

OVERVIEW AND SCRUTINY BOARD

A meeting of **Overview and Scrutiny Board** will be held on

Tuesday, 20 November 2018

commencing at **5.30 pm**

The meeting will be held in the Meadfoot Room, Town Hall, Castle Circus,
Torquay, TQ1 3DR

Members of the Board

Councillor Lewis (C) (Chairman)

Councillor Barnby
Councillor Bent
Councillor Bye
Councillor Darling (S)

Councillor Long
Councillor Morey
Councillor Sykes

Co-opted Members of the Board

John Searson, Diocese of Exeter

A prosperous and healthy Torbay

For information relating to this meeting or to request a copy in another format or language please contact:

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01803 207014

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OVERVIEW AND SCRUTINY BOARD AGENDA

1. Apologies

To receive apologies for absence, including notifications of any changes to the membership of the Board.

2. Minutes

To confirm as a correct record the minutes of the meeting of the Board held on 10 October 2018.

(Pages 4 - 5)

3. Declarations of Interest

- a)** To receive declarations of non pecuniary interests in respect of items on this agenda

For reference: Having declared their non pecuniary interest members may remain in the meeting and speak and, vote on the matter in question. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.

- b)** To receive declarations of disclosable pecuniary interests in respect of items on this agenda

For reference: Where a Member has a disclosable pecuniary interest he/she must leave the meeting during consideration of the item. However, the Member may remain in the meeting to make representations, answer questions or give evidence if the public have a right to do so, but having done so the Member must then immediately leave the meeting, may not vote and must not improperly seek to influence the outcome of the matter. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.

(Please Note: If Members and Officers wish to seek advice on any potential interests they may have, they should contact Governance Support or Legal Services prior to the meeting.)

4. Urgent Items

To consider any other items that the Chairman decides are urgent.

5. Revenue and Capital Budget 2018/2019 - Quarter 2 Monitoring

The Head of Finance to present his report setting out the Quarter 2 budget position for the Revenue and Capital Budget.

(Pages 6 - 25)

The Elected Mayor and his Executive to answer questions.

The Board to determine whether to make any comments and/or recommendations to the Council.

- 6. Achieving and Maintaining a Balanced Higher Needs Budget**
The Assistant Director – Education, Learning and Skills to present the consultation document in relation to the Higher Needs Budget and to give an update on the consultation process.

(Pages 26 - 56)

The Executive Lead for Children's Services to answer the Board's questions.

The Board to consider any comments and/or recommendations that it wishes to make.



Minutes of the Overview and Scrutiny Board

10 October 2018

-: Present :-

Councillor Lewis (C) (Chairman)

Councillors Barnby, Bent, Bye, Darling (S), Long, Morey and Sykes

(Also in attendance: Councillors Amil, Brooks and Parrott)

31. Minutes

The minutes of the meetings of the Board held on 12 and 26 September 2018 were confirmed as a correct record and signed by the Chairman.

32. Integrating the Health and Care System in Devon

The Board considered an update provided by the Clinical Commissioning Group (CCG) on the proposed merger of the South Devon and Torbay CCG and the Northern, Eastern and Western Devon CCG.

Alongside the report, the Board considered the Notice of Motion which had been referred to it by the Council which set out a number of concerns about the proposed merger.

The Deputy Chief Executive of the CCG provided the context for the merger, including that the two CCGs had been working closely together over the past 18 months partly as a result of a Direction from NHS England to South Devon and Torbay CCG. During this time, a range of benefits has been realised including the simplification of decision making processes, cost savings and efficiencies of over £4million on running costs and the development of a single Executive team.

A Governing Body in Common had been held the previous week at which it was agreed that the CCGs would continue to work with their clinical members and in parallel work with NHS England to assess the appetite and readiness for a merger of the two CCGs.

Resolved: that the Board accepts the benefit of the principles of the merger of the two CCG however the Board would wish to hear the feedback from GPs and request that the CCG provide an update to a future meeting.

