

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		Savings &	2017/18	
	Adjusted	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%
	438,788	43,026	(22,229)	459,585	

- 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

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/>

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List of Background Papers

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Background Paper Date File Ref
Nil
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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

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

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.

		Number of people budgeted to receive service Average through Year		
		2016/17	Change	2017/18
Reablement (across all client groups)	Service Users	2,496	290	2,786
These are new people expected to go through the reablement process				
Disability Services				
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
Older People and Disability - In house				
Day Opportunities	Service Users	300	(146)	154
Community Enabling	Service Users	340	(30)	310
Residential Care (including Respite)	Service Users	50	(8)	42
Older People				
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	2017/18 Outturn Budget £'000	2017/18 Net Changes £'000
Adult Commissioning and Health					
6,656	Centrally Managed Contracts	7,275	(517)	6,758	102
937	Policy, Performance and Involvement	1,004	0	1,004	67
1,911	Strategic Commissioning	2,583	(160)	2,423	512
1,300	Transformation	1,533	(20)	1,513	213
10,804		12,395	(697)	11,698	894
13,091	Mental Health	15,374	(1,217)	14,157	1,066
23,895		27,769	(1,914)	25,855	1,960

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)

Total	1,960
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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
Mental Health Services				
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
	Disabled Children's Services				
4,390	Children In Need Short-Break Services	4,979	(244)	4,735	345
4,266	Contracts	4,267	(23)	4,244	(22)
2,826	Social Work Area Teams	2,822	(30)	2,792	(34)
11,482		12,068	(297)	11,771	289
	Early Help (Access)				
770	Emergency Duty Team	951	(144)	807	37
721	Multi Agency Safeguarding Hub	741	0	741	20
546	Reach	526	0	526	(20)
2,037		2,218	(144)	2,074	37
	Early Help (Provision)				
1,659	Early Help Co-Ordination	4,416	(2,990)	1,426	(233)
893	Youth Offending - Statutory and Prevention	1,010	(130)	880	(13)
2,552		5,426	(3,120)	2,306	(246)
1,183	Independent Reviewing Unit	1,231	0	1,231	48
	Looked After Children (Operations)				
1,017	Adoption Allowances and Fees	1,181	(264)	917	(100)
1,920	Adoption Team	2,059	0	2,059	139
406	Child Arrangements and Private Kinship	394	0	394	(12)
524	Children In Need Support	524	0	524	0
3,500	Fostering Team	3,472	(7)	3,465	(35)
2,234	Special Guardianship Orders	2,633	0	2,633	399
1,071	Supervised Contact	1,100	0	1,100	29
10,672		11,363	(271)	11,092	420
	Looked After Children and Care Leaver (Placements)				
6,383	Disabled Children's Placements	5,930	(1,049)	4,881	(1,502)
6,573	Independent Fostering	7,497	0	7,497	924
1,316	Independent Post 18 Placements	1,359	(44)	1,315	(1)
5,703	Independent Residential Care	5,990	(1,079)	4,911	(792)
1,682	Independent Supported Accommodation	2,377	0	2,377	695
6,649	Internal Fostering	8,601	(167)	8,434	1,785
659	Internal Post 18 Placements	605	(37)	568	(91)
545	Internal Supported Accommodation	402	0	402	(143)
525	Secure Accommodation	561	(26)	535	10
0	Unaccompanied Asylum Seeking Children	2,583	(2,162)	421	421
30,035		35,905	(4,564)	31,341	1,306
13,721	Social Work Teams	13,855	0	13,855	134
4,085	Strategic Management and Legal Costs	4,744	(601)	4,143	58
75,767		86,810	(8,997)	77,813	2,046

Analysis of changes:	£'000
Technical and Service Changes	
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
Savings Strategies	
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)
Total	2,046

