

NOTICES OF MOTION

Report of the County Solicitor

Recommendation: that consideration be given to any recommendations to be made to the County Council in respect of the Notices of Motion set out hereunder having regard to the relevant factual briefing/background papers and any other representations made to the Cabinet.

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The Notices of Motion submitted to the County Council by the Councillors shown below have been referred to the Cabinet in accordance with Standing Order 8(2) - for consideration, reference to another committee or to make a recommendation back to the Council.

A factual 'Briefing Note/Position Statement' prepared by the relevant Head of Service is also included where appropriate or available, to facilitate the Cabinet's discussion of each Notice of Motion.

### **(a) Outturn Surplus and Re-allocation of Funds (Councillor Greenslade)**

*'(1) that the County Council notes that earmarked reserves at outturn for 2016/17, excluding carry forwards, increased in year by £15,299 m with no spending being made against the reserves for budget management, business rates risk, emergency, and on street parking in 2016/17.*

*Accordingly County Council agrees to compensate all school budgets, which had suffered a £33 per pupil cut in 2017/18, by the equivalent of the loss in their budgets consequent upon this decision taken in setting the County Council's budget for 2017/18.*

*The cost of this action, approx £2.2m, be met from the earmarked reserve for budget management.*

*(2) that the County Council organises a round table at which representatives of the Devon schools community debate with all the MP's representing new Devon the issue of future school funding including a revised schools funding formula.'*

### **Briefing Note/Position Statement from the Head of Education & Learning**

Nothing has changed since the following corporate statement was issued on 21<sup>st</sup> July 2017:

*'Our strong and vocal campaign with Devon's schools and MPs led to the Government setting aside more cash for schools this week. The £33 does not represent a cut to Devon's spending on education but a recycling of cash to our most vulnerable children. We cannot take the money from our reserves because the independent District Auditor says they're already low compared to other councils and they may be needed for emergencies. We used £11 million of reserves in this year's budget and we are expecting to have to make further austerity cuts of £30 million next year to balance its budget'.*

In July 2017 the Government confirmed that there will be an additional £1.3 billion for schools and high needs across 2018-19 and 2019-20, as LAs transition to the National Funding Formula being £416m in 2018/19 and £884m in 2019/20, in addition to the schools budget set at the Spending Review 2015.

This will mean that, in 2018-19, all local authorities will receive some increase over the amount they plan to spend on Schools and High Needs through the DSG in 2017-18. These increases will be reflected in the allocations published in September. The full statement can be found on

the DfE website: <https://www.gov.uk/government/speeches/justine-greening-statement-to-parliament-on-school-funding>.

Recent discussion held with the f40 group (which represents the lowest funded local authorities) suggest that the additional funding has been found from savings in the Department along with £315m from the Healthy Pupils Fund and a £280m reduction in the Free Schools Capital Fund. It is now proposed that free schools be built in collaboration with local authorities. No detail has been provided on how these schools will now be funded.

The initial announcement Schools revenue funding 2018-2019 provided limited detail around the intentions. The release of the Operational Guidance for 2018-19 Schools Revenue Funding in August 2017 has clarified some of the detail around the headline messages. Allocations of the finance as already highlighted above will be published in September.

While it remains the government's intention that a school's budget should be set on the basis of a single national formula, in 2018-19 and 2019-20, local authorities will continue to determine final funding allocations for schools through a local formula.

In 2018-19 and 2019-20, the national funding formula will set notional allocations for each school, which will be aggregated and used to calculate the total schools block received by each local authority.

There are a number of significant changes to the funding system for 2018-19:

- (i) there will be four blocks as opposed to the current three, with a Central School Services Block (CSSB) being created. This will comprise funding for on-going responsibilities and a cash sum for historic commitments;
- (ii) each of the four blocks of the DSG [Schools budget, Central school services, High Needs, Early Years] will be determined by a separate national funding formula. National funding formulae will determine local authorities' schools, high needs and central school services blocks for the first time in 2018-19. Funding for early years has been allocated through a national funding formula since 2017-18;
- (iii) baselines have been adjusted to take account of local authorities' most recent spending patterns;
- (iv) within the schools block, the Government will provide for at least a 0.5% per pupil increase for each school in 2018-19 through the national funding formula. Local authorities' schools block allocations will be calculated by aggregating schools' notional allocations under the national funding formula, and these notional allocations will reflect these increases;
- (v) the formula will provide local authorities with per pupil funding of at least £4,800 for all secondary schools that have pupils in years 10 and 11 by 2019-20. For 2018-19 the local authority has the ability to add a new factor to the formula from its current allocation as a transition towards the £4,800 per pupil funding it will receive by 2019-20;
- (vi) Within the high needs block, the Government will provide for at least a 0.5% overall increase in 2018-19 through the high needs national funding formula. The high needs block will be protected against 2017-18 baselines;

*[Note: Re points iv, v and vi above, until we receive the allocations due to be published in September, it remains unclear what impact they will have on Devon's total budget ]*

- (vii) the minimum funding guarantee (MFG) for schools will continue, but local authorities will have the flexibility to set a local MFG between 0% and minus 1.5% per pupil;
- (viii) the schools block will be ring-fenced from 2018-19, but local authorities will be able to transfer up to 0.5% of their schools block funding out with the agreement of their schools forum. There will be an exceptions process, which will require Secretary of State

approval, for considering transfers above the 0.5% limit and/or where the schools forum is opposed to the transfer.