33. Notice of Motion - Clinical Commissioning Group - Overview and Scrutiny (Overview and Scrutiny Decision)

Consideration of the points raised within Motion took place during the debate on the item in Minute 32.

34. Destination Management Plan - Progress Report

The Board received an update on the implementation of the Destination Management Plan. The Destination Management Group, which included a range of partners, had been formed in June 2018 and was in the process of implementing the action plan.

The Director of Economic Strategy (TDA) outlined some of the different strands of work which were being undertaken, including ensuring that the Local Enterprise Partnership fully recognised the tourism sector as a bedrock sector for the Heart of the South West.

Members of the Board raised a number of points including the need for town centre regeneration, tackling long term worklessness and the future tourism offer.

Chairman



Meeting: Overview and Scrutiny Board
Council

Date: 20 November 2018
5 December 2018

Wards Affected: All Wards

Report Title: Budget Monitoring 2018/19 – Quarter Two

Is the decision a key decision? No

When does the decision need to be implemented? n/a

Executive Lead Contact Details: Elected Mayor Oliver, mayor@torbay.gov.uk

Supporting Officer Contact Details: Martin Phillips, Head of Finance,
Martin.phillips@torbay.gov.uk, 01803 207285

1. Purpose and Introduction

- 1.1. This report provides a **high level** budget summary of the Council's revenue and capital income and expenditure for the financial year 2018/19.
- 1.2. As at the end of quarter one 2018/19 the Council's **Revenue** budget is predicting an over spend of £2.4m for the financial year, primarily as a result of demand pressures resulting in expenditure pressures in children's social care. This is a clear improvement from the quarter one position however both the overall overspend and, within that, the overspend of £3.5m within Children's Services is a real cause for concern and in the absence of more compensating savings in other services the Council will continue to identify options to fund the over spend.
- 1.3. The Council's Senior Leadership Team have already put in place arrangements for a moratorium on all spend or recruitment that is not urgent or required to meet statutory duties. The Chief Finance Officer has arranged additional processes to monitor and challenge orders and contracts placed by the Council. The Chief Finance Officer has also provisionally allocated the entirety of the uncommitted balance on the Comprehensive Spending Review (CSR) Reserve in order to contribute to meeting the in-year overspend pending other recovery options including any proposals from the 2019/20 Review of Reserves.
- 1.3. The **Capital** Plan budget totals £200m for the 4 year programme, with £83m currently scheduled to be spent in 2018/19, including £45m on Investment Fund acquisitions, £2.6m on the Western Corridor and £12m on various Regeneration projects. The Capital Plan requires £0.9 million from (new) capital receipts and capital contributions over the life of the Plan.
- 1.4. Appendix Three is an expanded narrative of the **capital schemes** expected to incur expenditure in 2018/19 with a specific update for each project. This aims to provide

members with greater oversight of the progress on capital projects rather than a focus exclusively on financial issues.