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

		Number of people budgeted to receive service		
		Average through Year		
Children's Social Work and Child Protection		2016/17	Change	2017/18
	Unit of Measurement			
Looked After Children				
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
Total Looked After Children		684	88	772
		2016/17	Change	2017/18
Other Children's Services				
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	2017/18 Outturn Budget £'000	2017/18 Net Changes £'000
8,978	Children's Centres and Early Years Services	8,525	(159)	8,366	(612)
	Infrastructure				
594	Admissions, Data and Strategic Management	719	(244)	475	(119)
70	Legal Disbursements	45	0	45	(25)
1,201	Teachers Pension - Historic Enhancements	1,201	0	1,201	0
1,865		1,965	(244)	1,721	(144)
	School Improvement Inclusion and Safeguard				
2,368	Closing The Gap	2,237	(19)	2,218	(150)
2,597	Inclusion	2,823	(195)	2,628	31
1,330	Quality Service and Provision	2,239	(965)	1,274	(56)
652	Safeguarding Every Learner	538	0	538	(114)
6,947		7,837	(1,179)	6,658	(289)
	School Transport				
449	Home to College	840	(528)	312	(137)
12,943	Home to School	13,829	(593)	13,236	293
8,208	Personalised Transport	9,795	(242)	9,553	1,345
21,600		24,464	(1,363)	23,101	1,501
670	Vulnerable Groups and Virtual School	567	(95)	472	(198)
40,060		43,358	(3,040)	40,318	258

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

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

Analysis of changes:	£'000
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)
Total	0

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	
Number of Local Authority Maintained schools and Academies				
Local Authority Maintained schools				250
	Federations	40		104
	Management Partnerships	7		20
	% of schools actively collaborating			50%
Free Schools				7
Academies				109
	Number of schools in multi-Academy trusts/collaborations			93
	% of Academies in multi Academy trusts/collaborations			85%
Total all schools and Academies				366
Number of pupils in LA maintained schools	Unit of Measurement	Oct-2015	Change	Oct-2016
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
		1,750	(28)	1,722
Primary Schools	Numbers on Roll	42,444	(2,653)	39,791
Secondary Schools	Numbers on Roll	14,398	(1,958)	12,440
		56,842	(4,611)	52,231
Number of pupils in Academy schools				
Primary Schools	Numbers on Roll	11,339	3,548	14,887
Secondary Schools	Numbers on Roll	19,346	2,102	21,448
		30,685	5,650	36,335
Number of pupils in Free schools				
Primary Schools	Numbers on Roll	221	142	363
Secondary Schools	Numbers on Roll	287	121	408
		508	263	771
Total number of pupils in LA Maintained schools, Academies and Free schools				
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
		89,785	1,274	91,059
Percentage of pupils in academy schools				
Primary Schools	Numbers on Roll	21.2%	6%	27.1%
Secondary Schools	Numbers on Roll	56.9%	6%	62.5%
Early Years Education Provision		2016/17	Change	2017/18
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
Young People with Additional Needs		2016/17	Change	2017/18
Statemanted 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
Adult Care Operations and Health						
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
Total		1,190	210	210	50	0
Adult Commissioning and Health						
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
Total		6,555	7,150	3,500	0	0
Adult Care & Health Total		7,745	7,360	3,710	50	0
Financed by:						
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
Total		7,745	7,360	3,710	50	0

* 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.

Project	*Total Scheme Approval	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
Children's Social Care						
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
Total		1,436	194	170	167	39
Education & Learning						
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
Total		3,309	2,195	2,167	2,167	2,167
Childrens Services Total		4,745	2,389	2,337	2,334	2,206
Financed by:						
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
Total		4,745	2,389	2,337	2,334	2,206

* 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 & 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 & 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
Adult Care and Health	197,747	18,746	216,493
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
Children's Services	115,827	2,304	118,131
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
Community, Health, Environment, Prosperity	33,311	1,892	35,203
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
Corporate Services	33,466	(114)	33,352
Capital Development and Waste Management	26,909	(205)	26,704
Highways and Traffic Management	31,528	(1,826)	29,702
Highways, Infrastructure and Waste	58,437	(2,031)	56,406
Total	438,788	20,797	459,585

	Change £' 000
Reasons for changes in Revenue Budget	
Technical and Service Changes	
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)
Savings Requirements	(22,229)
Total	20,797

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
Adult Care and Health	1,158	3	1,053	108	1,161
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
Children's Services	887	(1)	812	74	886
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
Community, Health, Environment, Prosperity	410	(17)	275	118	393
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
Corporate Services	1,020	(6)	908	106	1,014
Capital Development and Waste Management	102	0	102	0	102
Highways and Traffic Management	253	0	253	0	253
Highways, Infrastructure and Waste	355	0	355	0	355
Total	3,830	(21)	3,403	406	3,809

