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To: The Chair and Members of the Children's
Scrutiny Committee

County Hall
Topsham Road
Exeter
Devon
EX2 4QD

Date: 18 January 2023

Contact: Charlie Fisher

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CHILDREN'S SCRUTINY COMMITTEE

Thursday, 26th January, 2023

A meeting of the Children's Scrutiny Committee is to be held on the above date at 10.30am at Committee Suite, County Hall, Exeter to consider the following matters.

Jan Spicer
Interim Chief Executive

A G E N D A

PART I - OPEN COMMITTEE

1 Apologies

2 Items Requiring Urgent Attention

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

3 Public Participation

Members of the public may make representations/presentations on any substantive matter listed in the published agenda for this meeting, as set out hereunder, relating to a specific matter or an examination of services or facilities provided or to be provided.

MATTERS FOR CONSIDERATION OR REVIEW

Overall Approach

The 2023/24 budget proposals will be scrutinised with consideration of relevant service area budgets by Scrutiny Committees with the Corporate Infrastructure and Regulatory Services Scrutiny Committee considering both its own budget responsibilities as well as any issues raised by the Children's Scrutiny Committee and the Health and Adult Care Scrutiny Committee, to produce an overarching set of recommendations.

This approach enables all Scrutiny Members to question and challenge the budget proposals across services, to better understand the implications of the budget proposals across the Council and to make effective recommendations to Cabinet and Council.

The proceedings of all Scrutiny Committees will be livestreamed and publicised through normal channels.

The Council must have full regard to and consider the impact of any proposals in relation to equalities prior to making any decisions, as set out in equality impact assessments, and any identified risks and mitigation action required.

Public Participation

There will be an opportunity for members of the public to address each Scrutiny Committee meeting and make oral representations/presentations on any matter relating to the proposed budget, in line with the [public participation scheme](#).

This Meeting

At this and other Scrutiny Committees in the current cycle, Members are asked to identify salient issues within each Committee's areas of responsibility, to examine the general thrust of the budget and take an overview of priorities and prospects.

At this meeting Directors / Heads of Services will report on

- the Cabinet's Target Budget for Services and likely implications of the 2023/24 target for individual areas of service (e.g. in percentage terms compared to current levels) and how those areas have been prioritised;
- any comparisons between the current year and next year's proposals for the major service areas, to illustrate the scale of change within those activities and how the budget has been allocated across services in those years (to illustrate changes of emphasis or priority);
- any "alternative delivery models" or other initiatives contemplated for given services and how it is thought that these may reduce costs; and
- impact assessments undertaken in relation to the draft budget.

Report and Budget 2023/24 Impact Assessment

Joint Report of the Director of Finance and Public Value and Chief Officer for Children's Services (DF/23/04) on the proposed budget for Children's Services for 2023/24, attached.

NB: An overview of the impact assessments for all service areas entitled [Budget 2023/24 Impact Assessment](#) has been made available to all Members of the Council so that Scrutiny Committees have access to all equality impact assessments undertaken as part of the budget's preparation. Members are asked to consider the contents and retain it for future meetings, accepting that individual assessments may be updated with time. Members must have full regard to and consider the impact of any proposals in relation to equalities for this (and other) budget meeting prior to making any decisions. Scrutiny Committees will no doubt wish to be assured that risk assessments and projections are adequate and that the evidence supports the assumptions made in the formulation of the budget.

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

Nil

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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. Filming must be done as unobtrusively as possible without additional lighting; focusing only on those actively participating in the meeting and having regard to the wishes of others present who may not wish to be filmed. Anyone wishing to film proceedings is asked to advise the Chair or the Democratic Services Officer in attendance.

Members of the public may also use social media to report on proceedings.

Declarations of Interest for Members of the Council

It is to be noted that Members of the Council 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.

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Induction Loop available



DF/23/04

Children's Scrutiny Committee

26 January 2023

2023/24 Budget

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

1. Recommendation

That the Committee be asked to:

- a) Consider whether it wishes to draw to the attention of Cabinet any observations on the proposals contained within the draft Revenue Budget 2023/24 and Capital Programme for 2023/24 to 2027/28.

2. Introduction & Commentary

- 2.1 In previous years, Cabinet has agreed target budgets for services in December, based on financial planning forecasts constructed in advance of the provisional settlement. However, this year, there has been much more uncertainty in terms of central government funding to local government, combined with the most challenging budget round that the Authority has faced in recent decades.
- 2.2 It was therefore prudent to defer setting service budget targets until January, after the announcement of the Provisional Local Government Finance Settlement. Meeting on 11th January, Cabinet approved revenue net budget targets as set out in paragraph 2.4.
- 2.3 At the time of writing, the final outcome of the Local Government Finance Settlement is awaited and details of the council tax base, collection fund surpluses and tax base yield have yet to be confirmed along with the local element of business rates. The latest information available will be provided when the County Council considers final budget proposals for 2023/24 on 16th February 2023. Given the late notification of the provisional settlement and in line with arrangements in previous years, 21st February 2023 has been set aside for a second County Council budget meeting should it be required.
- 2.4 The cost of living and geopolitical situation has created huge financial pressures nationally. As a consequence, the authority has faced unprecedented price and demand pressures in the current year and although significant savings have been found to offset this many have been one off measures. The ongoing impact of this and other pressures have been included within the target budgets with investment of £51.5 million to cover inflation and national living wage being required and a further £63.8 million to cover demand pressures. To enable the authority to set a balanced budget, savings, alternative funding and additional income of £49.1 million have been identified. Overall, there is additional funding of £66.2 million or 10.5% for service budgets next year.

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2.5 The approved service revenue budget targets for the 2023/24 financial year are set out in the table below.

	2022/23 Adjusted Base Budget *	Inflation and National Living Wage	Other Pressures	Savings, alternative funding and additional income	2023/24 Target Budget	Net change	
	£000	£000	£000	£000	£000	£000	£000
Integrated Adult Social Care	311,968	29,535	29,999	(32,200)	339,302	27,334	8.8%
Childrens and Young Peoples Futures	176,205	9,585	32,376	(9,563)	208,603	32,398	18.4%
Public Health, Communities & Prosperity	20,308	874	617	(404)	21,395	1,087	5.4%
Corporate Services	42,213	4,470	623	(2,458)	44,848	2,635	6.2%
Climate Change, Environment & Transport	79,117	7,037	214	(4,468)	81,900	2,783	3.5%
Service budgets total	629,811	51,501	63,829	(49,093)	696,048	66,237	10.5%

*2022/23 Base budget adjusted for permanent virements

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

3. The Provisional Local Government Finance Settlement 2023/24

3.1 On 19th December 2022, the Rt Hon Michael Gove, Secretary of State for Levelling Up, Housing and Communities, released a written Ministerial statement to Parliament setting out the provisional local government finance settlement for 2023/24 financial year.