2. Recommendation (s) / Proposed Decision

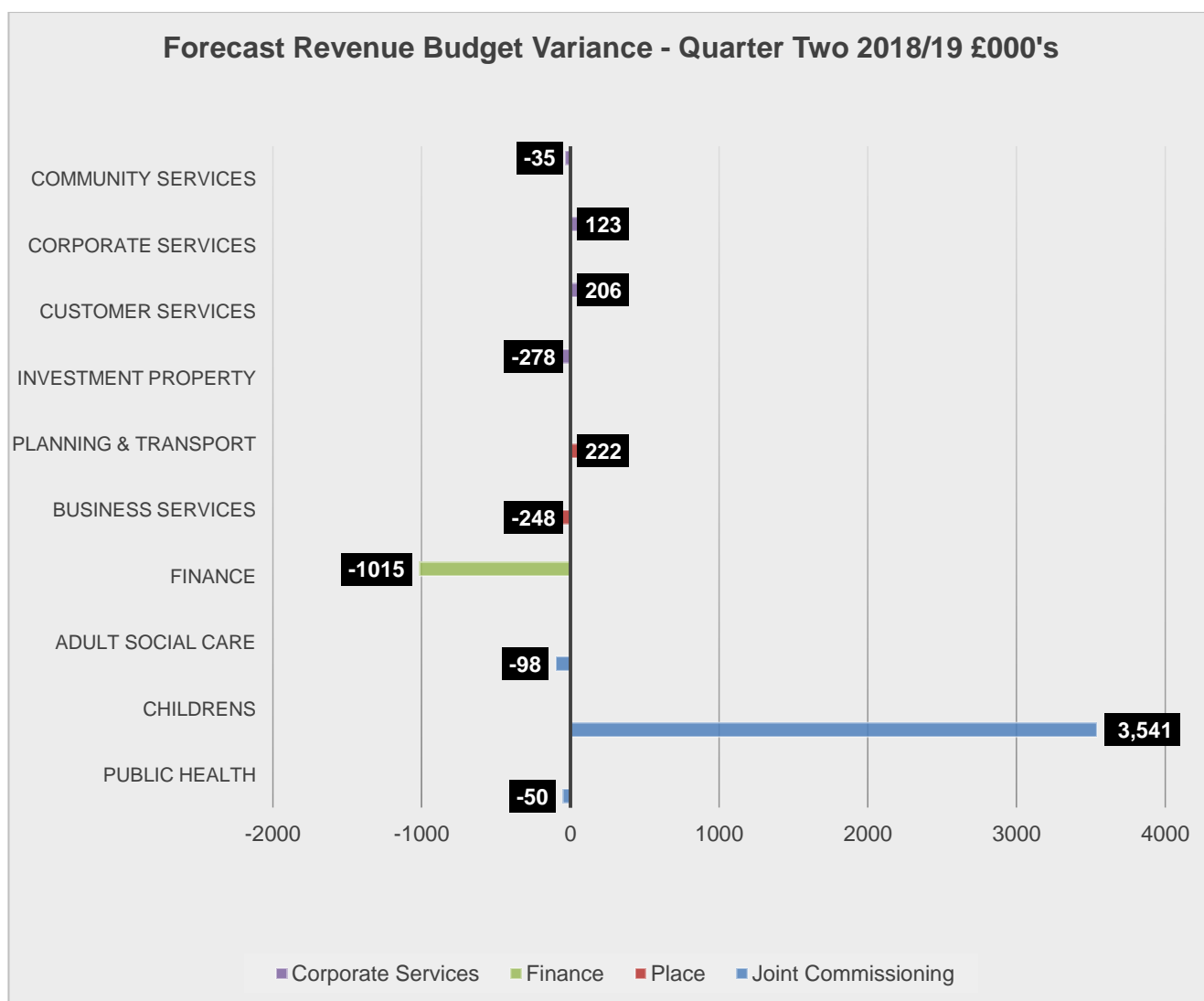
- 2.1 Overview and Scrutiny Board: That the Board considers the current position and make any comments and/or recommendations to the Council.

3. Reason for Recommendation/ Proposed Decision

- 3.1 Council: Monitoring Report for noting

4. 2018/19 Revenue Budget Summary Position

- 4.1 As at Quarter 2 the Council's revenue budget is predicting an over spend for 2018/19 of £2.4m, primarily as a result of a £3.5m overspend in Children's Services, offset in part by under spends in other services. The budgets are presented in line with the Council's management structure (applicable from 1st August 2018). A bar chart summarising the projected budget variance by service for 2018/19 is as follows:



