

Joint Report of the County Treasurer and the Acting Chief Officers of Children's Services

2021/22 Budget

Recommendation: that the Scrutiny Committee considers whether it wishes to draw to the attention of Cabinet any observations on the proposals contained within the draft Revenue Budget 2021/22 and Capital Programme for 2021/22 to 2025/26.

1. Introduction & Commentary

- 1.1 Cabinet at its meeting on 13th January set increased Revenue Budget Targets for 2021/22. Although the original Targets were set only a few weeks prior at the 9th December Cabinet, much had happened in that time. A new variant of the Coronavirus had been identified and the Country had entered another national lockdown. It was hard to imagine that a return to normal would happen quickly. The rapidly changing circumstances led to a review of the Targets. Some savings previously identified did not seem feasible and other areas needed bolstering to increase the resilience of the Council.
- 1.2 As is normal at this stage, the final outcome of the Local Government Finance Settlement is awaited and details of the council tax base, collection fund surpluses and tax base yield have yet to be confirmed along with the local element of business rates. Information will be available when the County Council considers final budget proposals for 2021/22 on 18th February 2021. Given the late notification of the Provisional Settlement and in line with arrangements in previous years, 23rd February has been set aside for a second County Council budget meeting should it be required.
- 1.3 The draft budget attached to this report complies with the Targets set by Cabinet on 13th January which total £578.5 millions. The total includes funding for budget pressures of £47.3 millions that mainly relates to additional expenditure to allow for service growth to cater for demographic changes such as increased children and adult service users and unavoidable cost pressures. Savings and income initiatives of £11.6 millions are required to set a balanced budget.
- 1.4 The targets set for each service area have been subject to different pressures and influences. The table over shows the 2021/22 Budget Targets by service area.

	2020/21 Adjusted Budget* £000	Inflation & Pressures £000	Savings & Additional Income £000	2021/22 Base Budget £000	Net Change	
					£000	%
Adult Care & Health	260,757	26,235	(4,557)	282,435	21,678	8.3%
Children's Services	146,869	13,787	(2,389)	158,267	11,398	7.8%
Communities, Public Health, Environment & Prosperity	39,792	1,039	(958)	39,873	81	0.2%
Corporate Services	37,566	4,436	(1,615)	40,387	2,821	7.5%
Highways, Infrastructure Development & Waste	57,827	1,804	(2,111)	57,520	(307)	(0.5%)
	542,811	47,301	(11,630)	578,482	35,671	6.6%

* Adjusted for permanent virements

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

2. The Provisional Local Government Finance Settlement 2021/22

2.1 On the 17th December, the Secretary of State for the Ministry for Housing, Communities and Local Government, Rt. Hon. Robert Jenrick MP, made a statement to Parliament on the Provisional Local Government Finance Settlement 2021/22, the details of which are set out below.

2.2 The 2021/22 local government finance settlement is for one year only and is based on the Spending Review 2020 (SR20).

2.3 The main points are set out below:

2.3.1 Council Tax – As previously announced at Spending Round 2020, the council tax referendum limit will be 2% for local authorities with social care authorities allowed a 3% social care precept. The provisional settlement confirmed districts will be allowed to apply the higher of the referendum limit or £5,

2.3.2 Business Rates Retention – The business rates multiplier has been frozen for 2021/22 resulting in the three elements of the Business Rates Retention system (Baseline Need, NNDR Baseline and Tariff/Top Up amounts) remaining at 2020/21 levels,

2.3.3 Revenue Support Grant – Has been increased by 0.55%;

2.3.4 Social Care Funding – Originally announced at SR20, there has been an increase to the Social Care Support Grant of £300 millions nationally. This has been allocated based on Adult Social Care relative need (£60 millions) and the ability to raise resources through the social care precept (£240 millions). There has been no change to the Improved Better Care Fund Grant;

2.3.5 Rural Services Delivery Grant – There has been an increase of £4 millions nationally, from £81 millions in 2020/21, to £85 millions in 2021/22; with the methodology for distribution remaining unchanged from 2020/21;

2.3.6 COVID-19 Funding – In SR20, £2.2 billions of funding was announced to support local government in 2021/22, alongside support for local tax

income and the spreading of deficits. Further details of this support have been provided through a consultation paper that includes provisional allocations of the £670 million Council Tax Support Grant; and

2.3.7 Local government Funding Reform – No papers were published relating to the Fair Funding Review or the Business Rates Reset.

2.4 The Provisional Settlement for the County Council is:

	£000
Revenue Support Grant	549
Business Rates Central Government Top Up	80,654
New Homes Bonus	2,486
Rural Services Delivery Grant	7,823
Social Care Support Grant SR20	3,149
Social Care Support Grant SR19	20,160
Improved Better Care Fund	28,270
Covid-19 Funding	14,823
Council Tax Support Grant	6,358

3. Service Specific Budget Issues - Children's Social Care

- 3.1 In Children's Social Care the greatest cost pressures are driven by increasing levels of demand with more children in care, often with complex needs. The reasons for this increase are mixed but the effect of the Covid-19 pandemic on children, young people and their families is a significant factor. In recognition of this and other changes in the types of packages of care children and young people need access to, £5.3 millions has been provided in the placements budgets to meet growth in demand in addition to £791,000 for inflationary pressures.
- 3.2 An additional £534,000 has been allocated for short breaks and community-based packages for disabled children.
- 3.3 Investment of £1.7 millions has been provided to increase capacity in the Corporate Parenting and other front-line teams in response to rising demand and the recent Ofsted inspection. In total an additional 90 full time equivalent staff have been added to the budget, details of which can be found on page 23.
- 3.4 Planned savings total just over £2 millions. Realignment of resources for disabled children is expected to reduce costs by £654,000; infrastructure, running costs and other efficiencies are expected to save just over £1.4 millions.

