

Phil Norrey
Chief Executive

To: The Chair and Members of the
Cabinet

County Hall
Topsham Road
Exeter
Devon
EX2 4QD

(See below)

Your ref :
Our ref :

Date : 31 December 2018
Please ask for : Karen Strahan, 01392 382264

Email: karen.strahan@devon.gov.uk
:

CABINET

Wednesday, 9th January, 2019

A meeting of the Cabinet is to be held on the above date at 10.30 am in the Committee Suite - County Hall to consider the following matters.

P NORREY
Chief Executive

AGENDA

8 Budget Monitoring: Month 8 (Pages 1 - 4)

Report of the County Treasurer (CT/19/2) on the budget monitoring position at Month 8, attached.


Electoral Divisions(s): All Divisions

Notice of all items listed above have been included in the Council's Forward Plan for the required period, unless otherwise indicated. The [Forward Plan](#) is published on the County Council's website.

Notice of the decisions taken by the Cabinet will be sent by email to all Members of the Council within 2 working days of their being made and will, in the case of key decisions, come into force 5 working days after that date unless 'called-in' or referred back in line with the provisions of the Council's Constitution. The Minutes of this meeting will be published on the Council's website, as indicated below, as soon as possible.

Members are reminded that Part II Reports contain confidential information and should therefore be treated accordingly. They should not be disclosed or passed on to any other person(s).

Members are also reminded of the need to dispose of such reports carefully and are therefore invited to return them to the Democratic Services Officer at the conclusion of the meeting for disposal.

Membership
Councillors J Hart (Chair), S Barker, R Croad, A Davis, R Gilbert, S Hughes, A Leadbetter, J McInnes and B Parsons
Cabinet Member Remits
Councillors Hart (Policy, Corporate and Asset Management), Barker (Resources), Croad (Community, Public Health, Transportation & Environmental Services), Davis (Infrastructure Development & Waste), R Gilbert (Economy & Skills) S Hughes (Highway Management), Leadbetter (Adult Social Care & Health Services), McInnes (Children's Services & Schools) and Parsons (Organisational Development & Digital Transformation)
Declaration of Interests
Members are reminded that they must declare any interest they may have in any item to be considered at this meeting, prior to any discussion taking place on that item.
Access to Information
Any person wishing to inspect the Council's / Cabinet Forward Plan or any Reports or Background Papers relating to any item on this agenda should contact Karen Strahan, 01392 382264. The Forward Plan and the Agenda and Minutes of the Committee are published on the Council's Website and can also be accessed via the Modern.Gov app, available from the usual stores.
Webcasting, Recording or Reporting of Meetings and Proceedings
The proceedings of this meeting may be recorded for broadcasting live on the internet via the 'Democracy Centre' on the County Council's website. The whole of the meeting may be broadcast apart from any confidential items which may need to be considered in the absence of the press and public. For more information go to: http://www.devoncc.public-i.tv/core/
In addition, anyone wishing to film part or all of the proceedings may do so unless the press and public are excluded for that part of the meeting or there is good reason not to do so, as directed by the Chair. Any filming must be done as unobtrusively as possible from a single fixed position without the use of any additional lighting; focusing only on those actively participating in the meeting and having regard also to the wishes of any member of the public present who may not wish to be filmed. As a matter of courtesy, anyone wishing to film proceedings is asked to advise the Chair or the Democratic Services Officer in attendance so that all those present may be made aware that is happening.
Members of the public may also use Facebook and Twitter or other forms of social media to report on proceedings at this meeting. An open, publicly available Wi-Fi network (i.e. DCC) is normally available for meetings held in the Committee Suite at County Hall. For information on Wi-Fi availability at other locations, please contact the Officer identified above.
Questions to the Cabinet / Public Participation
A Member of the Council may ask the Leader of the Council or the appropriate Cabinet Member a question about any subject for which the Leader or Cabinet Member has responsibility. Any member of the public resident in the administrative area of the county of Devon may also ask the Leader a question upon a matter which, in every case, relates to the functions of the Council. Questions must be delivered to the Office of the Chief Executive Directorate by 12 noon on the fourth working day before the date of the meeting. The name of the person asking the question will be recorded in the minutes. For further information please contact Karen Strahan on 01392 382264 or look at our website
Emergencies
In the event of the fire alarm sounding leave the building immediately by the nearest available exit, following the fire exit signs. If doors fail to unlock press the Green break glass next to the door. Do not stop to collect personal belongings, do not use the lifts, do not re-enter the building until told to do so.
Mobile Phones
Please switch off all mobile phones before entering the Committee Room or Council Chamber
If you need a copy of this Agenda and/or a Report in another format (e.g. large print, audio tape, Braille or other languages), please contact the Information Centre on 01392 380101 or email to: centre@devon.gov.uk or write to the Democratic and Scrutiny Secretariat at County Hall, Exeter, EX2 4QD.
 Induction loop system available