Children's Social Care

- 4.2 The 2018/19 budget for Children's social care was increased by £3m, a 10% increase on the 2017/18 budget to reflect the levels of spend, in particular on looked after children.
- 4.3 As previously reported in the six months to end of June 2018 the service experienced a 20% increase in looked after children numbers. In December 2017 the number of looked after children was 293 which had increased to 358 by the end of June 2018. Anecdotally other Councils in the south west and nationally are also experiencing a rise in numbers, but not at the percentage increase Torbay is currently experiencing.
- 4.4 Although in the past quarter there has not been a net increase in the numbers of looked after children, the Director of Children's Services with the support of her team and finance colleagues have, for each child, reviewed the care plans, their duration and their costs for the remainder of the financial year. This has increased the forecast overspend for the year to £3.5m. There is a clear trend that the complexity and unit cost of many care plans are increasing, in part as a result of the national increase in demand for care.
- 4.5 It is also clear that the current position of increasing demand for social care combined with ongoing reductions in core funding is not sustainable. It is important that the Council continues to ensure that its voice is heard to ensure that future funding for local government recognises these increased and unavoidable costs.
- 4.6 Partly as a result of the increased national demand for children's social care there is an ongoing challenge to attract and retain experienced social care staff. As a result at the end of June 2018 the service was employing 50 agency staff which created an additional financial pressure upon the service. Action has been taken by the Director of Children's Services and her team to reduce this number to below 40 by the end of September.

Higher Needs Block – Special Education Needs

- 4.7 As previously reported the schools' higher needs block in the Dedicated Schools Grant (DSG) has been under financial pressure as a result of an increasing level of referrals from schools for higher needs support for children, resulting in a forecast over spend in 2018/19 of £2.6m. The Council does not receive any funding for schools therefore the over spend will remain in the DSG to be funded in future years and is not a cost that the Council will fund. The overspend in previous years has already resulted in a "negative" DSG reserve of £1m. The 2018/19 projected overspend will increase that to a cumulative deficit of £3m. This overspend has been "made good" by DSG funding in future years.
- 4.8 The Council will continue to work directly with schools to jointly work on a solution to this issue. For 2019/20 the Schools Forum, with support from the higher needs recovery group, have agreed both a package of funding and have supported the Council's "disapplication" request to the Department of Education to move funding from the schools block to the higher needs block within the Dedicated Schools Grant.. This will aim to set a balanced budget for the higher needs service in 2019/20. A consultation on the proposed changes was launched in October 2018.

- 4.9 If the Department for Education approve the disapplication, the movement of funding from the schools block to the higher needs block (within the total Dedicated Schools Grant) will be classed as an in-year virement as defined in the Council's Financial Regulations, with decision-making resting with the Chief Finance Officer, in consultation with the Director of Children's Services.

Investment Property

- 4.9 In the second quarter of 2018/19 the Council completed the purchase of two further properties, one in Exeter and one in Torquay, for a total of £22m including purchase costs. The costs of the borrowing required for the purchases are to be funded from future rental streams. In line with the Council's approved MRP policy, no MRP is charged in year of purchase which has enabled one off gain of £0.3m to be realised in year.

Adult Social Care

- 4.10 The majority of spend is with the ICO under a fixed contract payment. The Council will continue to work with its partners to allocate the Improved Better Care Fund in the most effective way for all partners. The Council has in October 2018 been allocated £0.829m of one off funding in 18/19 to support winter pressures in social care.

NNDR

- 4.11 As previously reported the initial monitoring of the 2018/19 position of all the Devon Councils in the Pilot is positive with a higher level of gain forecast for the Pilot. The quarter two Devonwide forecast position is in line with the first quarter therefore an additional £0.6m additional NNDR income above budget is now forecast. As the Pilot is not confirmed for next year this gain will be for the current year only.

Budget 2018

- 4.12 The Chancellor in his Budget 2018 announced late October 2018 announced additional national allocations of one off funding for Disabled Facilities Grants (£55 million nationally) and for Highways including potholes. These will be introduced into the Council's budget monitoring when Torbay's specific allocations are announced.

