations are programmed during less volatile seasons wherever possible.</li> <li>• Projects and the economic climate monitored on a regular basis, and contingency built into major schemes to lessen the overall impact.</li> <li>• Litigation is unlikely as legal team are engaged early to draft contracts with default terms clearly communicated and understood.</li> <li>• Project boards set up for Major Schemes to try to identify synergies early.</li> <li>• Capital Programme may be slowed, paused or schemes halted to mitigate financial impact.</li> </ul>
<b>Risk Description</b> Due to: <ul style="list-style-type: none"> <li>• Inaccurate or overly optimistic original estimates.</li> <li>• Unexpected events causing increased costs, either inside or outside of our control, as well as additional supply chain, resource and transportation costs.</li> <li>• Economic factors such as inflation and interest rates.</li> <li>• Default event by either party resulting in litigation.</li> <li>• Agreed changes to original scheme scope.</li> <li>• Scheme costs may increase, resulting in:               <ul style="list-style-type: none"> <li>○ Unexpected gap to be financed</li> <li>○ Default fines</li> <li>○ Reduction in funds available to other schemes</li> <li>○ Increased internal borrowing or requirement to externally borrow.</li> </ul> </li> </ul>			

<p>Risk Title:</p> <p><b>External funding resources are not received</b></p>	<p><b>Inherent Score</b></p> <p>Impact: 3 Likelihood 4 12 – Medium</p>	<p><b>Current (Mitigated) Score</b></p> <p>Impact: 2 Likelihood: 3 6 – Low</p>	<p><b>Mitigations</b></p> <ul style="list-style-type: none"> <li>• The level of internal borrowing required to finance the capital programme is monitored, and in accordance with borrowing limits.</li> </ul>
<p><b>Risk Description</b></p> <p>Due to:</p> <ul style="list-style-type: none"> <li>• Expectations around future funding based on prior year funding and current economic climate.</li> <li>• Lack of signed agreements from central government and other bodies.</li> <li>• Changes to central government priority/policy determining where funds are directed or the funds available to bid for.</li> <li>• The expected levels of funding may not be achieved, resulting in a shortfall for the delivery of planned works or schemes.</li> </ul>			<ul style="list-style-type: none"> <li>• The availability of cash resources to support internal borrowing is monitored.</li> <li>• Capital programme is reprioritised. Capital projects reengineered, paused, or deferred.</li> <li>• External funding balances are monitored monthly, including capital receipts.</li> <li>• Triggers are monitored for S106 and CIL payments.</li> <li>• Bi-monthly monitoring of the capital programme by the Capital Programme Group.</li> <li>• Regular monitoring by Director of Finance and Public Value.</li> </ul>
<p>Risk Title:</p> <p><b>Capital Programme is not delivered as planned</b></p>	<p><b>Inherent Score</b></p> <p>Impact: 3 Likelihood 6 18 – High</p>	<p><b>Current (Mitigated) Score</b></p> <p>Impact: 3 Likelihood: 4 12 – Medium</p>	<p><b>Mitigations</b></p> <ul style="list-style-type: none"> <li>• Development of a Medium Term Capital Programme (MTCP) that can realistically be delivered to the time scales agreed.</li> </ul>
<p><b>Risk Description</b></p> <p>Delays and longer-term delivery dates, particularly for Major Schemes with multiple funding and partners, due to:</p> <ul style="list-style-type: none"> <li>• Time taken to achieve planning consent, public consultation, environmental factors.</li> <li>• Availability of resource / specialist contractors.</li> <li>• Design reengineering.</li> <li>• Contractual variations.</li> <li>• Seasonal variations.</li> </ul>			<ul style="list-style-type: none"> <li>• Mitigate delays by bringing forward the planned start dates of future projects in the MTCP.</li> <li>• The Capital Programme Group provides challenge and oversight and supports the Capital Programme delivery.</li> <li>• Regular monitoring by Director of Finance and Public Value.</li> <li>• Projects are monitored at a service level and board level.</li> </ul>