4. Service Specific Budget Issues - Public Health Nursing

- 4.1 The majority of the funding for the Public Health Nursing service is from the Public Health Grant, £10.2 millions. Health and core revenue funding make up the remaining funding
- 4.2 There is a national shortfall in trained Health Visitors and School Nurses, but the Service continues to actively recruit to vacant posts that are critical to the delivery of an effective Public Health Nursing service across Devon.
- 4.3 Efficiencies in infrastructure and running costs are expected to reduce costs by just over £820,000. It is not anticipated that this reduction will significantly impact on service delivery.
- 4.4 Risk assessments are included within the budget pages and cover more detail around the risks and mitigations for the services.

5. Service Specific Budget Issues - Schools Funding

- 5.1 In 2021/22 the Dedicated Schools Grant (DSG) is increasing by £49.1 millions within the schools and early year settings. This relates, in the main, to the increase in the National Funding Formula for DSG announced by the Department for Education (DfE) in 2019 committing to increase the funding across England to £52.2 billion by 2022/23.
- 5.2 Within the DSG the significant cost pressure continues to relate to the SEND High Needs service. This is largely due to continued increases in the number of children with an Education Health and Care Plan (EHCP). 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. In addition, the number of students with SEN remaining in Education post 16 is rising.
- 5.3 The deliverability of a balanced budget over the short to medium term is becoming a grave concern for the Authority. This could have a considerable impact on the financial sustainability of Devon County Council and on future education budgets within the DSG.
- 5.4 Increasing demands and expenditure within the High Needs Block may be mitigated by working with Devon schools to support more children in mainstream education settings, thereby minimising any progress to special schools.
- 5.5 In addition, 300 extra places have been secured through capital investment and a special free school bid, increasing the capacity in our mainstream special school capacity by 20% and further reduce reliance on in the independent sector. There is a lead in time for opening a new school through the DfE Free school programme and therefore the benefits are being achieved over a number of years. The Authority is looking at the potential for a further new school from 2025.

- 5.6 Councils including Devon continue to raise concerns with the Department for Education over the rising costs and demand of special educational needs, and although government has responded with £730 millions nationally for 2021/22 this is not sufficient to deal with the demand on the High Needs Block.
- 5.7 During 2020/21 it has continued to be very difficult to contain the costs of SEND within the High Needs Block funding being received from Government. The current projection is a cumulative deficit of £50.4 millions and when the 2021/22 projected deficit of £27.9 millions is added to this the cumulative deficit is over £78 millions. Department for Education procedures require the authority to submit to them a management plan that will need to set out the strategy to recover the deficit within the DSG in future years.

6. Service Specific Budget Issues - General Fund

- 6.1 Devon operates a very cost-effective school transport service that, by having an integrated approach with social care and health has kept spend at a rate below inflation; Devon is one of a few Local Authorities to achieve this. However, the regulatory and operational pressures remain and together with external market pressures caused by COVID-19, this is putting pressure on bus and coach operators.
- 6.2 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 their nearest appropriate provision.
- 6.3 Risk assessments are included within the budget pages and cover more detail around the risks and mitigations for the services.

7. Capital Programme

- 7.1 The Council's capital programme has been produced to maximise investment in the County's infrastructure and assets and to support service delivery and priorities.
- 7.2 There is currently no service need within Children's Services for new projects funded from capital resources, but this will be kept under review in the coming year. Within the existing programme there is funding to support Children's Social Care for adaptations to disabled children's houses and continued investment in grants for adaptation to foster carer houses. There is continued funding available for vehicle and equipment loans to schools, as well as anticipated devolved budgets to school led projects.

8. Equality Impact Assessment

- 8.1 Under the Equality Act 2010, the County Council has a legal duty to give due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations when making decisions about services. This duty applies to the eight 'protected characteristics' of age, disability,

gender reassignment, pregnancy and maternity, race, religion and belief, sex and sexual orientation. Where relevant, Impact Assessments are carried out to consider how best to meet this duty, which includes mitigating against the negative impact of service reductions.

- 8.2 The Equality Act 2010 and other relevant legislation does not prevent the Council from taking difficult decisions which result in service reductions or closures for example, it does however require the Council to ensure that such decisions are:
- Informed and properly considered with a rigorous, conscious approach and open mind.
 - Taking due regard of the effects on the protected characteristics with the need to ensure nothing results in unlawful discrimination in terms of access to, or standards of, services or employment as well as considering any opportunities to advance equality and foster good relations.
 - Proportionate (negative impacts are proportionate to the aims of the policy decision).
 - Fair
 - Necessary
 - Reasonable, and
 - Those affected have been adequately consulted.