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
	1

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)
	2

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)
	(4)

Education and Learning	
<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
	3
Communities and Other Services	
Youth Service - staff transferring to an independent entity	(48)
	(48)
Economy, Enterprise and Skills	
Learn Devon - apprentices	3
Learn Devon - transfer in from Adult Care Commissioning	5
Restructure of team hours	(2)
	6
Planning Transportation & Environment	
NHS Transport staff transferred in	8
Reinstatement of School Crossing patrol staff numbers	14
Modern apprenticeships and interns	3
	25
Chief Executive, Legal & Communications	
Legal support to address capacity issues	1
Assistant Solicitor Adult Social Care	1
	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
	(7)
Human Resources and Organisational Development	
Change Management	8
Review of HR structure	(11)
	(3)
Treasurer's Services	
Finance Management Team restructure	(2)
Devon Audit Partnership	(2)
Peninsula Pensions - new legislation	7
Reduction of hours across service	(1)
	2
Total	(21)

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
Adult Care and Health	279,413	(18,073)	(44,843)	(4)	216,493
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
Children's Services	653,150	(528,496)	(1,949)	(4,574)	118,131
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
Community, Health, Environment, Prosperity	72,971	(30,176)	(5,652)	(1,940)	35,203
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
Corporate Services	74,495	(8,812)	(15,839)	(16,492)	33,352
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
Highways, Infrastructure and Waste	63,355	(118)	(5,559)	(1,272)	56,406
Total	1,143,384	(585,675)	(73,842)	(24,282)	459,585

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

	Gross Expenditure £'000	Grant and Contribution Income £'000	External Income £'000	Internal Income £'000	Net Expenditure £'000
Digital Transformation and Business Support					
ScoMIS	9,699	0	(2,105)	(7,594)	0
Treasurer's Services					
Devon Audit Partnership	1,240	0	(1,240)	0	0
Childrens Social Work and Child Protection					
Atkinson Unit	3,261	(180)	(2,509)	(572)	0
Capital Development and Waste Management					
Ecowaste4Food Project	37	(32)	0	(5)	0
Highways and Traffic Management					
On Street Parking	6,302	(104)	(6,198)	0	0
Communities and Other Services					
Active Devon	1,517	(831)	(70)	(616)	0
Syrian Refugees	500	(500)	0	0	0
Economy, Enterprise and Skills					
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
Planning, Transportation and Environment					
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
Total	30,707	(7,250)	(14,407)	(9,050)	0
Grand total	1,174,091	(592,925)	(88,249)	(33,332)	459,585

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.

Service and Grant Title	Funded by	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Adult Care Operations and Health					
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
		16,799	16,799	16,799	16,799
Adult Commissioning and Health					
Local Reform Community Voices Grant	Department of Health	344	344	344	344
Contributions	Health and other local authorities	930	930	930	930
		1,274	1,274	1,274	1,274
Children's Social Work and Child Protection					
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
		5,260	6,881	7,143	7,143
Education and Learning - Dedicated Schools Grant					
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
		523,416	523,416	523,416	523,416
Economy and Enterprise					
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
		3,593	3,596	3,593	3,484
Planning, Transportation and Environment					
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
		3,154	3,069	2,945	2,648

Service and Grant Title	Funded by	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Communities and Other Services					
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
		1,344	1,744	1,744	1,744
Public Health					
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
		29,019	28,224	27,478	26,782
Digital Transformation and Business Support					
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
		8,812	8,826	8,842	8,857
Capital Development and Waste Management					
Ecowaste4food	ERDF	32	32	35	32
Highways and Traffic Management					
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
		222	219	226	212
Total		592,925	594,080	593,495	592,391

Grants Paid to External Organisations

2016/17 £000	Service and Grant Title	2017/18 £000
Children's Social Work and Child Protection		
190	University Bursary Grants	194
150	Facilitating Access to Mainstream Activities for Disabled Children's Services	150
32	Calvert Trust Short Holiday Breaks	32
372		376
Planning, Transportation and Environment		
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
589		567
Communities and Other Services		
400	Citizens Advice Bureau	400
72	Community Council of Devon	72
189	Councils for Voluntary Services	189
661		661
Public Health		
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
102		20
1,724 TOTAL		1,624

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