<p>Risk Title:</p> <p><b>Capital Receipts arising later or lower than forecast</b></p>	<p><b>Inherent Score</b></p> <p>Impact: 4 Likelihood 4 16 – High</p>	<p><b>Current (Mitigated) Score</b></p> <p>Impact: 3 Likelihood: 4 12 – Medium</p>	<p><b>Mitigations</b></p> <ul style="list-style-type: none"> <li>Alternative funding sources, for example internal or external borrowing may be sought.</li> <li>Capital schemes may be deferred if receipts are generated later than forecast or for a reduced sum.</li> <li>Proceeds from the sale of assets are closely monitored.</li> <li>Alternative measures included in the SEND Safety Valve discussions with Government.</li> </ul>
<p><b>Risk Description</b></p> <p>Forecast capital receipts are estimated by officers and advisors based on local market conditions. Receipts may be lower than expected or not realised, including due to:</p> <ul style="list-style-type: none"> <li>Sale not taking place.</li> <li>Limited supply of assets for sale.</li> <li>Market conditions and economic climate.</li> <li>Lasting economic impact of COVID-19 and the cost-of-living crisis.</li> </ul> <p>Resulting in a need to reprioritise schemes.</p>			
<p>Risk Title:</p> <p><b>Risk of government funding to other geographical areas</b></p>	<p><b>Inherent Score</b></p> <p>Impact: 3 Likelihood 4 12 – Medium</p>	<p><b>Current (Mitigated) Score</b></p> <p>Impact: 2 Likelihood: 4 8 – Low</p>	<p><b>Mitigations</b></p> <ul style="list-style-type: none"> <li>Projects and the economic climate monitored on a regular basis.</li> <li>Contingency built into major schemes to lessen the overall impact.</li> <li>The level of internal borrowing required to finance the capital programme is monitored, and in accordance with borrowing limits.</li> <li>External funding balances are monitored monthly, including capital receipts.</li> <li>Triggers are monitored for S106 and CIL payments.</li> <li>Monitoring of the capital programme by the Programme Group.</li> <li>Regular monitoring by Director of Finance and Public Value.</li> <li>Monitoring by individual project and programme groups.</li> </ul>
<p><b>Risk Description</b></p> <p>Central government priority or policy determines where funds are directed or funds available to bid for may result in a reduction in funding for the South West or less opportunity overall to bid for funding.</p>			

Risk Title:	Inherent Score	Current (Mitigated) Score	Mitigations
<b>Capital Project aborted due to external forces</b>	Impact: 3 Likelihood 4 12 – Medium	Impact: 2 Likelihood: 3 6 – Low	<ul style="list-style-type: none"> <li>• Effort is made to ensure that a project is not aborted.</li> <li>• Alternatives will be investigated to ensure service needs are met by meeting capital objectives, whilst minimising a risk that abortive capital costs impact the revenue budget.</li> <li>• If it is not possible to avoid aborting the project, the normal revenue mitigations of in year savings and use of earmarked reserves and balances, may be used.</li> <li>• Process reengineering or pausing a project whilst alternative funding sources are identified are possible mitigations allowable under the Local Government Code of Practice.</li> <li>• Monitoring by Capital Programme Group.</li> <li>• Regular monitoring by Director of Finance and Public Value.</li> <li>• Monitoring by individual project and programme groups.</li> </ul>
<p><b>Risk Description</b></p> <p>Should funding be revoked or an alternative solution be preferred, a capital project may be aborted which results in costs to date becoming revenue in nature.</p> <p>A project may also be aborted as a result of a change in legislation for the service, for example requiring an alternative delivery method, or if an alternative solution is preferred.</p>			



## Children and Young People's Futures - Risk Assessment

Service	Budget 2024/25 £'000	Risk and Impact	Mitigation
Market sufficiency – children in care and care experienced young people placements.	80,000	<p>The “sufficiency duty” is a statutory duty set out in the Children’s Act 1989. The authority is required to support children to remain with their families safely, and when this is not possible, to have a sufficient range of care and accommodation to meet their varying needs.</p> <p>Competition for appropriate accommodation and rising prices have made placements more expensive. The longer-term impact of high inflation and wage increases may lead to continued upward pressure on costs.</p> <p>Low recruitment into the health and social care sector is a national and local issue. The effectiveness of the new in-house residential provision is dependent on recruiting suitably qualified staff.</p>	<p>Commissioners are developing a new sufficiency strategy that will ensure each young person has a place to call home in the right place at the right time.</p> <p>DfE capital grant to fund new children’s home provision has been secured, plans are underway to provide 7/8 beds across 3 homes to provide accommodation and support to meet the needs of some of our most complex young people. A team of officers from across the Council are also exploring other buildings in the Authority's estates to increase the number of suitable homes for children.</p> <p>DfE revenue grant funding will enable the Council to pilot the Staying Close programme and provide semi-independent supported accommodation for care experienced young people who are currently living in high-cost placements.</p> <p>Commissioners have created a flexible purchasing system which allows for new providers to be admitted on a continuous basis through the Residential Framework Contract. “Innovation” lots allow us to purchase bespoke arrangements.</p> <p>The Mockingbird fostering support initiative launched in Devon during 2022/23 creating a network of foster carers looking after some of our most complex children enabling them to seek and provide mutual support to</p>

