

Revenue Budget 2009/10
Medium Term Financial Strategy to 2011/12
Capital Programme 2009/10 to 2013/14

Introduction	5
RELEVANT COMMITTEE REPORTS	6
STATEMENT OF THE ROBUSTNESS OF THE BUDGET ESTIMATES AND THE ADEQUACY OF THE COUNTY COUNCIL'S RESERVES	7
REVENUE BUDGET OVERVIEW	8
KEY TABLE 1 – BUDGET REQUIREMENT	13
KEY TABLE 2 – PRECEPT AND COUNCIL TAX	14
KEY TABLE 3 – RESERVES AND BALANCES	15
KEY TABLE 4 – GOVERNMENT SPECIFIC GRANTS	17
KEY TABLE 5 – REVENUE BUDGET ANALYSED BY STRATEGIC PRIORITIES AND SUPPORTING STRATEGIES	18
KEY TABLE 6 – MEDIUM TERM FINANCIAL STRATEGY	19
CAPITAL PROGRAMME OVERVIEW	20
CHILDREN & YOUNG PEOPLE SERVICES DIRECTORATE	31
EXECUTIVE DIRECTOR'S COMMENTARY	32
HOW THE 2009/10 BUDGET HAS BEEN BUILT UP	34
BE HEALTHY	42
STAY SAFE	44
ENJOY & ACHIEVE	46
MAKE A POSITIVE CONTRIBUTION	48
ACHIEVE ECONOMIC WELLBEING	49
DEVON COUNTY COUNCIL EMPLOYER COSTS	50
CAPITAL PROGRAMME	53
ADULT & COMMUNITY SERVICES DIRECTORATE	55
DIRECTOR'S COMMENTARY	56
HOW THE 2009/10 BUDGET HAS BEEN BUILT UP	58
OLDER PEOPLE AND DISABILITY SERVICES	62
LEARNING DISABILITY SERVICES	63
MENTAL HEALTH SERVICES	64
STRATEGIC & CORPORATE SERVICES	65
OTHER	66
CAPITAL PROGRAMME	67
ENVIRONMENT, ECONOMY & CULTURE DIRECTORATE	69
EXECUTIVE DIRECTOR'S COMMENTARY	70
HOW THE 2009/10 BUDGET HAS BEEN BUILT UP	71
HIGHWAY MANAGEMENT	77
PLANNING AND TRANSPORTATION	79
PUBLIC AND COMMUNITY TRANSPORT	80
WASTE DISPOSAL AND RECYCLING	81
ECONOMY	82
LIBRARIES, CULTURE, COUNTRYSIDE AND HERITAGE	83
CAPITAL PROGRAMME	85
CHIEF EXECUTIVE'S DIRECTORATE	87
COUNTY SOLICITOR'S COMMENTARY	88
HOW THE 2009/10 BUDGET HAS BEEN BUILT UP	89
CAPITAL PROGRAMME	96
FINANCE, IT AND TRADING DIRECTORATE	99
ACTING EXECUTIVE DIRECTOR'S COMMENTARY	100
HOW THE 2009/10 BUDGET HAS BEEN BUILT UP	101
CAPITAL PROGRAMME	106
PERSONNEL & PERFORMANCE DIRECTORATE	107
EXECUTIVE DIRECTOR'S COMMENTARY	108
HOW THE 2009/10 BUDGET HAS BEEN BUILT UP	109
NON DIRECTORATE	113
COMMENTARY	114
HOW THE 2009/10 BUDGET HAS BEEN BUILT UP	115
MEDIUM TERM FINANCIAL STRATEGY	117
earmarked FUNDS AND RESERVES	127
DETAILS OF INDIVIDUAL RESERVES HELD 2009/10	129
PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT	135
TREASURY MANAGEMENT STRATEGY	138
RISK ASSESSMENT – 2009/10 BUDGET	145

Introduction

This budget book contains details of the County Council's revenue and capital budgets as approved by the County Council on 19th February 2009, together with associated financial and operational information. The content is based on the budget report to the Executive on 10th February 2009.

The Revenue Budget Overview and Medium Term Financial Strategy (MTFS) set out an overview of the Council's finances. Linked with the Corporate Business Plan, they set out the 2009/10 County Council budget, and outline how the Council is planning its finances over the next 3 years to achieve its strategic priorities. The opening pages provide summary budget data for the whole County Council. The summaries are followed by more detailed analyses and explanations of the budgets allocated to each Directorate; a description of the Reserves held by the County Council; a summary of the Prudential Indicators that are taken into account when deciding how much the County Council can afford to borrow; information about the County Council's plans to improve efficiency; and the risk assessment made of the budget plans.

Setting the Budget

Financial plans are drawn up with reference to:

- the County Council's strategic plan, which provides details of major policies and objectives of the Authority. The strategic plan takes account of wider commitments agreed via the Community Plan and the Local Area Agreement;
- the County Council's performance framework, which identifies how well each of the council's services are performing;
- demographic changes occurring within the county;
- consultation with local residents, businesses and other stakeholders.

The County Council has five top priorities:

- giving the best possible start in life to Devon's children and young people;
- strengthening Devon's economy;
- celebrating Devon's culture;
- improving Devon's environment;
- promoting independence and choice in Devon;

together with the over-arching aim to make Devon England's greenest county.

The Council has sought to prioritise its resources to support the achievement of these objectives in formulating its future spending plans.

The Government has a major influence on our budget. The Government prescribes a number of duties that we must carry out and/or the standards which must be met, and also contributes a significant proportion of our overall funding – much of which is ring-fenced for spending on specific activities. The Government also has reserve powers to limit "excessive" budget increases, and may use the extent of increases in Council Tax as one of the criteria in deciding whether or not a budget increase is regarded as excessive.

An Equality Impact and Needs Assessment has been completed on the budget process and can be viewed on the County Council's website http://www.devon.gov.uk/fit_equality_assessment.htm

More Information

Contact details are provided throughout the budget book, for any general budget issues please contact Chris Sanders, Chief Accountant on 01392 382653, chris.sanders@devon.gov.uk.

Relevant Committee Reports

The following reports may be helpful in understanding the development of budget plans for 2009/10:

Date	Committee	Subject	Ref. No.
2 nd January 2009	Executive	Revenue/Capital Budget 2009/10	FI/09/01
20 th January 2009	Environment, Economy and Culture Overview/Scrutiny	Draft Capital Programme 2009/10 - 2013/14 and Draft Revenue Budget 2009/10 Environment, Economy and Culture	FI/09/03
21 st January 2009	Health and Adult Services Overview/Scrutiny	Draft Capital Programme 2009/10 to 2013/14 and Draft Revenue Budget 2009/10 - Adult and Community Services Directorate	FI/09/04
22 nd January 2009	Children and Young People's Services Overview/Scrutiny	Draft Capital Programme 2009/10 - 2013/14 and Draft Revenue Budget 2009/10 Children and Young People's Services	FI/09/05
26 th January 2008	Policy and Resources Overview/Scrutiny	Draft Capital Programme 2009/10 to 2013/14 and Draft Revenue Budget 2009/10 - Chief Executive; Director of Finance, IT and Trading and Director of Personnel and Performance Directorates.	FI/09/10
10 th February 2009	Executive	Report of Consultations with representatives of the Devon Business Community; Older People and Voluntary Sector Representatives, and Trade Unions	CX/09/10
10 th February 2009	Executive	Overview/Scrutiny Committee recommendations	CX/09/12
10 th February 2009	Executive	Revenue Budget and Medium Term Financial Strategy 2009/10 – 2011/12 and Capital Programme 2009/10 – 2013/14	FI/09/13
19 th February 2009	Council	Revenue Budget 2009/10, Capital Programme 2009/10 – 2013/14 and Medium Term Financial Strategy 2009/10 – 2011/12	FI/09/17

Statement of the Robustness of the Budget Estimates and the Adequacy of the County Council's Reserves

Section 25 of the Local Government Act 2003 includes a specific duty on the Chief Finance Officer to make a report to the Authority when it is considering its budget and Council Tax. The report must deal with the robustness of the estimates and the adequacy of the reserves included within the budget. (For the purpose of the Act reserves includes general balances). The Act requires the Council to have regard to the report in making its decisions.

The preparation of the budget for 2009/10 has been based on a detailed assessment of the risks associated with each budget and the goals and objectives included in the County Council's Strategic Plan and Local Area Agreement. A number of budgets can be classified as high risk because they are subject to external demands which are difficult to manage. Other budgets are affected by above average inflation, strong market forces or other factors whose influence is not easy to predict. Details of these budgets, the level of risk they present and the action taken to mitigate the risk can be found in an appendix of the budget report.

It has been necessary to make some budget reductions to meet the targets set by the Executive. Details of the reductions have been provided to Scrutiny Committee and are contained in the detailed budget booklet.

The availability of general balances to meet any unforeseen liabilities and provide flexibility during a period of change is a key element of prudent financial management. General balances for 2009/10 have been set at £14.2m. This level is based on an assessment of the financial risks facing the authority. Full details of this assessment are provided in the budget report and within this budget book.

In addition to general balances, the County Council also holds earmarked reserves for specific purposes. The level of earmarked reserves as at 31st March 2010 is estimated at £28.0m.

The total for revenue reserves and balances for 2009/10 is forecast as £42.2m. This is judged to be appropriate in the context of the Medium Term Financial Strategy.

Budget monitoring experience in 2008/09 provides an indication of the pressures facing the authority in 2009/10. In 2008/09 a number of demand led budgets have been under pressure, and this has required compensating actions to be taken elsewhere in order to ensure that overall the County Council's spending is forecast to remain within the budget total. Further action has been taken to either ensure that there is sufficient provision within the 2009/10 budget to meet service demands or review service delivery so as to remain within the budget available.

It is my view that the budget proposed by the Executive represents a sound and achievable financial plan for 2009/10. The total level of reserves and balances of £42.2m has been based on a comprehensive risk assessment and is judged adequate to meet all reasonable forecasts of future liabilities.

Mary Davis

Revenue Budget Overview

Key features of the 2009/10 revenue budget

The production of the 2009/10 Budget has been challenging. Not only will the budget have to cope with the normal services pressures that have to be contained within future resources but in 2009/10 the budget will also have to cope with the impact of the 'credit crunch' that has reduced income and which will lead to an increase in demand for many of the Council's services and affect jobs and earnings across the County.

In drawing up the budget it has been necessary to balance the need for more spending to sustain vital services and bolster the local economy with the need to deliver greater efficiency and moderate increases in the demands on Council Tax payers.

The 2009/10 Budget aims to achieve this balance. Budgets for services have been increased by 3.8% but the increase in Council Tax has been contained to just under 2.9%. This has been achieved through finding efficiency savings of just over £15million, making some reductions in spending, finding some additional expenditure from reserves and reducing the contribution made to reserves. Extra resources have been found for those pressing issues that have the most impact on Devon. For example, it has been possible to find funding to help prevent flooding in Devon. Additional resources have also been found to help protect and safeguard vulnerable children in Devon. Financial protection has been given to vital services such as Education, Psychology and Youth Services.

It has also been possible to set aside funds to help Devon get through the recession and be ready to take advantage of opportunities once the recession ends.

In summary, this is a cautious budget which balances efficiency, economy and prudence with the real and growing needs of the people of Devon.

The budget for Children and Young People's Services (CYPS) includes additional funding for demographic changes, existing commitments such as the Social Care Statutory Complaints Committee and court directed residential assessments, and Safeguarding issues following the internal review of procedures brought about by recent publicity. The current economic climate is difficult and undoubtedly in times of recession the need for many of the Directorate's services will increase. Particular areas of concern currently are independent residential placements, direct payments to families to support personalised responses to need (Fair Access to Carers' Breaks schemes), and the number of children that are allocated Statements of Special Educational Needs.

The Adult and Community Services (ACS) budget is under pressure from the increasing need for services resulting both from people living longer, and from a growing incidence of people with disability who also often live longer. Resources will be targeted towards people in most need and so that people are able to take full advantage of their own resources in combination with support from the Council and from the NHS as appropriate. The authority's resources continue to be directed fairly and transparently towards those who meet these criteria.

The Environment, Economy and Culture (EEC) budget faces significant inflationary and cost pressures - dealing mainly with the impact of legislative changes, such as increases in landfill tax. Highway Management will have to manage a tight budget throughout the year, seeking all possible efficiency savings and maximising the volume of work that can be done, and responding to delivery in critical areas as and when events arise. As a result of the economic downturn the Waste Disposal and Recycling budget has been developed on the assumption of a 2% reduction in household waste. Funding for the Economy section is boosted by the significant allocations of Local Authority Business Grant Incentive (LABGI). The budgets for public and community transport and the Library service have been set with inflation plus a small increase. In a time of recession it is important to seek to ensure stability in the public transport network, which many rely on for access to employment and education. Similarly the modernisation of library services is currently underway, hence it would be counter-productive to seek budget reductions in this area.

Within the Chief Executive's budget there are continued spending pressures within the Coroners service with additional costs in medical, analysts and funeral directors. In addition there are spending pressures across Trading Standards (DEFRA funding and Energy Performance Certificates), Land Charges (anticipated changes in legislation) and Partnerships (uncertainty regarding funding sources & levels).

For Finance, IT & Trading spending pressures relate to increased technical accountancy requirements (including asset register valuation work) and cost pressures within Corporate Procurement and Supply Zone. Personnel & Performance spending pressures include the cost of new legislation in respect of Criminal Record Bureau checks (Independent Safeguarding Authority implementation), increased accommodation charges (external leases) and the culmination of funding for workforce planning (e.g. leadership development, senior management training, etc).

As a result of the significant reduction in interest rates the level of interest on balances that will be earned in 2009/10 will reduce substantially from that received in previous years. The Council has always achieved a good income stream from careful management of its cash balances. Next year, without this source of income, even tighter budget management will be necessary.

Responding to public consultation

The County Council listens to the people of Devon. In 2007 and 2008 consultation events were held with the public and the information gained from these events are still influencing the budget process. For example, the consultation events highlighted that more importance should be attached to Community Transport and Public Transport in rural areas generally. The events also highlighted the importance of youth services and the prevention of youth offending. Both of these services have been protected from budget reductions and have received modest increases in funding.

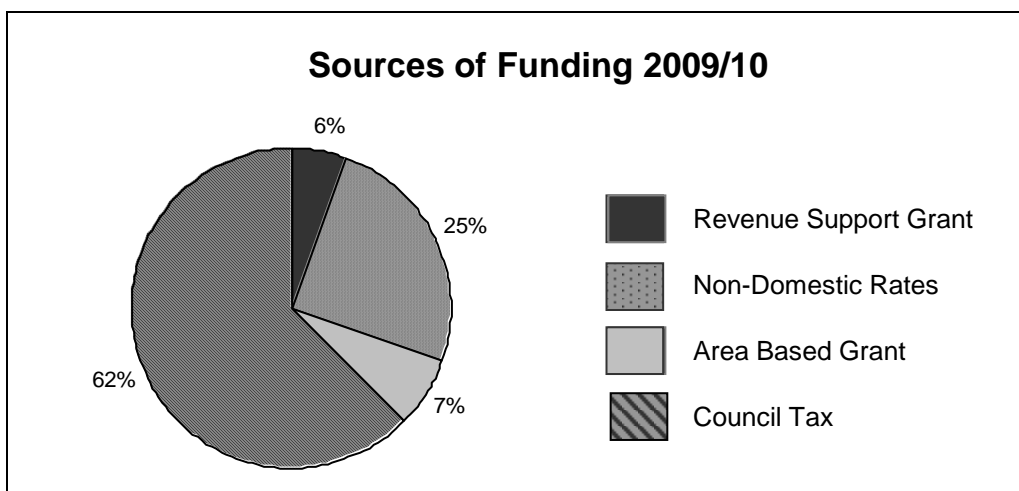
Consultation with the public also showed that less importance should be attached to Home to School Transport and street lighting. Reductions have taken place in both of these areas. Continuing rationalisation of routes has allowed for further efficiency savings in the Home to School Transport budget. Similarly, actions to increase energy efficiency have enabled a reduction in the street lighting budget. In January 2009 consultation took place with representations of the Devon's Business Community, Older People, the Voluntary Sector and Trade Unions. These events highlighted the need for the Council to be able to cope with adverse weather events that could lead to flooding. In response to this the Council has provided an additional £250,000 to facilitate the introduction of the PITT review that will aid the Council's response to potential flooding events. The Business Community was keen that the Council had the ability to help Devon through the recession so that it would be ready for the 'new economy' post recession. The Council has responded to this by setting up a 'Let's Get Devon Moving' Reserve that will be made available to aid economic recovery.

In general these consultation events highlighted the need for the Council to keep increases in Council Tax to a modest level yet still to play its part in trying to ensure the buoyancy of the Devon economy and a robust level of services. The 2009/10 budget has tried to achieve this balance.

Paying for the revenue budget

The County Council's budget is financed from a combination of fees and charges, contributions from other bodies, Government grants and Council Tax, together with money drawn from reserves. The County Council's Budget Requirement is quoted net of income from reserves, contributions, fees & charges and specific grants. This definition results from the way that the calculation of the amount to be raised from Council Tax is laid out in the Local Government Finance Act 1992. At the time this definition made a great deal of sense, as it focussed on the amount contributed by taxpayers, both local and national (specific grants were relatively few and far between, consisting less than 5% of all funding from central Government).

The allocation of the Budget Requirement is set out in Key Table 1, and the balance of funding between Government grant and Council Tax is shown in the chart below:



Formula Grant

Formula Grant is an umbrella term used to describe the sum of each local authority's share of National Non-Domestic Rates and Revenue Support Grant. Both sources of funding are pooled nationally and re-distributed according to a national formula (hence the term 'Formula Grant'). The amount of National Non-Domestic Rates income notionally allocated to each local authority bears no relationship to the amount that might be raised from this form of taxation in its own area. The distinction between National Non-Domestic Rates and Revenue Support Grant is only significant as an indicator of the extent to which the Government supplements income from Non-Domestic Rates with income derived from other national taxes (Income Tax, VAT etc.).

Relative level of grant support

Full comparisons of the level of specific grants allocated to individual local authorities are not yet available. As a result, the most realistic comparisons we can make are for Formula Grant, or the sum of Formula Grant and the provisional allocation of Dedicated Schools Grant.

For 2009/10, the sum of Formula Grant plus Dedicated Schools Grant allocated to Devon County Council works out as £674.49 per head of population, which is £40.27 per head less than the average allocated to county councils with no direct fire & rescue authorities (i.e. the county councils like Devon).

The only way to make comparisons with authorities other than similar county councils is to add up the grants received by all the local authorities operating in the Devon County Council area, in order to allow for the variety of different structures that operate in different parts of the country. As the 2009/10 settlement honoured the commitments made in the 2007 CSR, the comparative figures remain broadly the same as published last year, with a small change to the DSG calculation, as per the table below:

	Formula Grant + DSG per head	
	2009/10 £'s	2010/11 £'s
Devon & Cornwall Police Authority	110.31	112.18
Devon & Somerset Combined Fire & Rescue Authority	18.16	18.45
Devon County Council	674.49	699.55
Average District Council - see note below	78.78	79.54
Total	881.74	909.72
Average All-England	1,134.03	1,167.00
Difference	252.29	257.28
DCC as a percentage of the all-England figure	78%	78%

Note: the grant allocated to district councils within Devon varies considerably, from £58 per head in East Devon to £101 per head in Exeter (2009-10 figures).

Overall, the local authorities in Devon receive just 78% of the national average level of grant support in each of the next three years.

Council Tax

Council Tax is – in concept, at least – a hybrid between a property tax and a tax on individuals, in that the initial tax level is based on the property value, but then modified by a series of discounts and exemptions that relate to the circumstances of the individuals living in the household. In order to avoid re-valuing homes every year, property values are fixed at 1991 values. This valuation is used to place each property in one of eight broad tax bands, each of which is weighted in proportion to the standard reference tax band (band D).

Council Tax Benefit provides an element of protection for households on low incomes, although the complexity of the claims process deters many people from taking up their entitlement to assistance. Although Council Tax Benefit is administered by billing authorities (district councils), the amounts paid out in benefit are reimbursed by central Government. In Devon, roughly 11% of households have their tax bills paid in full by Council Tax Benefit and a further 6% receive some partial assistance.

The County Council's budget for 2009/10 relies on raising £316.589 million from Council Tax. However, this requirement is offset by a surplus on the Collection Fund of just over £2.625 million: the surplus arises because the district councils collected more money in previous years than they estimated they would. The current economic climate may lead to reduced surpluses in future years. As a result, the amount that the County Council requires from new taxes in 2009/10 is £313.964 million, which translates into a Band D Council Tax figure of £1,094.67 – an increase of 2.89% compared to the previous year. This calculation is laid out in Key Table 2.

Spending from available resources

From the resources available the Council has to fund inflationary increases, and future spending pressures. Recent volatility in world financial and commodity markets has made forecasting the relative inflation levels for local government services extremely difficult. The figures in Key Table 6 include an estimate which reflects an overall fall in the level of pay and prices in the next two years. At this stage this has not been applied to directorate budgets. When the overall direction of pay and price changes becomes clearer later in the year directorate targets will be reviewed.

The Council will give priority to the delivery of its strategic plan when deciding how available resources are used and will seek to fund many of its new areas of spending by becoming more efficient and securing access to funding from other sources. Efficiency savings have been built into projections, based on the 3% target, but further reductions may be required.

The Council's forecast expenditure, and the resources available to meet that expenditure are shown for 2009/10 in Key Table 1, and for the following two years in Key Table 6.

Specific Grants

The Council receives a number of specific grants from central Government to support particular initiatives. Expenditure against specific grants is generally ring-fenced to fund the initiatives concerned, and cannot be used for general council expenditure. The number of specific grants has reduced significantly as a number of them have been transferred to become part of the new general Area Based Grant (ABG). For the purposes of this document the Supporting People Programme Grant has been included as a specific grant for the MTFS period, but indications are that it will transfer to ABG from 2011/12 onwards. Current estimates of the specific grants related to revenue expenditure are shown in Key Table 4:

Schools' Funding

The Council receives funding for schools in the form of the Dedicated Schools' Grant (DSG), which must be spent on schools and related expenditure. There is discretion to spend more than the amount funded by DSG on schools, and because Devon's schools are some of the most poorly funded by Government, being 146th out of 149 local authorities, the authority therefore has to provide additional funding to schools to support SEN, Pupil Referral Units and special schools. Otherwise the MTFS assumes that schools' budgets will continue to relate directly to the level of DSG funding in future years. More detail is given in the detailed budget pages for the Children and Young People's Services directorate.

Fees, Charges and other income

Part of the County Council's income is generated by fees, charges and interest earned from treasury management activities. Just under half of this type of income is generated by means-tested charges for social care. In addition, the county council receives contributions from other public bodies towards the cost of jointly conducted activities.

The full schedule of fees and charges appears on the County Council's website at http://www.devon.gov.uk/charging_policies_index.htm

Medium Term Financial Strategy

Devon County Council is a large, complex organisation. It cannot manage and plan its resources effectively by only budgeting on a year by year basis. It has to look ahead and plan over a longer time horizon. The County's Medium Term Financial Strategy that covers the period 2009/12 is set out as a later section of the Budget Book.

Although it is vital to look ahead in this way, the uncertainty that surrounds the future structure of Local Government in Devon makes it very difficult. Similarly the County Council has little idea of the funding that it will require in 2011/12 from Central Government when the current three year settlement ends. These factors mean that any financial strategy can only be a guide and must be flexible enough to adapt as circumstances change.

Key Table 1 – Budget Requirement

2008/09 Budget £'000	Inflation £'000		Changes £'000	2009/10 Budget £'000
		DIRECTORATE BUDGETS		
348,989	9,073	Schools	709	358,771
(348,989)	(9,073)	Dedicated Schools Grant	(709)	(358,771)
114,340	4,676	Non-Schools	2,130	121,146
114,340	4,676	Children & Young People	2,130	121,146
179,913	7,651	Adult and Community Services	(3,070)	184,494
110,180	6,158	Environment, Economy & Culture	(1,511)	114,827
15,819	526	Chief Executive's	13	16,358
10,766	110	Finance and IT	(174)	10,702
6,037	113	Personnel & Performance	(3)	6,147
437,055	19,234	TOTAL DIRECTORATE BUDGETS	(2,615)	453,674
		Other budgets		
54,119		Capital Financing Charges	68	54,187
(12,141)		Interest on Balances	8,192	(3,949)
17,446		Spending from Reserves	437	17,883
		Payments made to Outside Bodies		
223		Environment Agency - Flood Defence	5	228
348		Devon Sea Fisheries Committee	40	388
497,050	19,234	TOTAL NET BUDGETS	6,127	522,411
		Reserves and Balances		
(17,446)		Use of Reserves	(437)	(17,883)
350		Matched Funding Reserve		350
0		Extra Care Housing	(4,500)	(4,500)
114		Local Initiatives Fund	250	364
1,092		Modernisation Fund	2,687	3,779
781		Systems Development Fund (incl Mainframe)	(781)	0
1,000		Redundancy Fund		1,000
500		Customer Access Strategy		500
2,000		CYPS Invest to Save Reserve	(2,000)	0
0		Financing Reserve	1,500	1,500
0		Insurance Reserve	(2,000)	(2,000)
0		Lets Get Devon Moving	500	500
485,441	19,234	BUDGET REQUIREMENT	1,346	506,021
		Financed by:		
17,752		Revenue Support Grant	10,940	28,692
34,673		Area Based Grant	1,760	36,433
127,524		Non-domestic Rates	(3,217)	124,307
305,492		District Councils' Collection Funds	11,097	316,589
485,441	0	TOTAL FINANCING	20,580	506,021

Note

The 2009/10 Band D Council Tax has increased from £1063.89 to £1094.67

Key Table 2 – Precept and Council Tax

TOTAL SPENDING TO BE MET FROM COUNCIL TAX

	£'s
County Council Budget funded by District Councils' collection funds	316,589,163.34
Net Surplus on Council Tax collection in previous years	-2,625,317.16
Total to be met from Council Tax precepts in 2009/10	313,963,846.18

EQUIVALENT NUMBERS OF BAND "D" PROPERTIES

District Council	Tax Base (Relevant Amount)	Tax Base Used for Collection	Collection Rate %
East Devon	57,401.00	56,771.00	98.90
Exeter	38,469.00	37,700.00	98.00
Mid Devon	28,381.20	27,813.60	98.00
North Devon	34,914.09	34,564.95	99.00
South Hams	38,392.48	37,626.03	98.00
Teignbridge	49,296.00	48,803.00	99.00
Torrige	23,682.31	23,327.08	98.50
West Devon	20,618.11	20,205.75	98.00
Total	291,154.19	286,811.41	98.51

COUNTY COUNCIL TAX DUE FOR EACH PROPERTY VALUATION BAND

Valuation Band	Government Multiplier		Council Tax £'s
	Ratio	% of Band D	
A	6/9	66.7	729.78
B	7/9	77.8	851.41
C	8/9	88.9	973.04
D	1	100.0	1,094.67
E	11/9	122.2	1,337.93
F	13/9	144.4	1,581.19
G	15/9	166.7	1,824.45
H	18/9	200.0	2,189.34

The County Council Tax for Band D represents an increase of 2.89% on the 2009/10 figure.

NET AMOUNT DUE FROM EACH DISTRICT COUNCIL IN 2009/10

District Council	Surplus (deficit) for 2008/09 £'s	Precepts Due 2009/10 £'s	Total due in 2009/10 £'s
East Devon	751,000.00	62,145,510.57	62,896,510.57
Exeter	230,007.00	41,269,059.00	41,499,066.00
Mid Devon	1,166,436.00	30,446,713.51	31,613,149.51
North Devon	(92,334.76)	37,837,213.82	37,744,879.06
South Hams	0.00	41,188,086.26	41,188,086.26
Teignbridge	(73,480.00)	53,423,180.01	53,349,700.01
Torrige	600,720.00	25,535,454.66	26,136,174.66
West Devon	42,968.92	22,118,628.35	22,161,597.27
	2,625,317.16	313,963,846.18	316,589,163.34

Key Table 3 – Reserves and Balances

COUNTY FUND BALANCES	£'000
Estimated balance as at 31st March 2009	14,196
Add contribution in 2008/09	0
Estimated balance as at 31st March 2010	14,196

Note: The estimate of both working balances and earmarked funds as at March 2009 reflect the best known information to date: The final totals may change as a result of decisions taken at outturn.

EARMARKED REVENUE RESERVES	Estimated	Estimated	Service	Estimated	As at
	Balance at 31.03.09 £'000	Spending £'000	Budgets Contribution £'000	Income £'000	31.03.10 £'000
Affordable Housing	951	892	0	0	59
Blighted Properties	200	150	0	0	50
Building Maintenance	61	61	0	0	0
Customer Access Strategy	616	240	0	500	876
CYPS Invest to Save	510	510	0	0	0
Development Fund	2,150	0	0	0	2,150
Devon Cleaning and Catering	559	0	0	0	559
Emergency Planning	102	0	0	0	102
Energy & Water	55	10	5	0	50
Energy Conservation	200	0	0	0	200
Extra Care Housing	8,251	250	2,500	(4,500)	6,001
Financing Fund	27	1,500	0	1,500	27
Inspection & Implementation	78	0	0	0	78
Insurance	4,000	1,300	0	(2,000)	700
Lets Get Devon Moving	0	0	0	500	500
Local Authority Business Grant	1,711	1,463	0	0	248
Local Initiatives	256	186	0	364	434
LPSA (1) Reward	819	197	0	0	622
LPSA (2) Reward	4,963	0	0	0	4,963
Matched / European Funding	700	567	0	350	483
Modernisation	1,117	4,249	0	3,779	647
New Roads and Street Works Act	419	100	0	0	319
PFI Sinking Fund	1,400	883	22	0	539
Prior Year Tax	100	0	0	0	100
Redundancy	4,004	2,000	0	1,000	3,004
Redundant Landfill Sites	499	397	0	0	102
Response to the Economic Downturn	0	0	0	250	250
Service Development Fund	5,353	2,419	1,150	(250)	3,834
Systems Development Fund	5	0	0	0	5
Trading Accounts	2	0	0	0	2
Waste Management Fund	1,657	509	0	0	1,148
Total Earmarked Revenue Reserves	40,765	17,883	3,677	1,493	28,052

EARMARKED CAPITAL RESERVES	Estimated Balance at 31.03.09 £'000	Estimated Spending £'000	Estimated Income £'000	As at 31.03.10 £'000
LPSA (2) Reward	5,200	0	0	5,200

PROVISIONS	Estimated Balance at 31.03.09 £'000	Estimated Spending £'000	Estimated Income £'000	As at 31.03.10 £'000
Bad Debts	569	17	4	556
Insurance (from 1/4/98)	10,190	3,420	4,080	10,850
Insurance (prior to 1/4/98)	503	50		453
Out of date cheques	173	10	15	178
Previous Liabilities	807	698	280	389
Trading Accounts	317	229		88
Total Provisions	12,559	4,424	4,379	12,514

Key Table 4 – Government Specific Grants

	2009/10 £'000	2010/11 £'000	2011/12 £'000
Children & Young People's Services			
Dedicated Schools (amount subject to confirmation in summer 2008)	358,771	377,300	377,300
Learning and Skills Council Post 16 Funding *	27,772	74,412	74,412
Standards Funds	52,359	53,562	53,562
Exeter Schools – PFI project	8,669	8,680	8,690
Youth Opportunities Fund	341	341	341
Staff Inherited Liabilities (HEFCE)	460	460	460
Contact Point	240	240	240
Youth Service – miscellaneous grants	119	119	119
Secondary Teacher Training Grant	431	431	431
Primary Teacher Training Grant	424	424	424
Sure Start	14,715	14,715	14,715
Aiming High for Disabled Children	589	1,901	1,901
TDA School support TRG and DEV Grant	204	204	204
TDA School Workforce Modernisation and DEV Grant	210	210	210
Children's Workforce Development Council Integrated Working	50	50	50
Instrument Purchase	164	164	164
Youth Justice Board - Youth Offending Team	589	589	589
Children & Young People's Services Total	466,107	533,802	533,812
* 2010/11 and 2011/12 figures reflect transfer of additional responsibilities			
Adult & Community Services			
Delivering Stroke Care for Adults	131	0	0
Learning Disability Campus Closure	50	0	0
Social Care Reform	2,898	3,604	0
Supporting People (services)	19,337	19,337	19,337
Learning and Skills Council Adult Education Grants	4,718	4,718	4,718
Adult & Community Services Total	27,134	27,659	24,055
Environment, Economy & Culture			
DEFRA – Areas of Outstanding Natural Beauty	0	0	0
European Union	1,484	4,783	5,130
Learning & Skills Council	230	230	230
Natural England	789	789	789
Road Safety grants	678	678	678
Commission for Architecture and Built Environment	300	0	0
Urban Bus Challenge – “Kickstart”	78	78	78
South West Regional Development Agency	170	170	170
Other	31	0	0
Environment, Economy & Culture Total	3,760	6,728	7,075
Chief Executive's			
DEFRA - Animal Health	520	520	520
Home Office - ADVA	40	0	0
Chief Executive's Total	560	520	520
Total Government Specific Grants	497,561	568,709	565,462

Where grants are expected to be ongoing, but figures are currently unavailable, it is assumed that the same level of grant will be received as in previous years. In these instances, grant funded expenditure plans will be modified to reflect the level of grant funding when confirmed.