- 8.3 The impact assessment for the 2021/22 budget is published at <https://www.devon.gov.uk/impact/budget21-22/>

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County Treasurer

Vivien Lines and Dawn Stabb
Acting Chief Officers of Children's Services

Electoral Divisions: All

Cabinet Member: Councillor John Hart

Local Government Act 1972: List of Background Papers

Spending Round 2020 & Provisional Settlement 2021/22

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Leadership Group Commentary

2020 has been one of our most challenging years and has left the Council, and indeed all local authorities, facing a more difficult financial position than we might have envisioned due to the significant costs associated with responding to the COVID-19 pandemic. It has, however, also been a year that enabled us to demonstrate our resilience and adaptability in the face of huge uncertainty.

At the start of the year we were focused on preparations to leave the EU and supporting our residents and businesses through the changes this would bring, alongside anticipating the possibility of a local government review.

However, from early in the year, as cases of coronavirus spread across the world, it became clear that much of our focus would be on COVID-19 response work. Between March and June 2020 the suspension of some of our statutory responsibilities allowed us to put every effort into the fight against the virus and supporting our communities.

Following the announcement of a national lockdown on 23 March, teams across the Council had to move quickly to establish new ways of working to continue delivering services and information to the people of Devon.

Support services such as IT and Digital Transformation, Legal, Finance, HR and Communications all had to adapt to using new systems to ensure the wider organisation continued to operate as smoothly as possible. Highways, Environment, Development and Waste teams all underwent dramatic changes in the way they worked and communicated in order to keep the Council operating.

Frontline Adults' and Children's Services, Public Health and Education faced additional workloads and are still facing a very turbulent time in supporting our most vulnerable people within communities and ensuring children and young people don't miss out on their education. An increase in demand and referrals for Children's Services, in part driven by the impact of the pandemic on families and children, including those with disabilities, has put financial pressure on an area of the Council that was already stretched.

Each and every member of staff and elected Member across the Council has been affected by the challenges faced during the pandemic. They have all responded quickly, effectively and efficiently and the Council remains in a good position as we enter another uncertain year in 2021.

This year, Devon County Council became one of England's COVID-19 Beacon authorities. Working with District Councils, the County forged a strong "Team Devon" partnership that is proving to be highly effective. Aided by excellent collaboration with the NHS, Police, other agencies and neighbouring councils, this partnership is helping to keep residents safe during the pandemic and providing support to those in need.

Team Devon is also working closely with the Heart of the South West Local Enterprise Partnership (LEP) and wider business community on recovery across the county and regional partners to create a Great South West clean energy powerhouse that will increase the regional economy by £45 billion and create 190,000 new jobs.

While the Government's position on a local government review shifted, the UK left the EU on 31st January 2020 and the Council's preparation work continued throughout the transition period before the new agreements came into force on 1st January 2021. The overall financial impact of leaving the EU on our local economy - alongside the impact of COVID-19 - is still largely unknown and supporting our local business community remains a priority for the Council.

This tremendous effort to fight coronavirus, support Devon's communities and keep the county operating has cost the Council significantly. At the outset of the pandemic, the Government provided local councils in England with £500 million of grant funding to help economically vulnerable people to pay their Council Tax and the County Council has provided funding of £1m towards a COVID-19 Hardship Fund, providing a vital safety net for those struggling financially. The increased number of people eligible for help with Council Tax, coupled with more firms being forced to go out of business and leaving properties empty, is contributing to a financial shortfall for councils at a time when spending demands are increasing.

Moving forward, the Government published the Provisional Local Government Finance Settlement 2021/22 on 17 December confirming that, excluding Government assumptions about Council Tax nationally, the increase in Government funding for the Council is £3.7 millions or 2.2%. The Government has also announced Devon's share of national COVID funding for 2021/22 is £14.823 millions. In total, our spending in 2021/22 is due to rise by 6.6%, an overall increase of just under £35.7 millions from 2020/21.

We will continue to do all we can to support all those affected by the COVID-19 pandemic, and work closely with our colleagues in the NHS on the rollout of the vaccine as well as supporting local testing and contact tracing initiatives. We will take what we've learnt from our response so far to continue with our ongoing response and recovery work, in the knowledge that we will come out of this pandemic with new and innovative ways of working to ensure we continue on our journey as a learning organisation.