NOTES FOR VISITORS

All visitors to County Hall, including visitors to the Committee Suite and the Coaver Club conference and meeting rooms are requested to report to Main Reception on arrival. If visitors have any specific requirements or needs they should contact County Hall reception on 01392 382504 beforehand. Further information about how to get here can be found at: <https://new.devon.gov.uk/help/visiting-county-hall/>. Please note that visitor car parking on campus is limited and space cannot be guaranteed. Where possible, we encourage visitors to travel to County Hall by other means.

SatNav – Postcode EX2 4QD

Walking and Cycling Facilities

County Hall is a pleasant twenty minute walk from Exeter City Centre. Exeter is also one of six National Cycle demonstration towns and has an excellent network of dedicated cycle routes – a map can be found at: <https://new.devon.gov.uk/travel/cycle/>. Cycle stands are outside County Hall Main Reception and Lucombe House

Access to County Hall and Public Transport Links

Bus Services K, J, T and S operate from the High Street to County Hall (Topsham Road). To return to the High Street use Services K, J, T and R. Local Services to and from Dawlish, Teignmouth, Newton Abbot, Exmouth, Plymouth and Torbay all stop in Barrack Road which is a 5 minute walk from County Hall. Park and Ride Services operate from Sowton, Marsh Barton and Honiton Road with bus services direct to the High Street.

The nearest mainline railway stations are Exeter Central (5 minutes from the High Street) and St David's and St Thomas's both of which have regular bus services to the High Street. Bus Service H (which runs from St David's Station to the High Street) continues and stops in Wonford Road (at the top of Matford Lane shown on the map) a 2/3 minute walk from County Hall, en route to the RD&E Hospital (approximately a 10 minutes walk from County Hall, through Gras Lawn on Barrack Road).

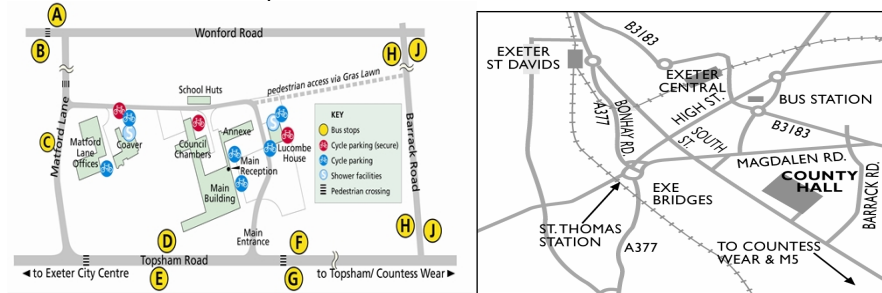
Car Sharing

Carsharing allows people to benefit from the convenience of the car, whilst alleviating the associated problems of congestion and pollution. For more information see: <https://liftshare.com/uk/community/devon>.

Car Parking and Security

There is a pay and display car park, exclusively for the use of visitors, entered via Topsham Road. Current charges are: Up to 30 minutes – free; 1 hour - £1.10; 2 hours - £2.20; 4 hours - £4.40; 8 hours - £7. Please note that County Hall reception staff are not able to provide change for the parking meters.

As indicated above, parking cannot be guaranteed and visitors should allow themselves enough time to find alternative parking if necessary. Public car parking can be found at the Cathedral Quay or Magdalen Road Car Parks (approx. 20 minutes walk). There are two disabled parking bays within the visitor car park. Additional disabled parking bays are available in the staff car park. These can be accessed via the intercom at the entrance barrier to the staff car park.



NB   Denotes bus stops

Fire/Emergency Instructions

In the event of a fire or other emergency please note the following instructions. If you discover a fire, immediately inform the nearest member of staff and/or operate the nearest fire alarm. On hearing a fire alarm leave the building by the nearest available exit. The County Hall Stewardesses will help direct you. Do not stop to collect personal belongings and do not use the lifts. Assemble either on the cobbled car parking area adjacent to the administrative buildings or in the car park behind Bellair, as shown on the site map above. Please remain at the assembly point until you receive further instructions. Do not re-enter the building without being told to do so.