Key Table 5 – Revenue Budget Analysed by Strategic Priorities and Supporting Strategies

	Directorate						Other Corporate Budgets £'000	Total £'000
	Children & Young People £'000	Adult & Community Services £'000	Environment, Economy & Culture £'000	Chief Executive's £'000	Finance, IT & Trading £'000	Personnel & Performance £'000		
Strategic Priorities								
1 Giving the best possible start in life to Devon's children and young people	121,146	0	418	0	1,208	0	22,096	144,868
2 Strengthening Devon's economy	0	0	1,943	2,456	846	0	2,525	7,770
3 Celebrating Devon's culture	0	0	13,702	0	875	0	1,295	15,872
4 Improving Devon's environment	0	0	98,397	0	1,136	0	18,573	118,106
5 Promoting independence and choice in Devon	0	184,494	367	0	1,403	0	1,098	187,362
Allocated to Direct Strategic Priorities	121,146	184,494	114,827	2,456	5,468	0	45,587	473,978
Supporting Strategies								
6 Connecting with Devon's communities	0	0	0	11,362	1,038	576	656	13,632
7 Providing excellent customer service	0	0	0	0	0	1,152	774	1,926
8 Delivering through people	0	0	0	0	0	4,419	1,000	5,419
9 Providing better value for money	0	0	0	2,540	4,196	0	4,330	11,066
Allocated to supporting strategies	0	0	0	13,902	5,234	6,147	6,760	32,043
2007/08 Total Revenue Budget	121,146	184,494	114,827	16,358	10,702	6,147	52,347	506,021

Specific Objectives which will help us achieve our strategic priorities are:

- > Improving health and educational outcomes for under-achieving children and young people
- > Unlocking the economic potential of disadvantaged communities
- > Minimising waste, increasing recycling and composting and reducing the land-filling of waste
- > Tackling traffic congestion and air pollution and improving public transport
- > Enabling more elderly and disabled people to stay safe and healthy in their own home

More information about the County Council's Strategic Plan can be found on our website, address: www.devon.gov.uk/strategicplan

Key Table 6 – Medium Term Financial Strategy

Summary of Forecast Expenditure

	Cumulative	
	2010/11	2011/12
	£'000	£'000
2009/10 Budget	506,021	506,021
Financing commitments - Inflation	18,942	38,231
Allowance for Lower levels of inflation	(7,229)	(12,705)
Technical Changes	2,407	250
Directorate Service Changes	16,241	33,636
Other Changes (Non-Directorate)	3,421	4,836
Efficiency Savings	(15,658)	(31,785)
Total	524,145	538,484

Summary of Forecast Income

	2010/11	2011/12
	£'000	£'000
Government Support		
Revenue Support Grant	30,213	30,968
Non-domestic Rates	130,914	134,187
Area Based Grant	36,433	36,433
	197,560	201,588
Council Tax	326,585	336,896
Total	524,145	538,484

Directorate Guideline Allocations

	2010/11	2011/12
	£'000	£'000
Children and Young Peoples Services	125,771	124,147
Adult and Community Services	192,693	201,268
Environment, Economy and Culture	118,895	123,222
Chief Executive's	15,709	15,612
Finance, IT and Trading	10,603	10,489
Personnel and Performance	6,091	6,026
Non-Directorate	54,383	57,720
Total	524,145	538,484

The draft Capital plans for the next five years are also set out in this book.

More Information

For more information contact Chris Sanders, Chief Accountant on 01392 382653,
chris.sanders@devon.gov.uk

Capital Programme Overview

The Capital Programme

The Capital Programme is a Medium Term Capital Plan (MTCP) covering five financial years. The Capital Programme details the Capital Investment plans for the Council and the way in which the plans are to be funded.

The Capital Programme enables the County Council to action its strategic aims and objectives. It provides a large part of Devon's infrastructure and much of it literally is building for future generations.

The Council is aware of the impact of the Capital Programme on the economy and prosperity of Devon. For that reason, the Council has maintained a large Capital Programme for 2009/10 of nearly £174million. The content of the Capital Programme is initially determined by the Capital Programme Group that is guided by the Strategic Plan, Service Plans, the Capital Strategy and Asset Management Plan.

In 2009/10 the Capital Programme is allocated to Directorates as follows:

Table A

	2009/10	2010/11	2011/12	2012/13	2013/14
Directorate	£'000	£'000	£'000	£'000	£'000
Adult & Community Services	3,642	1,346	1,215	650	650
Environment, Economy & Culture	81,622	135,627	125,433	94,568	14,656
Children and Young People's Services	76,373	101,024	38,914	49,174	41,964
Finance, IT and Trading	1,772	981	90	85	80
Chief Execs	11,233	11,855	8,960	2,995	1,220
Total	174,642	250,833	174,612	147,472	58,570

The values include expenditure related to the Investing in Devon (IID) Programme. This is spending financed from the sale of Exeter Airport and totals £44.319 million over the five year period. Table B provides details of this programme. The revised planning level for 2008/09 is £3.275million, producing total planned expenditure on the IID programme of £47.594 million.

Table B

	2009/10	2010/11	2011/12	2012/13	2013/14
Directorate	£'000	£'000	£'000	£'000	£'000
Adult & Community Services	28	0	0	0	0
Environment, Economy & Culture	2,759	3,100	9,050	2,050	0
Children and Young People's Services	5,286	1,990	0	0	0
Finance, IT and Trading	0	0	0	0	0
Chief Execs	4,608	8,574	6,063	811	0
Total	12,681	13,664	15,113	2,861	0

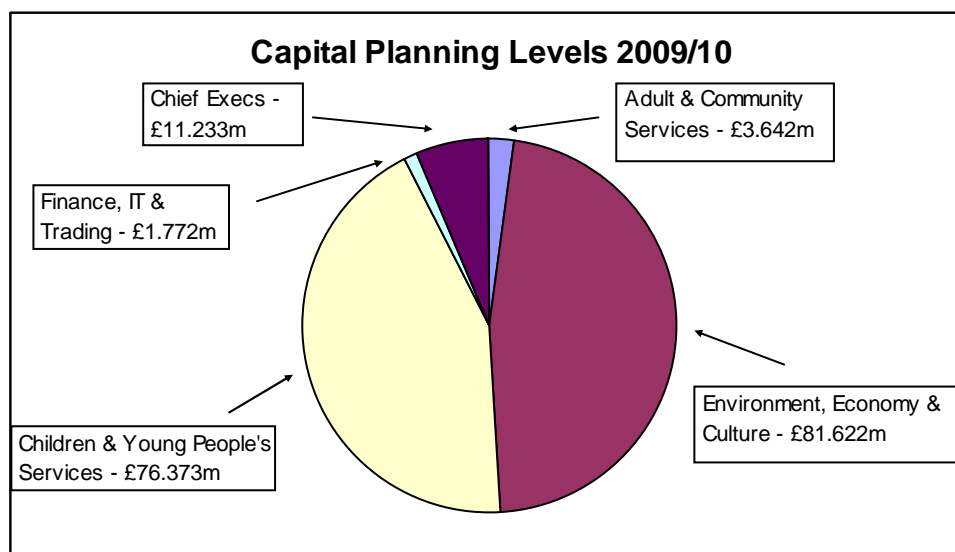
Management of the Investing in Devon programme is still ongoing and projects continue to be approved by Members. The planning level for Chief Executive's contains the balance of spending on schemes which remain to be approved.

The planning levels reflect refreshed data from the 2008/09 approved capital programme and planned new starts for 2009/10 as outlined in Table C.

Table C

	2009/10	2010/11	2011/12	2012/13	2013/14
Directorate - Reviewed	£'000	£'000	£'000	£'000	£'000
Adult & Community Services	2,569	953	650	650	650
Environment, Economy & Culture	75,530	122,366	90,007	68,466	5,588
Children and Young People's Services	68,638	94,972	38,114	49,174	41,964
Finance, IT and Trading	1,772	981	90	85	80
Chief Execs	5,272	3,281	2,897	2,184	1,220
Total	153,781	222,553	131,758	120,559	49,502

	2009/10	2010/11	2011/12	2012/13	2013/14
Directorate - New Starts	£'000	£'000	£'000	£'000	£'000
Adult & Community Services	1,045	393	565	0	0
Environment, Economy & Culture	3,333	10,161	26,376	24,052	9,068
Children and Young People's Services	2,449	4,062	800	0	0
Finance, IT and Trading	0	0	0	0	0
Chief Execs	1,353	0	0	0	0
Total	8,180	14,616	27,741	24,052	9,068



Capital Finance

All capital expenditure requires a matching source of finance. The major element of finance is generally provided by borrowing and the County Council operates under the CIPFA Prudential Code which is explained elsewhere in the Budget Book.

Borrowing is either supported, where Government recognises the revenue cost of meeting such values through the annual finance settlement and unsupported, for which no funding is provided by Government. Through the Medium Term Capital Programme, the County Council plans to utilise the full value of the capital receipt achieved from the sale of Exeter Airport and significant external grant contributions from the Government Departments.

Table D outlines the financing sources for the programme.

Table D

	2009/10	2010/11	2011/12	2012/13	2013/14
Funding Source	£'000	£'000	£'000	£'000	£'000
Supported Borrowing	50,331	50,513	41,578	41,578	8,479
Unsupported Borrowing	53,522	72,835	46,528	30,044	16,922
Vehicle & Equip Loan Pool Borrowing	2,718	2,439	1,629	245	200
Capital Receipt – General	5,000	3,000	2,000	932	1,070
Capital Receipt – Exeter Airport	12,681	13,664	15,113	2,861	0
Revenue Funds	712	97	111	0	0
External Contributions	2,353	5,528	4,366	13,632	239
External Grants	47,325	102,757	63,287	58,180	31,660
Total	174,642	250,833	174,612	147,472	58,570

Borrowing and Vehicle & Equipment Loan Pool

Borrowing is classified as either “supported” or “unsupported”. “Supported” borrowing relates to finance that is recognised by Government by way of the annual financial settlement. Government adjusts the Formula Grant, under the Capital Financing element, to reflect the cost of borrowing repayments through the revenue budget. Unsupported borrowing does not attract Government recognition and the consequential revenue costs are borne by the County Council outside of increased resources from the annual financial settlement. The Vehicle & Equipment Loan Pool is financed as unsupported borrowing, and annual revenue are borne direct by the Directorate budgets who acquire such assets.

Capital Receipts

Capital Receipts represents the income from the sale of Council Assets and can be used to finance capital investment. The movement in capital receipts is forecast as follows :-

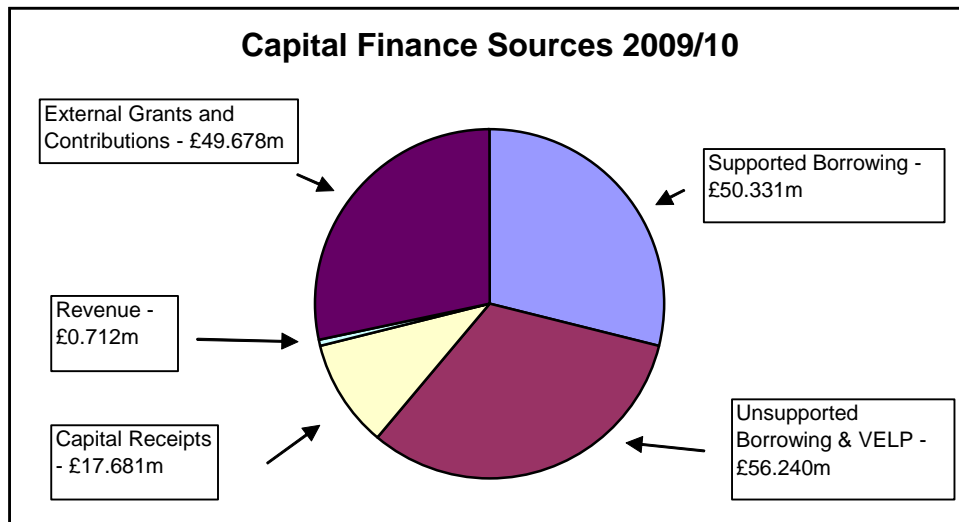
	2009/10
	£'000
Unapplied balance brought forward – general	4,116
Unapplied balance brought forward – Exeter Airport	45,293
	49,409
Estimated receipts generated in-year	5,450
Anticipated application of receipts – General	-5,000
Anticipated application of receipts – Investing in Devon	-12,681
Movement in Year	-12,231
Capital Receipts Unapplied at year end – general	4,566
Capital Receipts Unapplied at year end – Exeter Airport	32,612
Total Capital Receipts Unapplied	37,178

Revenue Funds

This relates to the acquisition of assets, funded directly from revenue budget contributions or reserves.

External Contributions and Grants

Relates to direct grants received from other public bodies, Government or private sector developers in the form of Section 106 Agreements to directly finance all or part of the cost of capital acquisitions.



Programme Detail

The following tables provide the detail of schemes contained within the refreshed Medium Term Capital programme, New Start and Investing in Devon Projects for Directorates.

Adult & Community Services					
Scheme type	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<u>Refreshed Medium Term Capital Programme</u>					
Adaptations for Disabled Adults	85	90	45	45	45
Adult Community Learning Minor Works	91				
Community equipment	150	100	100	100	100
Handling & lifting equipment	24	24	24	24	24
IT Strategy	242	258			
Mental Health	231	231	231	231	231
Okehampton Extra Care Housing	250				
Office Accommodation Strategy					
Complex Care Team Projects	190				
CDP offices, Eastern Area	591				
Estuary House, Newton Abbot	250				
South Devon	106				
Tavistock	159				
Rolling Upgrades re-phased from 08-09	200				
Service Changes towards Modernisation		250	250	250	250
	<u>2,569</u>	<u>953</u>	<u>650</u>	<u>650</u>	<u>650</u>
<u>New Starts</u>					
Community Hub, Barnstaple	650				
Rolling Upgrades	195	393	367		
Office Accommodation Strategy					
Learning Disability Service offices, Ivybridge	200				
Re-location of Emergency Duty Team.			12		
Tiverton			186		
	<u>1,045</u>	<u>393</u>	<u>565</u>	<u>0</u>	<u>0</u>
<u>Investing In Devon</u>					
Devon Changing Places	28				
	<u>28</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
ACS Total	<u>3,642</u>	<u>1,346</u>	<u>1,215</u>	<u>650</u>	<u>650</u>

The capital programme for the Adult & Community Services Directorate underpins strategies which will modernise care management by streamlining care management business processes and maximising efficiency by the use of technology. We are working with partners in the NHS to achieve these changes, which are aimed at making it easier for people to get the support for which they are eligible.

Environment, Economy & Culture

Scheme type	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<u>Refreshed Medium Term Capital Programme</u>					
Bank St/Wolborough St - Newton Abbot	50				
Barnstaple Western Bypass	1,055	566	36	52	
Cycling - Bovey to Mortonhampstead	160	1,540	40	340	70
Coastal towns community infrastructure	187	376	187		
Culverts	90	70	70		
Cycling - Cycle Demonstration Town, Exeter	500	500			
Cycling - Exe Estuary	2,857	2,377	2,710		
Depot Strategy - Avocet Road, Exeter	12				
Depot Strategy	605	605	291		
Devon Employment Space Strategy	100	820	780		
Exeter Waste to Energy Plant	9,650	19,300	9,700	625	
Exmouth The Strand	750	1,300			
Heathfield IVC Odour Management	848				
High St Cullompton-drainage Shortlands Lane	12				
ICT Strategy	100	350	200		
Industrial Estates	38				
In vessel Composting - Deep Moor	443	57			
Waste Infrastructure Capital Grant	1,298	480			
Kingskerswell Bypass	5,864	37,965	37,140	31,547	5,488
Libraries Minor Works	225	250	250		
Library Modernisation - Cullompton & N Abbot	1,138	2,139	500		
Local Transport Plan	35,884	39,974	35,827	35,827	
National Cycle Network - Path to Prosperity	63				
Ottery St Mary Library		300			
Recycling Centres - East of Exeter (Pinbrook)	3,873	67			
Recycling Centres - Ivybridge			500		
Recycling Centres - Various	54				
Landfill Site Restoration	905	309	67		
Refurbishment of Library Estate	200	200	200		
Regional / Area Programmes - Exeter Sub Region (including CDT)	73				
Renewable Energy 4 Devon	250	150			
Replacement Libraries Programme - Exeter	59				
Road Safety Grant	234	230			
Rural Road Safety Grant - Country mile Project	1,385				
Science Park Development Phase 1	2,271	8,877			
Sidmouth Library enhancement	295	295			
Skypark - Strategic Infrastructure	700	700			
Street Lighting	50	50	50		
Towns Villages and Rural Communities	27				
Various S106 Works	614				
VELP - Minibuses	308				
VELP - Mobile library vans	262	80	80		
VELP - Welfare buses and accessible vehicles	1,263	1,426	936		
VELP - Winter Maintenance Vehicles	201	422	368		
VELP - Cars and Vans	252	266			

Scheme type	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
VELP - I.T. for EEC	45	45	45	45	
Jurassic Coast - Interpretation Projects	30	30	30	30	30
World Heritage Site - Visitor Centres	250	250			
	75,530	122,366	90,007	68,466	5,588
<u>New Starts</u>					
Barnstaple Waste to Energy Plant	150	400	15,000	20,000	6,900
Carbon Management - Cavity Wall Insulation	100				
Carbon Management - Street Lighting	150	150	150	150	150
Crediton Link Road	200	1,000	5,800		
Recycling Centres - Crowndale			485	500	15
Recycling Centres - Cullompton	100	1,380	20		
Recycling Centres - Dawlish				30	470
Devon schools Organic Waste Treatment	83	83	84		
Digitization of Devon Tithe Maps	220				
Exmouth Yard Improvements	20				
Recycling Centre - Exton Road including salt barn	150	343	7		
Invessel Composting - Heathfield refurbishment reception building	200				
Recycling Centres - Punchbowl			150	1,327	23
Cycling - Kingsteignton to Newton Abbot Connect 2	250	2,000	750		
Libraries Modernisation - partnership schemes					
Exmouth, Totnes, Bideford & Okehampton	70	690	1,330	1,380	1,380
Mullacott Cross Industrial Estate		80	80		
Roundswell Business Park		75			
Seaton Enhancement of Periodic Skip Site			240		
Speedwell Units, Nelson Rd		100			
Grand Western Canal - Sustainable silt and nutrient management	40	160	100	75	
Cycling - Tavistock to Bere Alston Railway Path	50	50			
Cycling - Tavistock to Plymouth Gem Bridge & Grenofen Tunnel	500	3,500	1,000		
Willand Industrial Estate					100
Recycling Centres - Woods Farm Replacement	50	150	1,180	590	30
Drainage Investment	1,000				
	3,333	10,161	26,376	24,052	9,068
<u>Investing in Devon</u>					
The Around Devon Cycle Route	1,000	2,000	2,000		
World Heritage Site Visitor Centre Seaton	250				
World Heritage Site Visitor Centre Exmouth	250				
Devon Road Safety Academy	920				
Yeo Valley Community Project, Barnstaple	30				
Devon Cultural Acquisitions Fund	50	100	50	50	
Devon & Exeter Forum		1,000	7,000	2,000	
Equestrian Devon	225				
Regeneration Of Dawlish	20				
Improved Crossing Point at A382 St'n Road R'dabout Bovey Tracey	14				
	2,759	3,100	9,050	2,050	0
EEC Total	81,622	135,627	125,433	94,568	14,656

Children and Young Peoples Services

Scheme type	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<u>Refreshed Medium Term Capital Programme</u>					
Adaptations for Children with specific needs	75	201	75	75	75
Basic Need (Commitments and New Starts)	22,097	23,504	6,000	6,000	6,000
Bideford Integrated Youth Support Services Centre	110	320			
Building Schools for the Future - Bideford	6,111	9,900	2,800		
Children's Centres	3,170	1,614			
Children's Personal Social Services	79	244	79	79	79
Children's Services - Foster Carers - Adaptations	66	60	60	60	60
Chulmleigh Community College Tennis Courts - Land Adj To Beacon Rise	11				
Cranbrook New Community	200	500	500	14,060	
Cranbrook Respite Centre				300	
Devolved Formula Capital	12,134	24,005	13,000	13,000	13,000
Early Years Preschool funding	2,000	2,000			
Extended Schools	1,253	648			
External Funding balance of a number of minor ext conts	7				
Harnessing technology Grant	3,248	4,875			
Pathfield	757	500			
Improvements - Gt Torrington & Coombeshead		152			
NDS Modernisation	6,704	9,257	8,000	8,000	8,000
Primary Capital Programme	5,840	8,216	6,000	6,000	6,000
Relocation of Clyst Vale	0	0			7,000
Ringswell Campus Training Academy	500				
SAI Programme	1,371	1,371	1,400	1,400	1,400
South Molton Youth Centre	50	160			
Targeted Capital Fund - Mill Water	0	800	0	0	0
TCF - 14-19 & SEN	2,000	6,000			
Vehicle and Equipment Loans Pool	237	200	200	200	200
Youth Capital Fund	295	295			
Youth Centres	73				
Youth Minor Works	250	150			150
	68,638	94,972	38,114	49,174	41,964
<u>New Starts</u>					
Axminster Magistrates Court conversion to Youth/Childrens Centre	150	75			
Estuary House	400				
Exwick IYSS Centre	150	350			
Moretonhampstead IYSS Centre	150	87			
Newton Abbot Strategic Centre		1,000			
Oaklands Court - Tiverton	300				
Office Modernisation Plan	199	50			

Scheme type	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Ringswell Park Phase 1	100				
Ringswell Park Phase 2	1,000	2,500	400		
Roundswell - Barnstaple		0	400		
	<u>2,449</u>	<u>4,062</u>	<u>800</u>	<u>0</u>	<u>0</u>
<u>Investing in Devon</u>					
Refurbishment of the Pill, Bideford	140				
Chulmleigh Integrated Youth Provision	150	300			
Colyton Integrated Youth Provision	160				
Dawlish Integrated Youth Centre	700				
Exeter (Wonford) Integrated Youth Provision		140			
South Molton Integrated Youth Provision		200			
Tavistock Integrated Youth Provision	250				
Torrington Integrated Youth Provision	300				
Video Conferencing	75	75			
Mobile Working	312	313			
Computers For Carers	88	87			
Digital Archiving	25	25			
Renewable Energy Challenge Fund	1,000	350			
Replacement of HORSAs Buildings	1,150				
Playgrounds and MUGAS	500	500			
Removal of Outside Toilets	10				
Sandford School, Eco-Classroom	100				
Cliff Bastin Playing Field	77				
Cliff Bastin Playing Field	10				
Aveton Gifford Pre School	62				
Aveton Gifford Pre School	2				
BMX Track Braunton	25				
Topsham School Sustainability Project	150				
	<u>5,286</u>	<u>1,990</u>	<u>0</u>	<u>0</u>	<u>0</u>
CYPS Total	<u>76,373</u>	<u>101,024</u>	<u>38,914</u>	<u>49,174</u>	<u>41,964</u>

DCSF allocations from 2011-12 are indicative for planning purposes only, an announcement is not anticipated until Autumn 2010 at the earliest.

Finance, IT and Trading

Scheme type	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<u>Refreshed Medium Term Capital Programme</u>					
New Computer Network	1,500				
Vehicle and Equipment Loans Pool	150				
Enabling Works for delivery of capital receipts	102	95	90	85	80
High Bickington Infrastructure		850			
Sustainable Village Communities	20	36			
	<u>1,772</u>	<u>981</u>	<u>90</u>	<u>85</u>	<u>80</u>
Finance, IT and Trading Total	<u>1,772</u>	<u>981</u>	<u>90</u>	<u>85</u>	<u>80</u>

Chief Executives

Scheme type	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<u>Refreshed Medium Term Capital Programme</u>					
Adaptations	165				
Barnstaple Civic Centre Works	525	133	14	14	
Biomass Boiler Replacement Programme (Energy Sustainability)	755	165	580	0	
Car park resurfacing	17				
County Hall & Barnstaple Civic Centre	46				
Corporate Buildings - Backlog works	1,200	1,200	1,220	1,220	1,220
Disability Discrimination Act	150	150	150	150	
Farms Estate - Nitrate Vulnerable Zones works	800	800	800	800	
Further open plan floors - County Hall	230				
General Compliance Works - Farms	252	80	80		
Hub Centres & Flexible Working	200	700			
County Hall - Green Travel	200				
New Ways of Working/Office Strategy	500				
Oil Storage Tank	60	0	0	0	
Restructuring Works - Farms Estate	53	53	53		
County Farm Improvements	119				
	<u>5,272</u>	<u>3,281</u>	<u>2,897</u>	<u>2,184</u>	<u>1,220</u>
<u>New Starts</u>					
Barnstaple Civic Centre - concrete impregnation works	250				
Barnstaple Civic Centre - Smart Card Security System	120				
Compliance - gas pipe work	80				
Green Travel facilities	120				
Moretonhampstead Roof replacement	190				
Replacement of Property Information System	375				
Safer Devon Partnership	218				
	<u>1,353</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Investing in Devon

Axminster Multi-Use Centre	10				
IT Infrastructure Improvements with Devon Pound	35				
Matthews Hall, Topsham, refurbishment	75				
Stowford Rise Community Centre, Sidmouth	250				
Cruwys Morchard Parish Hall - replacement	15				
Blackborough Village Hall - roof replacement	8				
Collaton Cross - Butts Park footpath	29				
The Waldrons, Cullompton	100	100		50	
Tiverton Project - Cowley Moor/Queensway	82				
Ashwater Village Hall Rebuild	20				
Ivybridge Town FC	45				
Totnes Community Bus	17				
Broadhempston Sports Pavillion	40				
Crediton Arts Centre - Enhanced Access	17				
Fremington Play Park	60				
South Zeal - Teenagers Play Area Refurbishment	40				
RHS Garden Rosemoor Learning Centre	500				
Cornwood Cricket Club	40				
Lynton and Lynmouth Hydro Electric Scheme	100				
Shaldon Boardwalk	12				
Coplestone Recreation Ground	48				
Development of Community Facilities at Ottery St Mary	45				
Modbury Rovers Jnr Football Club Improve Facilities	5				
Refurbishment Blackmore Theatre - improve disabled access	25				
Staverton Court Room (Village Hall) & Playing Field	15				
To be determined	2,975	8,474	6,013	811	
	4,608	8,574	6,063	811	0
Chief Executives Total	11,233	11,855	8,960	2,995	1,220

CHILDREN & YOUNG PEOPLE SERVICES DIRECTORATE

Executive Director's Commentary

Children & Young People's Services (CYPS) was established on 1 April 2006 and engaged immediately in transforming service delivery. The pace of change has been sustained during 2008/09 with the rapidly maturing strategic commissioning function, development of a new model of education support services, a new Integrated Youth Service and an Assistant Director for Integrated Working (jointly appointed with the PCT). The Directorate also assumed responsibility for the Connexions Service which provides independent careers advice and guidance to young people aged 13-19.

Work started in-year on a number of pieces of work which have influenced our top priorities for 2009/10. They will be delivered through four work programmes:

- Stepping Stones
- the Learning and Development Partnership (Devon)
- Integrated Service Delivery
- Workforce Development

The Invest-to-Save programme (now called 'Stepping Stones') recognised the Authority's critical role in improving life chances for vulnerable groups. Authorities across the country will, to a greater or lesser degree, be facing a similar challenge: meeting the needs of increasing numbers of vulnerable children from a resource base that is extremely tight. For this reason alone there is an urgent need to keep momentum on modernisation of services and efficient way of working. We have laid the groundwork for achieving effective commissioning around Special Schools, and for children with additional needs in mainstream schools. Three areas have to be addressed: Social and Emotional Behavioural Difficulties, Autistic Spectrum Disorders and Profound and Multiple Learning Difficulties. We believe that children should be within their communities and as near to their homes as possible. Provision of inclusive educational opportunities, and consistent access to high quality services for children and young people with disabilities, are important building blocks. They are central to the Children and Young People's Plan and our overall aspirations to achieve the very best outcomes for every child.

The Directorate cannot embrace new ways of working without considering alternative models for delivering services. We recognise that Local Authorities are moving away from being direct providers of services and striving to be effective commissioners, engaging stakeholders in identifying need and finding solutions which may include service delivery outside the authority. Strong third sector partnerships are an important factor. The newly formed integrated school improvement and inclusion service will be known as the Learning and Development Partnership (Devon). It aims both to improve outcomes for children and create opportunities for staff, and we hope it will provide a model that demonstrates 'wins' for all stakeholders.

We are in the third year of rolling out integrated service delivery across the authority and the Primary Care Trust. The AXS networks will all be established this year and we will step up our transformation to new ways of working that promote early intervention and preventative work. It is important that we 'think child, think family, think community' and this is promoted by a strong overlap in development work of multi-agency teams, parenting and early years support, and extended services round schools.

The Directorate will also work to ensure that there is a smooth transfer of funding and responsibilities from the Learning and Skills Council to Local Authorities in April 2010.

The workforce transformation required to draw together coherent support for children and young people is a responsibility of Directors of Children's Services but has implications for all Children's Trust partners. A Workforce Development programme will have several workstreams, including identifying and planning for how staff from different agencies will work together in the future, in close liaison with staff associations. A critical workstream will oversee continuing strategies to

recruit and retain social workers, to ensure safeguarding practice is sound, and to review the roles and career progression opportunities for all aspects of social care.

There are more than 90,000 pupils in Devon's 364 schools. The Dedicated Schools Grant (DSG) was announced last year for 2009/10, in line with the Government's commitment to three-year budgeting (adjustments to reflect pupil numbers are applied annually). It is disappointing to note our fall in the funding table to 146th out of 149 Authorities. This creates very difficult challenges for our schools, despite which they perform admirably, and the further improvements in GCSE results in 2008 further enhances their reputation. The number of children with Statements of Special Educational Needs is rising and this places a financial burden on the DSG. It DSG would be in deficit in the coming year were it not for one-off windfall funding. Schools will receive only the national Minimum Funding Guarantee of 2.1% next year which will put pressure on each one. Work is under way to mitigate the rising cost of statementing and is likely to require some tough decisions to control the risk.

In times of economic difficulty there is likely to be an increasing need for the Directorate's services. Funding is unlikely to rise in line with demand and long-term planning will be essential to ensure need can be met within the resource available. Efficiencies are a given and have to be cash-releasing: the saving required of the Directorate is a tough £3.8m. Social care in particular is under a spotlight and whilst it represents almost half CYPS' core budget it is hard to see where front-line efficiencies can be made which do not pose serious risks. This has had a knock-on effect on what must be found elsewhere. There will, however, be a determined move towards reducing travel and venue costs across all staff groups, including commissioned services. This will also contribute to Devon's 'green' objectives.

We have invested time and energy in conceptualising and implementing our 'levels' of commissioning practice, from a strong peninsula partnership to personalised responses. We have a significant contribution to make to community cohesion in the models we have developed to draw stakeholders into co-production and delivery of outcomes, and will be giving further attention to this in 2009/10.