3.2 The 2023/24 local government finance settlement is for one year only and is in line with the Spending Review 2021 (SR21) and updated for the announcements made in the Autumn Statement on the 17 November 2022. Government has outlined national funding levels for 2024/25 but uncertainty remains at individual council level, as distribution mechanisms for 2024/25 are unconfirmed.

3.3 The key matters in the provisional settlement are set out below -

- **Core Spending Power** – The government has increased the Authority’s overall Core Spending Power by 9.6% which provides some welcome additional flexibility to respond to national inflationary pressures and protect services that local people rely on as far as possible.
- **Council Tax** – it is important to note that the provisional settlement confirms that the Core Spending Power includes the flexibility in setting Council Tax for 2023/24 by setting the referendum limit at 2.99% and that social care authorities may increase the adult social care precept by 2% - and therefore raise Council Tax by up to 4.99% overall without a referendum being required.
- **Business Rates** – the business rates system and government compensation grant for underindexing will overall, increase in line with September CPI (which stood at 10.1%).

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- **Social care grant** – it was announced in the Autumn Statement that adult social care charging reforms that were due to be introduced from October 2023 will be postponed for 2 years, but that the funding that had been allocated by government would be repurposed and still allocated to councils. This repurposed funding has been added to the social care grant, and the former Independent Living Fund grant has also been consolidated within the social care grant for 2023/24.
- **Adult Social Care Market Sustainability and Improvement Fund** – this is a new grant through which nationally, local government has been allocated £400 million that was announced in the Autumn Statement as new funding to support hospital discharge. Also, existing funding for implementation of adult social care reforms has been repurposed and consolidated into this new grant.
- **Adult Social Care Discharge Fund** – the Autumn Statement also announced £600 million of funding nationally, that would be split equally between councils and the NHS, to support hospital discharge. This new grant contains the Authorities’ allocation of the fund, which must be pooled into the Better Care Fund.
- **Service grant** – this grant has been reduced by government due to the cancellation of the National Insurance increase and to transfer funding to Supporting Families programme.
- **Local Government funding reform** – The Review of Relative Needs and Resources (generally referred to as the ‘Fair Funding Review’) and a reset of Business Rates growth will not be implemented in the next two years.

	Provisional Settlement £000
Revenue Support Grant	(669)
Business Rates - Central Government Top Up	(83,428)
Business Rates - Local Element*	(23,064)
Core Funding	(107,161)

	Provisional Settlement £000
New Homes bonus	(883)
Rural Services Delivery Grant	(7,823)
Social Care Grant	(54,015)
Improved Better Care Fund	(29,127)
Adult social care Market Sustainability and Improvement Fund	(8,373)
Adult Social Care Discharge Fund	(4,084)
Services Grant	(3,987)
Other grants	(108,292)

3.4 The tables above set out the Authority’s Core Funding of £107.2 million and shows the other government grants that have been announced so far. Other existing grants are expected to be published soon and will be reported as part of the overall budget papers in February, if known by then.

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4. Service Specific Budget Issues - Children's Services overview

- 4.1 The draft total budget for Children's Services (excluding the Dedicated Schools Grant) is £208.6 million. This is an increase of £32.4 million or 18.4% from the 2022/23 adjusted budget. The following pages set out the detail for each of Children's Social Care and Health and Wellbeing, Education, Learning and Inclusion Services and School Funding.

5. Children's Social Care

- 5.1 Overall, the budget provides additional investment of £21.2 million (16.4%). This is net of savings and removal of one off funding allocated for specific purposes in 2022/23.
- 5.2 Growth and demand pressures amount to £20.8 million. The impact of inflation, including pay and national living wage adds £6.5 million and planned savings amount to £6.1 million.
- 5.3 Provision of appropriate accommodation and support for our vulnerable children is a key priority. The care and support that some of our young people require is increasingly more complex and expensive for us to buy. The budget allows for additional investment of £20 million for placements for our children in care, Unaccompanied Asylum Seeking Children (UASC) and care experienced young people.
- 5.4 The three biggest drivers of cost are the number of children in our care, the type of placement they are in, and the price of placements. Of the £20 million additional funding required, £3 million is volume related and £17 million is cost increases. Shortage of appropriate accommodation is not just a local problem; local authorities nationally are experiencing similar issues.
- 5.5 Despite funding from the Home Office, the increase in UASC adds £1.3 million pressure. The rising cost of supported and residential provision for young people aged 18+ adds £3.5 million, with a further £15.2 million relating to children in care placements and other support. Combined they give rise to the £20 million placements funding pressure.
- 5.6 Planning assumptions include an increased number of asylum seeking children following changes to the National Transfer Scheme. The proposed budget includes 70 more full year cost placements, rising from a budgeted 33 in 2022/23 to 103 in 2023/24.
- 5.7 Where children come into care as teenagers it is not unusual for them to stay in care longer. We estimate the number of full year 18+ placements to increase by 39%, from 88 to 122. The forecast number of looked after children (those under 18) is expected to increase by 9%, from 805 to 880, largely due to the impact of additional UASC.
- 5.8 The budget also allows an additional £2.6 million for those placed in Special Guardianship or Adoption arrangements. The proposed budget is based on 530 full year cost Special Guardianship Orders and 89 full year cost Adoption arrangements.

- 5.9 Just under £4.7 million of investment has been set aside for restructuring to improve both the quality and sustainability of our services. Phase 1 Leadership is complete. Phase 2 is proposed for 2023/24.
- 5.10 Restorative practice is a term used to describe behaviours, interactions and approaches which help to build and maintain positive healthy relationships, resolve difficulties and repair harm where there has been conflict. Restorative practices enable those working with children and families to focus upon building relationships that create and inspire positive change and is a key pillar of the Improvement Plan. The current grant of £1.5 million is due to end 31st March 2023. Discussions are underway with the Department for Education (DfE) regarding a continuation of funding to embed these practices across the whole service.
- 5.11 Savings, alternative funding, and additional income
- 5.11.1 Investment in leadership, management and frontline capacity and further development of the early help system are all strategies to improve the quality and sustainability of our services.
- 5.11.2 Ensuring each child is in the right placement for their needs at the right price will deliver better outcomes for our children and provide best value. This will include regular review and oversight by the Placement Forum and is anticipated to reduce costs by £1.7 million.
- 5.11.3 Expanding access for families to a broader range of resources will enable them to receive direct support from a wider network. This includes signposting to community groups and grant funding sources. These changes are expected to reduce costs by £1.2 million.
- 5.11.4 The continued focus on workforce recruitment, retention and wellbeing is gradually leading to a more stable workforce which in turn is expected to lead to reduced spend of just over £1 million on agency staff.
- 5.11.5 Children's Centres external grant contribution and contract review releases £2 million of core revenue budget. Cross cutting corporate and other savings amount to £144,000.
- 5.11.6 Combined, savings of £6.1 million are planned for next year.
- 5.12 The detailed budget information for this service is shown on pages 14 to 17 of this scrutiny report.