First Aid

Contact Main Reception (extension 2504) for a trained first aider.

BUDGET MONITORING 2018/19 Report of the County Treasurer

Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect.

Recommendation:

- a) The Committee notes the forecast overspending of £4.8 millions.**

1. Introduction

- 1.1. This report outlines the financial position and forecast for the Authority at month 8 (to the end of November) of the financial year.
- 1.2. The total projected overspending at month 8 is forecast at £4.8 millions a reduction of £3.3 millions from month 6. This position continues to assume that a request to carry forward £2.4 millions to next years Dedicated Schools Grant (DSG) will be agreed by the Devon Education Forum. It also reflects the impact of some of the corporate savings initiatives and the confirmation of additional funding to support high needs pressures.

2. Revenue Expenditure Adult Care and Health Services

- 2.1. Adult Care and Health services are forecast to underspend by £385,000, at month 6 the service was forecasting an underspend of £488,000. This position takes into account £84,000 of management action's yet to be delivered but which are still considered achievable.
- 2.2. Adult Care Operations is forecasting to underspend by £752,000 an increase of £14,000 from the underspend reported at month 6.
- 2.3. Adult Commissioning and Health is forecast to overspend by £367,000 an increase of £117,000 from month 6 the result of placements within Mental Health continuing to increase, client numbers are now 45 more than the budgeted level of 800. The forecast overspend is partially offset by vacancies within Adult Commissioning.
- 2.4. The Department of Health and Social Care has recently announced additional funding to support Adult Social Care in alleviating winter pressures on the Health Service. Devon County Council is to receive an additional allocation of £3.6 millions for 2018/19 and 1019/20. The grant determination details for 2018/19 have now been received and plans for the application of this tranche of funding have been submitted to the Department for Health and Social Care, with delivery underway. The position reported assumes this funding will be fully spent within the current financial year.

3. Revenue Expenditure Children's Services

Agenda Item 8

- 3.1. Children's Services are showing a forecast overspend of £11.1 millions, an increase of £1.2 millions from month 6.
- 3.2. Children's Social Care is forecast to overspend by £7.3 millions, an increase of £792,000 from month 6. Pressures continue within residential placements but are also increasing across the disabled children short breaks service and from legal disbursements. The forecast position reflects £410,000 of management action's still to be delivered but which are still considered achievable.
- 3.3. The total overspending on children's placements is forecast to be £4.5 millions a reduction of £147,000 from month 6 with activity levels reducing slightly.
- 3.4. Disabled Children's Services are forecast to overspend by £1.7 millions an increase of £814,000 since month 6. Nearly half of this increase is associated with one exceptionally high cost placement, following reassessment the care package arrangements have changed resulting in the increase to the forecast cost of.
- 3.5. The Atkinson Secure Children's Home is forecasting an overspend of £420,000 a £42,000 reduction from month 6. Difficulties recruiting and retaining appropriately experienced staff continue to have a direct impact on occupancy levels and therefore income. A recruitment plan has been implemented to address staffing issues and has resulted in new staff expected to commence employment in January 2019. Associated increases in occupancy levels are expected later this financial year.
- 3.6. All other costs which include Staffing, Quality Assurance Reviewing and Safeguarding Service and strategic management budgets are forecasting an overspend of £708,000 an increase of £167,000 from month 6. This change is mainly the result of increasing legal disbursement costs. The forecast continues to reflect an increase in anticipated agency staff costs and additional Northern and Southern team resources associated with the service improvement plan.
- 3.7. The non-Dedicated Schools Grant (DSG) element of Education and Learning is forecasting an overspend of £613,000 an increase of £442,000 from month 6. Pressures within school transport continue to exist due to rising costs associated with contract changes and additional Special Education Needs (SEN) personalised transport.
- 3.8. On 17 December the Secretary of State announced an additional £250 millions of revenue funding to support high needs pressures within the DSG. This was confirmed across two financial years, 2018/19 and 2019/20, for Devon County Council this is an additional £1.5 millions in each of the two years, the 2018/19 allocation is reflected within the reported position.
- 3.9. The DSG is currently forecast to overspend by £3.1 millions, a reduction of £38,000 from month 6. This position continues to assume that £2.4 millions will be carried forward to be dealt with in the 2019/20 academic year and also includes the release of the £1.5 millions additional funding announced by the Secretary of State.
- 3.10. The month 8 forecast position for the High Needs Block of the DSG, including the carry forward request (£2.4 millions) and additional grant funding (£1.5 millions), is an overspend of £3.7 millions. However, if these two items are excluded the overspending increases to £7.6 millions, an underlying increase of £1.2 millions from month 6. This is as a result of additional costs within further education college placements and an increase in the number of pupils with Education Health and Care