The Department for Children, Schools and Families has approved our Primary Capital Programme submission. We are one of only 41 local authorities to be given the full green light. It means we will receive £14million over the next two years and the County will double this from its own and schools' capital resources. The announcement includes allocations for the first two years of the Primary Capital Programme which will rebuild or significantly refurbish 50% of Primary Schools. We will be submitting an Expression of Interest next month to enter the (secondary school) Building Schools for the Future programme. Devon schools were originally placed in the last three waves of the 15-20 year schedule, but we are now optimistic we will be advanced in the programme. A decision on which local authorities proceed will be made early in 2009.

The layout of the budget book has been slightly amended to assist understanding, but continues to reflect the five outcomes of Every Child Matters, which are the basis for the Children and Young People's Plan.

Anne Whiteley
Executive Director of Children & Young People's Services

For more information on the contents of this section of the budget book, please contact Dave Richards, Principal Finance Manager on 01392 383146 or email dave.richards@devon.gov.uk

How the 2009/10 Budget has been Built Up

	Revenue			Capital			2009/10 TOTAL Investment	
	2008/09 Outturn Budget	Inflation	Changes	2009/10 Outturn Budget	2009/10 Base Budget from 2008/09	Changes		2009/10 Revised Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Be Healthy	6,803	604	1,147	8,554	8,344	(308)	8,036	16,590
Stay Safe	28,557	1,023	464	30,044	8,435	(305)	8,130	38,174
Enjoy & Achieve	44,994	2,023	2,056	49,073	47,197	(364)	46,833	95,906
Make a Positive Contribution	13,304	286	409	13,999	6,085	1,826	7,911	21,910
Achieve Economic Wellbeing	2,103	86	141	2,330	5,935	(472)	5,463	7,793
DCC Employer Costs	18,579	654	(2,087)	17,146	0	0	0	17,146
Total	114,340	4,676	2,130	121,146	75,996	377	76,373	197,519

Reasons for changes in the Revenue Budget

	£'000	£'000
<u>Technical changes</u>		
Student Awards	(231)	
Increase in Area Based Grant	1,881	
Total technical changes	<u>1,881</u>	1,650
 <u>Service changes</u>		
Direct payment	804	
PFI	201	
Independent Fostering	204	
Care leavers	97	
Access Pathway	300	
Increase in legal charges	300	
Increase in independent residential fees	585	
Social Care Statutory Complaints procedure	50	
Court directed residential assessments	250	
Serious Case review	15	
Devon Education Services: School improvement partners	290	
Local Safeguarding Children Board: Independent chair	24	
Educational Psychology: changes to training arrangements	42	
English as an Additional Language	50	
School Exclusions	250	
Multi-agency commissioning around special schools	350	
Special Schools: 2008/09 funding difficulties	500	
Educational Psychology additional investment	196	
Youth Service additional investment	250	
Safeguarding	971	
Total service changes	<u>5,729</u>	5,729
Efficiency savings		(3,872)
Budget reductions		(1,377)
Total changes		<u>2,130</u>

Staffing Data

	2008/09		2009/10		Total FTEs
	Total FTEs	Changes FTEs	Revenue Funded FTEs	Externally Funded FTEs	
Be Healthy	398	7	393	12	405
Stay Safe	484	4	486	2	488
Enjoy & Achieve	719	(20)	526	173	699
Make a Positive Contribution	295	0	277	18	295
Achieve Economic Wellbeing	3	0	3	0	3
DCC Employer Costs	630	13	600	43	643
Total	2,529	4	2,285	248	2,533

Explanation of Movements

Be Healthy: transfers from Primary Resource Bases	12
Enjoy & Achieve: internal transfer to Be Healthy from Primary Resource Bases	(12)
Be Healthy: transfer of services to self performing schools	(5)
Stay Safe: Education Welfare Officers	4
Enjoy & Achieve: transfer of responsibility for Student Finance	(9)
Enjoy & Achieve: Sure Start grant & extended services in and around schools	7
Enjoy & Achieve: other net changes	1
DCC Employer Costs: workforce strategy	10
DCC Employer Costs: other net changes	3

Technical Adjustments

Enjoy & Achieve: transfers to Finance, IT, & Trading Directorate	(2)
Enjoy & Achieve: transfers to Personnel & Performance Directorate (re Health & Safety)	(5)

Total	4
--------------	----------

Analysis of Total Expenditure 2009/10

	Gross Expenditure	Grant Income	Other Income	Net Expenditure	Of which Funded by Dedicated Schools Grant
	£'000	£'000	£'000	£'000	£'000
Be Healthy	12,256	0	(3,702)	8,554	2,852
Stay Safe	34,766	0	(4,722)	30,044	322
Enjoy & Achieve	546,497	(462,741)	(34,683)	49,073	(4,181)
Make a Positive Contribution	16,461	(624)	(1,838)	13,999	71
Achieve Economic Wellbeing	2,487	0	(157)	2,330	0
DCC Employer Costs	25,673	(2,153)	(6,374)	17,146	936
Totals	638,140	(465,518)	(51,476)	121,146	0

The following services, not included above, are wholly self funded and do not impact on the Council Tax

	Gross Expenditure £'000	Grant Income	External Income £'000	Internal Income £'000	Net Expenditure £'000
Be Healthy					
Devon Cleaning and Catering Services	9,693	0	(5,210)	(4,585)	(102)
Devon Education Services	391	0	(76)	(315)	0
Stay Safe					
Devon Cleaning and Catering Services	4,527	0	0	(4,891)	(364)
Devon Education Services	148	0	(5)	(143)	0
Enjoy and Achieve					
Devon Education Services	11,007	0	(1,277)	(9,730)	0
Make a Positive Contribution					
Youth Offending Service	1,678	(589)	(343)	(746)	0
Achieve Economic Wellbeing					
Devon Education Services	193	0	(75)	(118)	0
DCC Employers Costs					
Devon Cleaning and Catering Services	2,741	0	(390)	(1,885)	466
Devon Education Services	228	0	(9)	(219)	0
Totals	30,606	(589)	(7,385)	(22,632)	0

Income and expenditure on Traded Services has been adjusted for grossing.

Grant Summary

Some of the costs of providing the above services are funded by externally received grants, the table below shows details of the grant funding expected for 2008/09.

Service	Funded by	Amount £'000
Dedicated Schools Grant*	Department for Children, Schools and Families	358,771
Post 16 funding	Learning and Skills Council	27,772
Standards funds	Department for Children, Schools and Families	52,359
PFI Credits	Communities and Local Government	6,973
PFI VA Credits	Department for Children, Schools and Families	1,696
Youth Opportunity	Communities and Local Government	341
Staff Inherited Liabilities	HEFCE	460
Contact Point	Department for Children, Schools and Families	240
Youth Service - Miscellaneous Grants	Various	119
Secondary Teacher Training Grant	Department for Children, Schools and Families	431
Primary Teacher Training Grant	Department for Children, Schools and Families	424
Sure Start	Department for Children, Schools and Families	14,715
Aiming high for disabled children	Department for Children, Schools and Families	589
TDA School Support TRG and DEV Grant	Department for Children, Schools and Families	204
TDA School Workforce Modernisation and DEV Grant	Department for Children, Schools and Families	210
CWDC Integrated Working	Children's Workforce Development Council	50
Instrument Purchase	Federation of Music Services	164
Youth Offending Team	Youth Justice Board	589
Total		466,107

* The Dedicated Schools Grant notified to the council is £359.3m

The grant is based on the actual pupil numbers in Schools in January 2009 and will be consequently revised. The figure above takes into account the latest forecast of pupils from schools and has consequently been adjusted.

Medium Term Financial Strategy

The following details the significant changes we can expect to affect the budget over the next two financial years.

	Cumulative	
	2010/11 £'000	2011/12 £'000
Financing commitments - Inflation	4,593	9,260
Technical Changes		
Exeter Schools PFI	2,722	552
Specific Grant	(328)	(328)
	2,394	224
Service Changes		
Demographic and Demand Pressures	1,825	1,825
Single View of a Child - Integrating ICT Systems	(90)	(90)
Specific Grant	(186)	(186)
Other reductions	90	90
	1,639	1,639
Efficiency Savings	(4,001)	(8,122)
Total	4,625	3,001

This table does not include Schools.

Service Statistics

Service/Activity	Unit of Measurement	2008/09	Change	2009/10
Stay Safe				
Independent Fostering	Bed nights	10,764	5,151	15,915
Internal Fostering -Mainstream	Bed nights	109,136	(2,066)	107,070
Internal Fostering -Special Needs	Bed nights	25,550	0	25,550
Kinship	Bed nights	12,775	(688)	12,087
Residence Orders	Bed nights	45,625	(1,068)	44,557
Adoption	Bed nights	46,720	4,019	50,739
Direct Payments	No. of Young People	316	174	490
Enjoy & Achieve				
Independent residential	Bed nights	17,345	1,878	19,223
Community Homes	Bed nights	4,928	0	4,928
Nursey Schools	Pupil Nos.	119	0	119
Primary Schools	Pupil Nos.	50,369	(617)	49,752
Secondary Schools	Pupil Nos.	38,088	40	38,128
Independent Special Schools	Pupil Nos.	253	(13)	240
Maintained Special Schools	Pupil Nos.	796	23	819
Pupil Referral Units	Pupil Nos.	127	0	127
Statemented Pupils	FTEs	1,812	118	1,930
School Transport	Pupil Journeys p.a.	8.12 m	0.18 m	8.30 m
Make a Positive Contribution				
Youth Service	Individuals receiving service	15,882	238	16,120
Achieve Economic Wellbeing				
Care Leavers	Bed nights	35,770	4,015	39,785

Be Healthy

Service Objective: Children are physically, mentally, emotionally and sexually healthy, have healthy lifestyles, choose not to take illegal drugs. Parents, carers and families promote healthy lifestyles.

2008/09 Outturn Budget*	Inflation **		Changes	2009/10 Outturn Budget	DSG Funded	Directorate Budget
£'000	£'000		£'000	£'000	£'000	£'000
		Expenditure				
		Children Looked After				
98	4	Boarding at QE Community College	(4)	98	0	98
		Targeted				
3,324	96	Education psychologists & behaviour support teams	691	4,111	1,209	2,902
787	0	CAMHS Expenditure	95	882	0	882
171	0	Teenage Pregnancy Expd	0	171	0	171
750	25	AXS Pathways Expenditure	(135)	640	0	640
		Universal				
3,308	729	Healthy eating in schools ***	(468)	3,569	2,925	644
1,500	38	Fresh Start Programme	(38)	1,500	1,500	0
238	0	Health & Safety	(7)	231	(5)	236
146	1	Education Health Partnership	0	147	0	147
794	24	Management & Support	89	907	0	907
11,116	917	Gross Spend	223	12,256	5,629	6,627
		Income				
(3,972)	(196)	Internal Income	613	(3,555)	(2,687)	(868)
(199)	(12)	Specific Grants	211	0	0	0
(92)	(104)	Sales, fees and charges	101	(95)	(90)	(5)
(50)	(1)	Other income	(1)	(52)	0	(52)
(4,313)	(313)	Gross Income	924	(3,702)	(2,777)	(925)
6,803	604	Net Cost of Service	1,147	8,554	2,852	5,702

* 2008/9 budget adjusted for Area Based Grants and service grossing up.

** Inflation has been calculated on some items listed in the changes column.

*** Inflation allocation for Healthy Eating in Schools reflects current economic pressures on foodstuffs.

Analysis of changes:	Total
	£'000
<u>Efficiency Changes:</u>	
Education psychologists & behaviour support teams	(134)
Reorganisation of DCCS catering provision	(400)
General office practice efficiencies	(40)
Total Efficiency Changes:	(574)
<u>Technical Changes:</u>	
Education psychologists & behaviour support teams:	
Transfer from Enjoy and Achieve - Primary Resource Bases	649
CAMHS Expenditure:	
Increased ABG Allocation	95
AXS Pathways Expenditure previously funded from one off income	640
Reorganisation of DCCS catering provision inflation	32
Management & Support:	
Reallocation of Management and Support	129
Total Technical changes	1,545
<u>Service Changes</u>	
Education psychologists & behaviour support teams:	
Additional investment for changes to training arrangements	42
Additional investment	134
Total Service Changes	176
Total	1,147

Stay Safe

Service Objective: Safe from maltreatment, neglect, violence, sexual exploitation, accidental injury and death, bullying, discrimination, crime and anti-social behaviour in and out of school. Have security, stability and are cared for. Parents, carers and families provide safe homes and stability.

2008/09 Outturn Budget*	Inflation **		Changes	2009/10 Outturn Budget	DSG Funded	Directorate Budget
£'000	£'000		£'000	£'000	£'000	£'000
Expenditure						
Children Looked After						
3,432	94	Atkinson Unit	(67)	3,459	0	3,459
1,394	59	Independent Fostering	547	2,000	59	1,941
5,684	249	Internal fostering	(93)	5,840	0	5,840
928	0	Care Matters	(328)	600	87	513
243	0	Corporate Parenting	(200)	43	0	43
1,190	27	Special Schools (Escorts)	(59)	1,158	10	1,148
Targeted						
104	0	Access for the Disabled in Schools	0	104	104	0
319	14	Adaptations/Equipment for children with special needs	5	338	0	338
813	36	Adoption recurring means tested allowances	(48)	801	0	801
809	22	Carebank to provide court directed contact	(33)	798	0	798
2,174	89	Contracts with the voluntary sector	16	2,279	0	2,279
1,717	60	Day Services providing carers breaks	(72)	1,705	1	1,704
880	102	Direct Payments providing carers breaks	374	1,356	0	1,356
1,479	42	Family Support Workers	72	1,593	0	1,593
90	5	Kinship allowances for children placed with friends or relatives	(7)	88	0	88
1,456	62	Respite Services providing carers breaks	5	1,523	0	1,523
602	28	Residence allowances for court directed placements	34	664	0	664
2,201	60	Safeguarding Services	111	2,372	0	2,372
1,422	0	Children's fund expenditure	0	1,422	0	1,422
741	36	Transport for children	(38)	739	0	739
Universal						
1,262	38	Education Welfare Service	50	1,350	65	1,285
4,170	119	Management & Support	245	4,534	0	4,534
33,110	1,142	Gross Spend	514	34,766	326	34,440
Income						
(1,984)	(60)	Internal Income	(243)	(2,287)	(4)	(2,283)
0	0	Specific Grants	0	0	0	0
(16)	0	Sales, fees and charges	0	(16)	0	(16)
(2,553)	(59)	Other income	193	(2,419)	0	(2,419)
(4,553)	(119)	Gross Income	(50)	(4,722)	(4)	(4,718)
28,557	1,023	Net Cost of Service	464	30,044	322	29,722

* 2008/9 budget adjusted for Area Based Grants and service grossing up.

** Inflation has been calculated on some items listed in the changes column.

Analysis of changes:	Total
	£'000
<u>Efficiency Changes</u>	
Education Welfare Service	(46)
Improved commissioning of services	(70)
General office practice efficiencies	(198)
Total efficiency changes	(314)
<u>Technical Changes:</u>	
Youth Development:	
Transfer of resources to Positive Contribution including Corporate Parenting	(300)
Reduced SLA charges to Atkinson Unit - one off funded in 2008/9	(200)
Transfer of funding to Be Healthy (AXS Pathways)	(328)
Management and Support:	
Reapportionment of costs from DCC Employer Costs	443
Education Welfare Officers funded from Invest to Save reserve 2008/9	125
Total technical changes	(260)
<u>Service Changes</u>	
Independent Fostering:	
Court directed residential placements	350
Local Children Safeguarding Board	108
Demographic and demand changes:	
Independent Fostering increase in numbers	204
Internal Fostering decrease in numbers	(99)
Direct Payments extra families	804
Direct Payments reduction in payments / thresholds	(430)
Other	101
Total service changes	1,038
Total	464

Enjoy & Achieve

Service Objective: Children are ready for school, attend and enjoy school. Achieve stretching educational standards, personal and social development and enjoy recreation.

2008/09 Outturn Budget*	Inflation **		Changes	2009/10 Outturn Budget	DSG Funded	Directorate Budget
£'000	£'000		£'000	£'000	£'000	£'000
Expenditure						
Children Looked After						
2,186	64	Community Homes	(512)	1,738	0	1,738
5,584	236	Independent Residential Fees	543	6,363	408	5,955
9,001	401	Independent Special Schools	(114)	9,288	9,288	0
Targeted						
5,800	150	SEN	18	5,968	5,968	0
7,188	86	Education Other Than At School (EOTAS)	(896)	6,378	5,412	966
1,439	28	Extended Schools	1,562	3,029	375	2,654
100	0	Care Matters - designated leads	(100)	0	0	0
103	0	Raising Achievement through Participation Project	(103)	0	0	0
15,924	404	Special Schools	1,734	18,062	15,164	2,898
Universal						
703	17	Nursery	(47)	673	673	0
181,349	4,743	Primary	(1,429)	184,663	183,839	824
182,108	4,683	Secondary	981	187,772	187,772	0
25,287	440	Early Years	3,212	28,939	28,939	0
31,832	481	Schools Standards Funds Expenditure	(1,243)	31,070	19,219	11,851
2,106	57	Access to Education	(293)	1,870	412	1,458
200	0	Strategic Maintenance	0	200	200	0
21,665	1,433	Home to School/ College Transport	(1,025)	22,073	0	22,073
12,479	132	Exeter PFI	(210)	12,401	0	12,401
8,812	161	Other school support and development	1,959	10,932	6,677	4,255
500	0	School Contingency	0	500	500	0
876	21	Maternity/Paternity Cover in Schools	246	1,143	1,143	0
4,483	68	School Improvement Services	695	5,246	82	5,164
7,252	202	Management & Support	735	8,189	1,310	6,879
526,977	13,807	Gross Spend	5,713	546,497	467,381	79,116
Income						
(25,717)	(676)	Internal Income	(1,784)	(28,177)	(25,622)	(2,555)
(450,528)	(10,926)	Specific Grants	(1,287)	(462,741)	(442,222)	(20,519)
(1,890)	(51)	Sales, fees and charges	(109)	(2,050)	(711)	(1,339)
(3,848)	(131)	Other income	(477)	(4,456)	(3,007)	(1,449)
(481,983)	(11,784)	Gross Income	(3,657)	(497,424)	(471,562)	(25,862)
44,994	2,023	Net Cost of Service	2,056	49,073	(4,181)	53,254

* 2008/9 budget adjusted for Area Based Grants and service grossing up.

** Inflation has been calculated on some items listed in the changes column.

Analysis of changes:	Total
	£'000
<u>Efficiency Changes</u>	
Home to School/College Transport	(700)
Escorts	(35)
School Improvement Services	(155)
Exeter PFI	(200)
Community Homes	(500)
Improved Commissioning of services	(40)
Strategic Planning	(25)
Raising Achievement through Participation Project no longer needed	(103)
General office practice efficiencies	(357)
Total efficiency changes	<u>(2,115)</u>
<u>Technical Changes:</u>	
Management and support:	
Reapportionment of costs from DCC Employer Costs	1,092
Virement Standards funds transfer to Extended schools	1,562
Virement Standards funds transfer to Extended schools	(1,562)
Exeter PFI:	
Reassessment of utilities costs	201
Other school support and development:	
Transfer from Area Based Grant (Extended Schools) to Local Learning Communities	1,984
Education Other Than At Schools (EOTAS):	
Reallocation of Primary resource bases and children services grant	(896)
Home to School:	
Increased ABG allocation re extended entitlement	(325)
School Improvement Services:	
Transfer of ABG matched funding from standards funds	697
Reduction in formula grant for transfer of student awards	(293)
Other technical changes	(100)
Total technical changes	<u>2,360</u>
<u>Service Changes</u>	
Maternity/Paternity Cover in Schools increase in cases	246
Independent Residential Fees increase in numbers	583
Exeter PFI - Proposed transfer of utilities costs to schools	(240)
Schools:	
Increase in pupil numbers in mainstream schools	800
Statemeting children increase in numbers	2,300
Special Schools extra funding approved by independent review	1,000
Extra places in Special Schools as part of the Invest to Save project	400
Key Stage 1 class size pledge	300
Business rates	200
Multi Agency commissioning in special schools	300
Lower Learning & Skills Council for post 16	(461)
Less efficiency savings built into the settlement and grant changes	(3,248)
Total Schools	1,591
Independent Special schools fewer placements due to invest to save plans	(114)
Extra Dedicated Schools Grant	(445)
School improvements service reduction in SLA	(100)
School Improvement partners	290
Early Years:	
Increased entitlement and Children's Centres funding	3,212
Funded by Sure Start/Standards funds	(3,212)
Total service changes	<u>1,811</u>
Total	<u><u>2,056</u></u>

Make a Positive Contribution

Service Objective: Children and young adults engage in decision-making, support the community and environment, engage in law-abiding and positive behaviour. Develop positive relationships and choose not to bully and discriminate, are self confident and deal with significant life changes and challenges. Parents, carers and families promote positive behaviour.

2008/09 Outturn Budget*	Inflation **		Changes	2009/10 Outturn Budget	DSG Funded	Directorate Budget
£'000	£'000		£'000	£'000	£'000	£'000
Expenditure Targeted						
285	8	Youth development	300	593	0	593
1,713	71	Youth offending	402	2,186	0	2,186
9	0	Gifted children	(1)	8	0	8
Universal						
1,133	29	Music services	127	1,289	0	1,289
5,826	190	Youth services	(37)	5,979	93	5,886
5,454	0	Connexions	(399)	5,055	0	5,055
1,183	35	Management & Support	133	1,351	0	1,351
15,603	333	Gross Spend	525	16,461	93	16,368
Income						
(1,229)	(30)	Internal Income	32	(1,227)	(7)	(1,220)
(551)	(5)	Specific Grants	(68)	(624)	(3)	(621)
(519)	(12)	Sales, fees and charges	(2)	(533)	(10)	(523)
0	0	Other income	(78)	(78)	(2)	(76)
(2,299)	(47)	Gross Income	(116)	(2,462)	(22)	(2,440)
13,304	286	Net Cost of Service	409	13,999	71	13,928

* 2008/9 budget adjusted for Area Based Grants and service grossing up.

** Inflation has been calculated on some items listed in the changes column.

Analysis of changes:

	Total £'000
Efficiency Changes	
Youth services	(140)
General office practice efficiencies	(59)
Connexions	(240)
Total efficiency changes	(439)
Technical Changes:	
Management and support:	
Reapportionment of costs from DCC Employer Costs	192
Youth development:	
Transfer of resources from Stay Safe - including Corporate Parenting	300
Youth offending:	
Reinvestment of planned efficiency from 2008/9	154
Total technical changes	646
Service Changes	
Music services:	
Additional equipment purchases	147
Funded from additional grants	(147)
Connexions:	
Reduced Area Based Grant	(159)
Youth offending:	
Substance misuse ABG allocation	231
Youth service additional investment	130
Total service changes	202
Total	409

Achieve Economic Wellbeing

Service Objective: Engage in further education or training on leaving school, be ready for employment. Live in decent homes and sustainable communities. Access to transport and material goods. Live in households free from low income. Parents, carers and families are supported to be economically active.

2008/09 Outturn Budget*	Inflation **		Changes	2009/10 Outturn Budget	DSG Funded	Directorate Budget
£'000	£'000		£'000	£'000	£'000	£'000
Expenditure Targeted						
1,789	77	Careleavers	252	2,118	0	2,118
10	0	Clothing allowances	0	10	0	10
315	9	Management and Support	35	359	0	359
2,114	86	Gross Spend	287	2,487	0	2,487
Income						
0	0	Internal Income	(147)	(147)	0	(147)
0	0	Specific Grants	0	0	0	0
0	0	Sales, fees and charges	0	0	0	0
(11)	0	Other income	1	(10)	0	(10)
(11)	0	Gross Income	(146)	(157)	0	(157)
2,103	86	Net Cost of Service	141	2,330	0	2,330

* 2008/9 budget adjusted for Area Based Grants and service grossing up.

** Inflation has been calculated on some items listed in the changes column.

Analysis of changes:

**Total
£'000**

Efficiency Changes

General office practice efficiencies

(16)

Total efficiency changes

(16)

Technical Changes:

Care Leavers:

Supporting People - Host family payments

147

Funded from Supporting People grants

(147)

Management and support:

Reapportionment of costs from DCC Employer Costs

51

Other technical changes

9

Total technical changes

60

Service Changes

Care Leavers:

Demographic and demand changes

97

Total service changes

97

Total

141

Devon County Council Employer Costs

This includes all the central management and admin support for the directorate. It includes the care management staff such as social workers dealing with children. Unavoidable pension costs are recorded here.

2008/09 Outturn Budget*	Inflation **		Changes	2009/10 Outturn Budget	DSG Funded	Directorate Budget
£'000	£'000		£'000	£'000	£'000	£'000
Expenditure						
9,915	275	Care management	1,377	11,567	0	11,567
4,473	164	Management & support	(434)	4,203	3,197	1,006
0	0	Beacon Status	100	100	0	100
2,832	0	Trading units and Self Performing Schools	(181)	2,651	0	2,651
1,200	28	08/9 Adjustment to DSG Funding	(1,228)	0	0	0
		09/10 forecast DSG pressures	600	600	600	0
0	0	09/10 Adjustment to DSG Funding	(1,250)	(1,250)	(1,250)	0
82	0	Training	318	400	0	400
7,265	380	Pensions and Redundancy	(243)	7,402	500	6,902
25,767	847	Gross Spend	(941)	25,673	3,047	22,626
Income						
(4,081)	(105)	Internal Income	2	(4,184)	(2,110)	(2,074)
(841)	(35)	Specific Grants	(1,277)	(2,153)	0	(2,153)
(7)	0	Sales, fees and charges	(1)	(8)	0	(8)
(2,259)	(53)	Other income	130	(2,182)	(1)	(2,181)
(7,188)	(193)	Gross Income	(1,146)	(8,527)	(2,111)	(6,416)
18,579	654	Net Cost of Service	(2,087)	17,146	936	16,210

* 2008/9 budget adjusted for Area Based Grants and service grossing up.

** Inflation has been calculated on some items listed in the changes column.

Analysis of changes:	Total £'000
<u>Efficiency Changes</u>	
Service Level Agreements	(100)
Business Resources	(65)
General office practice efficiencies	(251)
Total efficiency changes	(416)
<u>Technical Changes</u>	
Offset by Aiming High for disabled children	589
Management and Support:	
Change in basis of reallocation of costs	(1,237)
Reversal of one-off funding applied to services	995
Levy on back office savings	(670)
Staff transfers to the Policy Unit	200
The Way We Work	664
Reevaluation of Service Level Agreements (Incl. Atkinson Unit)	520
Trading units and Self Performing Schools:	
DCCS Trading Levy transferred from Finance, IT and Trading	(181)
Training:	
Increase in provision funded from standards funds	318
Pensions and redundancy	(243)
Specific Grants:	
Standards funds (Training)	(300)
Aiming high for disabled children	(589)
Training Development Agency Grants	(390)
Total technical changes	(324)
<u>Service Changes</u>	
Care Management:	
Additional investment	802
Management and Support:	
Contingency reduction	(295)
08/9 adjustment to DSG funding:	
08/9 surplus budgeted to contribute to 07/8 overspend carried forward	(1,228)
09/10 adjustment to DSG funding:	
Contingency for schools	600
09/10 forecast deficit budgeted to be recovered in future years	(1,250)
Beacon status	100
Other changes	(76)
Total service changes	(1,347)
Total	(2,087)

Dedicated Schools Grant – 2009/10

Service heading	2009/10 Budget	
	£'000	£'000
Individual Schools Budget		347,400
Private/voluntary/independent fees for education of children Under 5s		15,408
		<u>362,808</u>
Less Learning & Skills Council funding included in ISB.		(22,674)
		<u>340,134</u>
School-specific contingencies	677	
Provision for Special Needs Children	4,273	
Support for inclusion	659	
Inter-authority recoupment	395	
Fees for pupils at independent special schools	8,441	
Education Other Than Schools and Pupil Referral Units	5,374	
Behaviour Support Services	824	
School Meals - nursery, primary and special schools	350	
Healthy eating	1,500	
Museum Services	48	
Library Services - nursery, primary and special schools	18	
School admissions	282	
Licences/subscriptions	226	
Miscellaneous	288	
Support for School Associations	320	
Servicing schools forum	50	
Staff costs - Maternity and Paternity	1,360	
Redundancy	500	
MUMIS contribution	200	
		<u>25,785</u>
Total expenditure		365,919
Learning and Skills Council grant - Special Education needs pupils	(5,098)	
Dedicated schools grant	(358,771)	
Central Support for Special Schools	(800)	
Total income		(364,669)
Overspend/(unallocated)		<u>1,250</u>

Overspend is offset by a contribution from the insurance fund.

Capital Programme

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

The table does not identify capital projects for "new starts" from 1st April 2008 onwards. A detailed capital work programme is being prepared and will be brought forward for consideration at a subsequent Executive Committee.

Project	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Existing					
Adaptations for Children with specific needs	75	201	75	75	75
Basic Need (Commitments and New Starts)	22,097	23,504	6,000	6,000	6,000
Bideford Integrated Youth Support Services Centre	110	320			
Building Schools for the Future - Bideford	6,111	9,900	2,800		
Children's Centres	3,170	1,614			
Children's Personal Social Services	79	244	79	79	79
Children's Services - Foster Carers - Adaptations	66	60	60	60	60
Chulmleigh Community College Tennis Courts	11				
Cranbrook New Community	200	500	500	14,060	0
Cranbrook Respite Centre				300	0
Devolved Formula Capital	12,134	24,005	13,000	13,000	13,000
Early Years Preschool funding	2,000	2,000			
Extended Schools	1,253	648			
External Funding balance of a number of minor ext conts	7				
Harnessing technology Grant	3,248	4,875			
Hill Crest	757	500			
In & Outs Carried Forward 2005/06 - Gt Torrington & Coombeshead		152			
NDS Modernisation	6,704	9,257	8,000	8,000	8,000
Primary Capital Programme	5,840	8,216	6,000	6,000	6,000
Relocation of Clyst Vale	0	0			7,000
Ringswell Campus Training Academy	500				
SAI Programme	1,371	1,371	1,400	1,400	1,400
South Molton Youth Centre	50	160			
Targeted Capital Fund - Mill Water	0	800	0		0
TCF - 14-19 & SEN	2,000	6,000			
Vehicle and Equipment Loans Pool	237	200	200	200	200
Youth Capital Fund	295	295			
Youth Centres	73				
Youth Minor Works	250	150			150
Existing total	68,638	94,972	38,114	49,174	41,964
Vehicle and Equipment Loans Pool					
Axminster Court conversion to Childrens Centre	150	75			
Estuary House	400				
Exwick IYSS Centre	150	350			
Moretonhampstead IYSS Centre	150	87			
Newton Abbot Strategic Centre		1,000			
Oaklands Court - Tiverton	300				
Office Modernisation Plan	199	50			
Ringswell Park Phase 1	100				
Ringswell Park Phase 2	1,000	2,500	400		
Roundswell - Barnstaple		0	400		
New Starts total	2,449	4,062	800	0	0

Investing in Devon

Refurbishment of the Pill, Bideford	140				
Chulmleigh Integrated Youth Provision	150	300			
Colyton Integrated Youth provision	160				
Dawlish Integrated Youth Centre	700				
Exeter (Wonford) Integrated Youth Provision			140		
South Molton Integrated Youth Provision			200		
Tavistock Integrated Youth Provision	250				
Torrington Integrated Youth	300				
Video Conferencing	75	75			
Mobile Working	312	313			
Computers For Carers	88	87			
Digital Archiving	25	25			
Renewable Energy Challenge Fund	1,000	350			
Replacement of HORSAs Buildings	1,150				
Playgrounds and MUGAS	500	500			
Removal of Outside Toilets	10				
Sandford School, Eco-Classroom	100				
Cliff Bastin Playing Field	87				
Aveton Gifford Pre School	64				
BMX Track Braunton	25				
Topsham School Sustainability	150				
Investing in Devon total	5,286	1,990	0	0	0

Overall total	76,373	101,024	38,914	49,174	41,964
----------------------	---------------	----------------	---------------	---------------	---------------

Cumulative Total		177,397	216,311	265,485	307,449
-------------------------	--	----------------	----------------	----------------	----------------

Funded by:

Borrowing - Single Capital Pot	15,262	13,267	8,479	8,479	8,479
Borrowing - Unsupported	21,797	29,040	3,735	2,235	6,285
Borrowing - VELP	237	200	200	200	200
Capital Receipts - General	152	1,452			1,000
Capital Receipts - Investing in Devon	5,286	1,990			
External Funding - Contributions	7	50			
External Funding - Grants	33,410	54,525	26,000	26,000	26,000
External Funding - Section 106 Agreements	222	500	500	12,260	

Total	76,373	101,024	38,914	49,174	41,964
--------------	---------------	----------------	---------------	---------------	---------------

ADULT & COMMUNITY SERVICES DIRECTORATE

Director's Commentary

Across the country adult social care is facing an increasing need for services resulting both from people living longer, and from a growing incidence of people with disability who also often live longer. These factors are not short term but are expected to continue over the next 20 years. Over this period it is expected that the numbers of people aged 85 and over will almost double (increase by 88%). The impact of an ageing population is particularly acute in Devon due to its age profile. The proportion of people aged 85 plus to total population in Devon is one of the highest in the country, and the rate of growth of this age group is also significantly higher than the national average at 3% in 2009 alone.