6. Public Health Nursing

- 6.1 Staff capacity has been strengthened which includes the addition of the Safeguarding team, an increase in the number of Community Health Workers and a Quality Assurance lead. Recruiting appropriately qualified staff remains challenging at both a national and local level but there continues to be success in recruiting student health visitors as permanent staff.
- 6.2 The Service is fully funded by Public Health Grant of £12.1 million.

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- 6.3 The detailed budget information for this service is shown on pages 14 to 17 of this scrutiny report.

7. Education Learning and Inclusion Services

- 7.1 Overall, the budget provides additional investment of £11.1 million (23.9%). This is net of savings and removal of one off funding allocated for specific purposes in 2022/23.
- 7.2 The cost of Personalised School Transport continues to rise due to a continued increase in the number of children requiring complex transport arrangements. This has also led to increased journey times for many students in order to access appropriate provision. The regulatory and operational pressures remain high and together with external market pressures caused by the long term COVID-19 impact, fuel crisis and cost of living, this is putting pressure on bus, coach, and taxi operators.
- 7.3 Savings, alternative funding, and additional income
- 7.3.1 Building on the success of network efficiencies within Home to School Transport routes, routes will continue to be reviewed to identify savings to reduce costs by £2.4 million. In addition, reinstatement of the Independent Travel Training will reduce costs by £200,000. Cross cutting corporate and other savings amount to £800,000.
- 7.3.2 Combined, savings of £3.4 million are planned for next year.
- 7.4 The detailed budget information for this service is shown on pages 18 to 19 of this scrutiny report.

8. Schools Funding

- 8.1 The Dedicated Schools Grant (DSG) is a grant that is paid in support of the local authority's schools budget. It is the main source of income for the schools budget. In 2023/24 the (DSG) for schools and early years setting is increasing by £40 million. This includes the School Supplementary Grant £14 million from the 2021 autumn spending review. In addition, £17 million has been allocated through the Mainstream Schools Additional Grant (MSAG) for the 2023/24 financial year through the 2022 autumn spending review.
- 8.2 Within the DSG the significant cost pressure continues to relate to the Special Educational Needs and Disability (SEND) High Needs service. This is largely due to the increasing volume of requests for an Education Health and Care Plan (EHCP) still being seen from schools and the continued demand being put on the service for SEND placements. Whilst Devon supports a higher than average number of children in our mainstream settings, the cost of educating pupils with complex educational and physical needs can be significant and volatile.
- 8.3 Devon continues to raise concerns with the Department for Education (DfE), along with other councils, over the rising costs and demand of Special Educational Needs, and although government has responded nationally with a further £400 million for 2023/24 in the recent Autumn Statement, Devon's share

of this funding is £4 million which is not sufficient to deal with the increasing demands and rising cost within SEND.

- 8.4 Our ability to provide the SEND services needed by Devon's Children's within the grant government provides continues to be a great concern. This could have a considerable impact on the financial sustainability of the Authority and on future education budgets within the DSG.
- 8.5 Increasing demands and expenditure within SEND will be mitigated by the Management Deficit Plan, which has been developed with support from the Department for Education. This includes a range of measures, for example increasing special school places locally, investing in training and development, outreach projects supporting teachers and pupils to remain within the mainstream settings or prevent the need of an EHCP, and redesigning the SEND service offer.
- 8.6 Between 2020-2025 Devon's Special School estate are expanding by 525 places including three new schools. At the start of 2023 academic year 430 places will have been created including two new Special Schools. There are further plans to create an additional 100 places by the start of September 2025, including a new Free School in South-West Devon. A bid has been submitted to the Department for Education for a new 80 place Special School in Cranbrook and a number of other expansions are also being considered.
- 8.7 Continued demands within SEND has meant it has been difficult to contain the costs within the funding being received from Government. The 2023/24 budgeted DSG deficit is projected to be £26 million and with the cumulative deficit of £127 million to March 2023.
- 8.8 Devon submitted a management plan in February 2022 to the DfE as part of the 2nd part of the Safety Valve Intervention Initiative and had continued discussions to progress the decision forward. Since the summer this has been delayed due to the changes taking place in Government.
- 8.9 The detailed budget information for this service is shown on pages 20 to 23 of this scrutiny report.

9. Capital Programme

- 9.1 The capital programme has been produced to maximise investment in infrastructure and assets, and to support service delivery and priorities.
- 9.2 Given the financial pressures on resources, bids for corporate capital funding were invited only where they offered revenue savings, cost reductions or where expenditure is required in order to perform a statutory duty.
- 9.3 No bids were received for the Children's & Young People's Futures capital programme.
- 9.4 Historically, the capital programme contained corporately funded allocations for areas such as Grants to Foster Carers, as rolling budgets. Such projects were awarded funding on an annual rolling basis.

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- 9.5 In recognition of the transformative work being explored under the Financial Sustainability Programme (FSP) the Capital Programme Group (CPG) have reviewed any rolling budgets and agreed to reduce each existing rolling budget by 25%, and also, to not allocate further rolling budgets beyond 2026/27.
- 9.6 The Capital Programme Group will consider any calls for increases in these budgets either in year, during 2023/24, via the approvals process, or via the budget setting process as a formal Capital bid to the 2024/25 capital programme.
- 9.7 External Funding for projects such as the Devolved Formula Capital Grant and External Contributions or Grants to Schools projects are subject to future government announcements or in the success of fund raising . Therefore, this funding cannot be guaranteed..
- 9.8 Commitments will not be made in future years, until funding is either announced or secured.