As to funding pressures in Devon's schools, on 11 January 2017 Cabinet agreed the redistribution of £2.22 million funding from Individual Schools Budgets to the High Needs budget; this being a reduction in the Age Weighted Pupil Unit (AWPU) of £33.

There are however significant other factors further exacerbating funding pressures for schools, such as:-

- Change in pupil numbers
- Rise in pension contributions, of 3.55% for support staff
- A 0.5% Apprenticeship Levy
- Pay and other inflationary increases (fuel costs and resources etc)
- Nationally agreed increases to teachers pay of between 1 and 2%

Depending on the final allocation the above costs could completely negate the impact of the increases described earlier.

The example below shows a fictional, but typical, secondary school in Devon and reflects the impact of 40 fewer pupils attending the school (2%) and the effect of the £33 per pupil transfer (it does not include any of the other loss factors mentioned above e.g. Apprenticeship levy).

The total reduction in funding equates to over £250,000 and of this £250,000:-

- Circa £191,000 (76%) due to a reduction in pupil numbers
- Circa £64,000 (24%) due to the AWPU reduction

| Overall Variance | Pupils | AWPU rate | Total             |
|------------------|--------|-----------|-------------------|
| <b>KS3</b>       |        |           |                   |
| 2016/17          | 1130   | £4,021    | £4,543,730        |
| 2017/18          | 1140   | £3,988    | £4,546,320        |
|                  |        |           | <b>£2,590</b>     |
| <b>KS4</b>       |        |           |                   |
| 2016/17          | 810    | £4,647    | £3,764,070        |
| 2017/18          | 760    | £4,614    | £3,506,640        |
|                  |        |           | <b>(£257,430)</b> |
|                  |        |           | <b>(£254,840)</b> |

| Volume Variance       | Pupils          | AWPU rate                | Total             |
|-----------------------|-----------------|--------------------------|-------------------|
| KS3                   | 1140 - 1130     | 10                       | £39,880           |
| KS4                   | 760 - 810       | -50                      | (£230,700)        |
|                       |                 |                          | <b>(£190,820)</b> |
| <b>Price Variance</b> | <b>Price</b>    | <b>Pupils in 2016/17</b> |                   |
| KS3                   | £3,988 - £4,021 | -£33                     | (£37,290)         |
| KS4                   | £4,614 - £4,647 | -£33                     | (£26,730)         |
|                       |                 |                          | <b>(£64,020)</b>  |
|                       |                 |                          | <b>(£254,840)</b> |

As to pupil numbers, over the past 2 years Devon has seen a 2.2% increase in pupil numbers and a similar increase is expected for 2018-19. However, this increase has not been consistent and whilst currently known admission numbers indicate 22% of schools have anticipated growth of 5% or more, 32% anticipate a fall in numbers of 5% or more. As shown above this can have a significant impact on a school's budget and could lead to significant staff losses.

The table below provides further information on schools anticipating a fall of over 10%:-

|              |                     | anticipated fall greater than 10% |              | anticipated fall greater than 20% |              |
|--------------|---------------------|-----------------------------------|--------------|-----------------------------------|--------------|
| school phase | total no of schools | no of schools                     | % of schools | no of schools                     | % of schools |
| Primary      | 307                 | 37                                | 12%          | 3                                 | 1%           |
| Secondary    | 39                  | 17                                | 44%          | 5                                 | 13%          |
| Total        | 346                 | 54                                | 16%          | 8                                 | 2%           |

In 2015-16 Devon secured an additional £16 million through the Minimum Funding Level (MFL) which was agreed to be allocated by Schools Forum as £1million to Early Years, £5.7million in Primary Schools (5 to 10 year olds) and £8.8million to Secondary Schools (11 to 16 year olds).

Devon has been lobbying the regions MPs both at County and School level to highlight the pressures that Devon Schools have under the current formula, as well as how the requirements differ as a rural county.