4.13 Detailed Position- The budget position for each service is shown in the table below:

Service	2018/19 Budget			Forecast Full Year Variance
	Expenditure £000s	Income £000's	Net £000's	£000's
Adult Social Care	52,936	(12,278)	40,658	(98)
Children's Services	81,879	(50,043)	31,836	3,541
Public Health	10,097	(721)	9,376	(50)
Joint Commissioning	144,912	(63,042)	81,870	3,393
Business Services	31,119	(16,864)	14,255	(248)
Planning and Transport	10,317	(2,599)	7,718	222
Director of Place	41,436	(19,463)	21,973	(26)
Community Services	4,362	(2,444)	1,918	(35)
Corporate Services	7,008	(2,073)	4,935	123
Customer Services	66,890	(63,468)	3,422	206
Investment properties	5,871	(8,923)	(3,052)	(278)
Corporate Services	84,131	(76,908)	7,223	16
Finance	20,942	(20,002)	940	(1,015)
Gross Revenue Budget	291,421	(179,415)	112,006	2,368
Sources of Funding	397	(112,403)	(112,006)	0
Net Revenue Budget	291,818	(291,818)	0	2,368

A narrative of the position in each service area is as follows:

Service	Variance to Budget £m	Main Variances in 2018/19
Adult Social Care	(0.1)	Fixed payment agreed with ICO for 2018/19, with small underspends on some client budgets.
Children's Services	3.5	As detailed earlier
Public Health	(0.1)	Primarily a ring fenced budget
Director of Place	0	Projected over spend primarily linked to staffing issues in planning, offset by expected savings in concessionary fares and lower than budgeted waste tonnages.
Corporate Services	0.4	Projected over spend in governance, human resources, legal services and an income shortfall in printing offset in part by salary savings elsewhere in the services in this area.
Finance and Central	(1.0)	Primarily the £0.6m additional gain on NNDR Pilot with continued reductions on pension costs, additional investment income and a net saving within financial services.
Investment Properties	(0.3)	As detailed earlier
Sources of Funding	0	
Total	2.4	Projected over spend

5 **Action to Mitigate Overspend**

- 5.1 A reduced forecast overspend of £2.4m is a positive position in the light of the £3.5m overspend for Children's Services and shows the impact of the recovery action taken in the year so far and the staff and the Elected Mayor's support for this approach should be recognised.
- 5.2 However the projected overspend of £2.4m for the year based on the second quarter is still a cause for concern. The estimated "unallocated" balance on the Comprehensive Spending Review Reserve is insufficient to fund the projected overspend. In order to protect what remains of the CSR Reserve the Chief Finance Officer has provisionally allocated the balance to contribute to meeting the in-year overspend.
- 5.2 As previously reported the Chief Finance Officer continues to discuss the position with the Elected Mayor and his Executive Leads and the Senior Leadership Team and as a result a moratorium on all spend that is not urgent or required to meet statutory duties was been initiated along with other controls and checks.
- 5.3 The Chief Finance Officer with the support of the Senior Leadership Team will continue to:
 - a) Review earmarked reserves to both; apply reserves to spend in 18/19 where possible and transfer any "surplus" earmarked reserves to the CSR reserve.

Proposals arising from this will be included in the 2019/20 Review of Reserves report.

- b) Review the Capital Plan to “return” any revenue funding allocated to as yet unspent capital projects.
- c) Review corporate expenditure to consider whether any expenditure can be transferred to future years.
- d) Review the Capital Plan to consider the “pausing” of capital projects, including schemes using prudential borrowing that are funded from the Council’s revenue budget.

5.4 All the above are short term or “one off” measures to support the current position. The implications of the 2018/19 forecast on both the 2019/20 budget and reserve levels are included in the Elected Mayor’s budget proposals issued in early November 2018.

5.5 The impact of the actions taken/proposals will continue to be included in future monitoring reports.

Risks & Sensitivity

5.6 The predictions for the full year outturn in this report are based on six months of financial information and will be subject to changes in assumptions, demand and the impact of the action taken in year to mitigate the projected overspend.