10. Equality Impact Assessment

- 10.1 Under the Equality Act 2010, the Authority has a legal duty to give due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations when making decisions about services. This duty applies to the eight ‘protected characteristics’ of age, disability, gender reassignment, pregnancy and maternity, race, religion and belief, sex and sexual orientation. Where relevant, Impact Assessments are carried out to consider how best to meet this duty, which includes mitigating against the negative impact of service reductions.
- 10.2 The Equality Act 2010 and other relevant legislation does not prevent the Authority from taking difficult decisions which result in service reductions or closures for example, it does however require the Authority to ensure that such decisions are:
- Informed and properly considered with a rigorous, conscious approach and open mind.
 - Taking due regard of the effects on the protected characteristics with the need to ensure nothing results in unlawful discrimination in terms of access to, or standards of, services or employment as well as considering any opportunities to advance equality and foster good relations.
 - Proportionate (negative impacts are proportionate to the aims of the policy decision).
 - Fair
 - Necessary
 - Reasonable, and
 - Those affected have been adequately consulted.
- 10.3 The impact assessment for the 2023/24 budget is published at <https://www.devon.gov.uk/impact/budget23-24>

Angie Sinclair

**Director of Finance and
Public Value**

Julian Wooster

**Interim Director of Children and Young
People's Futures**

Electoral Divisions: All

Cabinet Member: Councillor Phil Twiss

Local Government Act 1972: List of Background Papers

Spending Review 2021 & Provisional Settlement 2023/24

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Strategic Leadership Team Commentary

There is no doubt that this year, Devon like so many other councils has faced a significant challenge to make ends meet.

An increasing need for services coupled with rising inflation and costs has led to significant pressure on the resources we have available to meet the needs of those in greatest need and deliver other vital local priorities.

Like all Councils, we have a legal obligation to set a balanced annual budget and preparing it for 2023/24 has presented us with incredibly difficult decisions.

The urgent action we have taken over the past year to cut our own costs and find savings coupled with the welcome additional funding in the government's provisional financial settlement has certainly helped to mitigate some of this pressure. But many challenges remain.

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

Looking ahead, the next twelve months are not going to be easy. But we are fully committed to doing all we can to get the most from every single pound we spend and to transform how we do things so we can continue to deliver vital local services and improve outcomes for the people of Devon as efficiently and effectively as we can.

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Children and Young People's Futures

How the 2023/24 Budget has been built up

	2022/23 Adjusted Budget	Changes	2023/24 Outturn Budget
	£'000	£'000	£'000
Children Social Care, Health and Wellbeing	129,372	21,243	150,615
Education and Learning - School Funding	0	0	0
Education Learning and Inclusion Services	46,833	11,155	57,988
Total	176,205	32,398	208,603
			Change
			£'000
Reasons for changes in Revenue Budget			
Inflation, National Living Wage, and other pressures			
Inflation and National Living Wage			9,523
Demographic and demand pressures			27,326
Transformation and Improvement			5,112
			<hr/> 41,961
Savings, alternative funding and additional income			
Transport review			(2,151)
Route reviews of Home to School transport			(500)
Demand management			(4,563)
Contracts review and alternative funding sources			(2,028)
Corporate printing, telephony and staff arrangements			(321)
			<hr/> (9,563)
Total			<hr/> 32,398

Analysis of Total Expenditure 2023/24

	Gross Expenditure	Grant and Contribution Income	External Income	Internal Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000
Children Social Care, Health and Wellbeing	176,484	(11,376)	(1,156)	(13,337)	150,615
Education and Learning - School Funding	725,675	(721,500)	(474)	(3,701)	0
Education Learning and Inclusion Services	67,156	(1,989)	(2,179)	(5,000)	57,988
Total	969,315	(734,865)	(3,809)	(22,038)	208,603

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

	Gross Expenditure	Grant and Contribution Income	External Income	Internal Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000
Children Social Care, Health and Wellbeing					
Atkinson Home	4,793	(704)	(3,401)	(688)	0
Education Learning and Inclusion Services					
Music Services	1,156	(1,095)	(61)	0	0
Outdoor Learning	516	0	(506)	(10)	0
School Library Service	763	0	(387)	(376)	0
Total	7,228	(1,799)	(4,355)	(1,074)	0
Grand total	976,543	(736,664)	(8,164)	(23,112)	208,603

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Children's Social Care, Health and Wellbeing

2022/23 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2023/24 Outturn Budget £'000	2023/24 Net Changes £'000
5,983	Children Centres	4,231	(40)	4,191	(1,792)
	Corporate Parenting Service				
1,861	Adopt South West	2,099	0	2,099	238
805	Adoption Allowances and Fees	885	0	885	80
271	Child Arrangement Orders	270	0	270	(1)
3,749	Corporate Parenting Teams	4,525	0	4,525	776
4,509	Fostering Team	4,934	0	4,934	425
3,349	Special Guardianship Orders	5,583	0	5,583	2,234
1,115	Supervised Contact Service	1,097	0	1,097	(18)
1,229	Support For Children and Young People	1,278	0	1,278	49
16,888		20,671	0	20,671	3,783
	Disabled Children Services				
8,794	Children In Need Short-Break Services	9,438	(1,083)	8,355	(439)
3,738	Social Work Area Teams	5,512	(1,000)	4,512	774
2,337	Support For Disabled Children	2,389	(23)	2,366	29
14,869		17,339	(2,106)	15,233	364
	Early Help				
2,425	Bridges	2,453	0	2,453	28
3,291	Early Help Co-Ordination	5,425	(2,966)	2,459	(832)
557	REACH	596	(10)	586	29
753	Youth Justice Service	1,689	(917)	772	19
7,026		10,163	(3,893)	6,270	(756)
	Looked After Children and Care Leaver (Placements)				
5,257	Disabled Children's Placements	9,169	(580)	8,589	3,332
8,001	Independent Fostering	9,202	(12)	9,190	1,189
2,101	Independent Post 18 Placements	5,653	(5)	5,648	3,547
19,405	Independent Residential Care	24,411	(306)	24,105	4,700
6,191	Independent Supported Accommodation	9,833	(421)	9,412	3,221
10,325	Internal Fostering	10,617	(8)	10,609	284
272	Internal Post 18 Placements	841	(455)	386	114
0	Internal Residential	587	0	587	587
709	Secure Accommodation	1,005	(20)	985	276
258	Unaccompanied Asylum Seeking Children	4,593	(3,045)	1,548	1,290
52,519		75,911	(4,852)	71,059	18,540
	MASH and EDS Services				
1,203	Emergency Duty Team	1,857	(154)	1,703	500
1,062	Multi Agency Safeguarding Hub	1,122	0	1,122	60
2,265		2,979	(154)	2,825	560
179	Public Health Nursing	12,179	(12,179)	0	(179)
	Quality Assurance and Practice				
2,042	Quality Assurance Reviewing Safeguarding	2,260	0	2,260	218
546	Workforce Academy	1,082	(80)	1,002	456
2,588		3,342	(80)	3,262	674
21,111	Social Work Teams	20,943	(239)	20,704	(407)
5,944	Strategic Management, Legal Disbursement	8,726	(2,326)	6,400	456
129,372		176,484	(25,869)	150,615	21,243