Devon has been working with the f40 throughout the NFF consultation period and even after it closed, f40 has been actively developing its own proposals and making them known to the DfE team working on the new national funding formula. It is not clear exactly what impact we have had on the department's thinking but we are advised that f40 has been an important consultee in the process and that the views and comments have been welcomed, to provide an alternative National Funding Formula

Listed below are recent briefings with Members and Officers:

- October 2016 - Dedicated Schools Grant (DSG) and Education Services Grant (ESG)
- December 2016 - DSG and High Needs (Cabinet and CLT)
- January 2017 - DSG Settlement (Cabinet)
- February 2017 - Secretary of State decision on ESG disapplication
- March 2017 - School Funding MPs Questions
- March 2017 - Devon Responses to the National Funding Formulae
- March 2017 - Secretary of State request for High Needs carry forward disapplication
- July 2017 - Secretary of State announcement of additional £1.3billion

Attendance of f40 meetings in London

- January 2017 - f40 Finance Managers Research Team initial response to NFF
- April 2017 - f40 FMRT around alternative national funding formula

## **(b) Police & Crime Commissioner (Councillor Dewhurst)**

*'Devon County Council is extremely alarmed at the proposal by the Police and Crime Commissioner, Alison Hernandez, to drastically reduce the number of PCSOs, the eyes and ears of the force. At a recent consultation by South Devon and Dartmoor Community Safety Partnership, Neighbourhood Watch Co-ordinators, Parish, Town and Borough Councillors, District Councillors and County Councillors described the proposed changes as "dangerous". Members are hearing reports from constituents of massive increases in low-level crime in our towns, villages and rural areas.*

*Additionally there is a general concern that the Police and Crime Commissioner is unfit and unsuitable for her job after making tactless comments about being "really interested" in licensed firearm owners being allowed to act during terrorist incidents. We endorse Deputy Chief Constable Paul Netherton's view that "Under no circumstances would we want members of the public to arm themselves with firearms".*

*This Council believes that the Police and Crime Commissioner is wrong to propose reductions in Neighbourhood Policing, that proposals to utilise domestically owned firearms is a crass and inadequate response to mounting concerns about police cuts and that her proposal to appoint a Deputy Police and Crime Commissioner is an appointment that is just not needed in these cash-strapped times.*

*We therefore request the Chief Executive to contact the Home Secretary requesting she use whatever powers may be available to remove Ms Hernandez from office allowing Devon and Cornwall Police to continue the fight against crime at all levels and that Members of Devon County Council show their lack of support for the Police and Crime Commissioner by voting "No Confidence" in her office'.*

### **Briefing Note/Position Statement from the Chief Officer for Community, Public Health, Environment & Prosperity**

Operational policing matters are the responsibility of the Chief Constable and the structure of the workforce is solely his decision. The Police and Crime Commissioner provides the funding for the Chief Constable to police the area, and the Police and Crime Commissioner holds the Chief Constable to account.

Neighbourhood policing is a priority of the Devon and Cornwall Constabulary and there will continue to be a dedicated Local Policing Team consisting of named Police Officers and Police Community Safety Officers (PCSOs) in every area of Devon. The decision to reduce numbers of PCSOs and to increase the numbers of warranted Police Officers is a response to the changes in national policing priorities over recent months (for example increases in the terrorist threat, child sexual exploitation and cybercrime) and is part of a wider review of neighbourhood policing instigated by the Chief Constable to ensure that he has the right mix of skills and resources to keep our communities safe.

In February 2017 the Chief Constable set out (in an open letter) his plans to invest £24,000,000 of additional funding made available to him from the Police and Crime Commissioner over the next 3 years and to reshape the police workforce to ensure that it was able to meet local and national policing needs. In practice, this means an increase in warranted Police Officers of 100, and although a reduction in PCSOs is planned, no decisions have yet been taken on the exact numbers of PCSOs and where they will be based going forward. As at 1<sup>st</sup> June 2017 there were 310 PCSOs and the financial plan announced in February included the financial equivalent of 150 PCSOs by April 2021. This is part of the neighbourhood policing review which is being led by assistant Chief Constable Andy Boulting. Both the Chief Constable and the Police and Crime Commissioner are aware that the review has created uncertainty within local communities and with staff, and as the review is taken forward, the Police and Crime Commissioner is focused on ensuring that, as well as supporting communities and staff, that there is an opportunity for them to contribute to the review.

With regard to the Police and Crime Commissioner's comments about licensed firearms owners the Deputy Chief Constable, Paul Netherton, has publicly confirmed that this would be inappropriate.