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Children's Services

How the 2021/22 Budget has been built up

	2020/21 Adjusted Budget	Changes	2021/22 Outturn Budget
	£'000	£'000	£'000
Children's Social Care	101,451	6,392	107,843
Education and Learning - General Fund	45,418	5,006	50,424
Education and Learning - School Funding	0	0	0
Total	146,869	11,398	158,267

Reasons for changes in Revenue Budget	Change £' 000
Technical and Service Changes	
Inflation and National Living Wage	1,502
Demographic and demand pressures	12,285
	<u>13,787</u>
Savings Strategies	
Children's Social Care	
Share of Cross-Council savings in running costs	(1,390)
Realignment of resources for disabled children	(654)
Education and Learning	
Share of Cross-Council savings in running costs	(45)
Route reviews of Home to School transport	(300)
	<u>(2,389)</u>
Total	11,398

Analysis of Total Expenditure 2021/22

	Gross Expenditure £'000	Grant and Contribution Income £'000	External Income £'000	Internal Income £'000	Net Expenditure £'000
Children's Social Care	129,085	(7,074)	(869)	(13,299)	107,843
Education and Learning - General Fund	52,890	(1,024)	(657)	(785)	50,424
Education and Learning - School Funding	630,220	(629,159)	(65)	(996)	0
Total	812,195	(637,257)	(1,591)	(15,080)	158,267

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

	Gross Expenditure £'000	Grant and Contribution Income £'000	External Income £'000	Internal Income £'000	Net Expenditure £'000
Children's Social Care					
Atkinson	4,171	(421)	(2,725)	(1,025)	0
Total	4,171	(421)	(2,725)	(1,025)	0
Grand total	816,366	(637,678)	(4,316)	(16,105)	158,267

Children's Social Care

2020/21 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2021/22 Outturn Budget £'000	2021/22 Net Changes £'000
Corporate Parenting Service					
1,807	Adopt South West	1,807	0	1,807	0
852	Adoption Allowances and Fees	813	0	813	(39)
295	Child Arrangements and Private Kinship	280	0	280	(15)
1,158	Contracts	1,193	0	1,193	35
3,060	Corporate Parenting Teams	3,565	0	3,565	505
4,127	Fostering Team	4,221	0	4,221	94
3,278	Special Guardianship Orders	3,332	0	3,332	54
1,081	Supervised Contact Service	1,070	0	1,070	(11)
15,658		16,281	0	16,281	623
Disabled Children's Services					
8,778	Children In Need Short-Break Services	9,474	(839)	8,635	(143)
2,221	Contracts	2,360	(23)	2,337	116
3,307	Social Work Area Teams	3,602	(154)	3,448	141
14,306		15,436	(1,016)	14,420	114
Early Help (Access)					
907	Emergency Duty Team	1,057	(154)	903	(4)
1,015	Multi Agency Safeguarding Hub	1,014	0	1,014	(1)
537	REACH	533	0	533	(4)
2,459		2,604	(154)	2,450	(9)
Early Help (Provision)					
1,799	Early Help Co-Ordination	4,363	(2,786)	1,577	(222)
704	Youth Offending - Statutory and Prevention	1,671	(970)	701	(3)
2,503		6,034	(3,756)	2,278	(225)
Looked After Children and Care Leaver (Placements)					
4,473	Disabled Children's Placements	5,449	(869)	4,580	107
7,899	Independent Fostering	8,341	0	8,341	442
1,616	Independent Post 18 Placements	2,157	(14)	2,143	527
14,727	Independent Residential Care	20,836	(2,029)	18,807	4,080
5,238	Independent Supported Accommodation	5,587	(41)	5,546	308
9,888	Internal Fostering	10,591	0	10,591	703
693	Internal Post 18 Placements	735	(310)	425	(268)
627	Secure Accommodation	679	(26)	653	26
477	Unaccompanied Asylum Seeking Children	1,819	(1,417)	402	(75)
45,638		56,194	(4,706)	51,488	5,850
1,000	Public Health Nursing	10,935	(10,756)	179	(821)
1,434	Quality Assurance Reviewing Safeguarding	1,727	0	1,727	293
13,610	Social Work Teams	13,616	0	13,616	6
4,843	Strategic Management and Legal Costs	6,258	(854)	5,404	561
101,451		129,085	(21,242)	107,843	6,392

Analysis of changes:	£'000
Technical and Service Changes	
Inflation and National Living Wage	881
Demographic and other growth in demand:	
Placement demand and other growth pressures	5,432
Short breaks for disabled children demand pressures	534
Investment in social work staff - improvement and demand response	1,589
	8,436
Savings Strategies	
Share of Cross-Council savings in running costs	(952)
Realignment of resources for disabled children	(654)
Cross Service - other cost savings and efficiencies	(438)
	(2,044)
Total	6,392

Service Commentary

Children's Social Care

This service brings together the statutory duties of the Council in relation to children in need, child protection and looked after children. It includes a range of services targeted to support families and thus help to avoid the need for children to come into care.

It also provides short breaks and respite care services for disabled children and their families as well as Youth Offending Services.

The budget for 2021/22 includes significant investment in the Corporate Parenting Service and other front-line teams to increase capacity in response to increased demand and the recent Ofsted inspection. The budget also recognises the rising costs associated with greater complexity of need, particularly residential provision. There is a strong focus on developing intensive support services, particularly for adolescents, to prevent care and improve outcomes with families at home.

0-19 Public Health Nursing Service

This service contributes to the improvement in health and wellbeing that support all children and young people, to keep families safe, and to reduce health related risks across their life through the delivery of the Department of Health Healthy Child Programme.

The budget for 2021/22 reflects increased front line capacity to meet demand; more efficient ways of working are planned through better use of IT and accommodation.