Analysis of changes:	£'000
Inflation, National Living Wage, and other pressures	
Inflation and National Living Wage	6,502
Children in Care placements and support - increased cost pressures	22,640
Support for Children in Need	700
Legal and Liberty Safeguarding Protection - increased cost pressures	528
Leadership, management and frontline capacity	4,676
Removal of one-off funding 2022/23	(7,653)
	<u>27,393</u>
Savings, alternative funding and additional income	
Children in Care placements	(1,740)
Children's Centres - external grant contribution and contract review	(2,028)
Expand access for families to a broader range of support services	(1,225)
Improve workforce stability - reduce agency staff costs	(1,013)
Corporate printing, telephony and staff arrangements	(144)
	<u>(6,150)</u>
Total	<u>21,243</u>

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Service Commentary

Children's Social Care

This service brings together the statutory duties of the Council in relation to children in need, children in need of protection, children in our care and care experienced young people. It includes a range of services to support children, and their families, at the earliest opportunity to prevent needs or risks increasing, and to avoid whenever it is safe to do so the need for children to come into our care.

The Public Health Nursing Service provides health visiting and school nursing services across Devon delivering universal child and family health services as well as ongoing additional services for vulnerable children and families.

The budget for 2023/24 includes investment in reshaping to improve both the quality and sustainability of our services. The recruitment and retention of experienced staff is the cornerstone of our improvement work and investment in staffing remains a priority in this budget.

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

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Service Statistics

		Number of people budgeted to receive service			
		Average through Year			
Children's Social Care		Unit of Measurement	2022/23	Change	2023/24
Children in Care and Care Experienced Young People					
External Residential	Full Year Equivalents	100	9	109	
Internal Fostering Placements	Full Year Equivalents	415	(29)	386	
External Fostering Placements	Full Year Equivalents	160	3	163	
External Supported Lodgings/Housing	Full Year Equivalents	47	6	53	
Internal Residential Special School	Full Year Equivalents	7	(3)	4	
Medical Establishment	Full Year Equivalents	1	2	3	
Placed For Adoption	Full Year Equivalents	26	(3)	23	
Placed with Parents	Full Year Equivalents	27	34	61	
Other Placements	Full Year Equivalents	9	(8)	1	
Secure Welfare	Full Year Equivalents	2	(1)	1	
Unaccompanied Asylum Seeking Children	Full Year Equivalents	11	65	76	
Unaccompanied Asylum Seeking Children over 18	Full Year Equivalents	22	5	27	
Staying Put/Care Experienced	Full Year Equivalents	66	29	95	
Total		893	109	1002	
		2022/23	Change	2023/24	
Other Children's Services					
Adoption Allowances	Full Year Equivalents	78	11	89	
Special Guardianship Order Allowances	Full Year Equivalents	515	15	530	
Residence/Child Arrangement Order Allowances	Full Year Equivalents	34	(6)	28	

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Education Learning and Inclusion Services

2022/23 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2023/24 Outturn Budget £'000	2023/24 Net Changes £'000
0	Education and Learning Reserves	574	(574)	0	0
	Infrastructure				
1,364	Admissions, Data and Strategic Management	2,051	(964)	1,087	(277)
87	Legal Disbursements	87	0	87	0
0	Support Team Services	1,245	(1,245)	0	0
1,267	Teachers Pension - Historic Enhancements	1,292	0	1,292	25
2,718		4,675	(2,209)	2,466	(252)
	School Improvement Inclusion and Safeguard				
787	Inclusion Service	1,454	(656)	798	11
965	Safeguarding and Attendance	1,426	(557)	869	(96)
1,144	School Effectiveness	1,939	(777)	1,162	18
5,729	SEND Services	8,119	(1,617)	6,502	773
8,625		12,938	(3,607)	9,331	706
	School Transport				
0	Home to College	144	(144)	0	0
14,544	Home to School	18,661	(131)	18,530	3,986
19,780	Personalised Transport	26,695	(85)	26,610	6,830
34,324		45,500	(360)	45,140	10,816
529	Vulnerable Groups and Virtual School	923	(387)	536	7
637	Children's Centres and Early Years Services	2,546	(2,031)	515	(122)
46,833		67,156	(9,168)	57,988	11,155

Analysis of changes:

£'000

Inflation, National Living Wage, and other pressures

Inflation and National Living Wage	3,021
SEND Review	515
Early Years external grant contribution	(79)
Growth and demand in School Transport	11,111
	<u>14,568</u>

Savings, alternative funding and additional income

Network efficiencies within Home to School transport	(2,451)
Independent Travel Training	(200)
Review of workforce through in housing of Babcock	(700)
Corporate printing, telephony and staffing arrangements	(62)
	<u>(3,413)</u>

Total

11,155

Service Commentary

This service budget represents the Authority's responsibilities for education and learning other than those funded by the Dedicated Schools Grant and Post 16 funding which are shown separately. It includes infrastructure and support to ensure the delivery of more than 200 statutory duties to deliver a range of specialist support for inclusion services, admissions, home to school transport, safeguarding in schools, maintained schools, education support for children with special needs and vulnerable groups of children. This now incorporates the services that had previously been provided from the joint venture.

The Transport Coordination Service manages school transport alongside public, health and social care transport. This coordinated approach is nationally recognised as the best way to provide an integrated, cost effective transport service. However, the regulatory and operational pressures remain high and together with external market pressures caused by the long term COVID-19 impact, fuel crisis and cost of living, this is putting pressure on bus, coach, and taxi operators.

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

Service Statistics

Transport	Unit of Measurement	2022/23	Change	2023/24
School/College Transport	Pupil Numbers p.a.	12,648	152	12,800
Personalised Transport	Pupil Numbers p.a.	2,207	172	2,379

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Education and Learning - School Funding