5.7 There are a number of financial risks facing the Council. Key risks are shown below:

Risk	Impact	Mitigation
Achievement of approved savings for 2018/19	Medium	18/19 Budget monitoring and "saving tracker" monitored by senior staff.
Achievement of Children’s Services cost reduction plan	High	Regular monitoring of performance and recovery plan.
Identification, and achievement, of £14.7m of savings for 2019/20 to 2021/22 per Medium Term Resource Plan March 2018	19/20 Low 20/21 and 21/22 High	Transformation Team set up to coordinate the implementation of potential transformation savings. Mayor’s 2019/20 budget proposals issued in early November 2018. Senior Leadership Team and Mayor’s Executive Group considering options for future years.
Unable to recruit staff and need to use agency staff.	High	Children’s Services have experienced difficulties for several years. This issue is now appearing in other services including planning and legal services.
Pressure achieving income targets in some services	Low	A small number of services are not meeting their income targets (which increase by 3% each year).
Additional demand for services particularly in children’s social care	High	18/19 Budget monitoring, use of service performance data and recovery plan.

Investment Property Income changes	Low	Regular review of income and tenant negotiation
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6. Balance Sheet issues

Borrowing

- 6.1 In quarter two the Council borrowed a further £5m, primarily to fund investment property acquisitions. Total borrowing as at 30th September 2018 was £282m. Borrowing is below the approved Operational and Authorised limits for the year.

Council Subsidiary Companies

- 6.2 The Council has interests in a number of companies. The financial performance for 2017/18 of these companies is included in the Council's statement of accounts (link below). <http://www.torbay.gov.uk/council/finance/statement-of-accounts/>
- 6.3 All of these companies form part of the Council's group boundary, therefore Members should be aware of the assets and liabilities of these companies.

7 Capital Plan Summary Position

- 7.1 The Capital Plan Budget has been updated for any further revision to both projects and timing, resulting in the latest revision attached at Appendix 1. The Plan now totals £200.4m over the 4 year period of which £83.4 m relates to 2018/19 and £80.9m relates to 2019/20.
- 7.2 The movements in the estimate of expenditure in 2018/19 on the Capital Plan between the last monitoring report at June 2018 of £85.8m and the current approved budget for 2018/19 of £83.4m are shown below. Please note the format of this table shows schemes ordered by Council's Targeted Actions, as is Appendix 1.

Scheme	Variation in 2018/19	Change £m	Reason
Estimate as at Q1 2018/19		85.8	Capital Plan Update – 2018/19 Quarter 1 (Report 20th Sept 2018)
Budget changes since last report (Q1 2018/19)			
Protecting Children			
Brookfield / Brunel Academy Phase 1	Transfer to New Scheme	(1.0)	Part budget to Brunel Academy Phase 2 Vocational Classrooms
Brunel Academy Phase 2 Vocational Classrooms	Transfer budget	1.0	Budget transfer from Brunel Phase 1
	Part budget moved to 19/20	(0.8)	Budget moved to 2019/20
Capital repairs & maintenance 16/17 & 17/18	Reallocation of part budget	(0.1)	Allocated to support Roselands Bulge Classroom and Ellacombe Early Years
Ellacombe Academy Early Years	Increase in budget	0.1	Additional funds from Education Review projects and external contribution