Service Statistics

Children's Social Care		Number of people budgeted to receive service		
		Average through Year		
	Unit of Measurement	2020/21	Change	2021/22
Looked After Children				
External Residential	Service Users	90	17	107
Internal Fostering Placements	Service Users	396	54	450
External Fostering Placements	Service Users	164	9	173
Foster to Adopt	Service Users	6	3	9
External Supported Lodgings/Housing	Service Users	50	(9)	41
Internal Residential Special School	Service Users	4	1	5
Medical Establishment	Service Users	1	0	1
Placed For Adoption	Service Users	23	0	23
Placed with Parents	Service Users	18	9	27
Other Placements	Service Users	5	0	5
Secure Welfare	Service Users	2	0	2
Remand / Custody	Service Users	1	0	1
Unaccompanied Asylum Seeking Children	Service Users	34	(11)	23
Total Looked After Children		794	73	867
		2020/21	Change	2021/22
Other Children's Services				
Staying Put/Care Leavers	Service Users	107	13	120
Adoption Allowances	Service Users	87	(7)	80
Special Guardianship Order Allowances	Service Users	390	15	405
Residence/Child Arrangement Order Allowances	Service Users	38	(2)	36
Shortbreak Services and Direct Payments for Disabled Children	Service Users	1,592	62	1,654

Education and Learning (General Fund)

2020/21 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2021/22 Outturn Budget £'000	2021/22 Net Changes £'000
Infrastructure					
677	Admissions, Data and Strategic Management	983	(242)	741	64
45	Legal Disbursements	45	0	45	0
1,201	Teachers Pension - Historic Enhancements	1,201	0	1,201	0
1,923		2,229	(242)	1,987	64
School Improvement Inclusion and Safeguard					
2,265	Closing The Gap	2,184	(19)	2,165	(100)
3,315	Inclusion Inc. SEN	4,761	(601)	4,160	845
1,215	Quality Service and Provision	2,189	(974)	1,215	0
707	Safeguarding Every Learner	807	0	807	100
7,502		9,941	(1,594)	8,347	845
School Transport					
0	Home to College	81	(81)	0	0
13,478	Home to School	14,009	(131)	13,878	400
15,330	Personalised Transport	19,204	(85)	19,119	3,789
28,808		33,294	(297)	32,997	4,189
510	Vulnerable Groups and Virtual School	677	(174)	503	(7)
6,675	Children's Centres and Early Years Services	6,749	(159)	6,590	(85)
45,418		52,890	(2,466)	50,424	5,006

Analysis of changes:

£'000

Technical and Service Changes

Inflation and National Living Wage	621
Demographic and other growth in demand:	
Demographic and other growth in demand - Transport	3,873
Special Educational Needs and Disabilities increased staffing	857
	<u>4,730</u>

Savings Strategies

Share of Cross-Council savings in running costs	(45)
Route reviews of Home to School transport	(300)
	<u>(345)</u>

Total **5,006**

Service Commentary

This service budget represents the Council's responsibilities for education and learning other than those funded by the Dedicated Schools Grant and Post 16 funding which are shown separately. It includes infrastructure and support to ensure the delivery of more than 200 statutory duties in education and learning and to deliver a range of specialist support for inclusion services, admissions, home to school transport as well as education support for children with special needs and vulnerable groups of children.

Devon operates a very cost-effective school transport service that, by having an integrated approach with social care and health has kept spend at a rate below inflation; Devon is one of a few Local Authorities to achieve this. However, the regulatory and operational pressures remain and together with external market pressures caused by COVID-19, this is putting pressure on bus and coach operators.

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 their nearest appropriate provision.

Service Statistics

Transport	Unit of Measurement	2020/21	Change	2021/22
School/College Transport	Pupil Numbers p.a.	12,321	312	12,633
Personalised Transport	Pupil Numbers p.a.	1,864	243	2,107

Education and Learning (School Funding)

2020/21 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2021/22 Outturn Budget £'000	2021/22 Net Changes £'000
Schools					
249,684	Primary Schools	265,541	0	265,541	15,857
2,825	Pupil Growth	2,714	0	2,714	(111)
192,321	Secondary Schools	204,879	0	204,879	12,558
444,830		473,134	0	473,134	28,304
De-Delegated Schools Budget					
112	Facilitation and Representation	120	(8)	112	0
527	Licences and Subscriptions	631	0	631	104
885	Maternity	885	0	885	0
98	School Intervention Fund	98	0	98	0
837	Schools and DSG Contingency	870	0	870	33
1,055	Targeted Specialist Services	1,055	0	1,055	0
3,514		3,659	(8)	3,651	137
32,585	Academy Grants	19,437	0	19,437	(13,148)
Central Provision Within Schools Budget					
476	Admissions	550	(74)	476	0
1,651	Other DSG Services	1,738	(87)	1,651	0
292	Phase Associations	292	0	292	0
855	Support Services	940	(85)	855	0
873	Termination of Employment Costs	873	0	873	0
4,147		4,393	(246)	4,147	0
High Needs Budget					
6,502	Alternative Provision	6,505	(30)	6,475	(27)
1,367	Children In Care and Inclusion	1,367	0	1,367	0
1,500	Closing The Gap	1,500	0	1,500	0
292	Hospital Education Services	318	0	318	26
334	Inclusion	334	0	334	0
3,316	Mainstream SEN - Further Education	5,914	0	5,914	2,598
33,958	Maintained and Academy Special Schools	37,166	(296)	36,870	2,912
1,164	Nursery Plus	1,164	0	1,164	0
36,486	Other Special School Fees	44,620	(438)	44,182	7,696
835	Recoupment	2,427	(722)	1,705	870
144	Safeguarding Every Learner	144	0	144	0
12,969	SEN Mainstream	19,209	0	19,209	6,240
871	SEN Services	932	0	932	61
1,601	Support Centre Funding	2,160	0	2,160	559
101,339		123,760	(1,486)	122,274	20,935
39,119	Early Years Budget	39,738	(113)	39,625	506
(23,485)	Unfunded HNB Deficit	(33,901)	0	(33,901)	(10,416)
Schools Funding					
(539,966)	Dedicated Schools Grant (DSG)	0	(589,094)	(589,094)	(49,128)
(36,665)	Other School Grants	0	(13,862)	(13,862)	22,803
(1,152)	Post 16 Funding	0	(1,145)	(1,145)	7
(24,266)	Pupil Premium	0	(24,266)	(24,266)	0
(602,049)		0	(628,367)	(628,367)	(26,318)
0		630,220	(630,220)	0	0