There are also inflationary pressures which combine with the above to make financial and service planning over the next few years very challenging. The longer term growth in need cannot be afforded by carrying on doing more of the same, and it is important that we change the way that social care is delivered. We must do this so that we continue to target public resources towards people in most need and so that people are able to take full advantage of their own resources in combination with support from the Council and from the NHS as appropriate. We need to recognise that people's circumstances are different and therefore we must offer support (whether financial or by way of advice) in as flexible a way as possible. In agreeing how support should be provided we must take full account of the wishes of individuals, their families and carers, recognising that people usually know themselves what is best for them.

We plan to use the Social Care Reform Grant (£2.898m in 2009/2010) to further the programme of change in social care which has been advancing in recent years. This will include plans to create individual budgets for those who need care and encourage the use of direct payment as a standard method. We recognise the need to increase investment in preventative services aimed at improving or maintaining people's independence and well-being for as long as possible. This is an essential component in containing the longer term growth in costs of social care. It will comprise many strands, including the following:

- Continuing the development of "joined up" local operational services with the NHS in Devon (complex care teams) so that people can identify their needs more easily
- Further developing our 3 pioneering CareDirect Plus centres which deal with around 70% of contacts with the directorate
- Improving our speed of response to those who need urgent help or intervention
- Intervening sooner and being more proactive in preventing deterioration of people's independence, rather than picking up the consequences after a crisis has been reached
- Enhanced support and advice to carers and families
- Continued support to community mentoring aimed particularly at groups where, perhaps for cultural reasons, people with health and social care needs may be less inclined to seek outside help
- Encouraging the uptake of direct payments wherever possible and appropriate and establishing an enhanced direct payments service which will provide more coherent and responsive practical support and advice to people in managing their arrangements
- Making advice and information available to as many people as possible - this will include funding for voluntary sector representatives to support the newly created complex care teams across health and social care; enhancing and making more consistent the provision of independent advocacy services; as well as the direct provision of information and advice

by our own staff and simplifying our own processes so that people in very varying circumstances can find what they need simply

- Developing the use of technological solutions to give improved and more consistent delivery of personal care; and where people wish it to enable monitoring of their health and physical condition by telecare alarm systems, again with the aim of people being able to continue to live independently for longer.

As well as temporary funding from the Social Care Reform Grant we will deploy funding for carers (now passed to the Council as Area Based Grant). We also propose to create a permanent investment budget to support these changes by deploying funding freed up by the transfer of responsibility for individual cases to the NHS under guidance for NHS Continuing Healthcare issued by the government. Many of the preventative strategies benefit our partners in the health sector as well as the County Council, and we will discuss joint priorities and contributions with them.

As stated earlier the inflationary pressure on our services is currently very high, estimated at £7.7m for 2009/2010. Combined with growing need for care in Devon's population, costed at £5.9m, this makes the budget for next year very challenging. The following pages indicate areas where efficiency and other savings will be made – this includes requiring those who provide care to also make efficiency savings.

It will also be necessary to ensure that eligibility criteria are applied consistently and correctly across the county, so that the impact of demographic and other growth is managed and so that the authority's resources continue to be directed fairly and transparently towards those who meet these criteria.

Proposals around the future in-house residential services for older people will continue to be developed with the aim of procuring radical changes to the pattern of care in Devon including extra care housing schemes which enable people to live independently, knowing that care is easily accessible when needed. We are aiming to review and consult on proposals for all sites, and engage with the private or independent sector to ensure the greatest benefits are achieved from them. This strategy has not changed, despite difficulties caused by the financial crisis over the last 18 months. Until detailed decisions are possible, the budget has been prepared with in-house operations continuing to be shown as such. The impact of any changes to revenue and capital budgets will then be recognised subject to any future Council decision.

There is a reduction planned in spending on Adult and Community Learning which stems from lower uptake of courses and therefore lower government grant. This is partly due to the redirection of government resources to more directly educational courses.

David Johnstone

For more information on the contents of this section, contact John Holme, Principal Finance Manager, 01392 38 2357 john.holme@devon.gov.uk.

How the 2009/10 Budget has been Built Up

Revenue				Capital			2009/10 TOTAL Investment
2008/09 Outturn Budget	Inflation	Changes	2009/10 Outturn Budget	2009/10 Base Budget from 2007/08	Changes	2009/10 Revised Budget	
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000

Services:

Older People & Disability	106,101	4,774	(3,794)	107,081	45	235	280	107,361
Learning Disabilities	43,077	1,971	(951)	44,097	0	678	678	44,775
Mental Health	9,813	408	5	10,226	231	0	231	10,457
Strategic & Corporate	17,543	469	(683)	17,329	1,359	753	2,112	19,441
Supporting People	879	29	(47)	861	0	0	0	861
Adult & Community Learning	0	0	0	0	70	21	91	91
Extra care Housing	2,500	0	0	2,500	0	250	250	2,750
Investment in Preventative Services	0	0	2,400	2,400	0	0	0	2,400
Total	179,913	7,651	(3,070)	184,494	1,705	1,937	3,642	188,136

Reasons for changes in Revenue Budget

Change
£'000

Technical Changes

Additional costs due to Job Evaluation appeals	2,076
Unspent allocation for in-house domiciliary care pay & conditions and other	(2,076)
Inter Directorate budget transfers (net)	(192)

Service Changes

Demographic Growth and increased incidence of complex cases	5,947
Staffing Costs in respect of Waking Night Care / Working Time Directive	741
Improved Management Information and Performance Control	191
Allocation for in-house services management capacity (pending any possible future externalisation)	250
Continuing Health Care - transfer of responsibility to Health	(2,400)
Continuing Health Care - used for Investment in Preventative Services	2,400
Additional Staffing Costs in respect of the Mental Health Act / Accommodation Officers	244
Increased advocacy services	50
Costs related to modernisation of care management, contract management and one-off repayment to service development fund	732
Strategies to contain demographic pressures and other changes	(3,838)
Reduced cost of in-house Domiciliary Care	(100)
Re-balancing of funding for Joint Equipment Store with NHS partners	(220)

Efficiency Savings

Efficiencies in Commissioning Costs	(2,000)
Efficiencies in Modernisation of Care Management	(881)
Electronic Monitoring of Community Services (net of initial costs)	(9)
Reprovision of residential / intermediate care	(1,687)
Specific contract savings	(375)
Application of Resources Allocation processes to costs of care	(1,000)
Telecare benefits	(200)
Staff reductions, vacancy freezes and SLA reductions	(638)
Other	(85)

Total	(3,070)
--------------	----------------

Staffing Data

	2008/09	Changes	2009/10		Total
	Total		Revenue	Externally	
	FTE's	FTE's	Funded	Funded	FTE's
			FTE's	FTE's	
Services:					
Older People & Disability	1,637	(81)	1,547	9	1,556
Learning Disabilities	280	(1)	272	7	279
Mental Health	90	(5)	84	1	85
Strategic & Corporate	339	(61)	261	17	278
Supporting People	9	(1)	8	0	8
Adult & Community Learning (incl tutors)	149	(3)	0	146	146
Total	2,504	(152)	2,172	180	2,352

Explanation of Movements

Older People & Disability - Care Management and changes in business processes (incl Care Direct Plus and brokerage)	(30)
Older People & Disability - Transfer of Care Management Posts to Health	(17)
Older People & Disability - Removal of Partnership for Older Peoples Projects grant	(14)
Older People & Disability - In house Domiciliary care	(18)
Older People & Disability - Transfer of clerical staff from Strategic & Corporate Services	24
Older People & Disability - Other restructures, mainly Rushbrook closure	(26)
Learning Disabilities - Net effect of minor variations	(1)
Mental Health - Reduced staffing requirement due to improved efficiency (outreach services)	(1)
Mental Health - Transfer of Care Management/Administration posts to Health	(4)
Strategic & Corporate - Business Support reorganisation -58 (includes -24 to OP&D Services) , from Supporting People +1	(57)
Strategic & Corporate - Transfer to Personnel & Performance (risk management)	(5)
Strategic & Corporate - Support to Senior Council	1
Supporting People - Transfer to Strategic & Corporate Services	(1)
Adult & Community Learning - Redundancy and Posts not being filled	(3)
Total	(152)

Medium Term Financial Strategy

	Cumulative	
	2010/11	2011/12
	£'000	£'000
Financing commitments - Inflation	9,253	18,784
Technical Changes	0	0
	0	0
Service Changes		
Demographic and Demand Pressures	5,700	11,700
	5,700	11,700
Efficiency Savings	(6,754)	(13,710)
Total	8,199	16,774

Analysis of Total Expenditure for 2009/10

	Gross Expenditure	Grant Income	Other Income	Net Expenditure
	£'000	£'000	£'000	£'000
Services:				
Older People & Disability	140,060	(131)	(32,848)	107,081
Learning Disabilities	56,542	(50)	(12,395)	44,097
Mental Health	12,049	0	(1,823)	10,226
Strategic & Corporate	21,465	(2,898)	(1,238)	17,329
Supporting People	20,799	(19,337)	(601)	861
Extra care Housing	2,500	0	0	2,500
Investment in Preventative Services	2,400	0	0	2,400
Totals	255,815	(22,416)	(48,905)	184,494

The following service, not included above, is wholly self funded and does not impact on the Council Tax.

	Gross Expenditure	Grant Income	Other External Income	Net Expenditure
	£'000	£'000	£'000	£'000
Adult & Community Learning	5,531	(4,718)	(813)	0

Grant Summary

Some of the costs of providing the above services are funded by externally received grants, the table below shows details of the grant funding expected for 2009/10.

Service	Funded by	Amount £'000	£'000
<u>Social Care Grants</u>			
Delivering Stroke Care for Adults	DoH	131	
Learning Disability Campus Closure	DoH	50	
Social Care Reform	DoH	2,898	
<u>Supported Housing Grants</u>			
Supporting People Services	CLG	19,337	
	sub total		22,416
<u>Adult education Grants</u>			
Additional Learning Support	LSC	46	
Adults 19+ Adult Learner Responsive	LSC	1,851	
Employer Responsive-Further Ed Workplace NVQ	LSC	200	
Family Learning	LSC	180	
Family Literacy, Language & Numeracy	LSC	220	
First Steps	LSC	444	
Neighbourhood learning in deprived communities	LSC	27	
Personal & Community Development Learning	LSC	1,696	
Young People 16-18	LSC	54	
	sub total		4,718
Total			27,134

Service Statistics

Service/Activity	Unit of Measurement	2008/09	Change	2009/10
Older People & Disability				
Residential/Respite Care	Bed Night	652,649	(62,723)	589,926
Nursing/Respite Care	Bed Night	289,186	(44,493)	244,693
Day Care	Session	62,911	4,773	67,684
Domiciliary Care	Hour	905,137	29,878	935,015
Individualised Support	Hour	7,381	(4)	7,377
Direct Payments	Clients	555	(83)	472
Physical Disability Services (Including sensory impairment)				
Residential/Respite Care	Bed Night	28,114	(4,366)	23,748
Nursing/Respite Care	Bed Night	21,612	(2,299)	19,313
Day Care	Session	11,797	252	12,049
Domiciliary Care	Hour	134,102	(1,197)	132,905
Individualised Support	Hour	120,084	22,605	142,689
Direct Payments	Clients	214	6	220
Learning Disabilities				
Residential/Respite Care	Bed Night	305,789	(26,493)	279,296
Nursing/Respite Care	Bed Night	17,885	(1,911)	15,974
Day Care	Hour	101,932	(7,341)	94,591
Domiciliary Care	Hour	134,124	126	134,250
Individualised Support	Hour	596,786	56,302	653,088
Direct Payments	Clients	156	19	175
Mental Health Services (Including drugs and alcohol)				
Residential/Respite Care	Bed Night	45,905	(1,421)	44,484
Block Contracts	Bed Night	9,125	3,285	12,410
Nursing/Respite Care	Bed Night	9,490	(4,542)	4,948
Day Care	Session	3,302	(2,111)	1,191
Domiciliary Care	Hour	10,010	850	10,860
Individualised Support	Hour	23,634	(2,682)	20,952
Drug & Alcohol Services	Bed Night	3,285	(451)	2,834
Direct Payments	Clients	22	8	30

Older People and Disability Services

Service Objective: This budget provides services related to the social care of older people and people with a sensory or a physical disability.

2008/09			Changes	2009/10
Outturn	Inflation			Outturn
Budget				Budget
£'000	£'000		£'000	£'000
Expenditure				
Accommodation Based Services				
37,959	1,636	Residential care (including respite)	(3,912)	35,683
19,990	860	Nursing care (including respite)	(3,222)	17,628
Community Based Services				
2,023	88	Day care	16	2,127
1,800	76	Individualised support	(32)	1,844
15,268	657	Domiciliary care	485	16,410
8,189	352	Direct Payments	(537)	8,004
Other Services				
35,144	1,192	In-house care provision	(2,481)	33,855
15,432	387	Care management & management support	(750)	15,069
9,068	337	Other	35	9,440
144,873	5,585	Gross Spend	(10,398)	140,060
Income				
(31,763)	(686)	Client contributions	2,232	(30,217)
(4,619)	(115)	Fees and charges	2,493	(2,241)
(365)	(9)	Sales	13	(361)
(1,980)	0	Grant Income	1,849	(131)
(45)	(1)	Miscellaneous	17	(29)
(38,772)	(811)	Gross Income	6,604	(32,979)
106,101	4,774	Net Cost of Service	(3,794)	107,081

Reasons for changes

Technical Changes

	Change
	£'000
Additional costs due to Job Evaluation appeals	1,596
Unspent allocation for in-house domiciliary care pay & conditions and other	(2,076)
Inter Directorate budget transfers (net)	(110)
Agreed virements between ACS Client Groups	538

Service Changes

Demographic Growth and increased incidence of complex cases	2,660
Staffing Costs in respect of Waking Night Care / Working Time Directive	550
Allocation for in-house services management capacity (pending any possible future externalisation)	250
Continuing Health Care - transfer of responsibility to Health	(1,014)
Costs related to modernisation of care management, contract management and one-off repayment to service development fund	732
Strategies to contain demographic pressures and other changes	(2,962)
Reduced cost of in-house Domiciliary Care	(100)
Re-balancing of funding for Joint Equipment Store with NHS partners	(220)

Efficiency Savings

Efficiencies in Commissioning Costs	(1,125)
Efficiencies in Modernisation of Care Management	(881)
Electronic Monitoring of Community Services (net of initial costs)	(9)
Reprovision of residential / intermediate care	(1,263)
Specific contract savings	(260)
Telecare benefits	(50)
Other	(50)
Total	(3,794)

Learning Disability Services

Service Objective: This budget provides services related to the social care of people with a learning disability.

2008/09			Changes	2009/10
Outturn	Inflation			Outturn
Budget				Budget
£'000	£'000		£'000	£'000
Expenditure				
Accommodation Based Services				
32,230	1,387	Residential care (including respite)	(3,228)	30,389
2,029	87	Nursing care (including respite)	(226)	1,890
Community Based Services				
1,250	54	Day care	(115)	1,189
7,673	330	Individualised support	742	8,745
1,356	58	Domiciliary care	(49)	1,365
1,281	55	Direct Payments	(23)	1,313
Other Services				
7,005	207	In-house care provision	108	7,320
1,864	50	Care management & management support	(33)	1,881
2,494	83	Other	(127)	2,450
57,182	2,311	Gross Spend	(2,951)	56,542
Income				
(3,611)	(78)	Client contributions	125	(3,564)
(10,337)	(258)	Fees and charges	1,925	(8,670)
(114)	(3)	Sales	0	(117)
0	0	Grant Income	(50)	(50)
(43)	(1)	Miscellaneous	0	(44)
(14,105)	(340)	Gross Income	2,000	(12,445)
43,077	1,971	Net Cost of Service	(951)	44,097

Reasons for changes	Change
<u>Technical Changes</u>	£'000
Additional costs due to Job Evaluation appeals	275
Agreed virements between ACS Client Groups	(212)
<u>Service Changes</u>	
Demographic Growth and increased incidence of complex cases	2,960
Staffing Costs in respect of Waking Night Care / Working Time Directive	191
Continuing Health Care - transfer of responsibility to Health	(1,310)
Strategies to contain demographic pressures and other changes	(755)
<u>Efficiency Savings</u>	
Efficiencies in Commissioning Costs	(800)
Application of Resources Allocation processes to costs of care	(1,000)
Specific contract savings	(115)
Telecare benefits	(150)
Other	(35)
Total	(951)

Mental Health Services

Service Objective: This budget provides services related to the social care of people with mental illness.

2008/09			Changes	2009/10
Outturn	Inflation			Outturn
Budget				Budget
£'000	£'000		£'000	£'000
Expenditure				
Accommodation Based Services				
4,442	188	Residential care (including respite)	46	4,676
858	37	Nursing care (including respite)	(449)	446
Community Based Services				
1,106	48	Day care	(38)	1,116
330	14	Individualised support	3	347
153	7	Domiciliary care	(4)	156
79	3	Direct Payments	24	106
Other Services				
520	21	In-house care provision	53	594
3,798	120	Care management & management support	195	4,113
286	12	Other	197	495
11,572	450	Gross Spend	27	12,049
Income				
(616)	(13)	Client contributions	74	(555)
(1,101)	(28)	Fees and charges	(96)	(1,225)
(42)	(1)	Miscellaneous	0	(43)
(1,759)	(42)	Gross Income	(22)	(1,823)
9,813	408	Net Cost of Service	5	10,226

Reasons for changes

Technical Changes

Agreed virements between ACS Client Groups

Change

£'000

35

Service Changes

Demographic Growth and increased incidence of complex cases

327

Additional Staffing Costs in respect of the Mental Health Act / Accommodation Officers

244

Continuing Health Care - transfer of responsibility to Health

(76)

Strategies to contain demographic pressures and other changes

(39)

Efficiency Savings

Efficiencies in Commissioning Costs

(62)

Reprovision of residential / intermediate care

(424)

Total

5

Strategic & Corporate Services

Service Objective: This budget provides for ACS central support services.

2008/09				Changes	2009/10
Outturn	Inflation				Outturn
Budget					Budget
£'000	£'000			£'000	£'000
Finance & Business Support					
16,608	439	Gross Spend		(637)	16,410
Income					
(401)	(9)	Fees and charges		50	(360)
(584)	(14)	Miscellaneous		(12)	(610)
(985)	(23)	Gross Income		38	(970)
15,623	416	Net Finance & Business Support		(599)	15,440
Strategic Planning & Commissioning					
3,201	57	Gross Spend		1,797	5,055
Income					
0	0	Fees and charges		(160)	(160)
(1,230)	0	Grant Income		(1,668)	(2,898)
(51)	(4)	Miscellaneous		(53)	(108)
(1,281)	(4)	Gross Income		(1,881)	(3,166)
1,920	53	Net Strategic Planning & Commissioning		(84)	1,889
17,543	469	Net Cost of Strategic & Corporate Services		(683)	17,329

Reasons for changes	Change
	£'000
Technical Changes	
Additional costs due to Job Evaluation appeals	205
Inter Directorate budget transfers (net)	(82)
Agreed virements between ACS Client Groups	(359)
Service Changes	
Improved Management Information and Performance Control	191
Increased advocacy services	50
Strategies to contain demographic pressures and other changes	(79)
Efficiency Savings	
Efficiencies in Commissioning Costs	(9)
Staff reductions, vacancy freezes and SLA reductions	(600)
Total	(683)

Other

Supporting People: This budget provides supported housing to help vulnerable people maintain their independence in society.

2008/09			Changes	2009/10
Outturn	Inflation			Outturn
Budget				Budget
£'000	£'000		£'000	£'000
20,802	29	Supporting people	(32)	20,799
		Gross Spend		
		Income		
(586)	0	Fees and charges	(15)	(601)
(19,337)	0	Grant Income	0	(19,337)
(19,923)	0	Gross Income	(15)	(19,938)
879	29	Net Cost of Service	(47)	861

Reasons for changes	Change
<u>Technical Changes</u>	£'000
Agreed virements between ACS Client Groups	(2)
<u>Service Changes</u>	
Strategies to contain demographic pressures and other changes	(3)
<u>Efficiency Savings</u>	
Efficiencies in Commissioning Costs	(4)
Staff reductions, vacancy freezes and SLA reductions	(38)
Total	(47)

Extra Care Housing: This budget provides for a contribution to a reserve which will be used for Extra Care housing schemes in conjunction with the private/independent sector. The level of this fund is being reviewed in line with changes to the modernisation programme.

2008/09			Changes	2009/10
Outturn	Inflation			Outturn
Budget				Budget
£'000	£'000		£'000	£'000
2,500	0	Extra Care Housing	0	2,500

Investment in Preventative Services: This new budget provides for investment in services to improve early intervention, rapid response and other services aimed at improving people's independence and wellbeing. The spending can be expected to have beneficial effects in the health sector as well as Social Care and it is expected that priorities and contributions will be jointly agreed with health partners.

2008/09			Changes	2009/10
Outturn	Inflation			Outturn
Budget				Budget
£'000	£'000		£'000	£'000
0	0	Investment in Preventative Services	2,400	2,400

Capital Programme

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

Project	2009-10 £'000	2010-11 £'000	2011-12 £'000	2012-13 £'000	2013-14 £'000
<u>Refreshed Medium Term Capital Programme</u>					
Adaptations for disabled adults	85	90	45	45	45
Adult Community Learning minor works	91	-	-	-	-
Community equipment	150	100	100	100	100
Handling & lifting equipment	24	24	24	24	24
IT strategy	242	258	-	-	-
Mental Health	231	231	231	231	231
Okehampton Extra Care Housing	250	-	-	-	-
Office Accommodation Strategy					
Complex Care Team projects	190	-	-	-	-
CDP offices, Eastern Area	591	-	-	-	-
Estuary House, Newton Abbot	250	-	-	-	-
South Devon	106	-	-	-	-
Tavistock	159	-	-	-	-
Rolling upgrades re-phased from 2008-09	200	-	-	-	-
Service changes toward modernisation	-	250	250	250	250
<u>New starts</u>					
Barnstaple Community Hub	650	-	-	-	-
Rolling upgrades	195	393	367	-	-
Office Accommodation Strategy					
Learning Disability Services offices, Ivybridge	200	-	-	-	-
Re-location of Emergency Duty Team	-	-	12	-	-
Tiverton	-	-	186	-	-
<u>Investing In Devon</u>					
Changing Places	28	-	-	-	-
ANNUAL TOTAL	3,642	1,346	1,215	650	650
Funded by:					
Capital grants	972	908	650	650	650
Direct Revenue Funding - reserves	250	-	-	-	-
Borrowing	2,392	438	565	-	-
Capital Receipts - Investing In Devon	28	-	-	-	-
	3,642	1,346	1,215	650	650
CUMULATIVE TOTAL	3,642	4,988	6,203	6,853	7,503

Notes on Capital Programme

The capital programme for the Adult & Community Services Directorate underpins strategies which will modernise care management by streamlining business processes and maximising efficiency by the use of technology. We are working jointly with partners in the NHS to achieve these changes, which are aimed at making it easier for people to get the support for which they are eligible. The development of residential homes, perhaps in the context of extra care housing schemes at affordable rental levels, is subject to a review and consultation. If appropriate, as a result of this, changes to the programme in later years will be sought.

This page is left blank intentionally

ENVIRONMENT, ECONOMY & CULTURE DIRECTORATE

Executive Director's Commentary

2009/10 will prove to be a challenging year with the anticipated effects of the economic downturn and new legislation with regards to carbon management, the Pitt review and strategic planning requirements set against a need to achieve significant efficiencies and reductions.

The restructuring of the Directorate is now complete and this will ensure the refocusing of the work towards greater strategic planning which will contribute to the County's economic recovery plans. The budget, as a whole, needs to reflect the impact on services and Devon residents of the current economic crisis – the County Council needs to ensure that its decisions support activities which can aid economic recovery.

The successful achievements of 2008/09 will need to be built upon and this will be partly achieved by the completion of a large 5 year capital programme creating improved infrastructure and service delivery for many areas of the County. The programme for 2009/10 is £80.6m with a five year plan of £450.9m. The building of improved recycling centres and the development of Energy from Waste plants will ensure that Devon achieves the legislative requirements for Waste Management and improves delivery to the public. Significant investment in cycling routes, road improvement schemes, street lighting switch gear and cavity wall insulation will further the Devon objectives for "greening" Devon, increasing alternative modes of transport for those working and visiting Devon, improving the general flow of traffic by reducing congestion and reduce the carbon footprint of the County Council. Large investment is also planned to improve the economic infrastructure of the County including a science park, a new business park and investment in various economic initiatives throughout the County. The programme continues to invest in the modernisation of libraries with a view to improved facilities to further agendas such as social inclusion and community activity.

The Revenue budget for 2009/10 will be particularly challenging. On top of the base budget of £110m, the Directorate faces inflationary increases of £6m and inevitable cost increases of £3.7m – dealing mainly with the impact of legislative change, such as increases in landfill tax.

It is proposed to provide as much protection as possible for elements of the service, given their strategic importance and their key nature within the policy direction of the Council. This includes the library improvement and modernisation agenda as it would be counter productive to undermine this by budget cuts, for example, the introduction of additional computers in libraries will be of benefit to those in education, those seeking work, etc who cannot afford their own home computers. And the efficiency gains through capital investment to introduce self service facilities will be used to provide improved service levels from staff. Additionally the budget for public and community transport has been retained at current levels, with inflation. In a time of recession it is important to seek to ensure stability in the public transport network, which many rely on for access to employment and education.

New areas of work such as carbon management reduction have needed funding in order to develop the initiatives and projects which will achieve the necessary projects to reduce the risk of increasingly prohibitive future penalties. Other areas of activity have had to be protected such as development control to ensure the capability is retained to help early recovery for the economy of Devon.

To deliver the Directorate target will require considerable management to achieve a balance to ensure that reductions do not provide a greater liability in future years. Uncertainties over actual inflation levels, the impact of the economic downturn, on actual volumes of work make this task ever more difficult.

Edward Chorlton

How the 2009/10 Budget has been Built Up

	Revenue				Capital			2009/10 TOTAL Investment £'000
	2008/09 Outturn Budget £'000	Inflation £'000	Changes £'000	2009/10 Outturn Budget £'000	2009/10 Base Budget from 2008/09 £'000	Changes £'000	2009/10 Revised Budget £'000	
Highway Management	53,973	4,509	(3,420)	55,062	56,768	(13,515)	43,253	98,315
Planning & Transportation	3,002	75	15	3,092	11,042	2,630	13,672	16,764
Public & Community Transport	7,634	352	40	8,026	0	0	0	8,026
Waste Disposal & Recycling	29,330	775	1,436	31,541	18,925	(1,121)	17,804	49,345
Economy	2,344	42	(443)	1,943	0	3,716	3,716	5,659
Culture	1,699	52	(39)	1,712	0	370	370	2,082
Libraries	10,026	311	215	10,552	2,375	(388)	1,987	12,539
Countryside & Heritage	2,172	42	685	2,899	280	540	820	3,719
Total	110,180	6,158	(1,511)	114,827	89,390	(7,768)	81,622	196,449

The changes in the EEC Capital Programme since 2008/09 can largely be attributed to:

Highway Management – (£13,515k)

Kingskerswell Bypass cost have been re-phased to reflect the latest programme - decrease of £19.7m in 2009/10 with corresponding increase in later years. New schemes introduced include street lighting in relation to carbon management, Crediton Link Road and purchase of welfare buses through VELP. The Council has been selected as a demonstration Council for rural road safety and secured a capital grant of £1.385m in 09/10. The Investing in Devon group has allocated £1.2m for Highway Management schemes including Road Safety Academy and Equestrian Devon. £1m for additional drainage works to mitigate storm damage.

Planning and Transportation - £2,630k

The majority of changes relate to adjustments and additions to the cycling route network programme. New funding has been agreed for projects from Kingsteignton to Newton Abbot, Tavistock to Bere Alston, Gem Bridge and Grenofen Tunnel. Additionally £1m of the £5m cycling package approved by the Investing in Devon group will be delivered in 2009/10.

Waste Disposal and Recycling – (£1,121k)

The changes include re-phasing of current schemes including Exeter Energy from Waste plant, various landfill site restoration projects and improved Civic Amenity Recycling Centres and the Heathfield In-Vessel Composting plant. The waste infrastructure capital grant of £1.3m is also included which supports both County and District projects.

Economy, Tourism and Industrial Estates - £3,716k

The Regional Development Agency are funding the Phase 1 infrastructure for the Exeter Science Park (£2.3m in 09/10). Additionally Executive approved a £5m programme of Economic schemes, of which £1.3m is expected to be delivered in 09/10. The Industrial Estates programme (£58k) has been transferred from Chief Executive's Directorate and the Investing in Devon group approved schemes of £50k.

Culture, Libraries and Countryside & Heritage - £522k

Two new schemes have been introduced into the programme for the digitisation of Tithe maps and carbon management by cavity wall insulation. The Libraries Modernisation programme has been re-phased to reflect a revised timetable for Partnership schemes. The Investing in Devon group has approved an additional £500k for the World Heritage Site Visitor Centres in Seaton and Exmouth.

The detail of the revenue budget is provided in the following pages:

Staffing Data

	2008/09		2009/10		Total FTE's
	Total FTE's	Changes FTE's	Revenue Funded FTE's	Externally Funded FTE's	
Highway Management	319	5	304	20	324
Planning & Transportation	62	(2)	58	2	60
Public & Community Transport	124	5	122	7	129
Waste Disposal & Recycling	18	0	18	0	18
Economy	37	(6)	22	9	31
Culture	22	0	22	0	22
Libraries	264	(1)	259	4	263
Countryside & Heritage	44	5	37	12	49
Total	890	6	842	54	896

Explanation of Movements

<u>Highway Management</u>	Net reduction in externally funded post, plus 6 new posts for Pitt Review	5
<u>Planning & Transportation</u>	Posts transferred to the Countryside & Heritage and to Chief Executives Directorate, 1 post reduction plus posts transferred in from Economy.	(2)
<u>Public & Community Transport</u>	Net increase of 3 externally funded posts and increase of 2 new Engineering Technicians	5
<u>Economy</u>	Net reduction of 3 externally funded posts. 3 posts transferred to Transportation and Environmental Policy Group	(6)
<u>Libraries</u>	1 externally funded post transferred to North Devon District Hospital	(1)
<u>Countryside & Heritage</u>	Environmental Policy Group transferred from Planning and Transportation and Economy.	5
Total		6

Analysis of Total Expenditure for 2009/10

	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Net Expenditure £'000
Highway Management	68,127	(678)	(12,387)	55,062
Planning & Transportation	3,739	0	(647)	3,092
Public & Community Transport	17,801	0	(9,775)	8,026
Waste Disposal & Recycling	32,882	0	(1,341)	31,541
Economy	2,102	0	(159)	1,943
Culture	1,991	(31)	(248)	1,712
Libraries	11,716	0	(1,164)	10,552
Countryside & Heritage	4,128	(689)	(540)	2,899
Totals	142,486	(1,398)	(26,261)	114,827

The following services, not included above, are wholly self funded and do not impact on the Council Tax.