2022/23 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2023/24 Outturn Budget £'000	2023/24 Net Changes £'000
Schools					
22,728	Academy Grants	23,486	0	23,486	758
279,138	Primary Schools	291,817	0	291,817	12,679
2,244	Pupil Growth	2,240	0	2,240	(4)
222,712	Secondary Schools	238,478	0	238,478	15,766
526,822		556,021	0	556,021	29,199
De-Delegated Schools Budget					
108	Facilitation and Representation	105	0	105	(3)
779	Licences and Subscriptions	674	0	674	(105)
1,075	Maternity	1,038	0	1,038	(37)
61	School Intervention Fund	14	0	14	(47)
559	Schools and DSG Contingency	617	0	617	58
906	Targeted Specialist Services	1,186	(323)	863	(43)
3,488		3,634	(323)	3,311	(177)
Central Provision Within Schools Budget					
490	Admissions	621	(71)	550	60
1,652	Other DSG Services	1,784	(132)	1,652	0
292	Phase Associations	292	0	292	0
855	Support Services	953	(85)	868	13
873	Termination of Employment Costs	873	0	873	0
4,162		4,523	(288)	4,235	73
High Needs Budget					
6,864	Alternative Provision	8,056	(588)	7,468	604
1,576	Children In Care and Inclusion	1,649	0	1,649	73
574	Hospital Education Services	574	0	574	0
150	Inclusion	150	0	150	0
40,020	Maintained and Academy Special Schools	41,854	(311)	41,543	1,523
47,553	Other Special School Fees	51,537	(1,757)	49,780	2,227
1,733	Recoupment	2,489	(722)	1,767	34
236	Safeguarding Every Learner	330	0	330	94
2,097	SEND Early Years Services	2,167	0	2,167	70
22,832	SEND Mainstream	22,289	0	22,289	(543)
6,684	SEND Mainstream - Further Education	7,741	0	7,741	1,057
2,527	SEND Specialist Support	2,566	0	2,566	39
1,773	SEND Support	2,269	(477)	1,792	19
0	SEND100 Projects	351	(351)	0	0
134,619		144,022	(4,206)	139,816	5,197
41,262	Early Years Budget	43,702	(80)	43,622	2,360
Schools Funding					
(634,931)	Dedicated Schools Grant (DSG)	0	(659,731)	(659,731)	(24,800)
(14,757)	Other School Grants	0	(31,226)	(31,226)	(16,469)
(1,052)	Post 16 Funding	0	(1,052)	(1,052)	0
(27,388)	Pupil Premium	0	(28,769)	(28,769)	(1,381)
(678,128)		0	(720,778)	(720,778)	(42,650)
(32,225)	Transfer to DSG Deficit Reserve	(26,227)	0	(26,227)	5,998
0		725,675	(725,675)	0	0

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Analysis of changes:	£'000
Additional investment for children with complex needs	5,197
Net changes to mainstream school budgets due to increase in Schools Funding Block and demographic changes	28,337
Net changes to Early years funding due to increase in Early Years funding and demographic changes	2,360
Increase in DSG and other grants arising from National Funding Formula changes and demographic changes	(13,134)
Increase in DSG due to baseline changes to the High Needs block and demographic changes.	(11,666)
Net change of Academy Grant funding due to Teachers Pay & Pension Grant now part of DSG	758
Additional Schools funding through the Mainstream Schools Additional Grant	(16,469)
Net movement in Other Grant funding	(1,381)
Reduction to Unfunded High Needs Block deficit (Funding shortfall)	5,998
Total	0

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Service Commentary

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

Funding for maintained schools is delegated and managed by the individual schools, in the same way as Academies, therefore the staffing data does not include the 7,361 staff working in these schools.

Within the DSG a significant cost pressure continues to relate to SEND service. This is largely due to the continued rise in the number of children with an Education Health and Care plan and a year on year increase in demand for the use of higher cost Independent settings. Whilst Devon supports a higher than average percentage of children in our mainstream settings we have not recently had sufficient state funded special school provision to meet the demands placed upon it; this has resulted in more independent places needing to be commissioned. A further cost pressure relates to the provision of appropriate school, and sometimes care placements, for pupils with complex educational and physical needs which can be significant and volatile.

Since 2020 and the start of the 2023 academic year, Devon Special School estate will have been expanded by 430 places including two new Special Schools. There are further plans to create an additional 100 places by the start of September 2025, including a new Free School in South West Devon. A bid has been submitted to the Department for Education for a new 80 place Special Free School in Cranbrook and a number of other expansions are being considered.

Service Statistics

Number of local authority maintained schools and academies

	Number of organisations	Number of Schools
Local Authority Maintained Schools		165
Federations	29	81
Management Partnerships	13	37
% of schools actively collaborating		72%
Free Schools		14
Academies		192
Number of schools in multi-academy trusts/collaborations		191
% of academies in multi academy trusts / collaborations		93%
Total all schools and academies		371

Number of pupils in academy and LA maintained schools	Unit of Measurement	Census Oct-2021	Change	Census Oct-2022
Nursery Schools (Universal Entitlement 15 hours)	Pupil Numbers PTE	136	(36)	100
Nurseries within Primary Schools (Universal Entitlement 15 hours)	Pupil Numbers PTE	2,175	711	2,886
		2,311	675	2,986
Primary	Numbers on Roll	30,383	(1,848)	28,535
Secondary	Numbers on Roll	5,390	(741)	4,649
Post 16	Numbers on Roll	327	(178)	149
		36,100	(2,767)	33,333
Number of pupils in academy schools				
Primary	Numbers on Roll	23,647	1279	24,926
Secondary	Numbers on Roll	30,596	1122	31,718
		54,243	2,401	56,644
Number of pupils in Free schools				
Primary	Numbers on Roll	1,301	250	1,551
Secondary	Numbers on Roll	504	102	606
		1,805	352	2,157
Total number of pupils in LA maintained schools, academies and free schools				
Nursery Schools	Pupil Numbers PTE	2,311	675	2,986
Primary	Numbers on Roll	55,331	(319)	55,012
Secondary	Numbers on Roll	36,490	483	36,973
Post 16 (maintained only)	Numbers on Roll	327	(178)	149
		94,459	661	95,120
Percentage of pupils in academy schools				
Primary	Numbers on Roll	45.1%	3.0%	48.1%
Secondary	Numbers on Roll	85.2%	2.2%	87.4%

Early Years Education Provision

		2022/23	Change	2023/24
Early Years Independent Provision (Universal entitlement 15 hours)	Pupil Numbers PTE	7,305	(639)	6,666
Early Years Entitlement Take up	Percentage of eligible children	97.1%	-0.5%	96.6%
3 and 4 Year old additional 15 hours for all sectors	Pupil Numbers PTE	3,944	178	4,122
Disadvantaged two year olds	Pupil Numbers PTE	1,389	(35)	1,354

Young People with Additional Needs

		2022/23	Change	2023/24
Pupils with Education Health Care Plans in Mainstream provision (pre 16)	Number of young people	3472	79	3551
Educated Other Than At School	Number of young people	196	18	214
Maintained and Academy Special Schools (pre 16 and post 16)	Number of budgeted Places	1,610	121	1,731
Independent Special Schools (pre 16 and post 16)	Number of budgeted Places	1,152	112	1,264
Further Education	Number of Budgeted Places	797	82	879
Inter-Authority recoupment	Net number of Exported Pupils	136	31	167
Import / export adjustments for local authorities	Net number of Exported Pupils	503	63	566
Alternative Provision	Number of Planned Places	289	0	289
Alternative Provision - Other Medical Provision	Number of Budgeted Pupils	92	194	286