Education Review Projects	Reallocation of part budget	(0.2)	Allocation to Roselands
Roselands Primary – additional classrooms	New project	0.4	Transfer resources from Education Review (Basic Need allocation)
	Rephase budget	(0.4)	Most of budget moved to 19/20
		(1.0)	
More Prosperous Torbay			
Better Bus Area	Remaining budget removed	(0.1)	Unused budget removed
Old Toll House	Budget reduced	(0.1)	Project superseded by Investment Fund development
Transport – Integrated Transport Schemes	Budget moved to 19/20	(0.1)	Expenditure postponed under current moratorium
Transport – Torquay Town Access	Budget reduction	(0.1)	Grant funding reduced
		(0.4)	
Attractive and Safe place			
Brixham Harbour - Fendering	Increase budget	0.2	External Grant funding
Flood Alleviation - Cockington	Re phased budget	(0.1)	Part of Budget moved to 2019/20
Flood Alleviation - Monksbridge	Re phased budget	(0.1)	Part of Budget moved to 2019/20
Libraries Unlimited ICT Upgrade	New Scheme	0.1	Project agreed under contract by Council
Paignton Harbour Light redevelopment	Move budget	(0.5)	Budget transfer to 2019/20
Princess Pier – Structural repair	Transfer part of budget	(0.6)	Transfer part of budget to 2019/20
Torre Abbey Phase 3	Budget removed	(0.1)	Scheme removed following failure of bid to HLF
		(1.1)	
Protect and Support Vulnerable Adults			
		0	
Corporate Support			
Flexible Capital Receipts	Increase budget	0.1	Additional use for Transformational schemes
		0.1	
Estimate – Quarter Two 2018/19		83.4	

8 Updates to Capital Plan:

There are a number of variations to budgets on various schemes as detailed below.

8.1 Protecting Children

8.2 Brookfield / Brunel Academy Phase 1 – the plans to develop this site have been split into two elements, one to provide vocational classrooms for Brunel Academy (Phase 2 -

see para 8.3 below) and the other to provide a new entrance and multi-use games area for Brunel Academy (Phase 1).

- 8.3 Brunel Academy Phase 2 Vocational Classrooms - £1m of budget from Brookfield site has been utilised for this project, with most of the budget held in 2019/20.
- 8.4 Capital Repairs and Maintenance 2017/18 – £0.060m of this budget has been transferred to Ellacombe Academy Early Years Nursery to support elements of that project.
- 8.5 Capital Repairs and Maintenance 2018/19 – a programme of works to support maintained schools has been agreed. Some budget (£0.04m) has been transferred to Roselands to support the additional classrooms required and a small part of the budget (£0.02m) has been moved to next year to accommodate works which will be carried out over the summer holidays in 2019.
- 8.6 Ellacombe Academy Early Years – this scheme is now complete and has provided a 48 FTE place nursery facility. The budget has been increased by £0.1m using £0.06m funds from the School condition allocation (Capital Repairs and Maintenance 2017/18) to address condition elements of the project, along with a further £0.055m contribution from the Academy.
- 8.7 Education Review Projects – some of these resources have been allocated to Roselands Primary as agreed by Council in September (see para. 8.13 below).
- 8.8 Basic Need Grant – In the last Capital Plan monitoring report (Q1 2018/19) it was recorded that an allocation of £0.729m for year 2020/21 had been announced in recognition of the need for additional secondary school places. The bulk of this has been earmarked to provide additional Secondary places in Paignton (PCSA) since currently year seven places in Brixham and Paignton are full.
- 8.9 Medical Tuition Service relocation – In April 2018, Council approved a project to relocate the Medical Tuition Service (formerly EOTAS) to Parkfield utilising unallocated resources and up to £0.6m of borrowing. Currently it is anticipated that the scheme will be funded using £0.3m borrowing, £0.1m from 2020/21 Basic Need allocation and £0.2m from savings identified on existing Education schemes.
- 8.10 Roselands Primary extension – Scheme to provide additional accommodation for pupils until the new Paignton Primary School is opened. The estimated cost of this project of £0.6m was reported and approved by Council in October 2018, utilising the Council's 2019/20 Basic Need allocation (£0.560 m) to fund this work along with £0.040k from the Schools Condition (Capital Repairs and Maintenance)18/19 allocation. The bulk of this work will take place in 2019/20.
- 8.11 **More Prosperous Torbay**
- 8.12 Better Bus Area – the small remaining budget from this old scheme has now been removed from the Capital Plan as works have been completed.