	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Net Expenditure £'000
Highway Management				
Depots	395	0	(395)	0
On-street parking	1,758	0	(1,758)	0
Other rechargeable services	978	0	(978)	0
Public & Community Transport				
Projects and partnerships	136	(79)	(57)	0
Transport coordination	933	0	(933)	0
Rechargeable engineering work	227	0	(227)	0
Economy				
Skills for life	813	(813)	0	0
East Devon/Blackdown Hills Local Action Group	480	(480)	0	0
Teign Heritage Centre	300	(300)	0	0
Other externally funded projects	1,165	(690)	(475)	0
Totals	7,185	(2,362)	(4,823)	0
Grand Total	149,671	(3,760)	(31,084)	114,827

Grant Summary

Some of the costs of providing the above services are funded by externally received grants, the table below shows details of the grant funding expected for 2009/10.

Service	Funded by	Amount £'000
<u>Government and Other Grants</u>		
Teign Heritage Centre	Commission for Architecture and Build Environment	300
Road Safety Grant - Cycle England	D f T	278
Road Safety on Rural Roads	D f T	400
Urban Bus Challenge	D f T	78
East Devon/Blackdown Hills Local Action Groups	European Union	480
Ruby Country - Economic Regeneration	European Union	13
Rural Development Programme England	European Union	48
Skills for Life	European Union	813
South West Forest Regeneration	European Union	130
Economic Development - Partnership working	Learning and Skills Council	50
Economic Development - Skills Gap	Learning and Skills Council	80
Economic Development - Workforce Development	Learning and Skills Council	100
Areas of Outstanding Natural Beauty	Natural England	376
Country Parks and South West Coast Path	Natural England	314
South West Forest Regeneration	Natural England	99
Other	Other	31
Devon Economic Partnership	South West Regional Development Agency	170
Total		3,760
School Travel Plan Advisors funded by Schools Standards Grant		114

Medium Term Financial Strategy

The following details the significant changes we can expect to affect the budget over the next two financial years.

	Cumulative	
	2010/11 £'000	2011/12 £'000
Financing commitments - Inflation	4,231	8,470
Mandatory / Legislative Requirements		
Waste tonnage, change in landfill regulations and Landfill Allowance Tax	1,985	1,439
Operational costs of energy from waste and recycling	650	4,633
Carbon management - carbon trading scheme	726	799
Highways - Pitt Report	284	784
	3,645	7,655
Demographic Demands:		
Future demands	0	0
	0	0
Other Additions	0	0
	0	0
Cashable Efficiency Savings		
3% efficiency savings to be identified	(3,808)	(7,730)
	(3,808)	(7,730)
Other Reductions	0	0
	0	0
Total	4,068	8,395

Service Statistics

Service/Activity	Unit of Measurement	2008/09	Change	2009/10
Highway Management				
Size of Network	km	12,820	11	12,831
Size of Network	miles	7,960	13	7,973
Bridges	No.	3,120	13	3,133
Street lights maintained	No.	72,915	1,672	74,587
Rights of way (nearest thousand)	Km	5,000	0	5,000
Strategic Road Salted p.a.	km	2,600	53	2,653
Illuminated road markings and signs	No.	11,000	506	11,506
Gullies emptied p.a.	No.	170,000	0	170,000
Grass cut p.a.	m ²	13 million	0	13 million
Surface dressed p.a.	km	400	0	400
Resurfacing / reconstruction p.a.	km	200	0	200
Development Management				
County Matter applications p.a.	No.	38	2	40
County Council Development applications p.a.	No.	102	(2)	100
Listed building consents applications p.a.	No.	13	(3)	10
Strategic Planning consultations p.a.	No.	24	(4)	20
Planning application consultations	No.	4,900	10,100	15,000 *
Public & Community Transport				
Local bus services provided (approx)	No.	200	0	200
Population with access to public transport	percentage	99	0	99
Parishes with daily bus service or better	percentage	76	0	76
Passenger journeys made p.a.	No.	23.9 million	0.1 million	24.0 million
People travelling on Devon's supported services	No.	8.9 million	0	8.9 million
Ring and Ride community transport schemes	No.	16	0	16
Community car schemes	No.	15	(1)	14
Shop mobility schemes	No.	5	0	5
Community buses	No.	6	0	6
Fare car supported taxi schemes	No.	11	0	11
Waste Disposal & Recycling				
Waste movement p.a.	percentage	2	-4	-2
Municipal waste disposed of	Tonnes	430,000	1,000	431,000
Recycling and composting	percentage	46	7	53
Recycling centres provided	No.	20	0	20
Rural skips provided	No.	8	0	8
Aftercare of landfill sites	No.	55	0	55
Libraries				
Libraries	No.	50	0	50
Mobile libraries	No.	11	0	11
Visits made to the library service p.a.	No.	4 million	0	4 million
Loans of books, audio books, CD' DVD's etc p.a.	No.	4.6 million	0	4.6 million
PC's available with public access	No.	340	142	482
Usage of PC's by the public per month.	sessions	45,000	5,000	50,000

(*) The way in which DCC consider the highway content of planning applications has changed considerably with the introduction of Standing advice. Whilst the overall input of the highway authority has reduced, most planning applications submitted in Devon are now scrutinised at the beginning of the process, resulting in a higher recorded figure. This is because under planning legislation that scrutiny is considered a 'substantive response' and is therefore now recorded.

Highway Management

Service Objective: This budget provides services to ensure the availability of a safe Highway Network and to preserve that asset for people to use and to support the economy of the County and the region.

2008/09			Changes	2009/10
Outturn	Inflation			Outturn
Budget				Prices
£'000	£'000		£'000	Budget
				£'000
Expenditure				
Maintenance				
4,820	414	Principal Roads	(100)	5,134
1,073	0	Detrunked Roads	27	1,100
28,354	2,075	Non-principal roads and bridges	(3,499)	26,930
5,821	1,668	Highway lighting	(500)	6,989
792	39	Maintenance of Public rights of way	0	831
14	0	Coast Protection	1	15
43	1	Other highways services	(8)	36
Road Safety				
810	29	Publicity & Training (inc Devon Drivers' Centre)	104	943
1,446	0	Road Safety Initiatives	282	1,728
114	0	School Travel Plan	0	114
336	9	School crossing patrols	(1)	344
Highway Network Management				
6,895	190	Area Offices	16	7,101
6,445	161	Network Management	468	7,074
6,295	159	Engineering & Transport Services	340	6,794
2,985	69	Management & Support	(60)	2,994
66,243	4,814	Gross Spend	(2,930)	68,127
Income				
(1,197)	(28)	Sales, Fees and Charges	31	(1,194)
(381)	(10)	Grant Income	(287)	(678)
(92)	(2)	Contributions	4	(90)
(10,600)	(265)	Other Income	(238)	(11,103)
(12,270)	(305)	Gross Income	(490)	(13,065)
53,973	4,509	Net Cost of Service	(3,420)	55,062

Reasons for changes	Change £'000
<u>Maintenance</u>	
Technical Changes	
Reapportionment of support services, internal transfers and other variations	(9)
Service Changes	
Reduction in principal and non principal road maintenance	(3,657)
Reduction in street lighting maintenance and energy efficiency	(500)
Provision for Rapid Response works	60
Additional allocation of Area Based Grant for de-trunked roads	27
<u>Road Safety</u>	
Technical Changes	
Reapportionment of support services, internal transfers and other variations	100
Service Changes	
Transfer of cycling project officer post from Planning & Transportation	44
Reduction in allocation of Area Based Grant for road safety initiatives	(15)
Road Safety Grant - changes in income :	
increased costs	287
increased income	(287)
<u>Highway Network Management</u>	
Technical Changes	
All services - reapportionment of support services, internal transfers and other variations	183
Service Changes	
Sub National Review allocation to Network Management	68
Additional funding for Traffic Management Act 2004 in Network Management	50
Additional funding for Pitt Review in Network Management	250
Increase in rechargeable costs in Engineering Design Group : Increased costs	231
Increased income	(231)
Transfer of Health & Safety function from Management & Support to Personnel & Performance	(45)
Funding to support corporate initiative for apprenticeship placement and additional ICT support	62
Efficiency Savings	
Finance SLA efficiencies derived from computer systems interface	(38)
<hr/> Total	<hr/> (3,420)

Planning and Transportation

Service Objective: This budget provides funding for developing and contributing to strategies and policies that support the promotion of sustainable communities, the delivery of sustainable transport modes, and the development of Devon's infrastructure.

2008/09			Changes	2009/10
Outturn	Inflation			Outturn
Budget	Budget			Prices
£'000	£'000		£'000	Budget
				£'000
Expenditure				
0	0	Strategic Planning	472	472
1,475	37	Transportation	(729)	783
2,491	62	Development Management	(69)	2,484
3,966	99	Gross Spend	(326)	3,739
Income				
(848)	(21)	Sales, Fees and Charges	330	(539)
(11)	0	Grant Income	11	0
(105)	(3)	Other Income	0	(108)
(964)	(24)	Gross Income	341	(647)
3,002	75	Net Cost of Service	15	3,092

Reasons for changes

**Change
£'000**

Technical Changes

All services - reappportionment of support services, internal transfers and other variations (114)

Service Changes

Allocation of funding for Restructuring

Strategic Planning:

- Transfers of funding from Transportation 320
- Transfer from Sub National Review funding in Economy 164

Transportation:

- Environment Policy Group moved to Countryside & Heritage (255)
- Transfer of cycling project officer post to Network Management (44)
- Transfers of funding to Strategic Planning (320)
- Land Charges function transferred to Chief Executive's Directorate (net income) 34

Transportation - reduction in consultancy budget (10)

Development Management:

- Additional funding for Planning Assistant Post 40
- Reduction in a post and recruitment/ advertising (50)
- Reduction to Section 38/ Section 106 fee income levels 250

Total

15

Public and Community Transport

Service Objective: This budget provides transport services to enable people to access services and facilities using a sustainable transport mode.

2008/09			Changes	2009/10
Outturn	Inflation			Outturn
Budget				Prices
£'000	£'000		£'000	Budget
				£'000
Expenditure				
Public Transport				
287	5	Management costs	34	326
4,803	142	Revenue Support	311	5,256
1,406	49	Development & Contributions	(732)	723
2,604	176	Rural Bus Subsidies	135	2,915
National Travel Scheme				
328	6	Management costs	(78)	256
7,956	81	Payments to operators	288	8,325
17,384	459	Gross Spend	(42)	17,801
Income				
Public Transport				
(187)	(5)	Contributions - Rural Bus subsidies	(68)	(260)
(596)	(15)	Other Contributions	(323)	(934)
(683)	0	Other Income	683	0
National Travel Scheme				
(8,284)	(87)	Contributions	(210)	(8,581)
(9,750)	(107)	Gross Income	82	(9,775)
7,634	352	Net Cost of Service	40	8,026

Reasons for changes

Public Transport

Technical Changes

Reapportionment of support services, internal transfers and other variations	34
Adjustment in transport contribution	(57)
Development & Contributions- college transport "net nil" account	Transfer out of income (630)
	Transfer out of costs 630

Service Changes

Revenue support & Other contributions - adjust Section 106 contributions	Increased costs 322
	Increased income (322)
Rural Bus Subsidy - increase in Area Based Grant	63
Rural Bus Subsidy - adjust income levels	Increased costs 69
	Increased income (69)

National Travel Scheme

Service Changes

The County Council operates the National Travel Scheme as a net nil budget on behalf of the 7 District Councils:

Increase in use of the scheme:	Increased costs 210
	Increased income (210)

Total **40**

Waste Disposal and Recycling

Service Objective: This budget provides funding for the County Council to discharge its statutory responsibilities as Waste Disposal Authority and to minimise the amount of waste going to landfill.

2008/09			Changes	2009/10
Outturn	Inflation			Outturn
Budget	Budget			Prices
£'000	£'000		£'000	Budget
				£'000
Expenditure				
Contracted Services				
10,044	459	Disposal of statutory waste	123	10,626
7,431	21	Landfill tax on disposal	892	8,344
5,875	282	Recycling centres	620	6,777
263	1	Haulage	(26)	238
Waste disposal site restoration, maintenance and recycling services				
662	12	Environmental protection and reinstatement works	(12)	662
89	0	Recycling centres (not contract costs)	0	89
3,940	0	Recycling credits	25	3,965
72	0	In-vessel composting loan repayments	(3)	69
1,228	4	Waste minimisation activities	(80)	1,152
928	26	Management	6	960
30,532	805	Gross Spend	1,545	32,882
Income				
(928)	(23)	Trade waste income from District Councils	(100)	(1,051)
(240)	(6)	Sales, Fees and Charges	(6)	(252)
(34)	(1)	Contributions	(3)	(38)
(1,202)	(30)	Gross Income	(109)	(1,341)
29,330	775	Net Cost of Service	1,436	31,541

Reasons for changes

Change
£'000

Technical Changes

Reapportionment of support services, internal transfers and other variations 17

Service Changes

Additional support for:

Increase in costs of landfill tax, disposal of statutory waste and recycling centres partly offset by increase in trade waste income and reduction in haulage. 2,227

Reduction in Waste minimisation, advertising and campaign costs (90)

Efficiencies

Projected temporary reduction in tonnages relating to economic downturn (718)

Total 1,436

Economy

Service Objective: This budget supports services to provide a strategic overview of the economy.

2008/09			Changes	2009/10
Outturn	Inflation			Outturn
Budget				Prices
£'000	£'000		£'000	Budget
				£'000
Expenditure				
2,358	42	Economy service	(793)	1,607
0	0	Economic Analysis	275	275
0	0	Industrial Estates	220	220
2,358	42	Gross Spend	(298)	2,102
Income				
(14)	0	Sales, Fees and Charges	(145)	(159)
(14)	0	Gross Income	(145)	(159)
2,344	42	Net Cost of Service	(443)	1,943

Reasons for changes

**Change
£'000**

Technical Changes

Reapportionment of support services, internal transfers and other variations

26

Service Changes

Transfer of funding for Industrial Estates from Chief Executives:

Gross Expenditure

220

Gross Income

(156)

Allocation of funding for Restructuring:

Economic Analysis Group - funding from Economy Service & demographic change

275

Economic Service -Sub national review funding for restructuring within EEC

(619)

Reduction in economic activity expenditure

(189)

Total

(443)

Libraries, Culture, Countryside and Heritage

Service Objective: This budget provides the County Library Service and other services relating to the Council's cultural and environmental priorities.

2008/09			Changes	2009/10
Outturn	Inflation			Outturn
Budget	Budget			Prices
£'000	£'000		£'000	Budget
				£'000
		Expenditure		
		Library Service		
11,156	339	Expenditure	221	11,716
		Culture		
399	0	Cultural services	(70)	329
1,031	57	Devon Records Office	61	1,149
514	1	Investment in the arts sector	(2)	513
		Countryside & Heritage		
3,249	69	Expenditure	133	3,451
		Environmental Policy		
0	0	Expenditure	677	677
16,349	466	Gross Spend	1,020	17,835
		Income		
		Library Service		
(981)	(25)	Sales ,Fees and Charges	(37)	(1,043)
(149)	(3)	Other Income	31	(121)
		Other Cultural Services		
(149)	(4)	Sales ,Fees and Charges	5	(148)
0	0	Grant Income	(31)	(31)
(6)	0	Contributions	(4)	(10)
(90)	(2)	Other Income	2	(90)
		Countryside & Heritage		
(98)	(2)	Sales, Fees and Charges	0	(100)
(627)	(16)	Grant Income	(46)	(689)
(302)	(8)	Contributions	7	(303)
(50)	(1)	Other Income	(86)	(137)
(2,452)	(61)	Gross Income	(159)	(2,672)
13,897	405	Net Cost of Service	861	15,163

Reasons for changes	Change £'000
<u>Devon Library Service</u>	
Technical Changes	
Reapportionment of support services, internal transfers and other variations	95
Service Changes	
Additional support for the Libraries Modernisation Programme	120
<u>Other Cultural Services</u>	
Technical Changes	
Reapportionment of support services, internal transfers and other variations	31
Service Changes	
Reduction in contributions to cultural activities	(70)
<u>Countryside and Heritage Services</u>	
Technical Changes	
Reapportionment of support services, internal transfers and other variations	20
Service Changes	
Additional investment to support Green Infrastructure Planning	28
Reduction in contributions to environmental management projects	(40)
<u>Environmental Policy Group</u>	
Service Changes	
Allocation of funding for restructuring from Planning & Transportation and Economy	414
Additional funding - Carbon Management projects	200
Additional funding - Rural Housing Enabling contribution	63
Total	861

Capital Programme

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

Project	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Highways and Transport					
Barnstaple Western Bypass	1,055	566	36	52	0
Bank Street/ Wolborough Street - Newton Abbot	50	0	0	0	0
Carbon Management - street lighting	150	150	150	150	150
Crediton Link Road	200	1,000	5,800	0	0
Cycling - Bovey to Moretonhampstead	160	1,540	40	340	70
Cycling - Cycle Demonstration Town, Exeter	500	500	0	0	0
Cycling - Exe Estuary	2,857	2,377	2,710	0	0
Cycling - Kingsteignton to Newton Abbot Connect 2	250	2,000	750	0	0
Cycling - National Cycle Network/Path to Prosperity	63	0	0	0	0
Cycling - Tavistock to Bere Alston Railway Path	50	50	0	0	0
Cycling - Tavistock to Plymouth Gem Bridge and Grenofen Tunnel	500	3,500	1,000	0	0
Culverts and drainage	1,090	70	70	0	0
Depot Strategy - Avocet Road, Exeter	12	0	0	0	0
Depot Strategy	605	605	291	0	0
Exeter/ East Highways schemes	389	0	0	0	0
Exmouth the Strand	750	1,300	0	0	0
Grand Western Canal - sustainable silt & nutrient management	40	160	100	75	0
Kingskerswell Bypass	5,864	37,965	37,140	31,547	5,488
Local Transport Plan integrated transport	8,242	8,185	8,185	8,185	0
Local Transport Plan maintenance, bridge strengthening	27,642	31,789	27,642	27,642	0
North Highways schemes	263	0	0	0	0
Road Safety Grant	234	230	0	0	0
Rural Road Safety Grant - Countrymile Project	1,385	0	0	0	0
Street Lighting	50	50	50	0	0
South Highways schemes	74	0	0	0	0
Total Highways and Transport Service	52,475	92,037	83,964	67,991	5,708
Waste Management					
Barnstaple Waste to Energy Plant	150	400	15,000	20,000	6,900
Exeter Waste to Energy Plant	9,650	19,300	9,700	625	0
Heathfield IVC Odour Management	848	0	0	0	0
Invessel Composting - Deep Moor	443	57	0	0	0
Invessel Composting - Heathfield refurbishment reception building	200	0	0	0	0
Waste Infrastructure Capital Grant	1,298	480	0	0	0
Landfill Site Restoration	905	309	67	0	0
Recycling Centres - Crowndale	0	0	485	500	15
Recycling Centres - Cullompton	100	1,380	20	0	0
Recycling Centres - Dawlish	0	0	0	30	470
Recycling Centres - East of Exeter (Pinbrook)	3,873	67	0	0	0
Recycling Centres - Exton Road incorp Salt Barn	150	343	7	0	0
Recycling Centres – Ivybridge	0	0	500	0	0
Recycling Centres – Punchbowl	0	0	150	1,327	23
Recycling Centres – Various	54	0	0	0	0
Recycling Centres – Woods Farm replacement	50	150	1,180	590	30
Devon Schools' Organic Waste Treatment	83	83	84	0	0
Seaton enhancement of periodic skip site	0	0	240	0	0
Total Waste Management	17,804	22,569	27,433	23,072	7,438

Library and Culture Services

Libraries Minor Works	225	250	250	0	0
Library modernisation: partnership schemes Exmouth, Totnes, Bideford & Okehampton	70	1,341	1,830	1,380	1,380
Library modernisation - Cullompton	580	760	0	0	0
Library modernisation - Newton Abbot	558	728	0	0	0
Ottery St Mary Library	0	300	0	0	0
Refurbishment of Library Estate	200	200	200	0	0
Replacement Libraries Programme - Exeter	59	0	0	0	0
Sidmouth Library enhancement	295	295	0	0	0
Digitisation of Devon Tithe Maps	220	0	0	0	0
Carbon Management - Cavity Wall Insulation	100	0	0	0	0
Total Library and Culture Services	2,307	3,874	2,280	1,380	1,380

Economy and Tourism

Science Park Phase 1 Development	2,271	8,877	0	0	0
Jurassic Coast Interpretation Projects	30	30	30	30	30
World Heritage Site Visitor Centres	250	250	0	0	0
£5m Economic Development :-					
Coastal Towns Community Infrastructure	187	376	187	0	0
Devon Employment Space Strategy	100	820	780	0	0
ICT Strategy	100	350	200	0	0
Renewable Energy4Devon	250	150	0	0	0
Skypark - strategic infrastructure	700	700	0	0	0
Total Economy and Tourism	3,888	11,553	1,197	30	30

Industrial Estates	58	255	80	0	100
---------------------------	-----------	------------	-----------	----------	------------

Vehicle and Equipment Loans Pool	2,331	2,239	1,429	45	0
---	--------------	--------------	--------------	-----------	----------

Investing in Devon - EEC

Around Devon Cycle Route	1,000	2,000	2,000	0	0
Crossing point improvement (Bovey Tracey)	14	0	0	0	0
Devon Cultural Acquisitions Fund	50	100	50	50	
Devon & Exeter Forum	0	1,000	7,000	2,000	0
Devon Road Safety Academy	920	0	0	0	0
Equestrian Devon	225	0	0	0	0
Regeneration of Dawlish	20	0	0	0	0
World Heritage Site Visitor Centre Seaton	250	0	0	0	0
World Heritage Site Visitor Centre Exmouth	250	0	0	0	0
Yeo Valley Community project, Barnstaple	30	0	0	0	0
Total Investing in Devon - EEC	2,759	3,100	9,050	2,050	0

Total Programme	81,622	135,627	125,433	94,568	14,656
------------------------	---------------	----------------	----------------	---------------	---------------

Cumulative Totals		217,249	342,682	437,250	451,906
--------------------------	--	----------------	----------------	----------------	----------------

Financed by:

Capital receipts approved	5,003	8,534	9,905	2,050	170
Unsupported borrowing	25,880	35,762	40,439	26,472	9,237
Supported borrowing SCP	33,137	37,246	33,099	33,099	0
DRF - Funds and Reserves	409	44	58	0	0
Supported borrowing - ring fenced	73	0	0	0	0
External contributions	1,137	2,478	1,616	1,372	239
External Grants	12,975	49,074	37,137	31,530	5,010
Section 106	677	250	1,750	0	0
Unsupported borrowing - VELP	2,331	2,239	1,429	45	0
Total	81,622	135,627	125,433	94,568	14,656

CHIEF EXECUTIVE'S DIRECTORATE

County Solicitor's Commentary

The 2009/10 Revenue budget for Chief Executive's Directorate totals £15.97m.

This reflects the transfer of Industrial Estates to Environment, Economy & Culture Directorate, the transfer of the design function from Finance, IT & Trading Directorate (Devon Design & Print), additional one-off funding for 2009/10 in respect of County Council elections and some additional funding for the Coroners service in respect of mortuary fees.

With regard to the latter, there is a continuing rise in the costs associated with this service in respect of mortuary facilities (post mortems) and analysts fees. Further increases are also likely with regard to funeral directors costs which are due for re-tender in the coming months.

Other pressures that are likely to impact on the Directorate relate to changes in legislation re-land charge fees, and funding levels for Domestic Violence Partnerships (ADVA) following the loss of Home Office grant and the culmination of LPSA I funding. Funding issues for these services should be resolved in the next month or two and may require adjustments to the budget.

In order to meet the Directorate targets, reductions and efficiencies totalling £0.7m have been made. Whilst overall targets have been achieved, the Directorate has sought to preserve front-line services as far as possible, particularly in respect of Trading Standards, Coroners and Partnerships. In all other respects spending reductions have been applied evenly across the Directorate, at the same time absorbing the costs of both annual increments and of job evaluation.

For Capital the 5 year programme totals £36.1m, including £11.2m in 2009/10. This somewhat reduced following the transfer of some Investing in Devon schemes to Service Directorates, partly offset by increased funding for compliance works in respect of Nitrate Vulnerable Zones.

Roger Gash

For more information on the contents of this section, contact Martin Oram, Service Accountant, 01392 38 2418 martin.oram@devon.gov.uk

How the 2009/10 Budget has been Built Up

	Revenue				Capital			2009/10 TOTAL Investment £'000
	2008/09 Outturn Budget £'000	Inflation £'000	Changes £'000	2009/10 Outturn Budget £'000	2009/10 Base Budget from 2008/09 £'000	Changes £'000	2009/10 Revised Budget £'000	
Chief Executive's	4,408	104	(306)	4,206	0	0	0	4,206
Safer Devon Partnership Against Domestic Violence & Abuse Partnership	451	(5)	0	446	0	218	218	664
Business Transformation Unit	116	0	385	501	0	0	0	501
Industrial Estates	930	31	(43)	918	4,316	559	4,875	5,793
County Farms	66	2	(68)	0	175	(175)	0	0
Community Safety	(234)	10	(10)	(234)	629	(297)	332	98
Other Services	4,567	116	(96)	4,587	0	0	0	4,587
Building Maintenance	3,837	251	224	4,312	18,344	(13,736)	4,608	8,920
	1,678	17	(73)	1,622	1,200	0	1,200	2,822
Total	15,819	526	13	16,358	24,664	(13,431)	11,233	27,591

Reasons for changes

Change
£'000

Chief Executive's

Technical Changes

Centralisation of Health & Safety (to P&P Directorate)

(8)

Transfer of post for searches (from EEC Directorate)

(34)

Transfer of web development budget (to FITT Directorate)

(41)

Other net changes

(8)

Service Changes

Budget reductions to supplies, printing, establishment expenses,
employee costs (temps), travel expenses and commissioning budgets

(68)

Efficiency Changes

Efficiency savings re - supplies, printing, establishment expenses,
employee costs (temps), travel expenses and commissioning budgets

(147)

Total

(306)

Against Domestic Violence & Abuse Partnership

Technical Changes

Changes in funding arrangements

385

Total

385

Business Transformation Unit

Service Changes

Budget reductions to general expenses and other overheads

(13)

Efficiency Changes

Efficiency savings in supplies and services and other overheads

(30)

Total

(43)

Industrial Estates**Technical Changes**

Service transferred to EEC Directorate (64)

Service Changes

Miscellaneous budget reductions (2)

Efficiency Changes

Miscellaneous efficiency savings (2)

Total (68)

County Farms**Service Changes**

Budget reductions to supplies and services and general expenses (3)

Efficiency Changes

Efficiency savings in supplies and services (7)

Total (10)

Community Safety**Trading Standards****Technical Changes**

MTFS in respect of Gower Review 14

Service Changes

Budget reductions to staffing, supplies and services and transport (37)

Efficiency Changes

Efficiency savings in staffing, travel and support services (87)

Registration Services**Service Changes**

Budget reduction to staffing and support services (7)

Efficiency Changes

Efficiency savings in staffing and support services (17)

Coroners Service**Technical Changes**

Commitment in respect of increased mortuary costs/post mortems 74

Emergency Planning**Service Changes**

Budget reduction in staffing, premises and other overheads (14)

Efficiency Changes

Efficiency savings in respect of staffing (22)

Total (96)

Other Services**Technical Changes**

County Council Elections 600

Transfer of Hear by Right budget (to CYPs Directorate) (10)

Transfer of Senior Council budget (to ACS Directorate) (200)

Other net changes 6

Service Changes

Budget reductions to Travelling, Commissioning and Initiatives (46)

Efficiency Changes

Efficiency savings in Travelling, Commissioning and Initiatives (126)

Total 224

Building Maintenance**Service Changes**

Miscellaneous budget reductions (21)

Efficiency Changes

Miscellaneous efficiency savings (52)

Total (73)

**Change
£'000**

Capital**Safer Devon Partnership**

Grant funding from the Home Office, allocated to theme groups 218

Business Transformation Unit

The works relate to the upkeep, safe use and corporate development of the non-school estate, including compliance works for health and safety issues and enabling works to facilitate the disposal of assets. The 2009/10 programme includes increases relating to compliance with the anticipated Nitrate Vulnerable Zones legislation, new energy sustainability schedules of work and the 'new ways of working' agenda 559

Industrial Estates

Service transferred to EEC Directorate (175)

County Farms

The Farms Estate is subject to a 10 year restructuring plan, the costs of which are funded from this programme (297)

Other Services

The programme of works funded by the Airport receipts have now been allocated to the relevant service Directorate. (13,736)

Total (13,431)

Staffing Data

	2008/09		2009/10		Total FTE's
	Total	Changes	Revenue	Externally	
	FTE's	FTE's	Funded FTE's	Funded FTE's	
Chief Executive's	89	8	96	1	97
Business Transformation Unit	12	0	11	1	12
Industrial Estates	0	0	0	0	0
County Farms	0	0	0	0	0
Community Safety					
Trading Standards	77	(1)	60	16	76
Registration Service	24	2	26	0	26
Coroners	2	0	1	1	2
Emergency Planning	6	0	6	0	6
Other Services	2	0	2	0	2
Legal Services	27	0	27	0	27
Admin Buildings	17	0	17	0	17
Despatch	8	0	8	0	8
Other Partnerships	7	1	0	8	8
Building Maintenance	0	0	0	0	0
Total	271	10	254	27	281

Explanation of Movements

Chief Executive's: transfer of Design from FITT Directorate (DD&P)	6
Chief Executive's: transfer of Exeter searches from EEC Directorate	1
Devon Improvement Programme: extension of temporary approval (proposed)	1
Trading Standards: reduction in hours	(1)
Registrars: new approvals in 2008/9 in respect of clerical officers	2
Other Partnerships: new approval in 2008/9 in respect of ADVA (Admin support)	1
Total	10

Analysis of Total Expenditure for 2009/10

	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Net Expenditure £'000
Chief Executive's	6,370	0	(2,164)	4,206
Safer Devon Partnership	574	0	(128)	446
Against Domestic Violence & Abuse Partnership	1,618	(40)	(1,077)	501
Business Transformation Unit	1,027	0	(109)	918
Industrial Estates	0	0	0	0
County Farms	623	0	(857)	(234)
Community Safety	6,235	(520)	(1,128)	4,587
Other Services	4,710	0	(398)	4,312
Building Maintenance	1,655	0	(33)	1,622
Totals	22,812	(560)	(5,894)	16,358

The following services, not included above, are wholly self funded and do not impact on the Council Tax.

	Gross Expenditure £'000	External Income £'000	Internal Income £'000	Net Expenditure £'000
Legal Services	1,650	0	(1,650)	0
Administrative Buildings	2,818	0	(2,818)	0
Despatch	644	0	(644)	0
Totals	5,112	0	(5,112)	0

Grant Summary

Some of the costs of providing the above services are funded by externally received grants, the table below shows details of the grant funding expected for 2008/09.

Service	Funded by	Amount £'000
Animal Health	DEFRA	520
Against Domestic Violence & Abuse Partnership	Home Office	40
Total		560

Medium Term Financial Strategy

The following details the significant changes we can expect to affect the budget over the next two financial years.