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Grants Paid to External Organisations

2022/23		2023/24
£'000	Service and Grant Title	£000
	Children's Services	
139	University Bursary Grants	152
120	Facilitating Access to Mainstream Activities for Disabled Children's Services	120
<hr/> 259 TOTAL		<hr/> 272

Staffing Data 2023/24

	2022/23	Changes	2023/24		Total
	Adjusted Total FTEs		FTEs	Revenue Funded FTEs	
Children Social Care, Health and Wellbeing	1,395	(17)	1,059	319	1,378
Education and Learning - School Funding	113	(9)	0	104	104
Education Learning and Inclusion Services	275	15	262	28	290
Children's Services	1,783	(11)	1,321	451	1,772
Total	1,783	(11)	1,321	451	1,772

Explanation of Movements

Children's Social Care, Health and Wellbeing

Public Health Nursing Service - grant funded	18
Increased capacity residential children's homes	11
Service improvement - organisation restructure	(46)
	(17)

Education and Learning - School Funding

Cessation and redirection of SEND transformation	(7)
Review of the Hospital School	(1)
Other net changes - change of funding source	(1)
	(9)

Education, Learning and Inclusion Services

SEND and service transformation - increased capacity	10
Inclusion Services - increased capacity	10
Babcock in-housing - Review of Senior Leadership Team	(3)
Babcock in housing - Other net changes	(2)
	15

Total	(11)
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Capital Programme

The following table details the medium term capital programme for this service and how that programme is being funded.

Total Approval (includes prior years)	Project	2023/24	2024/25	2025/26	2026/27	2027/28
£'000		£'000	£'000	£'000	£'000	£'000
Children & Young People's Futures						
Children's Social Care						
N/A	Grant to foster carers	40	40	40	40	0
Children's Social Care Total		40	40	40	40	0
Education & Learning						
N/A	Devolved Formula Capital (DFC)	960	910	860	810	810
N/A	External contribution to school projects	220	100	100	100	100
N/A	External Grants to school projects	100	100	100	100	100
N/A	School budget share contribution to school projects	500	500	500	500	500
N/A	Vehicle Equipment Loans Pool (VELP)	100	100	100	100	0
Education & Learning Total		1,880	1,710	1,660	1,610	1,510
Children & Young People's Futures Total		1,920	1,750	1,700	1,650	1,510
Financed by:						
	Borrowing - VELP	100	100	100	100	0
	Capital Receipts - General	40	40	40	40	0
	Direct Revenue Funds - Services	500	500	500	500	500
	External Funding - Contributions	100	100	100	100	100
	External Funding - Grants	1,060	1,010	960	910	910
	External Funding - S106	120	0	0	0	0
Total		1,920	1,750	1,700	1,650	1,510

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

This table does not show expenditure on capital projects currently programmed in financial year 2022/23 which may be deferred to 2023/24 or future years.

Capital - Risk Assessment

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

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

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

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

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

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

Children and Young People's Futures - Risk Assessment

Service	Budget 2023/24 £'000	Risk and Impact	Mitigation
<p>Market sufficiency – looked after children and care experienced young people placements.</p>	<p>£71,000</p>	<p>The “sufficiency duty” is a statutory duty set out in the Children’s Act 1989. The authority is required to support children to remain with their families safely, and when this is not possible, to have a sufficient range of care and accommodation to meet their varying needs.</p> <p>Competition for appropriate accommodation and rising prices have made placements more expensive for us to buy.</p> <p>The number of children coming in care has increased, in part due to the impact of the now mandatory National Transfer Scheme where local authorities are required by law to accept Unaccompanied Asylum Seeking Children up to 0.1% of their child population. The Home Office expects all young people transferred under the Scheme to be moved out of Home Office run hotel accommodation within 5 days, a reduced target from 10 days previously. The income received from the Home Office doesn’t always cover the full cost of looking after these young people and the risk is that as more arrive under the NTS further pressure is put on placements sufficiency leading to young people being accommodated in hotels for longer.</p> <p>An increased number of children coming into our care have mental health issues requiring a greater level of</p>	<p>The sufficiency strategy “A Place Called Home” sets out the sufficiency plans that will ensure each young person has a place to call home in the right place at the right time.</p> <p>DfE capital grant to fund new children’s home provision has been secured, plans are underway to provide up to 7 beds across 3 Homes to provide accommodation and support to meet the needs of some our most complex young people.</p> <p>One authority building has been released to accommodate 4 UASC placements, with lease negotiations underway to secure a further property for 4 placements. Market engagement with providers continues.</p> <p>Commissioners have created a flexible purchasing system which allows for new providers to be admitted on a continuous basis through the Residential Framework Contract. “Innovation” lots allow us to purchase bespoke arrangements.</p>

		<p>specialist support. The pressures across the mental health system are well documented and the risk is that young people will not receive the help they need when they need it if we are unable to source suitable accommodation and support.</p>	<p>The Mockingbird fostering support initiative launched in Devon during 2022/23 creating a network of foster carers looking after some of our most complex children enabling them to seek and provide mutual support to each other. At a national level this initiative has proven successful in achieving greater placement stability for young people.</p>
<p>Childrens' Services Improvement</p>		<p>Restorative practice is a term used to describe behaviours, interactions and approaches which help to build and maintain positive, healthy relationships, resolve difficulties and repair harm where there has been conflict. Restorative practices enable those who work with children and families to focus upon building relationships that create and inspire positive change. Creating change sometimes requires challenge as well as support.</p> <p>Restorative practice is a key pillar of the Improvement Plan and has been funded by £1.5 million DfE grant which ceases on the 31st March 2023. Restorative practice coaches are essential to the roll out of the approach which is not yet fully embedded across the service. The risk is that if further grant is not secured for 2023/24 the pace and quality of improvement is compromised.</p>	<p>Restorative Practice Coaches are new roles included in the reshape of Children's Services.</p> <p>Conversations with the DfE are underway to seek extended financial support into 2023/24.</p>