			each other. Building on the success of the pilot, the programme is being extended in 2024/25
Social care workforce recruitment and retention	47,000	<p>Continued focus on workforce recruitment, retention and wellbeing is gradually leading to a more stable workforce which in turn will lead to reduced spend on agency staff.</p> <p>Nationally and locally there remains a shortage of qualified social workers and the risk is that vacancies cannot be filled leading to higher caseloads and/or increased use of agency staff.</p>	<p>New leadership arrangements are in place and full implementation of the reshaped service during 2023/24 is expected to lead to greater workforce stability.</p> <p>Developing a targeted early help offer, providing support to families at an earlier stage, should mitigate the need for them to access statutory services and therefore help to manage demand.</p> <p>Combined these measures should lead to a reduced need to employ agency staff.</p>
Savings and cost management strategies	(7,800)	<p>The Placement Pathways strategy aims to ensure each child or young person is in the right place to meet their needs at the right time at the right price. Successful delivery of £2.5 million planned savings depends on market sufficiency and managing price and volume demand.</p> <p>An additional £600,000 is reliant on recruitment and retention of foster carers to ensure all Children in Care have stable homes where they can thrive.</p> <p>£1 million of savings are contingent on successfully piloting the DfE grant funded Staying Close Programme. The aim of this programme is to provide semi-independent supported accommodation for Care Experienced Young People who are currently living in high-cost placements. Appropriate buildings will need to be sourced before this initiative can launch and deliver planned savings.</p>	<p>Commissioners continue to work closely with providers to find flexible solutions to creating provision and support packages.</p> <p>Continue to explore new ways to grow in-house placements sufficiency, as identified against the market sufficiency risk.</p> <p>Work underway to identify property for the Staying Close Programme includes: a review of the Authority's estate, discussions with District Councils and engagement with private landlords.</p> <p>Continue engagement with the DfE, should capital works slip and the grant funding need to be used more flexibly.</p>

		<p>Further savings of £3 million are predicated on the basis that 3 new children's homes will be operational in 24/25, creating 7/8 new beds for our most complex young people. Key risks include slippage of planned capital works and recruitment of permanent care staff.</p> <p>The balance of £700,000 mostly relates to use of alternative funding sources.</p>	
Education, Learning and Inclusion Services – General Fund	65,631 (net)	<p>The unknown medium and long term impacts of all aspects of the long term COVID-19 impact including market provision, recruitment, and retention, changing ways of working, cost of living, delays to key strategic projects, capacity, and demand.</p> <p>A number of Devon's schools continue to convert to academies.</p> <p>Changes to the national allocations to the central fund may reduce the LAs ability to effectively deliver the statutory duties linked to this funding, potentially adversely impacting on maintained schools, partnerships, and academies.</p> <p>Reduction to the number of Schools wishing to purchase advice and support from Devon Education Services could have an adverse impact on Traded Services buyback.</p>	<p>Clear communication on priorities. Utilising business continuity plans and effective service leadership plans to identify emerging risks and pressures.</p> <p>Actively engage and influence recovery programmes. Raising key issues such as recruitment issues and cause at national and local level.</p> <p>Active recruitment ongoing for authority posts, supporting schools with messaging for Devon employment.</p> <p>Looking to secure additional capacity for projects where funding allows</p> <p>Ensure strong and effective collaborative working and information sharing to set out clearly the authority's role and relationship with maintained schools, partnerships, and academies.</p> <p>Continue to ensure that statutory responsibilities within a diverse educational landscape are secured through a range of protocol and stakeholder agreements.</p>