	Cumulative	
	2010/11	2011/12
	£'000	£'000
Financing commitments - Inflation	460	914
Technical Changes		
Transfer of funding responsibilities	0	0
	0	0
Service Changes		
Elections	(574)	(574)
	(574)	(574)
Efficiency Savings	(535)	(1,086)
Total	(649)	(746)

Service Statistics and Other Information

Service/Activity

Chief Executive's

Business Transformation Unit (including County Farms)

DCC own 1,095 operational properties (including schools)

The estate is valued at £1.27 billion based on depreciated replacement costs or market value

High priority backlog of maintenance works is £64 million

County Farms Estate comprises of 85 farms, with a total acreage of 10,130

Community Safety : Trading Standards

No. of business premises with Trading Standards potential 'risk' (including Farms) : 32,565

% of business premises (excluding farms) inspected during 2007/8 : High risk (all categories) 99.7%,

Medium risk (Food) 37.9% (minimum target 25%)

% of complaints and requests for service responded to within 5 days : 98%

Community Safety : Registration Service

25,000 Certificates issued 2007/8

1,056 Marriage registrations (registration office)

1,350 Marriage registrations (approved premises)

Community Safety : Coroners

Caseload 2,989 (2007/8)

Total inquests opened 384 (2007)

Service/Activity	Unit of Measurement	2008/09	Change	2009/10
Community Safety				
Trading Standards	£'000	2733	-43	2690
Registration Service	£'000	515	8	523
Coroners	£'000	898	81	979
Emergency Planning	£'000	421	-26	395
Net Total	£'000	4,567	20	4,587
Other Services				
Cost of democracy	£'000	1,217	(16)	1,201
Elections	£'000	0	574	574
LGA Associations and CC Network	£'000	188	(12)	176
County Show	£'000	32	(2)	30
County Committees	£'000	620	(27)	593
Committee Suite and other common areas	£'000	580	156	736
Communications (Hear by Right/ Senior Council)	£'000	210	(210)	0
Grant - Exeter Cathedral	£'000	7	0	7
Grant - Citizen's Advice Bureaux	£'000	438	11	449
Grant - Community Council of Devon	£'000	116	(5)	111
Grants - Councils for Voluntary Services & Bureaux	£'000	312	8	320
Grants - Devon Historic Buildings Trust	£'000	5	0	5
Other items	£'000	112	(2)	110
Net Total		3,837	475	4,312
Safer Devon Partnership				
Commissioning re: Alcohol & Drugs, Reducing Most Harmful Crime, Prejudice/Hate, Youth Crime	£'000			574
Prevention and other theme groups				
Police and other Agency contributions	£'000			(69)
DCC contributions	£'000			(59)
Net Total				446
Against Domestic Violence and Abuse Partnership				
Grants to Women's Aid organisations	£'000			814
Commissioning - other projects	£'000			419
Partnership contributions - Internal	£'000			(531)
Partnership contributions - External	£'000			(161)
Grant Funding	£'000			(40)
Net Total				501

Capital Programme

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

Project	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Safer Devon Partnership					
Safer Devon Partnership - theme groups	218	0	0	0	0
Safer Devon Partnership - Total	218	0	0	0	0
Business Transformation Unit					
New Ways of Working - County Hall (further open plan)	230	0	0	0	0
New Ways of Working - Hub Centres & Flexible Working	200	700	0	0	0
New Ways of Working - Green Travel Facilities	120	0	0	0	0
New Ways of Working - Green Travel (County Hall)	200	0	0	0	0
New Ways of Working - Office Strategy	500	0	0	0	0
Compliance - Disability Discrimination Act	150	150	150	150	0
Compliance - Oil Storage Tanks	60	0	0	0	0
Compliance - Nitrate Vulnerable Zones (Farms)	640	800	800	800	0
Compliance - General	252	80	80	0	0
Compliance - pipe work	80	0	0	0	0
Boiler replacement programme (Energy Sustainability)	755	165	580	0	0
Barnstaple Civic Centre Works	525	133	14	14	0
BCC - concrete impregnation	250	0	0	0	0
BCC - Smart Card security system	120	0	0	0	0
Moretonhampstead Roof replacement	190	0	0	0	0
Replacement of Property Information System	375	0	0	0	0
County Hall & Barnstaple Civic Centre General	46	0	0	0	0
Car park resurfacing	17	0	0	0	0
Adaptations - Devon PCT	165	0	0	0	0
Business Transformation Unit - Total	4,875	2,028	1,624	964	0
County Farms					
Farms Reserve Account (Nitrate Vulnerable Zones)	160	0	0	0	0
County Farms - Restructuring	53	53	53	0	0
Other approved schemes	119	0	0	0	0
County Farm - Total	332	53	53	0	0
Other Services					
Investing In Devon - approved schemes	1,633	100	50	0	0
Investing In Devon - to be determined	2,975	8,474	6,013	811	0
Other Services - Total	4,608	8,574	6,063	811	0
Building Maintenance					
Building Maintenance - Backlog Condition	1,200	1,200	1,220	1,220	1,220
Building Maintenance - Total	1,200	1,200	1,220	1,220	1,220
Total	11,233	11,855	8,960	2,995	1,220
Cumulative Total		23,088	32,048	35,043	36,263

Financed by:

Borrowing	4,512	2,881	2,461	1,984	1,220
Capital Receipts - General	1,599	164	200	200	0
Capital Receipts - Investing In Devon	4,608	8,574	6,063	811	0
Direct Revenue Funds - Services	53	53	53	0	0
External Funding - Grants	218	0	0	0	0
External Funding - Contributions	243	183	183	0	0
Total	11,233	11,855	8,960	2,995	1,220

This page is left blank intentionally

FINANCE, IT AND TRADING DIRECTORATE

Acting Executive Director's Commentary

The 2009/10 Revenue budget for Finance, IT & Trading Directorate totals £10.7m at outturn prices.

However, gross expenditure budgets for the Directorate total £37.5 million, of which £7.1 million relates to 'net nil' services (including trading units and partnerships) funded by way of income from external and internal sources. A further £19.7 million is funded by way of internal & external income for budgeted services within the Directorate, including Finance Services and IT consultancy, development and other services.

For Trading Units, figures reflect the transfer of the Design function from Devon Design & Print to Chief Executive's Directorate, and part year costs only for the remainder of the service pending closure of the in-house print unit during the course of the year.

For Partnerships, this now includes the shared Audit Partnership, a joint venture with Torbay and Plymouth Unitary authorities. However, income & expenditure relates to Devon County Council only, figures in respect of Torbay and Plymouth will be added at a later date.

In order to meet the Directorate targets, reductions and efficiencies totalling £398k have been made. Spending reductions have been applied evenly across the Directorate between each of Procurement, IT, Finance & Other Services. At the same time additional costs in respect of both annual increments and of job evaluation have been absorbed by way of increased reductions and efficiency savings.

Other pressures that are likely to impact on the Directorate relate to increased technical accountancy requirements (including asset register valuation work), costs arising from the new debt recovery system and cost pressures within Corporate Procurement and Supply Zone.

For Capital the 5 year programme totals a little over £3 million, including £1.77 million in 2009/10. The majority of this relates to the new Computer Network and enabling works (in respect of Capital Receipts).

Mary Davis

For more information on the contents of this section, contact Martin Oram, Service Accountant, 01392 38 3418 martin.oram@devon.gov.uk

How the 2009/10 Budget has been Built Up

	Revenue				Capital			2009/10 TOTAL Investment £'000
	2008/09 Outturn Budget £'000	Inflation £'000	Changes £'000	2009/10 Outturn Budget £'000	2009/10 Base Budget from 2008/09 £'000	Changes £'000	2009/10 Revised Budget £'000	
ICT	6,444	12	(230)	6,226	1,650	0	1,650	7,876
Finance Services	2,040	37	(14)	2,063	0	0	0	2,063
Devon Procurement	1,115	19	(39)	1,095	0	0	0	1,095
Other Services	1,167	42	109	1,318	122	0	122	1,440
Total	10,766	110	(174)	10,702	1,772	0	1,772	12,474

Reasons for changes

Change
£'000

ICT

Technical Changes

Centralisation of Managed Desktop budgets 12

Service Changes

Transfer from Chief Executives Directorate of Web Development work 41

Budget reductions in respect of network management, maintenance contracts, hardware leasing, travel & overtime costs (82)

Efficiency Changes

Efficiency savings in respect of hardware replacement (201)

Total (230)

Finance Services

Technical Changes

Centralisation of Health & Safety (to P&P Directorate) (11)

Service Changes

Commitment in respect of technical accountancy 70

Budget reductions in overheads (8)

Efficiency Changes

Efficiency savings in respect of employees, travel and commissioning budgets (65)

Total (14)

Devon Procurement

Technical Changes

Additional Area Based Grant in respect of Local Involvement Network 1

Service Changes

Budget reductions in travel and agency staff costs (14)

Efficiency Changes

Efficiency savings in respect of exchequer services (Finance Services) (26)

Total (39)

Other Services**Technical Changes**

Transfer of Trading Levy Income budget from CYPS Directorate re: DCCS	181
Other adjustments	(1)

Service Changes

Reductions in respect of commissioning budgets	(18)
--	------

Efficiency Changes

Efficiency savings including external audit fees and commissioning budgets	(53)
--	------

Total	109
--------------	------------

Staffing Data

	2008/09		2009/10		Total FTE's	Note
	Total	Changes	Revenue Funded	Externally Funded		
	FTE's	FTE's	FTE's	FTE's		
ICT	169	0	155	14	169	
Devon Design & Print	19	(6)	13	0	13	
E-Partnership	3	(3)	0	0	0	
Finance Services	294	(14)	265	15	280	
Executive Director & Secretary	2	0	2	0	2	
Devon Procurement	17	3	20	0	20	
Supply Zone	45	(2)	24	19	43	
Audit Partnership	0	17	17	0	17	
Total	549	(5)	496	48	544	

Explanation of Movements

Devon Design & Print	Transfer of Design staff to Chief Executives Directorate	(6)
E-Partnership	Voluntary redundancy & other savings	(3)
Finance Services	Transfers from CYPS Directorate (+2), transfer of H&S to P&P (-1), transfer to Audit Shared Services Partnership (-17), new approvals for Devon Pension Service (+2)	(14)
Devon Procurement	Transfer from Supply Zone (2) & new temporary post (1)	3
Supply Zone	Transfer to Devon Procurement	(2)
Audit Partnership	Transfer from Finance Services	17
Total		(5)

Note: Audit Partnership includes staff transferred from DCC only. Staff from Torbay and Plymouth Unitary authorities will be added at a later date.

Analysis of Total Expenditure for 2009/10

	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Net Expenditure £'000
ICT	15,126	0	(8,900)	6,226
Finance Services	12,537	0	(10,474)	2,063
Devon Procurement	1,353	0	(258)	1,095
Other Services	1,402	0	(84)	1,318
Totals	30,418	0	(19,716)	10,702

The following services, not included above, are wholly self funded and do not impact on the Council Tax.

	Gross Expenditure £'000	External Income £'000	Internal Income £'000	Net Expenditure £'000	
Devon Design & Print	265	0	(265)	0	
E-Partnership	39	(27)	(12)	0	
Supply Zone	6,123	(3,612)	(2,511)	0	
Audit Partnership	669	(218)	(451)	0	Note
Totals	7,096	(3,857)	(3,239)	0	

Note: Audit Partnership includes DCC data only. Income & expenditure in respect of Torbay and Plymouth Unitary authorities will be added at a later date.

Medium Term Financial Strategy

The following details the significant changes we can expect to affect the budget over the next two financial years.

	Cumulative	
	2010/11 £'000	2011/12 £'000
Financing commitments - Inflation	257	510
Technical Changes	0	0
<hr/>		
Service Changes	0	0
<hr/>		
Efficiency Savings	(356)	(723)
<hr/>		
Total	(99)	(213)

Service Statistics and Other Information

Service/Activity

	Unit of Measurement	2008/09	Change	2009/10
ICT				
Managed Desktops	£000			1,302
Voice & Data Network	£000			2,547
Infrastructure	£000			1,243
Other incl IT Strategy & Commissioned Services	£000			884
Strategic Development	£000			250
Total				6,226
Managed Desktops	No.	6,500	205	6,705
Data Network				
- DCC offices	No.	140	(10)	130
- Smaller sites / users	No.	700	(100)	600
- Public Access PC's (Libraries)	No.	365	0	365
Voice Network: connecting telephones	No.			7,000
Infrastructure				
- UNIX boxes	No.	35	2	37
- Physical Windows Servers (County Hall)	No.			139
- Virtual Windows Servers (County Hall)	No.			109
- Windows Servers (Remote sites)	No.			123
- Databases	No.			360

Finance Services

	Unit of Measurement		2009/10 estimates
Debtors raised p.a.	No.		85,000
Gross cost per debtor transaction	£		4.99
Invoices paid p.a.	No.		470,000
Gross cost per creditor transaction	£		1.15
Proportion paid using BACS	percentage		87
Active members in the pension scheme as at 1 April	No.		42,500
			2008/09 estimates
Accountancy: Cost per £000 Gross Revenue Turnover (GRT)	£		5.17
Accountancy: Central Services support cost (per £000 GRT)	£		0.70
			2007/08 actual
Cost per scheme member p.a.	£		17.43

Other Services

	Unit of Measurement	2008/09	Change	2009/10
Bank Charges (Net)	£000	148	2	150
External Audit Fees (Net)	£000	269	(13)	256
External Funding Strategy	£000	44	(2)	42
Other Items	£000	112	(16)	96
Trading Levy	£000	(251)	180	(71)
Residual costs of modernising initiatives (competition)	£000	845	0	845
Total	£000	1,167	151	1,318

Capital Programme

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

Project	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Finance, IT and Trading					
New Computer Network	1,500	0	0	0	0
Vehicle and Equipment Loans Pool	150	0	0	0	0
Enabling Works	102	95	90	85	80
High Bickington	0	850	0	0	0
Sustainable Village Communities	20	36	0	0	0
	1,772	981	90	85	80
Total	1,772	981	90	85	80
Cumulative Total		2,753	2,843	2,928	3,008
Financed by:					
Borrowing	1,532	25	20	15	80
Borrowing - VELP	150	0	0	0	0
Capital Receipts - General	90	956	70	70	0
Total	1,772	981	90	85	80

PERSONNEL & PERFORMANCE DIRECTORATE

Executive Director's Commentary

The 2009/10 Revenue budget for Personnel & Performance totals £6.1m at outturn prices, in accordance with targets set by Executive. This includes £1.7m for the Customer Service Centre.

The budget reflects the transfer of Health & Safety budgets from Service Directorates, and the transfer of Learning & Development budget to Adult & Community Services Directorate.

Gross expenditure budgets for the Directorate total £17.9m, of which £11.8m is funded by way of internal & external income, including income from the in-house temps agency, recruitment services and other Personnel & Performance services.

In order to meet targets set for this Directorate, reductions and efficiencies totalling £237k have been necessary, and these have been shared evenly between Personnel & Performance and the Customer Service Centre. At the same time additional costs in respect of increments have been absorbed by way of increased reductions and efficiency savings.

Whilst overall targets have been achieved, the Directorate is faced with a number of additional spending pressures. These include changes in legislation in respect of Criminal Records Bureau checks (Independent Safeguarding Authority implementation), increased accommodation costs for external leases and the culmination of funding for workforce planning (e.g. leadership development, senior management training, etc).

For the Customer Service Centre the overall target has been achieved, but budget reductions will have an impact on our ability to achieve corporate service delivery targets.

Figures exclude any further reductions resulting from Service Level Agreement (SLA) negotiations for the provision of Personnel & Performance Services with other Directorates such as Adult & Community Services, Children & Young People and Environment, Economy & Culture, as any changes in service levels have yet to be agreed.

Heather Barnes

For more information on the contents of this section, contact Martin Oram, Service Accountant, 01392 38 2418 martin.oram@devon.gov.uk

How the 2009/10 Budget has been Built Up

	Revenue				Capital			2009/10 TOTAL Investment £'000
	2008/09 Outturn Budget £'000	Inflation £'000	Changes £'000	2009/10 Outturn Budget £'000	2009/10 Base Budget from 2008/09 £'000	Changes £'000	2009/10 Revised Budget £'000	
Personnel & Performance	4,275	61	83	4,419	0	0	0	4,419
Customer Service Centre	1,762	52	(86)	1,728	0	0	0	1,728
Total	6,037	113	(3)	6,147	0	0	0	6,147

Reasons for changes

Change
£'000

Personnel & Performance

Technical Changes

Transfer of staffing budget (from Customer Services Centre)

61

Transfer of Learning & Development (to ACS Directorate)

(147)

Service Changes

Centralisation of Health and Safety function (from other Directorates)

327

Budget reductions in employees, employee related costs and other overheads

(18)

Efficiency Changes

Efficiency savings in employees, employee related costs and other overheads

(140)

Total

83

Customer Service Centre

Technical Changes

Transfer of blue badge budget (from ACS directorate)

55

Transfer of staffing budgets (to P&P Directorate)

(61)

Centralisation of managed desktop budgets (to FITT Directorate)

(1)

Service Changes

Budget reductions in employees, employee related costs and other overheads

(22)

Efficiency Changes

Efficiency savings in employees, employee related costs and other overheads

(57)

Total

(86)

Staffing Data

	2008/09			2009/10		Total FTE's
	Total	Temporary	Transfers	Revenue	Externally	
	FTE's	FTE's	FTE's	Funded FTE's	Funded FTE's	
Personnel & Performance	219	14	21	249	5	254
Customer Service Centre	57	0	4	59	2	61
Total	276	14	25	308	7	315

Explanation of Movements

Personnel & Performance	Records Disclosure Officer (new approval)	1
	Temporary posts (Pay & Grading Review, funded from Reserves for 2009/10 only)	14
	Payroll System support team (new approvals)	5
	Transferred from ACS Directorate (externally funded)	1
	Centralisation of Health & Safety function (transfers from other Directorates)	12
	Transferred from Customer Service Centre	2
Customer Service Centre	Transferred from ACS Directorate (Blue Badge)	4
	New approvals to cover Department for Work and Pensions tasks (Externally Funded)	2
	Transfer of staff to P&P Directorate	(2)
Total		39

Analysis of Total Expenditure for 2009/10

	Gross Expenditure	Grant Income	Other Income	Net Expenditure
	£'000	£'000	£'000	£'000
Personnel & Performance	15,796	0	(11,377)	4,419
Customer Service Centre	2,136	0	(408)	1,728
Totals	17,932	0	(11,785)	6,147

Medium Term Financial Strategy

The following details the significant changes we can expect to affect the budget over the next two financial years.

	Cumulative	
	2010/11 £'000	2011/12 £'000
Financing commitments - Inflation	148	293
Technical Changes	0	0
	0	0
Service Changes	0	0
	0	0
Efficiency Savings	(204)	(414)
Total	(56)	(121)

Service Statistics and Other Information

Personnel & Performance

Human Resources

Provides a comprehensive range of Human Resource services to over 23,000 Devon County Council employees and their managers with the HR Helpdesk being the point of contact.

Wellbeing @Work offers primary and secondary interventions including Occupational Health and Counselling Services

The Central Health and Safety team provides professional and specialist advice.

Employee Reward - providing solutions to recruitment/retention and organisational design within the principles of equal pay.

Maintaining staff personal records for 23,000 employees and 6,000 teacher records

Provide statistical reports relating to the workforce

Payroll services carry out 40,000 transactions each month.

Workforce Development

Deliver the Strategy and L&D plan for elected members

Design and implement strategies and plans to build the capability of the 23,000 strong workforce and the capacity of the organisation through effective recruitment, development, succession planning and talent management.

Manage and support staff through 25 different qualification routes and continuing professional development

Support the staff of DCC through change and Improve management capability through the use of the Investors in People Standard as a framework of good practice

Provide business administration and clerical support to the P&P Directorate

Supporting Learning & Development to administer 733 courses for 7,224 delegates

Organisational Development

Support improvement in Devon County Council by helping the organisation to identify and deliver its priorities in a structured and co-ordinated way

Make the National Improvement Agenda work for Devon, to facilitate learning & enable change, to support improvement activity, and to review and evaluate progress and outcomes

Customer Service Centre

The Customer Service Centre answers telephone calls from the citizens of Devon. In 2008 we answered 458,496 calls covering topics as wide as Adult Social Care, the reporting of Road incidents, Library book renewals, enquiries regarding Waste, Registrars and School Admissions to the National Bus Travel scheme and Adult Community Learning.

A number of additional services were introduced during the year, including Adult Community Learning and Mid Devon District Council calls.

During the year we also upgraded our Digital Telephony platform and introduced a raft of technological changes to enhance our service delivery to make it more efficient and more effective for 2009.

The CSC gives DCC the ability to answer calls from the public in an efficient "real time" time effective environment, operating to high standards of service delivery. This is the first point of contact for the majority of the council's telephone calls from the public.

The CSC also gives DCC the ability to support ad hoc campaigns (e.g. Devon Cares) and to handle any peaks in customer demand.

NON DIRECTORATE

Commentary

The County Council's budget contains a number of items that are not the responsibility of individual directorates but which are managed corporately.

The capital financing budget covers the cost of repaying debt incurred in financing capital assets such as land, buildings and equipment. The County Council is obliged to budget for the repayment of a portion of this debt each year. The extent to which debt increases depends upon the level of capital investment and the sources employed to finance it. The capital programme, shown elsewhere in the budget book, details existing investment plans and financing sources.

The interest on balances budget represents the income generated through the management of cash flow and investments. The level of income is dependent on total turnover, the level of reserves held and variations in market interest rates.

The County Council is required to pay levies to the Environment Agency for flood defence and the Devon Sea Fisheries Committee.

A number of earmarked reserves are operated in order to manage the impact of a variety of issues including meeting specific contingencies and the cost of planned developments. Further detail is provided elsewhere in the budget book.

Mary Davis

For more information on the contents of this section, contact Chris Phillips, Principal Finance Manager, 01392 383590 chris.phillips@devon.gov.uk

How the 2009/10 Budget has been Built Up

2008/09			Changes	2009/10
Outturn	Inflation			Outturn
Budget	Budget			Budget
£'000	£'000		£'000	£'000
Other Budgets				
54,119	0	Capital Financing	68	54,187
(12,141)	0	Interest on balances	8,192	(3,949)
17,446	0	Routine Spending from Earmarked Reserves	437	17,883
Payments to Outside Bodies				
223	0	Environment Agency - Flood Defence	5	228
348	0	Devon Sea Fisheries Committee	40	388
Reserves & Balances				
(17,446)	0	Routine use of Reserves	(437)	(17,883)
350	0	Matched Funding Reserve	0	350
0	0	Extra Care Housing	(4,500)	(4,500)
114	0	Local Initiatives Fund	250	364
1,092	0	Modernisation Fund	2,687	3,779
781	0	Systems Development Fund	(781)	0
1,000	0	Redundancy Fund	0	1,000
500	0	Customer Access Strategy	0	500
2,000	0	CYPS Invest to Save	(2,000)	0
0	0	Financing Reserve	1,500	1,500
0	0	Insurance Reserve	(2,000)	(2,000)
0	0	Lets Get Devon Moving	500	500
48,386	0	Net Cost of Service	3,961	52,347

Reasons for changes

Change
£'000

Service Changes

Capital Financing - effect of the Capital Programme	68
Interest on Balances - reduction in income due to falls in market rates	8,192
Flood Defence - increase in Devon's share of total levy	5
Devon Sea Fisheries - increase in Devon's share of total levy	40
Net change in contribution to reserves	(4,344)
Total	3,961

Medium Term Financial Strategy

The following table details the significant changes we can expect to affect the budget over the next two financial years.

	Cumulative	
	2010/11	2011/12
	£'000	£'000
Financing Commitments - Inflation	(7,229)	(12,705)
Technical Changes		
Environment Agency - Flood Defence Levy	5	10
Devon Sea Fisheries Levy	8	16
Contributions to Reserves	3,421	3,421
	3,434	3,447
Service Changes		
Provision for service and inflation pressures	0	1,415
Capital Financing Charges	5,562	12,782
Interest on Balances	269	434
	5,831	14,631
Efficiency Savings	0	0
Total	2,036	5,373

Medium Term Financial Strategy

Introduction

The Medium Term Financial Strategy (MTFS) sets out an overview of the Council's finances. Linked with the Corporate Business Plan, it sets out how the Council is planning its finances over the next 3 years to achieve its strategic priorities.

The document sets out the resources available to the Council, including forecast levels of funding from Central Government, and projected levels of Council Tax. It explains the Council's spending plans, how these will be met by the resources available, and how efficiency savings will be targeted to secure Value for Money and improved services. It also shows the impact of income and expenditure on the Council's reserves and balances.

The MTFS has been developed to reflect the current position of the Council, excluding the potential impact of the Local Government Review currently in progress. A separate section describes how the MTFS will be affected by a restructuring of local government in Devon.

Economic overview

The budget and the MTFS set out the financial intentions of the County Council. They cannot be considered without reference to wider economic conditions that may eventually impose restrictions either directly or indirectly on future financial plans. The economic climate that has existed for the last few months, and looks set to continue for some time, is unprecedented.

There has been a marked deterioration in the outlook for domestic and global economies. The banking system is experiencing severe instability which is fed by the weakening economic outlook and characterised by increased risk aversion and exceptional volatility in financial markets. Domestic demand has weakened as credit has contracted and the national economy has entered a recession.

Inflation in September 2008 reached 5.2%. By January 2009 inflation had reduced to 3.1%. If the impact of energy and food prices on headline inflation continues to decline, the headline rate of inflation will fall further. How far and how fast the correction occurs will partly depend on the value of sterling and the cost of imports. In the medium term sharp falls in inflation are anticipated.

The immediate impact is reflected in the pages that follow, however the scale and nature of the volatility encountered recently may have longer term consequences that influence cost drivers which directly affect the County Council.

The Bank of England has responded to recent difficulties by reducing interest rates sharply. The base rate now stands at 1.0% which is 4.0% lower than that for September. Analysts suggest that the outlook for interest rates is that further falls are possible. This will impact directly on the County Council's budget which in recent years has benefited from market rates of around 5%. The size of the reduction could not have been predicted.

Employer pension contributions are strongly influenced by triennial actuarial valuations. The performance of pension fund investments over the preceding three years and the estimated level of future benefits determine the level of the liability. The estimated liability should it increase will directly influence pension contributions for the period beginning 2011/12. The long term nature of investments available to the fund means that cyclical pressures tend to even out over time and that there is no immediate need to reconsider the level of pension contributions. The next actuarial valuation falls within the period of this Strategy and will influence future budgets.

The Government funds local authorities through a three year settlement. 2009/10 is the second year of the current round. The MTFS assumes that the agreement will be honoured. Changes to the mechanism to calculate formula grant from 2011/12 may be made with a consequent impact on the ability of the County Council to deliver the plans set out in this document.

The lesson of recent months is that unexpected and sharp changes to economic indicators can happen suddenly. Although recovery is expected, should further change of the scale recently encountered occur the plans set out in this strategy may need to be amended.

Spending from available resources

The Council's net budget is met partly by formula grant funding from Central Government, with the balance being met by Council Tax.

The Government's 2007 Comprehensive Spending Review (CSR07) and financial settlements announcement in January 2008 provided greater long term certainty than before, by providing details of the level of government funding over a three year period. However the funding available amounted to a tight settlement across the public sector, including a cashable efficiency savings target of 3% per year over the three year period.

The economic slowdown is putting more pressure on the Council to find savings over the next three years to safeguard vital local services and keep council tax down. Inflation has reduced the real terms value of money that councils receive in grant from the Government and through Council Tax. The commitments stated within the CSR have been met in 2009/10, but there is less certainty over funding for 2010/11 due to national economic pressures. The Government has recently announced it expects a further £5billion efficiency savings across the public sector, but the impact of this on local government is not yet clear. For the next CSR period beginning in 2011/12 a 2.5% increase in Formula Grant has been assumed.

Nevertheless, the council is committed to keeping Council Tax at an affordable level, and the income forecasts for 2010/11 and 2011/12 in the medium term plan are modelled on a similar modest increase to 2009/10, subject to future decisions on funding required. Because of the worsening economic situation the MTFS reflects a slowing of growth in the tax base.

From the resources available the Council has to fund inflationary increases, and future spending pressures. Recent volatility in world financial and commodity markets has made forecasting the relative inflation levels for local government services extremely difficult. The figures in Key Table 6 include an estimate which reflects an overall fall in the level of pay and prices in the next two years. At this stage this has not been applied to directorate budgets. When the overall direction of pay and price changes becomes clearer later in the year directorate targets will be reviewed.

The Council will give priority to the delivery of its strategic plan when deciding how available resources are used and will seek to fund many of its new areas of spending by becoming more efficient and securing access to funding from other sources. Efficiency savings have been built into projections, based on the 3% target, but further reductions may be required.

The Council's forecast expenditure, and the resources available to meet that expenditure are shown for 2009/10 in Key Table 1, and for the following two years in Key Table 6.

Specific Grants

The Council receives a number of specific grants from central Government to support particular initiatives. Expenditure against specific grants is generally ring-fenced to fund the initiatives concerned, and cannot be used for general council expenditure. The number of specific grants has reduced significantly as a number of them have been transferred to become part of the new general Area Based Grant (ABG). For the purposes of this document the Supporting People Programme Grant has been included as a specific grant for the MTFS period, but indications are that it will transfer to ABG from 2011/12 onwards. Current estimates of the specific grants related to revenue expenditure are shown in Key Table 4:

Schools' Funding

The Council receives funding for schools in the form of the Dedicated Schools' Grant (DSG), which must be spent on schools and related expenditure. There is discretion to spend more than the amount funded by DSG on schools, and because Devon's schools are some of the most poorly funded by Government, being 146th out of 149 local authorities, the authority therefore has to provide additional funding to schools to support SEN, Pupil Referral Units and special schools. Otherwise the MTFS assumes that schools' budgets will continue to relate directly to the level of DSG funding in future years. More detail is given in the detailed budget pages for the Children and Young People's Services directorate.

Future Spending Priorities

In setting its budget the Council needs to take account of the impact of changes in demography, the impact of new legislation, and the need to invest in new and improved services in response to local aspirations. Specifically, these impacts are assessed in relation to their impact on the Council's ability to deliver its strategic priorities.

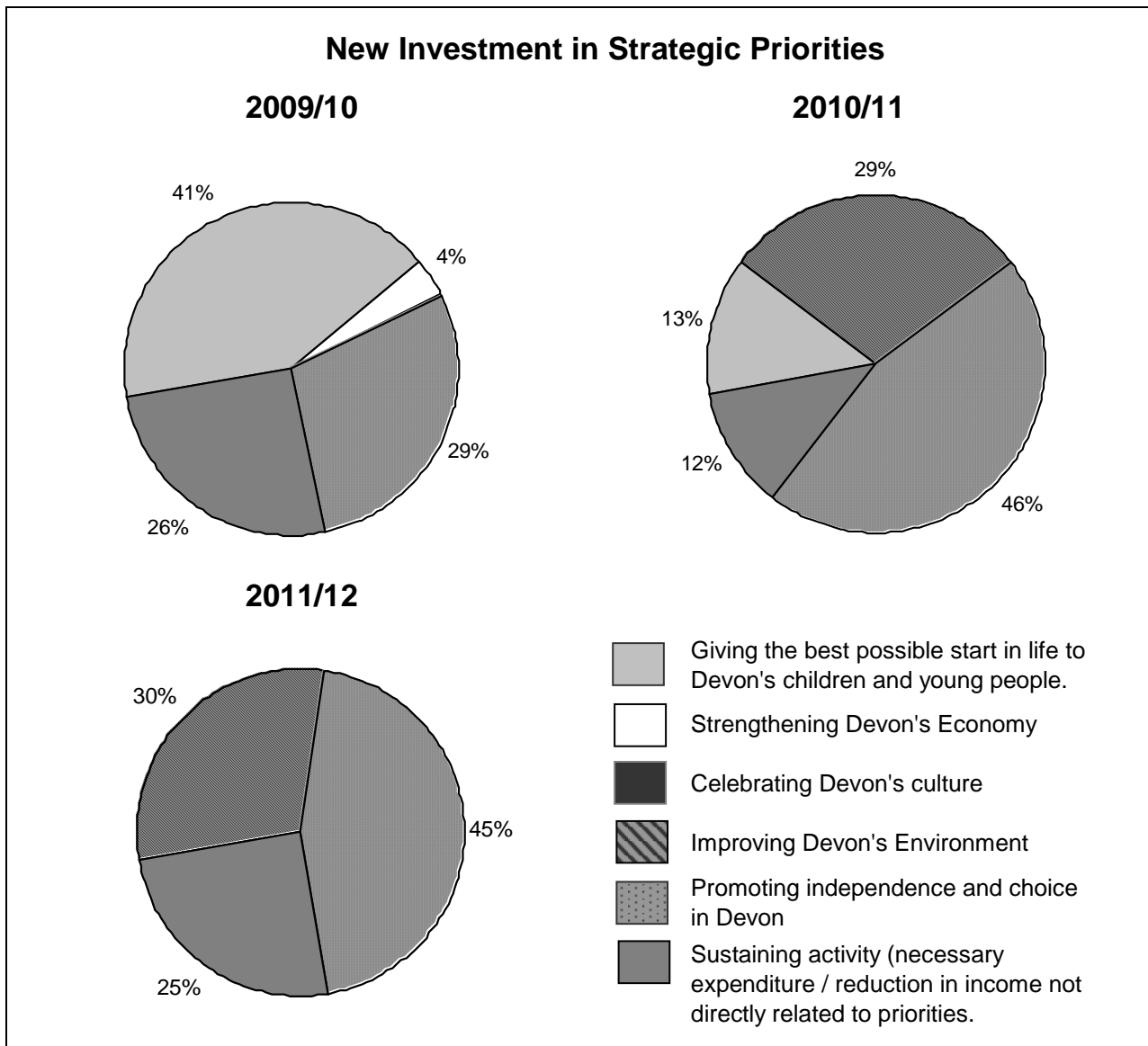
The Council faces significant pressures as a result of demographic changes and increasing demand for services. Along with other authorities across the country the Council faces increasing demand for adult social care services as a result of people living longer, and the growing number of people with disabilities who also live longer. Devon's proportion of people aged over 85, and the rate of growth of the elderly population in the county, are both much higher than the national average. Within Children and Young People's Services too there is the need to address the needs of an increasing number of vulnerable children.