### **(c) Paris Accord on Climate Change (Councillor Hook)**

*"The people of Devon, along with vast numbers of people around the globe, were dismayed at the pronouncement from President Trump that he was pulling America out of the Paris Accord on Climate Change. This is a move that will impact negatively on all residents of this planet and is a step back in time. Climate Change is the single biggest threat to mankind, and the policies now to be followed by President Trump will cause it to accelerate. His policies will also undermine the health of the planet and the people who are sustained by the planet. Pollution of water and air are already killing hundreds of thousands prematurely.*

*This Council condemns President Trump for the action he has taken and will join with others from around the world in conveying to him this error of judgement on his part and request an early reconsideration and reversal of this decision."*

### **Briefing Note/Position Statement from the Head of Planning, Transportation & Environment**

The Paris Agreement unites the world to continue global efforts to deal with greenhouse gas (GHG) emissions mitigation and adaptation to the changing climate. As of August 2017, 195 parties have signed the agreement (only Nicaragua and Syria have not), 158 of which have ratified it (including the United States (USA)) covering 86% of global GHG emissions<sup>1</sup>.

The Agreement expects each country to plan its own ambitious emissions reduction activity and report its contribution to mitigating global warming in order to keep global temperature below 2°C above pre-industrial levels and, ideally, 1.5°C<sup>2</sup>. There is no mechanism to enforce a target upon a particular country and no consequence if a country does not meet its commitments. Therefore, the Agreement relies on collective action and good will to encourage all parties to act<sup>3</sup>.

In June 2017, President Trump announced his intention to withdraw the USA from the Agreement. This is, potentially, destabilising as the USA is the second largest emitter of GHGs annually (behind China)<sup>4</sup>, and on a cumulative basis from 1850 the USA has emitted the most GHGs of any nation<sup>5</sup>.

However, the decision of the President of the United States has, arguably, strengthened cooperation within the international community: Germany, France, Italy, Japan, Mexico, Canada, New Zealand and Australia have all condemned the decision and reasserted their commitment to the Agreement<sup>6</sup>; China and India are demonstrating substantial leadership on deployment of low-carbon technology<sup>7</sup>; and 367 cities in the USA (so far) have declared that they will meet the Paris objectives locally, irrespective of the federal position<sup>8</sup>.

The County Council understands the importance of reducing GHG emissions. The County Council's Energy Policy targets will reduce carbon emissions from its operations by about 50% by 2030, in line with the trajectory set by the UK Climate Change Act for an 80% reduction by 2050. Additionally, the Council has signed the Nottingham Declaration on Climate Change, which commits the council to working with central government to contribute, at a local level, to delivering the UK Climate Change Programme through its relevant functions.

In light of the considerable international condemnation of the decision of the President of the United States, the on-going support for delivery of the Paris Agreement and the groundswell of local support within the USA, there is little that can be added by Devon County Council to the pressure for reconsideration of that decision. The Council will continue to make progress at

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<sup>1</sup> Climate Analytics (2017) *Paris Agreement Ratification Tracker* [online]. <http://climateanalytics.org/hot-topics/ratification-tracker.html>

<sup>2</sup> Briggs, H. (2017) What is in the Paris Climate Agreement? *BBC News* [online]. <http://www.bbc.co.uk/news/science-environment-35073297>

<sup>3</sup> Wikipedia (2016) *Paris Agreement* [online]. Wikimedia Foundation. [https://en.wikipedia.org/wiki/Paris\\_Agreement](https://en.wikipedia.org/wiki/Paris_Agreement)

<sup>4</sup> Olivier, J.G.J., *et al.* (2016) *Trends in global CO2 emissions: 2016 Report*. European Commission. Available at: [http://edgar.jrc.ec.europa.eu/overview.php?v=CO2ts\\_pc1990-2015](http://edgar.jrc.ec.europa.eu/overview.php?v=CO2ts_pc1990-2015)

<sup>5</sup> Ge, M. *et al.* (2014) Six Graphs Explain the World's Top 10 Emitters, *World Resources Institute* [online]. <https://wri.org/blog/2014/11/6-graphs-explain-world%E2%80%99s-top-10-emitters>

<sup>6</sup> Watts, J. and Connolly, K. (2017) World leaders react after Trump rejects Paris climate deal. *The Guardian* [online]. <https://www.theguardian.com/environment/2017/jun/01/trump-withdraw-paris-climate-deal-world-leaders-react>

<sup>7</sup> Upton, J. (2017) China, India Become Climate Leaders as West Falts, *Climate Central* [online]. <http://www.climatecentral.org/news/china-india-climate-leaders-west-falts-21377>

<sup>8</sup> Climate Mayors (2017) *Cities Adopt the Paris Climate Agreement Goals* [online]. <http://climatemayors.org/>

implementing the Agreement locally by reducing its carbon emissions and facilitating reductions across Devon where it has influence.

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This Report has no specific equality, environmental, legal or public health implications that will not be assessed and appropriate safeguards and/or actions taken or included within the detailed policies or practices or requirements in relation to the matters referred to herein.

JAN SHADBOLT

[Electoral Divisions: All]

Local Government Act 1972: List of Background Papers

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<u>Background Paper</u>	<u>Date</u>	<u>File Reference</u>
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Nil