Social care workforce recruitment and retention	£42,000	<p>Continued focus on workforce recruitment, retention and well being is gradually leading to a more stable workforce which in turn will lead to reduced spend on agency staff.</p> <p>Nationally and locally there remains a shortage of qualified social workers and the risk is that vacancies cannot be filled leading to higher caseloads and/or increased use of agency staff.</p>	<p>New leadership arrangements are in place and full implementation of the reshaped service during 2023/24 is expected to lead to greater workforce stability.</p> <p>Developing a targeted early help offer providing support to families at an earlier stage should mitigate the need for them to access to statutory services and therefore helps to manage demand.</p> <p>Combined these measures should lead to a reduced need to employ agency staff.</p>
Savings and cost management strategies	(£6,100)	<p>Ensuring each child is in the right place to meet their needs at the right time at the right place depends on market sufficiency and managing price and volume demand.</p> <p>Savings are predicated on the basis that the market is able to respond sufficiently and placements can be made close to home where appropriate and represent best value.</p> <p>Expanding access for families to a broader range of resources enabling them to tap into a wider network of support relies on the continuation of grant funding streams such as the Housing Support Fund, and access to community groups providing practical assistance and other support.</p>	<p>Commissioners continue to work closely with providers to find flexible solutions to creating provision and support packages.</p> <p>Increase awareness amongst social workers and other professionals to enable them to better signpost families to a wider range of support networks.</p>

<p>Education, Learning and Inclusion Services – General Fund</p>	<p>57,988 (net)</p>	<p>The unknown medium and long term impacts of all aspects of the long term COVID-19 impact including market provision, recruitment, and retention, changing ways of working, cost of living, delays to key strategic projects, capacity, and demand.</p> <p>A number of Devon's schools continue to convert to academies.</p> <p>Changes to the national allocations to the central fund may reduce the LAs ability to effectively deliver the statutory duties linked to this funding, potentially adversely impacting on maintained schools, partnerships, and academies.</p> <p>Reduction to the number of Schools wishing to purchase advice and support from Devon Education Services could have an adverse impact on Traded Services buyback.</p>	<p>Clear communication on priorities. Utilising business continuity plans and effective service leadership plans to identify emerging risks and pressures.</p> <p>Actively engage and influence recovery programmes. Raising key issues such as recruitment issues and cause at national and local level.</p> <p>Active recruitment ongoing for authority posts, supporting schools with messaging for Devon employment.</p> <p>Looking to secure additional capacity for projects where funding allows</p> <p>Ensure strong and effective collaborative working and information sharing to set out clearly the authority's role and relationship with maintained schools, partnerships, and academies.</p> <p>Continue to ensure that statutory responsibilities within a diverse educational landscape are secured through a range of protocol and stakeholder agreements.</p> <p>Continue to encourage Academies to buy back Traded Services where appropriate and monitor levels of funding for statutory duties.</p>
<p>School/College Transport</p>	<p>45,140 (net)</p>	<p>The number of pupils requiring home to school transport remains high together with external market pressures caused by COVID-19, fuel crisis and cost of living sees limited operators causing costs to rise.</p> <p>Personalised transport with increased journey times continues to rise as the number of children with complex needs grow.</p>	<p>In this area it is now difficult to mitigate effectively. Market breakdown is seeing costs increase. This is due to a shortage of taxi/bus operators willing to run routes as they are not commercially viable or ceasing to trade.</p> <p>COVID-19 requirements have meant additional demands on transport of children.</p>

			<p>Number of children with EHCPs continues to rise. We continue work to manage demand for special educational needs (as below for High Needs DSG spending) but whilst slowing the increase this will not reduce numbers.</p> <p>Return to increasing access to Independent Travel Training when permitted.</p>
Education and Learning – Schools Funding	725,675 (gross)	<p>The DSG is made up of the Schools block, the High Needs Block and the Early Years Block and Central Schools Services.</p> <p>As per government guidance, the budgeted DSG deficit for 2023/24 is projected to be £26 million.</p> <p>As directed by the DfE the cumulative deficit is currently held, and will continue to be held, outside the authority's accounts until 31 March 2026.</p> <p>If after that date the deficit is returned to the DSG it will impact on the schools funding available to meet demand to support the education and children in schools within the authority.</p>	<p>As per the DfE requirement, a comprehensive Management Plan is in place to produce a balanced budget and reduce the DSG deficit over short to medium term.</p> <p>Service review of processes and services engaging with school representatives to set an agreed direction to reduce pressures on the service.</p> <p>Continue active engagement with Devon Education Forum to ensure funding is appropriately distributed and targeted to achieve the best educational outcomes for all children across all ages and levels of need.</p> <p>Increasing the Special School capacity in Devon through corporate capital investment and opening a new school through the DfE Free School Programme.</p>
Education and Learning – Schools Budgets	559,332 (net)	<p>This is a delegation to schools' budgets.</p> <p>This risk is predominately caused by the impact of the national funding formula, changes to employee costs and the cost of living crisis adding to pressure on school budgets. This could lead to schools prioritising their spend in ways which may impact on traded services and de-delegation decisions.</p>	<p>Continue to engage with national reviews of schools funding arrangements.</p> <p>Continue to develop partnership working to maximise effect of collaborative approaches between statutory and purchased service delivery.</p>

		This in turn affects the sustainability of services for all schools and academies.	
Central Schools Services Block	4,235 (net)	DfE have reduced the Historic commitment funding by a further 20% irrespective of the need by the LA for this funding. This may lead to additional budget pressures.	Continue to engage with the DfE via prescribed processes in line with the DSG Operational Guidance.
High Needs Block	139,816 (net)	<p>The significant risk that the SEND spend does not return a balanced budget.</p> <p>The continued growth, in recent years, of EHC plans with no facility to reduce external demand has meant the DfE grant has seen a significant overspend.</p> <p>The cost of educating pupils with complex educational and physical needs can also be significant and volatile. In particular the number of students remaining in Education post-16 is rising.</p> <p>The deliverability of a balanced budget requires providing early support so more children have their needs appropriately met in mainstream schools and successfully increasing capacity in our maintained special schools so we can disinvest from the more expensive independent sector.</p> <p>There is also a risk of more permanent exclusions and an increase in harder to admit children.</p>	<p>The DSG management plan lays out the actions that must be taken to return the SEND Service to a balanced in year position.</p> <p>These include:</p> <p>Continuing to increase Special School capacity in Devon through corporate capital investment and opening a new special school through the DfE Free School Programme.</p> <p>A full review of processes and services as set out in the SEND transformation programme to ensure earlier support is in place across education health and care to support children with SEND thereby reducing the demand on more expensive statutory services;</p> <p>Review of the number of resource bases in mainstream settings so pupils can receive additional specialist support and continue to access some mainstream education;</p> <p>Identify the growing needs and provide central support to enable schools to effectively support those pupils that would normally pass into the special school system;</p>

			<p>Undertake service of post-18 education within Other Special Schools;</p> <p>Consider Independent Special School block contracts or a minimum of 5% reduction in placement costs.</p>
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Agenda Item 4

Abbreviations

Abbreviations used within the budget for all Scrutiny reports:

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

Agenda Item 4

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