Delivery of the Council's strategic priorities of giving Devon's children the best possible start in life, and promoting independence and choice, are dependent on adequate additional funding being made available to meet the increasing demand.

The Council also needs to plan for changing legislation and expectations, such as the Landfill Allowance Trading Scheme affecting waste. The LATS scheme, coupled with the Council's overarching aim to make Devon England's greenest county, will require significant investment in future years in further improving the Council's performance on disposal of waste.

The Council also needs to meet the cost of financing the council's borrowing, and allow for reduced levels of income from the Council's investments. Whilst this may not directly link to specific priorities, it is expenditure/loss of income that the Council has to fund. These figures are particularly impacted by recent changes to interest rates prompted by the economic downturn. These areas of growth are reflected in the increases in the total Non-Directorate budget shown in Key Table 1 and Key Table 6.

As a result the Council's financial plan includes provision to invest further resources in relation to its strategic priorities and "sustaining activity" (as per the above paragraph) to meet significant expenditure commitments in future years. This is demonstrated in the chart below:



Further detail of the investment in services is given within the detailed budget pages for each directorate.

Value for Money and Efficiency

Devon County Council's Strategic Plan states – *“We want to be a top performing authority that makes the best use of our resources to deliver high quality and efficient services.”*

The Council's finances are being managed in a way that will support the achievement of that objective. The 2007 Use of Resources assessment concluded:

- The Council has clear and detailed information on costs and performance for most services and there are clear relationships between levels of spend and performance.
- Areas of high spending are in line with stated priorities.
- There is a track record of investment resulting in improvements in services.
- There is a good understanding of how the Council's performance compares with others.

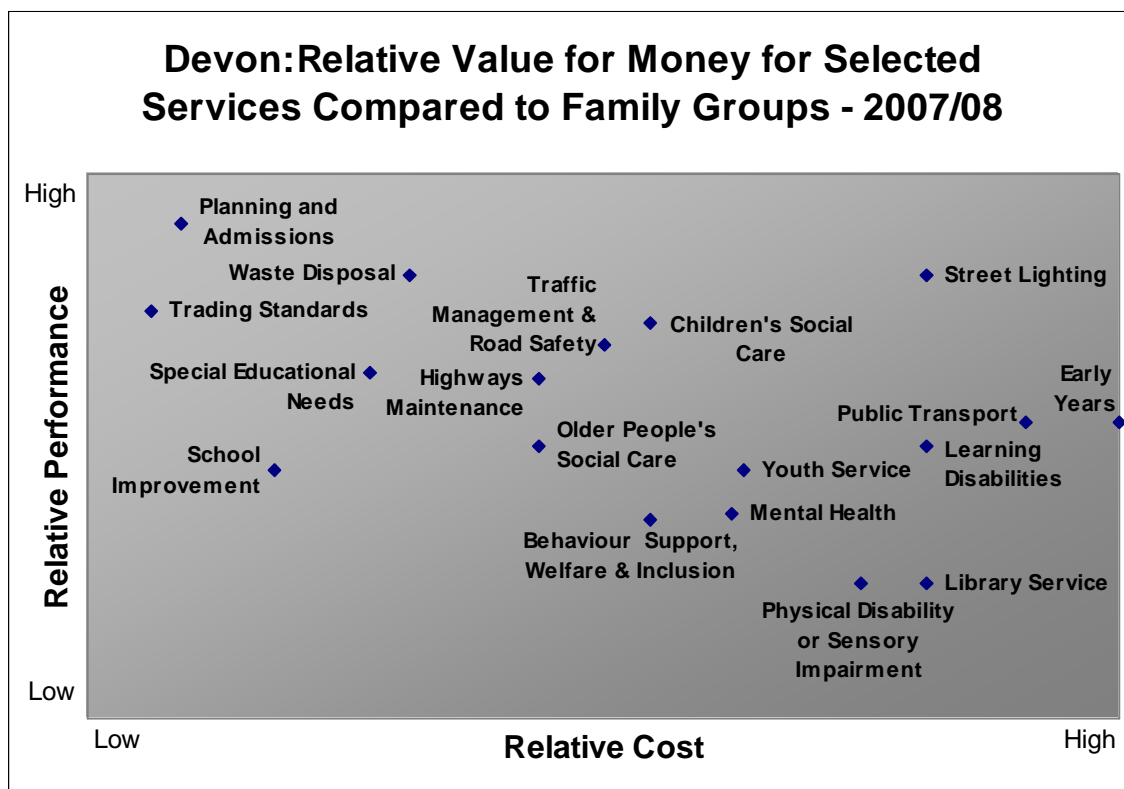
The 2008 assessment is due to be published imminently as this Budget Book goes to press.

As well as the need to achieve targets for efficiency savings to meet the Government's CSR07 agenda, efficiencies will be necessary for the Council to continue to improve services within the

resources available. Service transformation programmes are planned over the period of the MTFS to ensure that the Council continues to improve efficiency and deliver Value for Money.

The Council uses a VfM Toolkit to benchmark services against our nearest neighbour groups on cost and performance, to show where we are performing well in comparison with others and where we are performing less well.

The graph below plots the position of the different services the council provides, in comparison with our nearest neighbours, using data from a wide range of performance indicators and cost information.



Those services shown near the top of the graph are those achieving a high level of performance, those near the bottom are services with a lower level of performance. The services that are to the left of the graph are relatively low cost, while those to the right are high cost. By plotting performance against cost the Council can judge the relative value for money of the services it provides.

Analysis of the graphs, together with an understanding of the wider context, and local factors which may impact on outcomes, has enabled the Council to address the achievement of Value for Money as a key factor in the setting of budgets, to target efficiencies in the areas of highest comparative costs, and invest resources in areas of weaker performance.

This action is targeted according to the Council's strategic priorities. It may be reasonable for the Council to spend more than other councils on priority areas, so long as performance is seen to improve as a result of the additional investment. Similarly performance may be lower than other councils in areas of lower priority, but costs should also be lower, and savings are being sought where this is not the case.

Efficiency savings are those savings which can be achieved through better organisation of operations; greater use of information and communication technologies; better utilisation of assets; more economical procurement practices; partnership arrangements with other authorities and the private sector; and from the improvement and automation of processes and procedures. Efficiency savings do not affect the standard or level of service to the population at large or for particular client groups.

The County Council has a long-standing history of seeking to improve efficiency via a combination of annual incremental improvements and major review exercises. For the three years between 2005/06 and 2007/08 the Council was set a target of achieving "Gershon" efficiency savings of 2.5%. Over that period the Council reported £37.6m cashable and non-cashable savings, comfortably exceeding the target.

For the three year period starting with the 2008/09 financial year, the Government set local government a collective target to achieve annual cash-releasing efficiency savings of 3%. At the time it was stated that targets would not be set for individual authorities. However the Government has now required that the percentage savings achieved by councils should be published on Council Tax bills, so comparisons with a target of 3% will inevitably be made. Improvements in efficiency will also be reviewed by the Audit Commission as part of the annual Use of Resources assessment. It is anticipated that efficiency savings will continue to be required beyond the current three year period.

The Council was required to report its mid-year forecast for cash-releasing efficiencies during 2008/09 to Government in October, as part of the new national performance indicator set, and reported a forecast of £14.759m, which equates to a 3% saving. For 2009/10 a target of £15.153m has been allocated between directorates, as shown below:

Efficiency Targets for 2009/10

	Target 2009/10 £'000
Children and Young Peoples Services	3,872
Adult and Community Services	6,536
Environment, Economy and Culture	3,685
Chief Executive's	518
Finance, IT and Trading	345
Personnel and Performance	197
Total	15,153

With the implementation of a wide range of efficiency measures over the last four years, achieving the targets for new efficiency savings is becoming more and more challenging. A wide range of transformation programmes will be required across the authority to ensure continued improvements in efficiency and value for money within the medium term financial plan period. Directorate targets have been set for the following two years to meet that objective, as shown below:

Efficiency Targets for 2010/11 and 2011/12

	Cumulative	
	2010/11 £'000	2011/12 £'000
Children and Young Peoples Services	4,001	8,122
Adult and Community Services	6,754	13,710
Environment, Economy and Culture	3,808	7,730
Chief Executive's	535	1,086
Finance, IT and Trading	356	723
Personnel and Performance	204	414
Total	15,658	31,785

The County Council will monitor the level of savings achieved against target. Directorate proposals for budget reductions will be reviewed against the national criteria for efficiency gains and revisions made to plans where required. Regular progress reports on the level of cash-releasing efficiencies achieved will be submitted to the Executive as part of the budget monitoring process.

Guideline Revenue Allocations

Budgets have been set for each directorate for 2009/10 taking into account the Council's available resources, and the impact of inflation, spending pressures and efficiency savings, and are summarised in Key Table 1. Guideline allocations have been set for the following two years, as shown in Key Table 6.

Reserves and Balances

The Council maintains working balances to manage the effect of uneven cash flows and avoid unnecessary temporary borrowing. These balances are also used to cushion the impact of unexpected events or emergencies. In addition earmarked funds and reserves are used to meet known or predicted future expenditure.

The Earmarked Funds and Reserves section of the Budget Book explains the impact of the Council's forecast available resources and spending plans on its levels of reserves and balances, and demonstrates that appropriate levels will be maintained.

Risk Management

The MTFs demonstrates how financial planning over the medium term enables the Council to invest in its priority services, and deliver its objectives within the resources available, whilst ensuring the sustainability of the Council's finances over future years.

The degree of certainty about assumptions and figures reduces in relation to future years, so it is vital that the council has the flexibility to manage the risks of reduced funding and growing costs and demands.

The Council is also budgeting to hold a suitable level of general balances, based on an assessment of the financial risks facing the authority. This is summarised in the above section on Reserves and Balances.

Directorate management teams have also identified strategies aimed at managing identified potential risks not currently budgeted for. These are summarised in Risk Assessment section of the Budget Book.

The mechanisms that have allowed the County Council to set prudent and achievable budgets in the past continue to operate. Known pressures and commitments are anticipated and the risk of overspending minimised. The level of risk is below the level of balances currently held, which is therefore deemed to be at an appropriate level. The level of balances and reserves will be reviewed on an ongoing basis.

Whilst many budgets carry a low level of risk, assumptions concerning demand led services can prove to be inaccurate. Where overspending occurs, directorate monitoring procedures allow it to be identified and addressed at an early stage. These procedures may not be sufficient to mitigate all risk and a residual risk is recognised.

Anticipation of future demand and cost uncertainties are further mitigated by establishing earmarked reserves and drawing them down as need requires. This approach has been successful to the extent that no call has been made on balances for a number of years even though gross revenue spending is in excess of £1 billion.

Capital Programme

The Capital Programme is managed over a five year period to invest in assets to support achievement of the Council's Strategic Plan. Management of the programme uses prudential indicators to assess the revenue costs of the Capital Programme and ensure that they are prudent, affordable, and sustainable.

Preparation of the capital programme involves a rigorous examination of all proposed projects to ensure that they provide value for money, and are either linked to streams of external funding, or aligned to the council's strategic priorities. Option appraisals for all projects are required to state how the capital investment contributes to the strategic priorities of the Council detailed in the Strategic Plan, and to service objectives detailed in service plans.

The Capital Programme is funded by a combination of receipts from the sale of assets, external grants and contributions, funding from revenue budgets and borrowing. An outline of the Capital Programme by Directorate and the funding of the programme is shown in the Capital Programme Overview section of the Budget Book.

The Council manages carefully its capital assets and the impact of borrowing on its revenue budgets to ensure that its capital programme is affordable.

A key feature of the Council's management of capital receipts has been the investment of the £48m net receipt from the sale of Exeter Airport. The receipt has been used to fund the Investing in Devon programme, with money allocated between different funds targeting different areas of need – local, green, community, economic development, schools and major projects.

The overall plan for the management of the pool of capital receipts is shown in the Capital Programme Overview section of the Budget Book.

The level of borrowing required to finance the capital programme is managed carefully to ensure that its impact on revenue budgets is affordable and sustainable. The Council is required to repay on an annual basis a prudent amount, consistent with the asset lives being financed by borrowing, and must also fund interest on its debt from the revenue account. The overall level of debt for capital financing, and the impact on the revenue account is shown in the Prudential Indicators and Treasury Management section.

Partnership Working

The Council needs to work together with Devon's communities and other organisations in the public, voluntary and private sectors to ensure the successful delivery of our priorities. A new Local Area Agreement (LAA) was approved by the Council in May 2008 for the period 2008-2011. Devon's Local Area Agreement covers the County Council, eight district councils, the Police and Fire Authorities, Devon Primary Care Trust and a variety of organisations from the voluntary and community sector.

The LAA aims to deliver the following Devon Sustainable Community Strategy priorities:

- A world class environment
- Strong and inclusive communities
- A growing economy
- Homes and housing
- Inspiring young people
- Health and wellbeing
- A safer Devon

Full details of the Local Area Agreement can be found on the Devon Strategic Partnership web-site at: <http://www.devonsp.org.uk/laa.html>

No grant funding is formally linked to the Local Area Agreement for the current three year period. Nevertheless, the county council's investment in LAA priorities shows a substantial commitment to delivering on the agreed LAA priorities.

Unitary Local Government in Devon

The MTFS has been developed to reflect the current roles and responsibilities of the County Council. It therefore does not seek to provide a set of financial strategies that cover the different structures of local authorities that may exist in Devon over the coming years.

A new MTFS will need to be established for a unitary council, based on the financial information compiled for the Boundary Committee option appraisal, and the financial forecasts of the amalgamated councils, if the Secretary of State approves unitary local government in the County. Resources will need to be identified to manage the transitional period.

MTFS Conclusion

The MTFS is a snapshot which sets out the currently understood parameters for the next three years. It should be understood in the wider context of a continuously changing backdrop. Adjustments in approach and intention change with Government funding priorities, local policy and economic conditions.

Detailed decisions about future council tax levels and spending priorities will be made as plans are finalised. Recognition of the decisions made will be published in annual budget reports received and approved by the Council.

Detailed updates to the parameters set out in the MTFS will be made during 2009. The outturn for 2008/09 will determine how performance during the year will impact on balances and reserves. This information will be drawn together in a revision to the MTFS in late Autumn 2009.

More Information

For more information contact Chris Sanders, Chief Accountant on 01392 382653, chris.sanders@devon.gov.uk

This page is left blank intentionally

Earmarked Funds and Reserves

Introduction

The County Council maintains working balances (County Fund Balances) to manage the effect of uneven cash flows and avoid unnecessary temporary borrowing. These balances are also used to cushion the impact of unexpected events or emergencies. In addition earmarked funds and reserves are used to meet known or predicted future expenditure. Provisions are established when the County Council has a financial obligation or liability as a result of a past event and that liability can be reliably estimated.

An essential element of medium term financial planning is an assessment of the adequacy of general balances, reserves and provisions. The Chartered Institute of Public Finance and Accountancy has issued guidance to assist local authorities in this process and this has been taken into account in preparing this report.

General Balances

The County Council has in place a risk management strategy and a system of internal control. Of particular importance in this context is the County Council's budget monitoring policy. It ensures that regular budget monitoring is carried out and requires approval of the Executive for carry-forward of any under-spending and that any net over-spending by Directorates is made good in the ensuing year unless other exceptional arrangements are approved by the Council. Furthermore the County Council has a good record in terms of identifying budget pressures and taking appropriate remedial action. These existing systems, controls and procedures provide a firm foundation from which the need for reserves and balances can be calculated with a reasonable level of confidence.

The general balances risk analysis has been reviewed and a minor adjustment made. The factors taken into account in the analysis are as follows:

- the estimates included in the medium term financial strategy for inflation and interest rates;
- the assumptions used for the level and timing of capital receipts;
- the authority's capacity to manage in-year budget pressures from demand-led services;
- the need for working capital pending the receipt of grant and other income;
- the need to respond to natural disasters and civil emergencies whilst at the same time maintaining routine services and the availability of grant aid for disaster situations;
- the need to facilitate restructuring of services and provide flexibility during uncertainty and change;
- the ability to meet liabilities as yet unknown;
- the financial risk inherent in new funding partnerships, outsourcing arrangements and major projects;
- the adequacy of the County Council's insurance arrangements;
- financial control arrangements including internal and external audit arrangements;
- availability and timeliness of information on changes in the Council's financial position;
- the size and scope of the capital programme and the Prudential Indicators and local determination of borrowing levels.

Special consideration was given to the County Council's medium term financial strategy objectives, the Prudential Indicators and the impact of major capital projects. When all factors are taken into account the minimum appropriate level for general balances is £14.2 millions at 31 March 2010. It is anticipated that this level of general balances will be maintained for the next three years, subject to any unforeseen contingencies or emergencies.

Current budget monitoring for 2008/09 indicates that, although significant variations have occurred on a number of demand led budgets, spending will be contained within the overall budget. Balances as at 31 March 2009 are forecast at £14.2 millions, which achieves the minimum target for balances established by the risk assessment exercise; no additional contribution to general balances is therefore proposed for 2009/10. The appropriate level of reserves will need to be reconsidered at the end of the current financial year in the light of the outturn results achieved.

Earmarked Funds and Reserves

The Council has a number of earmarked funds and reserves. These include:

- specific contingency reserves held for the purpose of meeting possible future costs arising from redundancies, reinstatement of existing landfill sites and other contingencies;
- a number of reserves established to fund planned developments in service provision, housing for vulnerable adults, public service agreement projects and other developments;
- School Balances.

Details of all the earmarked reserves and the forecast balance as at 31 March 2010 are given at the end of this section of the budget book. The Executive have agreed to cover contributions to earmarked reserves for 2009/10 as contained in the table below.

Provisions

A review of provisions has been undertaken. Annual contributions to the provision for insurance liabilities have been included in directorate budgets and this provision is judged to be sufficient to meet known liabilities. The remaining provisions are also estimated to be sufficient to meet known liabilities.

Details of Individual Reserves Held 2009/10

Purpose & Description of Reserve	Approval to Use of Reserve	Management & Control	Proposed Balance as at 31.03.09 £'000	Forecast Expenditure 2009/10 £'000	Forecast Income 2009/10 £'000	Proposed Balance as at 31.03.10 £'000
EARMARKED RESERVES - Reserves Held for Planned Developments						
Local Initiatives						
To fund local initiatives and community development	The Executive	Executive Member	256	186	364	434
Matched / European Funding						
To provide matched funding for Objective 2 projects	The Executive	Executive Member	700	567	350	483
Systems Development						
To fund the development of corporate IT systems for example the People Management Information system	The Executive	Director of Finance and IT	5	0	0	5
Service Development Fund						
To promote service development	The Executive	Director of Finance and IT	5,353	2,419	900	3,834
Energy Conservation						
To fund energy conservation pilot schemes to manage carbon emission	The Executive	Director of Finance and IT	200	0	0	200
Energy & Water						
Receives savings from investments in energy and water efficiency and funds new projects.	The Executive	Director of Finance and IT	55	10	5	50
Customer Access Strategy						
Developing the Customer Access Strategy to improve access to services for the people of Devon.	The Executive	Director of Finance and IT	616	240	500	876
Financing Fund						
To support the capital strategy	The Executive	The Executive	27	1,500	1,500	27
New Roads and Street Works Act						
To support policies for promotion and encouragement of safe integrated efficient and economic transport facilities.	The Executive	Director of Finance and IT	419	100	0	319
Modernisation Fund						
For modernisation of Services	The Executive	Director of Finance and IT	1,117	4,249	3,779	647
Affordable Housing						
To promote joint schemes with District Council and other partners to improve public services.	The Executive	The Executive	951	892	0	59
Extra Care Housing						
To fund housing for vulnerable adults	The Executive	The Executive	8,251	250	(2,000)	6,001

Continued on next page

Purpose & Description of Reserve	Approval to Use of Reserve	Management & Control	Proposed Balance as at 31.03.09 £'000	Forecast Expenditure 2009/10 £'000	Forecast Income 2009/10 £'000	Proposed Balance as at 31.03.10 £'000
EARMARKED RESERVES - Reserves Held for Planned Developments (cont)						
Lets Get Devon moving						
To help stimulate the local economy	The Executive	Director of Finance and IT	0	0	500	500
LPSA1 Reward Fund						
To fund future expenditure on PSA schemes	The Executive	Director of Finance and IT	819	197	0	622
LPSA 2 Reward Fund						
To fund future expenditure on PSA schemes	The Executive	Director of Finance and IT	4,963	0	0	4,963
Development Fund						
To provide for improvements in County Council Services	The Executive	Director of Finance and IT	2,150	0	0	2,150
Local Authority Business Grant						
To fund Economic Development Projects as part of the LAA	The Executive	Director of Finance and IT	1,711	1,463	0	248
PFI Sinking Fund						
To Manage Payments and Income of the Exeter Schools PFI Scheme.	The Executive	Director of Finance and IT	1,400	883	22	539
CYPS Invest to Save Fund						
To finance invest to save initiatives	The Executive	Director of Finance and IT	510	510	0	0
Subtotal: Reserves Held for Planned Developments			29,503	13,466	5,920	21,957

EARMARKED RESERVES - Reserves of Operational and Trading Units

Devon Cleaning and Catering

Surplus of recovered costs retained to fund future activities	The Executive	Director of Children and Young People's Services	559	0	0	559
Trading Accounts						
Surpluses/losses arising from the activities of Trading Accounts	Director of Finance and IT	Director of Finance and IT	2	0	0	2
Subtotal: Operational and Trading Unit Reserves			561	0	0	561

Purpose & Description of Reserve	Approval to Use of Reserve	Management & Control	Proposed Balance as at 31.03.09 £'000	Forecast Expenditure 2009/10 £'000	Forecast Income 2009/10 £'000	Proposed Balance as at 31.03.10 £'000
EARMARKED RESERVES - Specific Contingency Reserves						
Reinstatement of Existing Landfill Sites						
To cover unexpected upward movement in the cost of the 10 year plan for redundant landfill site restoration	The Executive	Executive Member	499	397	0	102
Redundancy Fund						
Reserve to cover redundancy costs of restructuring	The Executive	Director of Finance and IT	4,004	2,000	1,000	3,004
Insurance						
To cover insurance claims in excess of the levels experienced and provided for	The Executive	Director of Finance and IT	4,000	1,300	(2,000)	700
Prior Year Tax						
Contingency to meet possible liabilities with regard to tax inspections and review	The Executive	Director of Finance and IT	100	0	0	100
Emergency Planning						
To meet unexpected one off costs in respect of Emergency Planning	The Executive	Director of Finance and IT	102	0	0	102
Blighted Properties						
To finance the costs of blighted properties.	The Executive	Director of Finance and IT	200	150	0	50
Building Maintenance						
Funding in respect of schools building maintenance.	The Executive	Director of Finance and IT	61	61	0	0
Inspection / Implementation						
For unexpected impacts of CPA and other inspections	The Executive	Executive Member	78	0	0	78
Waste Management Fund						
To support new facilities to meet EU landfill directives	The Executive	Director of Finance and IT	1,657	509	0	1,148
Response to the Economic Downturn						
To manage additional work pressures resulting from the economic downturn	The Executive	Director of Finance and IT	0	0	250	250
Subtotal: Specific Contingency Reserve			10,701	4,417	(750)	5,534
TOTAL EARMARKED RESERVES			40,765	17,883	5,170	28,052

Details of Individual Reserves Held 2010/11 and 2011/12

Purpose & Description of Reserve	Proposed Balance as at 31.03.10 £'000	Forecast Expenditure 2010/11 £'000	Forecast Income 2010/11 £'000	Proposed Balance as at 31.03.11 £'000	Forecast Expenditure 2011/12 £'000	Forecast Income 2011/12 £'000	Proposed Balance as at 31.03.12 £'000
EARMARKED RESERVES - Reserves Held for Planned Developments							
Local Initiatives							
To fund local initiatives and community development	434	186	114	362	62	114	414
Matched / European Funding							
To provide matched funding for Objective 2 projects	483	567	350	266	566	350	50
Systems Development							
To fund the development of corporate IT systems for example the People Management Information system	5	0	0	5	0	0	5
Service Development Fund							
To promote service development	3,834	0	(508)	3,326	0	(520)	2,806
Energy Conservation							
To fund energy conservation pilot schemes to manage carbon emission	200	0	0	200	0	0	200
Energy & Water							
Receives savings from investments in energy and water efficiency and funds new projects.	50	10	5	45	0	0	45
Customer Access Strategy							
Developing the Customer Access Strategy to improve access to services for the people of Devon.	876	140	500	1,236	140	500	1,596
Financing Fund							
To support the capital strategy	27	1,500	1,500	27	1,500	1,500	27
New Roads and Street Works Act							
To support policies for promotion and encouragement of safe integrated efficient and economic transport facilities.	319	100	0	219	100	0	119
Modernisation Fund							
For modernisation of Services	647	1,208	1,208	647	1,220	1,220	647
Affordable Housing							
To promote joint schemes with District Council and other partners to improve public services.	59	50	0	9	0	0	9
Extra Care Housing							
To fund housing for vulnerable adults	6,001	0	2,500	8,501	0	2,500	11,001

Continued on next page

Purpose & Description of Reserve	Proposed Balance as at 31.03.10 £'000	Forecast Expenditure 2010/11 £'000	Forecast Income 2010/11 £'000	Proposed Balance as at 31.03.11 £'000	Forecast Expenditure 2011/12 £'000	Forecast Income 2011/12 £'000	Proposed Balance as at 31.03.12 £'000
EARMARKED RESERVES - Reserves Held for Planned Developments (continued)							
Lets Get Devon moving							
To help stimulate the local economy	500	0	0	500	0	0	500
LPSA1 Reward Fund							
To fund future expenditure on PSA schemes	622	0	0	622	0	0	622
LPSA 2 Reward Fund							
To fund future expenditure on PSA schemes	4,963	0	0	4,963	0	0	4,963
Development Fund							
To provide for improvements in County Council Services	2,150	0	0	2,150	0	0	2,150
Local Authority Business Grant							
To fund Economic Development Projects as part of the LAA	248	120	0	128	40	0	88
PFI Sinking Fund							
To Manage Payments and Income of the Exeter Schools PFI Scheme.	539	23	21	537	0	0	537
CYPS Invest to Save Fund							
To finance invest to save initiatives	0	0	0	0	0	0	0
Subtotal: Reserves Held for Planned Developments	21,957	3,904	5,690	23,743	3,628	5,664	25,779

EARMARKED RESERVES - Reserves of Operational and Trading Units

Devon Cleaning and Catering

Surplus of recovered costs retained to fund future activities	559	0	0	559	0	0	559
Trading Accounts							
Surpluses/losses arising from the activities of Trading Accounts	2	0	0	2	0	0	2
Subtotal: Operational and Trading Unit Reserves	561	0	0	561	0	0	561

Purpose & Description of Reserve	Proposed Balance as at 31.03.10 £'000	Forecast Expenditure 2010/11 £'000	Forecast Income 2010/11 £'000	Proposed Balance as at 31.03.11 £'000	Forecast Expenditure 2011/12 £'000	Forecast Income 2011/12 £'000	Proposed Balance as at 31.03.12 £'000
EARMARKED RESERVES - Specific Contingency Reserves							
Reinstatement of Existing Landfill Sites							
To cover unexpected upward movement in the cost of the 10 year plan for redundant landfill site restoration	102	44	0	58	58	0	0
Redundancy Fund							
Reserve to cover redundancy costs of restructuring	3,004	1,000	1,000	3,004	0	1,000	4,004
Insurance							
To cover insurance claims in excess of the levels experienced and provided for	700	0	0	700	0	0	700
Prior Year Tax							
Contingency to meet possible liabilities with regard to tax inspections and review	100	0	0	100	0	0	100
Emergency Planning							
To meet unexpected one off costs in respect of Emergency Planning	102	0	0	102	0	0	102
Blighted Properties							
To finance the costs of blighted properties.	50	50	0	0	0	0	0
Building Maintenance							
Funding in respect of schools building maintenance.	0	0	0	0	0	0	0
Inspection / Implementation							
For unexpected impacts of CPA and other inspections	78	0	0	78	0	0	78
Waste Management Fund							
To support new facilities to meet EU landfill directives	1,148	387	0	761	174	0	587
Response to the Economic Downturn							
To manage additional work pressures resulting from the economic downturn	250	0	0	250	0	0	250
Subtotal: Specific Contingency Reserve	5,534	1,481	1,000	5,053	232	1,000	5,821
TOTAL EARMARKED RESERVES	28,052	5,385	6,690	29,357	3,860	6,664	32,161

Prudential Indicators and Treasury Management

Introduction

The County Council is required to monitor its overall level of debt in line with the national code of practice drawn up by the Chartered Institute of Public Finance and Accountancy. Part of this code requires consideration of a set of “prudential indicators” in order to form a judgement about the affordable, prudent and sustainable level of debt.

The prudential indicators, treasury management strategy and the annual investment strategy have been reviewed in line with the Capital Programme detailed in the Capital Programme 2009/10 – 2013/14 report.

Capital Expenditure

Table 1 shown below, summarises the Capital Programme. The Capital Programme has been tested for value for money via option appraisal and for prudence, affordability and sustainability by looking at the impact that the proposed Capital Programme has on the Revenue budget and through the Prudential Indicators.

Table 1

	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000	2012/13 Estimate £'000	2013/14 Estimate £'000
Total Capital programme	174,642	250,833	174,612	147,472	58,570
Funded by:					
Gross Borrowing	106,571	125,787	89,735	71,867	25,601
Other Capital Resources	68,071	125,046	84,877	75,605	32,969
Total Capital programme funding	174,642	250,833	174,612	147,472	58,570

Prudential Indicators

Capital Financing Requirement

The Capital Financing Requirement represents the underlying need to borrow for Capital purposes. The forecast Capital Finance Requirement for 2009/10 and the following four years is shown in table 2 below.

Table 2

	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000	2012/13 Estimate £'000	2013/14 Estimate £'000
Closing Capital Financing Requirement	681,446	777,758	834,858	871,854	861,065

Limits to Borrowing Activity

The Authorised Limit represents the limit beyond which any additional borrowing is prohibited unless revised by the Council. Table 3 below details the recommended Authorised Limits for 2009/10 – 2013/14.

Table 3

	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000	2012/13 Estimate £'000	2013/14 Estimate £'000
Authorised Limits	868,806	903,952	918,952	933,952	938,952

The Operational Boundary is based on the anticipated level of external debt during the year. Variations in cash flow may lead to occasional, short term breaches of the Operational Boundary that are acceptable. Sustained breaches would be an indication that there may be a danger of exceeding the Authorised Limits. Table 4 below details the recommended Operational Boundaries for 2009/10 and following years.

Table 4

	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000	2012/13 Estimate £'000	2013/14 Estimate £'000
Operational Boundary	762,493	839,632	886,379	911,452	911,452

The forecast opening balance for External Borrowing at 1 April 2009 is £609.639 million. The forecast closing balance for External Borrowing at 31 March 2010 is £659.639 million

Net Borrowing in comparison to the Capital Financing Requirement

The debt management strategy and borrowing limits for the period 2009/10 to 2013/14 have been set to ensure that over the medium term net borrowing will only be for capital purposes i.e. Net External Borrowing does not exceed the total Capital Financing Requirement in the preceding year plus the estimates for the current year and next two years.