Additional investment for children with complex needs	20,935
Net changes to mainstream school budgets due to increase in Schools Funding Block and demographic changes	28,441
Net changes to Early years funding due to removal of Teachers Pay & Pension Grant	506
Unfunded High Needs Block deficit (Funding shortfall)	(10,416)
Increase in DSG and other grants arising from National Funding Formula changes and demographic changes.	(38,605)
Increase in DSG due to baseline changes to the High Needs block and demographic changes.	(10,523)
Net change of Academy Grant funding due to Teachers Pay & Pension Grant now part of DSG	(13,148)
Reduction to Other School Grants due to Teachers Pay & Pensions Grant now part of DSG	22,803
Decrease in Post 16 funding	7
Total	0

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.

It should be noted that the staffing data does not include the 8,910 staff employed by Devon County Council working in Maintained schools. Funding for these staff is delegated to and managed by the individual schools, in the same way as Academies.

Within the DSG the significant cost pressure continues to relate to the High Needs service. This is largely due to continued increases in the number of children with an Education Health and Care plan. 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.

The deliverability of a balanced budget over the short to medium term is to a large extent reliant on continuing to successfully support children in mainstream schools whilst managing the demand and increasing the capacity in our mainstream special schools; reducing the costs through better value for money in the independent sector; reducing the number of Alternative Provision placements needed and working with other sectors to provide Outreach services.

We have been successful in securing 300 additional places through a capital investment and a special free school bid over the next 5 years, increasing the mainstream special school capacity by 20% and should further reduce demand on the independent sector.

The opening of new schools is now dependent on the Free school programme, (or free school presumption if funded by the Local Authority) and the Authority is looking at the potential of further new school from 2025.

Service Statistics

Number of local authority maintained schools and academies

	Number of organisations	Number of Schools
Local Authority Maintained Schools		180
Federations	30	81
Management Partnerships	11	37
% of schools actively collaborating		66%
Free Schools		11
Academies		180
Number of schools in multi-academy trusts/collaborations		179
% of academies in multi academy trusts / collaborations		94%

Total all schools and academies

Number of pupils in academy and LA maintained schools	Unit of Measurement	Oct-2019	Change	Oct-2020
Nursery Schools (Universal Entitlement 15 hours)	Pupil Numbers PTE	137	4	141
Nurseries within Primary Schools (Universal Entitlement 15 hours)	Pupil Numbers PTE	2,159	58	2,217
		2,296	62	2,358
Primary	Numbers on Roll	31,765	(981)	30,784
Secondary	Numbers on Roll	6,180	(837)	5,343
Post 16	Numbers on Roll	275	7	282
		38,220	(1,811)	36,409
Number of pupils in academy schools				
Primary	Numbers on Roll	23,153	354	23,507
Secondary	Numbers on Roll	29,234	1134	30,368
		52,387	1,488	53,875
Number of pupils in Free schools				
Primary	Numbers on Roll	756	196	952
Secondary	Numbers on Roll	321	116	437
		1,077	312	1,389
Total number of pupils in LA maintained schools, academies and free schools				
Nursery Schools	Pupil Numbers PTE	2,296	62	2,358
Primary	Numbers on Roll	55,674	(431)	55,243
Secondary	Numbers on Roll	35,735	413	36,148
Post 16 (maintained only)	Numbers on Roll	275	7	282
		93,980	51	94,031
Percentage of pupils in academy schools				
Primary	Numbers on Roll	42.9%	1.4%	44.3%
Secondary	Numbers on Roll	82.7%	2.5%	85.2%
Early Years Education Provision		2020/21	Change	2021/22
Early Years Independent Provision (Universal entitlement 15 hours)	Pupil Numbers PTE	7,329	198	7,527
Early Years Entitlement Take up	Percentage of eligible children	96.8%	0.3%	97.1%
3 and 4 Year old additional 15 hours for all sectors	Pupil Numbers PTE	3,633	272	3,905
Disadvantaged two year olds	Pupil Numbers PTE	1,503	(130)	1,373
Young People with Additional Needs		2020/21	Change	2021/22
Pupils with Education Health Care Plans in Mainstream provision (pre 16)	Number of young people	2,696	686	3,382
Educated Other Than At School	Number of young people	117	33	150
Maintained and Academy Special Schools (pre 16 and post 16)	Number of budgeted Places	1,381	104	1,485
Independent Special Schools (pre 16 and post 16)	Number of budgeted Places	720	237	957
Further Education	Number of Budgeted Places	574	138	712
Inter-Authority recoupment	Net number of Exported Pupils	102	(1)	101
Import / export adjustments for local authorities	Net number of Exported Pupils	418	31	449
Alternative Provision	Number of Planned Places	280	(10)	270