plans. Placement numbers for independent special schools remain the driver for most of the forecast pressure within the high needs block.

- 3.11. Other DSG budget that includes Early Years and childcare, are showing an underspend of £509,000.

4. Revenue Expenditure Highways, Infrastructure Development and Waste

- 4.1. Highways, Infrastructure Development and Waste is forecasting an underspend of £2.4 millions at month 8 against a break-even position in month 6.
- 4.2. As part of the corporate savings initiatives adopted in November a review of the capital programme took place to determine if increased capital works could enable revenue savings. This review has resulted in a forecast underspend of £2 millions within highways.
- 4.3. Highways service managers remain confident that all planned maintenance programmes will be delivered during the financial year and that pressures associated with safety defects caused by adverse weather conditions at the end of last year are currently manageable. This will continue to be closely monitored and may be affected by a harsh winter.
- 4.4. Waste management is forecasting a £400,000 underspend against a breakeven position in month 6. Higher than budget domestic, green and food waste tonnages are more than offset by below budget in-vessel composting tonnages. There have also been lower volumes going to the Plymouth Energy from waste plant which is contributing to the underspend.

5. Revenue Expenditure Other Services

- 5.1. Communities, Public Health, Environment and Prosperity (COPHEP) are showing a forecast underspend of £762,000 compared to a forecast overspend of £153,000 at month 6. The review of the capital programme to determine if capital works could enable savings has resulted in a forecast saving of £255,000. The recognition of underspends associated with vacancies and reduction in the forecast spend within transportation contribute to the remaining change.
- 5.2. Corporate Services continue to forecast a breakeven position at month 8. Pressures within county solicitors and HR are being offset by forecast underspends within Digital transformation and business support.
- 5.3. Non- service items are forecast to underspend by £2.8 millions, at month 6 the forecast was £1.4 millions. This change in forecast is due to further additional investment income from higher interest rates and the capitalisation of revenue schemes.

6. Capital Expenditure

- 6.1. The approved capital programme for the Council is £150.4 millions.
- 6.2. The year-end forecast is £129.7 millions of which £111.8 millions is externally funded. Slippage is forecast at £20.7 millions.

Agenda Item 8

6.3. Wherever possible slippage is offset by the accelerated delivery of other approved schemes within the capital programme. The main areas of net slippage can be attributed to scheme variations and programme delays in Adult Care & Health (£2.9 millions) and Planning and Transportation (£13.7 millions) which reflects the complexity of the major schemes within these service areas.

7. Debt Over 3 Months Old

7.1. Corporate debt stood at £4.9 millions, being 3.0% of the annual value of invoices, against the annual target of 1.9%. We will continue to pursue the balance of debt owed, including the use of legal action where appropriate. It is anticipated that year-end debt will be below the annual target.

8. Conclusion

8.1. Like many other Local Authorities across the Country, the Council is continuing to grapple with high levels of demand for Children Services. Residential Placements, although more stable than earlier in the year continue to be difficult to contain within the budget allocated and pressures against the high needs block of the dedicated schools grant are increasing. The additional funding to support high needs pressures confirmed in December, although welcome, has only served to manage cost increases and pressures within the area that have been experienced since month 6. This pressure continues to be a significant cause for concern.

8.2. The savings initiatives developed by the Councils Leadership Group are delivering reductions in revenue expenditure and have contributed to the reduction in the forecast overspend as detailed. These will continue to inform financial forecasts for the remainder of this year.

Mary Davis, County Treasurer

Electoral Divisions: All

Cabinet Member: Councillor Stuart Barker

Local Government Act 1972: List of Background Papers

Contact for Enquiries: Mary Davis

Tel No: (01392) 383310 Room: 199

Background Paper Date File Ref: Nil

Date Published: ,,,