Ratio of Financing Cost to Net Revenue Stream

Table 5 below shows the relationship between Capital Financing Costs and the Net Revenue Stream for 2009/10 and future years.

Financing Cost is affected by Minimum Revenue Provision and Interest receivable and payable. There is a new requirement to have a strategy for the charging of Minimum Revenue Provision. Minimum Revenue Provision is the charge to the revenue budget, as representation of the capital element in respect of capital loan repayments. The Council continued with the Capital Finance Requirement (CFR) method (4%) in 2007/08 and 2008/09.

In 2009/10 MRP will be calculated on varying bases. Supported Capital Expenditure, Unsupported Borrowing up to 1 April 2008 and Transferred Debt will continue to be charged by the Capital Finance Requirement method (4%). Unsupported borrowing post 1 April 2008 (including Vehicle and Equipment Loans Pool), Capitalisation Direction and charges to other public sector bodies will be charged based on the period of benefit of the capital investment.

The figures for Minimum Revenue Provision shown below reflect the adoption of this strategy.

Table 5

	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000	2012/13 Estimate £'000	2013/14 Estimate £'000
Minimum Revenue Provision	26,771	29,497	32,635	34,871	36,390
Interest Payable	32,666	35,714	39,338	41,846	42,733
Recharges and other adjustments	-5,250	-5,462	-5,004	-4,711	-4,466
Interest Receivable	-3,949	-3,681	-3,516	-3,495	-3,473
Capital Financing Cost	50,238	56,068	63,453	68,511	71,184
Net Revenue Stream	503,439	528,766	564,659	570,500	576,500
	2009/10 Estimate %	2010/11 Estimate %	2011/12 Estimate %	2012/13 Estimate %	2013/14 Estimate %
Ratio of Financing Cost to Net Revenue Stream	10%	11%	11%	12%	12%

Incremental Impact on Council Tax

The incremental impact of the recommended 2009/10 Capital Programme on Council Tax is shown in Table 6. The recent reduction in interest rates and forecast future rates has made it appropriate to utilise the previous borrowing in advance rather than investing at unfavourable rates. The impact on the Council Tax Payer is calculated based on the assumption that this is applied and that borrowing to finance the future year's capital programme will also be at lower rates.

Table 6

	2009/10 Estimate £'s	2010/11 Estimate £'s
Incremental impact on the Band D Council Tax Payer for capital investment in 2008/09	1.95	14.26

Treasury Management Strategy

The County Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. This is one of the Prudential Indicators required by the code. The CIPFA code requires the Council to approve a Treasury Management Policy Statement together with a statement of its 'Treasury Management Practices' (TMPs). The first Policy Statement was approved by the Executive on 8 April 2002. The TMPs have recently been reviewed, and the revised document will be available shortly.

The Strategy document sets out

- The current treasury position, debt and investments
- Prospects for interest rates
- The borrowing strategy
- Debt rescheduling
- Indicators on fixed / variable borrowing and maturing debt
- The investment strategy

Analysis of Long Term Debt

The following table shows the County Council's fixed and variable rate debt as at 31 March 2008 and 26 January 2009 (current).

The interest rates shown do not include debt management costs or premiums/discounts on past debt rescheduling.

There has been no new borrowing during the current financial year, and all capital spending has been funded by money borrowed in advance of the year, or from revenue balances.

	Actual 31.03.08 £'m	Interest Rate %	Current £'m	Interest Rate %
Fixed Rates Debt				
PWLB	518.100	4.960	518.100	4.960
Money Market	91.500	5.810	91.500	5.810
Variable Debt				
PWLB	0.000		0.000	
Money Market	0.000		0.000	
Total External Borrowing	609.600		609.600	
Other Long Term Liabilities	0.000		0.000	
Total Debt	609.600	5.090	609.600	5.090

Schedule of Investments

The following schedule shows the County Council's fixed and variable rate investments as at 31 March 2008 and 26 January 2009 (current).

	Maturing in:	Actual 31.03.08 £'m	Interest Rate %	Current £'m	Interest Rate %
Fixed Rates					
Term Deposits	< 365 days	195.10	5.84	187.30	4.02
	365 days & >	15.00	6.51	10.00	2.75
Callable Deposits		15.00	5.98	10.00	6.03
Variable Rate					
Call & Notice Accounts		7.00	5.50	5.00	2.15
Accounts linked to LIBOR Rates		15.00	5.97	20.00	3.73
Money Market Funds (MMFs)		5.50	5.54	0.00	0.00
All Investments		252.600	5.880	232.300	3.990

Since the summer, the investment performance has been hit by two major factors. The first is the troubled banking sector where only radical measures by Governments around the world have sought to keep the sector from total collapse, and secondly as part of these measures, the downward pressure on rates. The former necessitated a review of the Council's lending list, and the adoption of an even more prudent approach to counterparties to whom the County Council is willing to lend. The lending policy is kept under constant review and has recently been revised to allow a small number of selected UK Banks & Building Societies to be used. The full effect of the second factor has not yet been seen, as we still have some investments at high rates which will not reach maturity until 2009/10. The returns on the County Council's cash investments will fall even further in the coming months, as monies are reinvested at much lower current rates.

Prospects for Interest Rates

Forecasting future interest rate movements even one year ahead is always difficult. The factors affecting interest rate movements are clearly outside the Council's control. Whilst short term rates are generally linked to the Bank of England's Base Rate, long term rates are determined by other factors e.g. the market in Gilts.

The County Council retains an external advisor, Butlers, who forecast future rates several years forward and similar information is received from a number of other sources. When budgeting for interest payments and receipts a prudent approach has been adopted to ensure that, as far as is possible, both budgets will be achieved.

The following table sets out the basis of the view of interest rates over the future year. Forecasts are at Quarter End dates, where given by Butlers, or at the start and end of the calendar year in respect of the surveys conducted by HM Treasury, Reuters, and Legal & General.

They point to both a further easing of short-term rates (lending), but which may reach the bottom by the end of the year. Longer-term rates, where we need to borrow to fund the Capital Programme, are forecast to follow suit, falling further, but then going into reverse later in the year.

	Jan (act) 2008	March 2009	June 2009	Sep 2009	Dec 2009	March 2010
Base Rate						
Butlers	1.50%	1.00%	0.75%	0.75%	1.00%	1.25%
HM Treasury Survey of City Institutions and Academics	1.50%				1.00%	
Reuters Survey of City Institutions (median)	1.50%				1.00%	
Legal & General Survey of City Institutions (median)	1.50%				1.50%	

	Jan (act) 2008	March 2009	June 2009	Sep 2009	Dec 2009	March 2010
PWLB Rates						
Butlers						
5 Year	2.99%	2.70%	2.20%	2.20%	2.50%	2.60%
20 Year	4.77%	4.10%	3.90%	3.80%	3.90%	3.90%
50 Year	4.80%	3.80%	3.70%	3.70%	3.80%	4.10%

The Borrowing Strategy 2009/10 – 2011/12

The Medium Term Financial Strategy assumes that, over the three year period, new long-term borrowing will all be undertaken at 4.50% p.a. Given the forecasts that we have, this is thought to be a cautious assumption that is expected to be achievable.

The timing of new borrowing will aim to minimise the interest cost but also to ensure that the Capital Financing budget is achieved. If there is a risk of rates increasing above the target in 2010/11 or 2011/12 those years' requirements may be borrowed in advance (in 2009/10). Advance borrowing gives additional flexibility in that having already secured part of the funding for future years reduces the pressure to take on additional debt if the conditions are not right at that time. The benefits of doing this need to be weighed against any potential short-term loss on re-lending the money until it is required. The aim of course is that the advance borrowing costs and the income receipts from the investments should be at the least cost neutral.

£50million of borrowing will be required to part-finance the 2009/10 programme, with the balance of the funding coming from Revenue Reserves.

The overall aims, as in previous years, are to achieve

- Borrowing at the lowest rates possible in the most appropriate periods

- The minimum borrowing costs and expenses

- A reduction in the average interest rate of the loans portfolio

- A significant out-performance against other local authorities in the CIPFA Debt Management Benchmarking statistics

If short-term borrowing is required to aid cashflow, this will be targeted at an average rate of 2%.

Debt Re-scheduling

The Public Works Loan Board have made no further changes to the basis on which it lends funds to Local Authorities since November 2007, on which we reported last year.

The report said at the time that those changes probably meant the end of any debt re-scheduling opportunities, given the penalties that would be incurred by authorities seeking to repay and re-finance their existing loan portfolios. Despite representations by many councils, including Devon County Council, the Board has not moved its position.

Officers will continue to monitor the situation. Should the PWLB relax its stance, or reduce the penalties, we will, with our Treasury Advisors put this issue back on the agenda.

Prudential Indicators

These indicators seek to reduce the risks associated with fixed and variable interest rate loans and with borrowing for different loan periods. Borrowing at fixed rates of interest rates for long periods can give the opportunity to lock into low rates and provide stability but means that there is a risk of missing possible opportunities to borrow at even lower rates in the medium term. Variable rate borrowing can be advantageous when rates are falling but also means that there is a risk of volatility and a vulnerability to unexpected rate rises. Borrowing for short periods or having large amounts of debt maturing (and having to be re-borrowed) in one year increases the risk of being forced to borrow when rates are high. The Council's policy has been to borrow at fixed rates of interest when rates are considered attractive. This has worked well over recent years but the flexibility to adapt to changing interest rate environments must be retained. The proposed indicators are set out in table below.

Treasury Management Prudential Indicators	Upper Limit	Lower Limit
	%	%
Limits on borrowing at fixed interest rates	100	70
Limits on borrowing at variable interest rates	30	0
Percentage of Fixed Rate Debt maturing in:		
Under 12 months	10	0
12 Months to within 24 months	15	0
24 Months to within 5 Years	30	0
5 years and within 10 Years	50	0
10 years and above	100	50

Monitoring the Indicators

It is important to monitor performance against forward looking indicators and the requirement that borrowing should only be for capital purposes. The total level of borrowing will be monitored daily against both the operational boundary and the authorised limit.

Performance against the indicators will be reported to the Executive along with other budget monitoring information. If monitoring indicates that the authorised limit will be breached, a report will be brought to the Executive outlining what action would be necessary to prevent borrowing exceeding the limit and the impact on the revenue budget of breaching the limit. It will be for the Executive to make recommendations to the County Council to raise the limit if it is felt appropriate to do so.

The indicators for capital expenditure, capital financing requirement, capital financing costs and the treasury management indicators will be monitored monthly. Any significant variations against these indicators will be reported to the Executive with other budget monitoring information.

Investment Strategy 2009/10 – 2011/12

The County Council has always adopted a very prudent approach to its cash investments. The events of the last few months has proven the value of this approach, and it is pleasing to be able to report that the Council has not suffered any losses, or potential losses, from the turmoil in the money markets. Indeed some aspects of our investment strategy has been reviewed, and the Council revised its lending criteria. These temporary measures are in place until the outlook becomes more settled, and that the cash markets are returning to what is considered to be a more normal environment.

In the meantime officers will continue with the existing policies of not lending to a range of institutions who would normally be on the list of approved counterparties. Members will be kept fully advised of the position going forward into the new financial year. As noted in an earlier part of this report the County Council's lending policy is being kept under daily review and has recently been relaxed to allow a small number of selected UK Banks & Building Societies to be reinstated on the lending list.

However it must be borne in mind that as the current financial environment is largely outside the Council's control, this could still impact on the borrowing and investment receipts budgets but the Treasury Management Strategy needs to be set for when a more normal scenario is resumed.

The full County Council is required under the guidance in the CIPFA Treasury Management in the Public Services publication to approve an Annual Investment Strategy.

The overall aims of the Council's strategy continue to be to

- Limit the risk to the loss of capital

- Ensure that funds are always available to meet cash flow requirements

- Maximise investment returns, consistent with the first two aims

- Review new investment instruments as they come to the Local Authority market, and to assess whether they could be a useful part of our investment process.

- Achieve an investment performance, which places us in the top quartile in the CIPFA Treasury Management Benchmarking statistics

The overriding objective is therefore to invest prudently, with priority being given to security and liquidity, rather than yield.

Security is achieved by the creation of an 'Approved List of Counterparties'. These are the banks, building societies, money market funds and other public bodies with whom we are prepared to deposit funds. In preparing the List, a number of criteria will be used not only to determine who is on the List, but also to set limits as to how much money can be placed with them.

Banks are expected to have a high credit rating. The Council uses the ratings produced by the Fitch IBCA credit rating agency, and look for a minimum short term rating of 'F1', and a long term rating of 'A'.

Building Societies are judged the same way, but as not all will seek a rating given their overwhelming reliance on members' deposits, we also take account of the size of the society. We will only lend to a society with assets in excess of £1 billion. This gives access to around eighteen societies, and ninety five percent of the mutual sector.

Money Market Funds must have an 'AAA' rating.

Other public sector bodies are principally arms of Government, or other local authorities.

The 'Approved List of Counterparties' specifies individual institutions, and is formally reviewed at least monthly. In the current environment, this takes place on a daily basis. Notification of credit rating downgrades (or other market intelligence) is acted upon immediately, resulting in any further lending being suspended.

Revisions to the 'Approved List' are circulated to all staff involved in the Treasury Management process. Reports of deposits outstanding are produced daily in order that the senior staff required to authorise treasury transactions can confirm that they are within approved lending limits.

What follows is a summary of the 'Approved List', although as mentioned earlier, the current policy is not to use it to its full extent.

Counterparty Type	Credit Limit
Bank	
Rated 'F1+' and 'A'	£25 million
Rated 'F1' and 'A'	£10 million
Building Society	
Assets > £25 billion	£25 million
Assets > £10 billion	£15 million
Assets > £4 billion	£10 million
Assets > £1 billion	£5 million
Public Bodies	
Central Government	
– Debt Management Office	Unlimited
Local Government	
– County Councils	£10 million
– Metropolitan Authorities	£10 million
– London Boroughs	£10 million
– English Unitaries	£10 million
– Scottish Authorities	£10 million
– English Districts	£5 million
– Welsh Authorities	£5 million
Fire & Police Authorities	£5 million
Money Market Funds	£25 million

Liquidity in investments is the second key factor in determining our strategy. Funds may be earmarked for specific purposes or may be general balances, and this will be a consideration in determining the period over which the investment will be made. The Council has a self-imposed limit of ensuring that at least **15% of deposits will be realisable within one month.**

A requirement of the Prudential Code is to establish an indicator of the total principal sum invested for a period longer than 364 days, and to state the basis used in determining the amount.

The purpose of this indicator is to help the Council to contain its exposure to the possibility of loss that might arise as a result of having to seek early repayment or redemption of principal sums invested.

In the year 2009/10 the limit on **investments over 364 days will be set at no more than 20% of the total loans outstanding at any time.**

For the period 2009/10 – 2011/12 it has been assumed that the interest rate earned on short-term lending will be **2.00%** p.a. throughout the three years. Some of the longer-term positions that we have taken in the current year offer some protection in what will be a lower rate environment in the next few years. So the target we have set ourselves, though challenging, is thought to be one that is achievable

Performance Targets

The primary targets of the Treasury Management Strategy are to minimise interest payments and maximise interest receipts over the long term whilst achieving annual budgets, without taking undue risk. Where there are comparative statistics available for individual aspects of the Strategy (e.g. the CIPFA Treasury Management Statistics) these will be used to monitor performance.

Summary

Current Investment Environment and impact on the County Council Budget

Members will be very aware of the substantial reduction of interest rates by Governments worldwide in the second half of 2008 and this will have a major impact on both the short and medium term interest rates achievable by the interest receipt budgets for both 2008/09 and 2009/10. Whilst the Council had acted prudently by not having funds invested with Icelandic Banks, the knock on effect from the failure of these banks led to a restriction of County Council lending to Banks and other approved financial institutions, in the short term only Local Authorities and the UK Government Debt Office (DMO) have been used.

A combination of market conditions and the lending restrictions detailed above has meant that there has been a substantial reduction in interest receipts at the end of 2008/09 and for the whole of 2009/10. The Interest Receipts budget has been reduced accordingly.

Under the Prudential Code advance long term borrowing is allowable (dependant on timing and interest rates). The Council has previously made use of this flexibility and the advance borrowing previously undertaken in 2007/08 is anticipated to be fully drawn-down by the end of the current financial year. Current market conditions have meant that it is not desirable to advance borrow to finance the 2009/10 Capital Programme.

Borrowing will be required during the coming year to finance the Capital Programme and the timing and size of any borrowing will be dependant largely on market conditions.

Risk Assessment – 2009/10 Budget

Background

As part of the budget-setting process the County Council must consider the risks inherent in the budgets set and the adequacy of the measures put in place to manage those pressures. Members need to form a view on the adequacy of the level of reserves as a safeguard against unexpectedly high levels of demand being experienced in a number of volatile service areas. General balances are occasionally defined as a 5% of the budget requirement, unless a detailed risk assessment of the need for balances has been undertaken. A risk assessment has been undertaken of the main volatile budget areas, which follows this introductory page.

Directorate management teams have identified a number of strategies aimed at managing these pressures without the need for additional resources as set out in the following pages.

It is very important that budget management and monitoring continues to have a very high priority in 2009/10, and that spending on all services is contained within budgets available to each service. Without action being taken to contain expenditure within budget for 2009/10 the financial prospects for future years are likely to be severely constrained.

Children & Young People Services

Service Detailed reductions and efficiencies	Budget 2009/10 £000	Risk & Impact	Mitigation
Fair Access to Carers Breaks / Direct Payments	1,800	Innovative work is being undertaken to personalise services and give families independent choice. The increase in choice has to be matched by disinvestment in existing services. A 12% reduction in allocations is proposed. This may mean some placements break down and thresholds may change.	Discussions are being held with representative groups and the impact of all changes will be considered before revised allocations are made. This will be mitigated by the recent substantial increase to this budget.
General office practice efficiencies across CYPS budget lines		Ambitious general efficiency target given reductions year on year in all teams. Different ways of working may lead to redundant posts.	Required efficiencies will be planned with budget managers to ensure services are delivered to an acceptable standard.
Commissioning	47,300	<p>A target derived from efficient commissioning of:</p> <ul style="list-style-type: none"> • school transport (£700k) • contracting out a further Escort Network (£35k) • family support to prevent children coming into care (£70k) • Learning and Development Partnership (£335k) • small procurement savings (£40k) <p>and reductions to:</p> <ul style="list-style-type: none"> • the Connexions contract (£41k) • Learning and Development Partnership (LDP) (£161k) <p>Network reviews will continue to provide substantial efficiencies in school transport in 2009/10 but not beyond. There may be some impact on local operators. Family support is currently delivered through an Action for Children contract which will be decommissioned and brought back in house. Reductions to the LDP will affect Educational Psychologists and Education Welfare Officers (delivering statutory activities) and advisory services (delivering strategic priorities) and may impact on standards and work with vulnerable children.</p>	Efficiencies will be delivered from infrastructure savings as far as possible
Devon Catering and Cleaning Services	16,900	Reductions could encompass a number of options associated with Fresh Start, e.g. locally sourced meat and free range eggs, alongside redundancies. Costs need to be met within existing budget provision to contain risk but this may not be possible.	The service will be able to maintain nutritional standards in schools but reduced local purchasing could affect the local economy. Tight budget monitoring will be used to contain risks as far as possible.
Service Level Agreements	3,400	Despite Gershon expectations, support Directorates will find it challenging to deliver the same on reduced income.	All Directorates are likely to struggle to keep delivering the same services with reduced resources.

Exeter Reorganisation	12,400	£160K is a reduction in 09 /10 on the PFI Unitary Charge (profile increases following year); £40K is end of support funding for schools (no impact); £240K is target increase in Governors' Agreements: may be challenging.	No impact on Directorate but PFI schools will experience increased cost pressures.
Integrated Youth Support Service	14,600	Concerns about funding revenue consequences of increased capital funding, including Investing in Devon.	Some efficiencies can be achieved. Need to review service outputs against resource levels that are available.
Raising Achievement Project Programme		Project programme delivered. No impact until future projects required.	
Infrastructure reductions	4,300	Business Resource staff (£65K) support Social Workers, whose administrative burden will increase. All admin reductions put further strain on front-line staff and managers. Loss of posts is anticipated.	Savings likely to be achieved without redundancies through active redeployment.
Management of services for children in care and in secure accommodation	5,600	Targeted focus on early intervention and family support, leading to a reduction in number of children looked after (where significant safeguarding issues are not apparent). Consider use of remaining Children's Homes. They are not occupied to capacity and some children could be otherwise looked after. The Atkinson Unit does not achieve its target 85% occupancy and continues to pose a financial risk: the budget does not net to nil and is dependent on purchase from the Youth Justice Board.	Some efficiencies can be achieved. Need to review service outputs against resource levels that are available.
Strategic Planning	700	Lose one / two Project Officers. Limits capacity on Capital Programmes at a point of expansion. PO costs cannot be capitalised during preparation phases. Will not be able to assist/advise on school programmes.	NPS are able to give advice currently sought from this team.
Reduce Contingency	1,000	SLG had planned to increase Contingency because of high risk/volatile areas. Contingency is fully committed in 2008/09.	Active management of CYPS budgets may reduce in year budget pressures
Other factors affecting the Directorate budget			
Stepping Stones, including strategies to reduce independent sector residential places		Alternative strategies have been put into place through the invest-to-save programme which aims to increase capacity and inclusion but are not without risk. The children involved have complex needs and severe difficulties. Each independent placement costs on average £100,000. Continued control needs to be exercised to ensure the cost does not rise. The impact is always difficult to gauge as it will depend on individual cases. Transition funding (invest-to-save) is still needed and new ways of working implemented and disinvestments made	The work on placements in the residential sector will continue to be scrutinised. All existing placements are being considered to see if the best outcomes are delivered and whether alternative provision is more appropriate. Carry forward of the reserve will assist the funding, but careful management of the project will be needed to ensure delivery.
Current economic position		In economic recession the demand for services increases. Future funding is unlikely to increase in line with this. Some initiatives, particularly local commissioning and procurement, have a positive affect on local economies.	Commissioning strategies will continue to explore how they can support communities.

Learning and Skills Council: transfer of duties		The transfer takes place on 1 April 2010 and work will be needed to ensure a smooth transition. No resource is currently available and work will have to be funded from existing budgets.	
Building Schools for the Future		The Department for Children, Schools and Families (DCSF) has recently consulted on the management of the BSF programme and has invited Local Authorities to submit an Expression of Interest to join. The DCSF has expressed its desire to advance all local authorities into the BSF programme as soon as is practicable. Currently there is no revenue resource to set up a project team.	Ways of operating more efficiently would be needed and the extra cost built into the Medium Term Financial Plan
Narrowing the Gap		It has been difficult to arrive at the efficiencies and reductions detailed above. There is currently no provision for the proposed work in Ilfracombe (post funding of approx. £70k) which will impact on the contribution to the LAA.	
Budget Holding Lead Professionals		In 2008/09 CYPS was able to sustain a budget after the pilot phase. This will not be possible in 2009/10 and will limit early interventions that reduce later risks.	
Contingency		The contingency to help manage the above risks may not be sufficient to cover them.	Budgets will be carefully monitored during the year
Improvement of key performance outcomes			
Comprehensive Area Assessment		<p>Learning and Development Partnership (Devon)</p> <p>This is a major project to modernise the delivery of services. The timescales are tight and no budget provision can be found within existing resources. Without the investment the service cannot be modernised and be sustained. There is a risk to the outcome Enjoy and Achieve which is central to the overall grade we will be allocated, and which we need to move from Adequate to Good.</p> <p>Social care, children protection and safeguarding</p> <p>The budget proposals wherever possible remove pressure from these areas and should sustain our judgement on Stay Safe.</p> <p>Capacity to improve</p> <p>Budget preparation allows for support for Workforce Development imperatives and the continued embedding of strategic commissioning. Performance management capacity will be extended by a realignment. Development of a range of support activities (such as customer focus) cannot be sustained.</p>	The only funding available is from unspent Invest to Save Reserve. Redundancies will if possible be against vacant posts.

Dedicated Schools Grant			
Dedicated Schools Grant	358,700	Funding has been set for the next two years. Schools' delegated budgets cannot be reduced. If the centrally managed elements of the grant have financial pressures these must be met by reducing other service provision.	Tight budget monitoring will be implemented
Statementing Costs	16,100	Numbers continue to rise despite introducing a new funding methodology to dampen the effect.	A review is proposed to scrutinise cause and effect and bring forward proposals.
Exposure to Financial Risk	33,200	There are a number of budgets that operate on a contingency basis and funds are allocated to schools on the basis of need. There is no cap on these budgets and if circumstances pertain, pressure is brought to bear on the budget. Statementing is an example.	The Devon Education Forum is actively engaged with us in exploring mitigation.
Job Evaluation costs in Schools		Schools budget plans indicate more schools facing financial difficulty. The job evaluation costs have been partly absorbed in 2007/8 and 2008/9 by schools' carry forward. As school balances become lower this will become more difficult.	A small schools contingency exists to support schools if necessary
Independent Special School Fees	8,500	Continued unexpected demand for places. Unless there is a reduction in the number of places requested this budget is at high risk of overspending, forcing the DSG into deficit.	The Stepping Stones project is to manage the number of placements.
School budgets		Schools reporting deficit budget in 2009/10 are already at an unprecedented level, particularly secondary schools, and there are continuing concerns about Special Schools.	Discussions are being held with Devon Education Forum about how schools can reasonably reduce their cost base. Workforce strategy advice is available to all schools.

Adult & Community Services

In all areas, Adult and Community Services is dedicated to achieving greater independence and choice for all people in Devon who are eligible for social care, acting jointly with the NHS to improve people's health and well being and to maximise our efficiency. Budgets will be rigorously managed and monitored and the effects of plans measured. Where there is a risk of overspending, we will jointly seek to revise plans so that financial balance is achieved.

Service Detailed reductions and efficiencies	Budget 2009/10 £000	Risk & Impact	Mitigation
General risks across all services		<p>Need to manage high and increasing levels of need in the population</p> <p>Risk that harsh economic climate weakens supply of care by increasing costs of finance and reducing availability of credit; this could lead to reduced supply and increase costs of commissioned services in the longer term</p> <p>Both poverty and unemployment are associated with health and social care need directly, so the deterioration in economic circumstances may affect levels of need directly</p> <p>Radical reshaping of the delivery of social care needed to improve people's choice and independence and to manage long term pressures (enhanced commissioning, individual budgets, preventative services of all kinds). Complex and far reaching programme of change – if this does not proceed with sufficient speed longer term ability to manage increasing levels of need within financial constraints will be jeopardised</p>	<p>Consistent application of eligibility criteria and development of individual budgets. Rigorous monitoring and management of budgets</p> <p>Enhance commissioning strategies to manage the supplier market. Work with providers of care to understand their challenges and to develop strategies which help them to improve their efficiency. As well as the impact on credit, economic factors will also reduce some costs, and inflation is very likely to reduce over the coming year</p> <p>Any increase in general need will require greater application of all the strategies identified in this section</p> <p>Manage and integrate programme of planned change</p>
Services to Older People and to Adults with a Physical Disability or Sensory Impairment	107,081	Devon has one of the most elderly population profiles in the country, particularly in people over 85 years of age. This group is by far the most important for social care, constituting more than half of all elderly people receiving care. Office of National Statistics predictions indicate that the number of people over the age of 85 in Devon will increase by 3% next year, with similar rises in future years.	<p>Strategies to maintain people's independence while living at home such as integrating the management of social care and community health and extending the use of telephone and other telecare alarm systems</p> <p>The service will also continue to review all costs and improve contracting and commissioning practices.</p> <p>Invest in preventative services and extra care housing and create individual budgets to facilitate innovative care packages and to manage future need most effectively</p>

Services to Adults with a Learning Disability	44,097	<p>Demand pressures experienced in 2008/2009 continue to be very great. National studies indicate that the incidence of people with learning disabilities in the population is rising, and also that as people with learning disabilities live longer, care outside a local authority placement (e.g. by parents or siblings) is less likely to be a viable alternative to social care. In addition the pressures of very high cost cases experienced over many years in children's services, partly due to improvements in perinatal care, feed through to adult services. Individual cases can be both unpredictable in their needs and very high cost, so that overall the costs of the service are highly volatile as well as increasing.</p> <p>The budget contains several ambitious strategies to continue and enhance the improved commissioning strategies seen in recent years, through moving to resource allocation methodology and encouraging direct payments.</p>	Well managed, monitored, targeted and integrated programme of change
Mental Health Services	10,226	As with Learning Disability Services, services to people with a mental health problem can be characterized by highly volatile costs and growing need. In the last few years, the service has successfully pursued strategies which place less reliance on residential placements where possible and appropriate. There is a risk that high unpredicted cost could divert funds away from these strategies.	Risk is viewed as moderate. If costs of very high cost unpredicted cases lead to an expected overspend, improvement plans may require revising or suspending.
Investment in Preventative Services	2,400	<p>Risk that transfers of responsibility under NHS Continuing Healthcare are lower than anticipated at the time of preparing the budget</p> <p>Risk of unforeseen delays in the programme of change and thus delay in the realisation of improvements in the delivery of services, strategic benefits and financial savings</p>	<p>Ask NHS to complete its review of remaining cases so that certainty is obtained</p> <p>Well managed programme of change will identify risks and propose actions to reduce or mitigate these</p> <p>Use of temporary funding (Social Care Reform Grant) in combination with this permanent budget</p> <p>Work with Devon PCT to agree joint priorities for the transformation programme and appropriate contributions</p>

Environment, Economy & Culture

Service	Budget 2009/10 £000	Risk & Impact	Mitigation
Winter maintenance and emergencies	4,900	Winter maintenance and other emergencies, typically weather related, cannot be predicted precisely. There is a risk of overspend if severe weather conditions are experienced. Significant proportions of this budget are based on the previous five years average spend. The impact of recent mild winters has resulted in reduced provision for these elements of the budget. Clearly at some stage there will be a much more severe winter which will place additional pressure on this budget.	There is limited scope for management action to alleviate financial pressures except at the expense of highway maintenance budgets or the use of the Roads Emergency Fund.
Waste management	31,541	Waste tonnage levels and growth rates are volatile and subject to a range of influences so cannot be predicted precisely. Similarly, the extent to which contractors will meet recycling targets is uncertain. These risks may result in the budget being over or under provided. A variation in tonnages of +/- 1% could result in a financial variation of approximately £233k	Forecasts are prudent and reflect recent trends. There is limited scope for management action to alleviate financial pressures.

Chief Executive's

Service	Budget 2009/10 £000	Risk & Impact	Mitigation
Chief Executive's	4,206	Land charges- anticipated changes in legislation are likely to result in a reduction in income to the Authority of around £180,000	There is little scope for management action to alleviate financial pressures except at the expense of other services.
Coroners	979	Unavoidable additional medical and analysts fees as a result of continuing increases in workload and increases in set charges by the Home Office. In addition significant increased charges are proposed for mortuary fees (post mortems). In total this will add a further £125,000 to the cost of this service.	There is little scope for management action to alleviate financial pressures except at the expense of other services.
Trading Standards	2,690	Although provisional agreement for funding of the specific grant from DEFRA (for animal movement licensing) for the next year has been received, there is a degree of uncertainty as to the level of funding.	This uncertainty means we will need to be prepared to take early steps to reduce costs in line with any reduction in grant funding.
Partnerships	562	Gross expenditure totals £1.807m for ADVA Partnership (Against Domestic Violence and Abuse) and Safer Devon Partnership combined. This represents total funding and as such is subject to approval from other partners alongside grants. For ADVA partnership the problem is compounded by an end to LPSA 1 reward funding and similarly for Home Office grants (Invest to save). This represents funding issues around ££385,000 in 2009/10.	This uncertainty means we will need to be prepared to take early steps to reduce costs in line with any reduction in funding. Similarly to ensure that voluntary sector organisations are advised in this respect at the earliest possible opportunity.

Finance, IT & Trading

Service	Budget 2009/10 £000	Risk & Impact	Mitigation
Supply Zone	n/a	The service is demand led and volatile in nature and in the current economic climate it is likely that it will face increasing pressures in the coming year. Gross expenditure is £6.123m.	The service is subject to ongoing review.