			Continue to encourage Academies to buy back Traded Services where appropriate and monitor levels of funding for statutory duties.
School/College Transport	45,140 (net)	<p>The number of pupils requiring home to school transport remains high together with external market pressures caused by COVID-19, fuel crisis and cost of living sees limited operators causing costs to rise.</p> <p>Personalised transport with increased journey times continues to rise as the number of children with complex needs grow.</p>	<p>In this area it is now difficult to mitigate effectively. Market breakdown is seeing costs increase. This is due to a shortage of taxi/bus operators willing to run routes as they are not commercially viable or ceasing to trade.</p> <p>COVID-19 requirements have meant additional demands on transport of children.</p> <p>Number of children with EHCPs continues to rise. We continue work to manage demand for special educational needs (as below for High Needs DSG spending) but whilst slowing the increase this will not reduce numbers.</p>
Education and Learning – Schools Funding	757,694 (gross)	<p>The DSG is made up of the Schools block, the High Needs Block and the Early Years Block and Central Schools Services.</p> <p>As per government guidance, the budgeted DSG deficit for 2024/25 is projected to be £37 million.</p> <p>As directed by the DfE the cumulative deficit is currently held, and will continue to be held, outside the authority's accounts until 31 March 2026.</p> <p>If after that date the deficit is returned to the DSG it will impact on the schools funding available to meet demand to support the education and children in schools within the authority.</p>	<p>As per the DfE requirement, a comprehensive Management Plan is in place to produce a balanced budget and reduce the DSG deficit over short to medium term.</p> <p>Service review of processes and services engaging with school representatives to set an agreed direction to reduce pressures on the service.</p> <p>Continue active engagement with Devon Education Forum to ensure funding is appropriately distributed and targeted to achieve the best educational outcomes for all children across all ages and levels of need.</p>

			Increasing the Special School capacity in Devon through corporate capital investment and opening a new school through the DfE Free School Programme.
Education and Learning – Schools Budgets	570,832 (net)	<p>This is a delegation to schools' budgets.</p> <p>This risk is predominately caused by the impact of the national funding formula, changes to employee costs and the cost of living crisis adding to pressure on school budgets. This could lead to schools prioritising their spend in ways which may impact on traded services and de-delegation decisions.</p> <p>This in turn affects the sustainability of services for all schools and academies.</p>	<p>Continue to engage with national reviews of schools funding arrangements.</p> <p>Continue to develop partnership working to maximise effect of collaborative approaches between statutory and purchased service delivery.</p>
Central Schools Services Block	4,262 (net)	DfE have reduced the Historic commitment funding by a further 20% irrespective of the need by the LA for this funding. This may lead to additional budget pressures.	Continue to engage with the DfE via prescribed processes in line with the DSG Operational Guidance.
High Needs Block	155,444 (net)	<p>The significant risk that the SEND spend does not return a balanced budget.</p> <p>The continued growth, in recent years, of EHC plans with no facility to reduce external demand has meant the DfE grant has seen a significant overspend.</p> <p>The cost of educating pupils with complex educational and physical needs can also be significant and volatile. In particular the number of students remaining in Education post-16 is rising.</p> <p>The deliverability of a balanced budget requires providing early support so more children have their needs appropriately met in mainstream schools and successfully increasing capacity in our maintained</p>	<p>The DSG management plan lays out the actions that must be taken to return the SEND Service to a balanced in year position.</p> <p>These include:</p> <p>Continuing to increase Special School capacity in Devon through corporate capital investment and opening a new special school through the DfE Free School Programme.</p> <p>A full review of processes and services as set out in the SEND transformation programme to ensure earlier support is in place across education health and care to</p>

		<p>special schools so we can disinvest from the more expensive independent sector.</p> <p>There is also a risk of more permanent exclusions and an increase in harder to admit children.</p>	<p>support children with SEND thereby reducing the demand on more expensive statutory services;</p> <p>Review of the number of resource bases in mainstream settings so pupils can receive additional specialist support and continue to access some mainstream education;</p> <p>Identify the growing needs and provide central support to enable schools to effectively support those pupils that would normally pass into the special school system;</p> <p>Undertake service of post-18 education within Other Special Schools;</p> <p>Consider Independent Special School block contracts or a minimum of 5% reduction in placement costs.</p>
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# Abbreviations

Abbreviations used within the budget for all Scrutiny reports:

ADASS	Association of Directors of Adult Social Services
AMHP	Approved Mental Health Professional
AONB	Area of Outstanding Nature Beauty
ASW RAA	Adopt South West Regional Adoption Agency
BACS	Bankers automated clearing services (electronic processing of financial transactions)
BCF	Better Care Fund - formerly known as the Integration Transformation Fund, a national arrangement to pool existing NHS and Local Government funding starting in April 2015.
BDUK	Broadband delivery UK
Blk	Block
CCG	Clinical Commissioning Group
CCLA	Churches, Charities and Local Authorities
CFR	Capital Financing Requirement
CIL	Community Infrastructure Levy
CIPFA	The Chartered Institute of Public Finance & Accountancy
CO	Carbon Monoxide
C of E	Church of England
CPG	Capital Programme Group
CVS	Council of Voluntary Services
CYP	Children and Young People
DAF	Devon Assessment Framework
DAP	Devon Audit Partnership
DC	District Council
DCC	Devon County Council
DDA	Disability Discrimination Act
DEFRA	Department for Environmental Food & Rural Affairs
DFC	Devolved Formula Capital
DfE	Department for Education
DFG	Disabled Facilities Grant
DfT	Department for Transport
DLUHC	Department for Levelling Up, Housing and Communities formally known as Ministry of Housing, Communities and Local Government
DoLS	Deprivation of Liberty Safeguards
DPLS	Devon Personalised Learning Service
DPT	Devon Partnership NHS Trust
DSG	Dedicated Schools Grant
DYS	Devon Youth Services
EFA	Education Funding Agency
EH4MH	Early Help 4 Mental Health
EHCP	Education & Health Care Plans
ERDF	European Regional Development Fund
ESPL	Exeter Science Park Ltd
EU	European Union
FF&E	Fixtures, Fittings & Equipment
FTE	Full Time Equivalent
HIF	Housing Infrastructure Fund
HIV	Human Immunodeficiency Virus
HMRC	Her Majesty's Revenue & Customs
HNB	High Needs Budget
HR	Human Resources
HRMS	Human Resources Management System
iBCF	Improved Better Care Fund - Additional grant funding to supplement the Better Care Fund
ICT	Information & Communications Technology
IID	Investing in Devon funds

IID	Investing in Devon funds
ILACS	Inspection of Local Authority Children's Services
INNOVASUMP	Innovations in Sustainable Urban Mobility plans for low carbon urban transport
INTERREG	European Territorial Cooperation
IVC	In Vessel Composting
LAG	Local Action Group
LEP	Local Enterprise Partnership
LGA	Local Government Association
LMC	Local Medical Committee
LPS	Liberty Protection Safeguards
LTP	Local Transport Plan
MH	Mental Health
MHCLG	Ministry of Housing, Communities and Local Government is now called Department for Levelling Up, Housing and Communities
MRP	Minimum Revenue Provision
MTCP	Medium Term Capital Programme
MTFS	Medium Term Financial Strategy
MUGA	Multi Use Games Area
MUMIS	Major Unforeseen Maintenance Indemnity Scheme
NDEC	North Devon Enterprise Centre
NDLR	North Devon Link Road
NEWDCCG	Northern, Eastern and Western Devon Clinical Commissioning Group
NFF	National Funding Formula
NHS	National Health Service
NLW	National Living Wage
NPIF	National Productivity Investment Fund
NPV	Net Present Value
OP&D	Older People & Disability
OSP	On Street Parking Account
OT	Occupational Therapist
PFI	Private Finance Initiative
PH	Public Health
PHN	Public Health Nursing
PPE	Personal Protective Equipment
PSPB	Priority School Building Project
PTE	Part Time Equivalent (15 hours)
PWLB	Public Works Loans Board
R&R	Ring and Ride
REACH	Reducing Exploitation and Absence from Care or Home
ROVICs	Rehabilitation Officers for Visually Impaired Children services
RD&E	Royal Devon & Exeter Hospital
RPA	Rural Payments Agency
RSG	Revenue Support Grant
S106	Funding from developers resulting from planning obligations authorised by section 106 of the Town and Country Planning Act 1990
SCF	Southern Construction Framework
SCOMIS	Schools Management Information Service
SEND	Special Education Needs and Disability
SFP	Sustainable Food Places
SGO	Special Guardianship Order
SRO	Senior Responsible Officer
SR21	Spending Review 2021
STP	Sustainable Transformation Programme
TBC	To be confirmed
TCS	Transport Coordination Services
TIDE	Atlantic Network for Developing Historical Maritime Tourism
TUPE	Transfer of Undertakings (Protection of Employment)
UASC	Unaccompanied Asylum Seeking Children
UK	United Kingdom
VELP	Vehicle Equipment Loan Pool
VfM	Value for Money
WEG	Water Environment Grant