Grants Paid to External Organisations

2020/21 £'000	Service and Grant Title	2021/22 £000
	Children's Social Work and Child Protection	
137	University Bursary Grants	137
120	Facilitating Access to Mainstream Activities for Disabled Children's Services	120
257 TOTAL		257

Staffing Data 2021/22

	2020/21	Changes FTEs	2021/22		Total FTEs
	Adjusted Total FTEs		Revenue Funded FTEs	Externally Funded FTEs	
Children's Social Care	1,094	90	894	290	1,184
Education and Learning - General Fund	119	10	129	0	129
Education and Learning - School Funding	44	(1)	0	43	43
Children's Services	1,257	99	1,023	333	1,356
Total	1,257	99	1,023	333	1,356

Explanation of Movements

Children's Social Work and Child Protection

Externally funded by Grant or Partnership	16
Increased capacity - service improvement	27
Edge of Care Service	41
Atkinson Secure Children's Home - intervention and support workers	6
	90

Education and Learning

General Fund

Review of Support for Inclusion and Infrastructure	1
Increased capacity - SEND and service transformation	14
Recommissioning escorts under external contracts for pupils with additional needs	(5)

Dedicated Schools Grant

Review of Support for Admissions	(1)
	9

Total	99
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Children's Services - Risk Assessment

Service	Budget 2021/22 £'000	Risk and Impact	Mitigation
Children's Social Care – service wide	107,843 (net)	The unknown medium and long term impacts of all aspects of the Covid-19 emergency including market employment, changing ways of working, delays to key strategic projects, capacity and demand.	<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 the Council's recovery programme.</p>
Looked after children placements	51,488 (net)	The prolonged effects of COVID restrictions and pressures on families, including education disruption, may lead to increasing numbers of children coming into care. Children may have greater levels of need leading to intensive support packages of care	<p>The budget has been set recognising the current pressures of demand. it assumes active management and cost control.</p> <p>Targeted commissioning and market management. Proactive early help support for families and improved social work practice leading to more assessments completed in the community and early interventions.</p> <p>Measures to reduce the number of adolescents entering care and reduce the length of time adolescents spend in care.</p>

Social work staff, including Corporate Parenting, Fostering and Contact Service teams	22,472 (net)	The recruitment and retention of experienced social workers remains difficult leading to high levels of agency staffing. Compounding this is an increasing inability to attract and recruit good agency social workers leading to high caseloads and significant under staffing in some areas.	Implementation of the revised recruitment and retention strategy from January 2021. This includes improved remuneration and greater opportunity for career progression. The expectation is that these incentives will attract new recruits and encourage more agency workers to become permanent staff and help with the retention of existing staff.
Special Guardianship Order (SGO) Allowances	3,278 (net)	The number of Special Guardianship Orders continues to increase at a steady rate. Growing pressure from the Courts regarding parity with foster carer allowances may lead to a full review of allowances.	Undertake a thorough review of existing cases to contain the operational and financial impact. Develop and implement revised guidance for the support offer to SGO carers (including financial remuneration)
Early Help including Troubled Families Grant	4,363 (gross)	The government confirmed in the Spending Review that there will be a continuation of Troubled Families Grant for one more year, beyond this funding is uncertain. The longevity of the impact of COVID, which has already seen an increase in demand for Early Help triage in academic year 2020/21 of an average 79.2%, continues to grow placing further demand on Early Help services.	Review core funding of Early Help services in Devon to achieve long term sustainability and mitigation in the absence of a longer-term settlement from government.
Public Health Nursing	10,170 (gross)	High levels of vacancies and a shortage of trained Health Visitors and School Nurses nationally impacting on service delivery.	The Public Health Nursing Transformation Project Board maintain a clear line of sight alongside Public Health Commissioners in DCC to manage within the existing funding envelope. The service continues to actively recruit to vacant posts that are critical to the delivery of an effective Public Nursing Service across Devon.

Education and Learning – service wide	50,424 (net)	The unknown medium and long term impacts of all aspects of the Covid-19 emergency including market employment, changing ways of working, delays to key strategic projects, capacity and demand.	Clear communication on priorities. Utilising business continuity plans and effective service leadership plans to identify emerging risks and pressures. Actively engage and influence the Council’s recovery programme.
Education and Learning – General Fund	50,424 (net)	A small number of Devon's schools continue to academise, however this is at much a slower rate. 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.	Ensure strong and effective collaborative working and information sharing to set out clearly the council’s role and relationship with maintained schools, partnerships and academies. The Council will continue to ensure that statutory responsibilities within a diverse educational landscape are secured through a range of protocol and stakeholder agreements. Continue to encourage Academies to buy back Traded Services where possible and monitor levels of funding for statutory duties.
School/College Transport	32,997 (net)	The number of pupils requiring home to school transport remains high together with external market pressures caused by Covid-19 sees limited operators causing costs to rise. Personalised transport with increased journey times continues to rise as the number of children with complex needs grow.	In this area it is now difficult as there is a market breakdown as costs are increasing due to a shortage of taxi/bus operators willing to run routes as they are not commercially viable or ceasing to trade. Covid-19 requirements have meant additional demands on transport of children. 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. Return to increasing access to Independent Travel Training when permitted.
Education and Learning – Schools Funding	630,220 (gross)	<p>Cumulative deficit estimated from 2020/21 of £50.4m and the projected deficit in 2021/22 of £27.9m sees an overall pressure of £78m that needs to be met from the DSG.</p> <p>This will impact on the schools funding available to meet demand to support the education of children within the authority.</p>	<p>Requirement of a comprehensive Management Plan to produce a balanced budget and reduce the DSG deficit over short to medium term.</p> <p>Service to review processes and services engaging with school representatives to set an agreed direction to reduce pressures on the service.</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	630,220 (gross)	<p>As delegation to schools budgets with the number of academy there is less resource to provide central services with the risk of loss of economies of scale which may impact on smaller schools in particular.</p> <p>This risk is further exacerbated by the impact of the national funding formula and changes to employee costs adding to pressure on school budgets. This could lead to schools prioritising spend which may in turn impact on traded services and de-delegation decisions</p>	<p>Ensure a clear and well understood approach to robust commissioning negotiations with providers.</p> <p>Continue to engage with national reviews of schools funding arrangements.</p> <p>Continue to develop partnership working to maximise effect of collaborative approaches between statutory and purchased service delivery.</p>
Central Schools Services Block	4,147 (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 budgets	122,274 (net)	Continued growth of EHC plans with no facility to reduce external demand through management plan.	<p>Identify the growing needs and provide central support to enable schools to hold onto those pupils that would normally pass into the special school system offset by reduced funding support to the school here possible.</p> <p>Build capacity to meet the designations and possibly build above demand to reduce or net export costs.</p>
High Needs budgets	122,274 (net)	<p>The cost of educating pupils with complex educational and physical needs can be significant and volatile.</p> <p>In particular the number of students remaining in Education post 16 is rising.</p> <p>The deliverability of a balanced budget depends to a large extent on successfully increasing capacity in our maintained special schools and disinvesting from the more expensive independent sector.</p> <p>Risk of more exclusions and increase in harder to admit children.</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>Agree processes that effectively manage demand and ensure effective use of funding across all blocks of spending, Schools, Early Years and High Needs.</p> <p>Undertake service reviews including that of students currently in 3rd-5th years of post-16 education and consider Independent Special School block contracts or a minimum of 5% reduction in placement costs.</p> <p>Seek alternative support to ensure children can remain in mainstream education settings with the correct support</p>

Capital Programme

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

Project	*Total Scheme Approval £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Children's Social Care						
Grants to adapt foster carers houses	N/A	40	40	40	40	40
Children's Social Care Total		40	40	40	40	40
Education & Learning						
Devolved Formula Capital (DFC)	N/A	1,434	1,454	1,154	1,054	1,054
External contribution to school projects	N/A	150	150	150	150	150
External Grants to school projects	N/A	50	50	50	50	50
School budget share contribution to school projects	N/A	500	500	500	500	500
Stokeinteignhead - primary - Playground	25	5	0	0	0	0
Vehicle Equipment Loans Pool (VELP) - Schools	N/A	200	200	200	200	200
Education & Learning Total		2,339	2,354	2,054	1,954	1,954
Childrens Services Total		2,379	2,394	2,094	1,994	1,994
Financed by:						
Borrowing - VELP		200	200	200	200	200
Capital Receipts - General		40	40	40	40	40
Direct Revenue Funds - Services		500	500	500	500	500
External Funding - Contributions		150	150	150	150	150
External Funding - Grants		1,489	1,504	1,204	1,104	1,104
Total		2,379	2,394	2,094	1,994	1,994

* 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 2020/21 which may be deferred to 2021/22, or future years, owing to changes in project delivery timescales.

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
DOH	Department of Health
DoLS	Deprivation of Liberty Safeguards
DPLS	Devon Personalised Learning Service
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
BCF	Improved Better Care Fund - Additional grant funding to supplement the Better Care Fund
ICT	Information & Communications Technology
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 Co-operation
IVC	In Vessel Composting
LAG	Local Action Group
LEP	Local Enterprise Partnership
LGA	Local Government Association
LMC	Local Medical Committee
LTP	Local Transport Plan
MH	Mental Health
MHCLG	Ministry of Housing, Communities and Local Government
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
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
SGO	Special Guardianship Order
STP	Sustainable Transformation Programme
TBC	To be confirmed
TCS	Transport Co-Ordination 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