- 8.13 Brixham Harbour Fendering – the total cost of this scheme has been increased to £0.3m to reflect the European Maritime and Fisheries Fund (EMFF) grant of £0.225m which has been awarded to help fund the work. There is no change to the Council's contribution to the scheme.
- 8.14 Claylands Redevelopment – Planning application has been submitted and the contract is currently out to tender with a projected start in November 2018 subject to an agreement with the prospective tenant.
- 8.15 Edginswell Business Park – negotiations for the acquisition of the site have resumed which require consequent legal advice.
- 8.16 Land Release Fund – Expenditure on these schemes is being captured in the Council's revenue accounts initially consequently there are few costs currently shown against these capital codes. However preliminary surveys, investigations, negotiations and legal advice are being undertaken, primarily at Victoria Square, Paignton for which some of the first tranche of grant funding has already been received, but also in respect of the Preston Down Road and Collaton St Mary sites.
- 8.17 Old Toll House – Significant plans are now in place to develop this site with a pre-let agreement in place. This project is now under the Investment and Regeneration "banner" and is funded from that budget and consequently the small remaining separate budget of £0.0130m has been removed.
- 8.18 Oxen Cove Shellfish Facility – Following the diversion of anticipated Marine Management Organisation (MMO) funding from this scheme to the Brixham Breakwater structural repairs scheme, the shellfish facility, which was programmed for 2019/20, has been aborted and removed from the Capital Plan as no resources are available to finance the project.
- 8.19 Transport Integrated Transport Schemes – A small transfer of budget (£0.1m) to future years has been made to delay expenditure under the Council's current spending moratorium.
- 8.20 Upton Place, Lymington Road Student Accommodation – This scheme has now been removed from the Capital Plan as any revised scheme would require a new business case and Council resolution.
- 8.21 **Attractive and Safe Place**
- 8.22 Cockington Flood alleviation – detailed design works are under way with start on site expected January 2019 and completion in June 2019. £0.07m budget has been moved to next year to reflect this. The Monksbridge Flood alleviation scheme is at the same stage again expecting to start on site in January 2019 and works expected to be complete by October 2019. Budget of nearly £0.130m has been moved to match these estimated spending patterns.

- 8.23 Flood Defence schemes (with Env Agency) – Projects for Paignton/Preston Flood Defence, Collaton St Mary, Paignton and River Fleet, Torquay are listed with the Environment Agency as potential projects requiring Environment Agency grant in aid in the coming years. Business cases will be submitted later in the year when the Environment Agency will review its capital plans at which point the Council's contributions, which are expected to be small, should be clearer and at that time a further update will be provided.
- 8.24 Libraries Unlimited ICT Upgrade – new scheme to upgrade ICT equipment within Torbay's libraries was agreed as part of the contract with Libraries Unlimited and agreed by Council on 7 December 2017 and has now been added to the Capital Plan, funded as approved from the CSR Reserve.
- 8.25 Torbay Leisure Centre – the programmed structural repairs were completed and a small remaining budget has been removed. Additional capital investment is being undertaken at the Leisure Centre by Parkwood with the help of a loan facility from the Council.
- 8.26 Torre Abbey Phase 3 – the Heritage Lottery Fund have announced that the Torre Abbey Phase 3 bid has been unsuccessful in securing grant in their current funding round. Consequently the budget for the Council's contribution to the project has been removed from the Capital Plan. If it is decided to pursue another bid to a later funding round then the scheme will be reinstated.
- 8.27 Torquay Harbour Beacon Quay Decking – a budget of £0.08m has been diverted from Princess Pier Structural repairs to enable the urgent replacement of decking along Beacon Quay. The costs of this work however have been included in the line for Princess Pier structural works.
- 8.28 Haldon/Princess Piers Structural repair – Most of the works planned for this year have been completed, including works to Beacon Quay decking. Consequently £0.600m of the budget is transferred to next financial year when further works will be undertaken.
- 8.29 **Protect and Support Vulnerable Adults – no updates for this quarter**
- 8.30 **Corporate Support – no updates for this quarter**

9 Receipts & Funding

- 9.1 The funding identified for the latest Capital Plan budget is shown in Annex 1. This is based on the latest prediction of capital resources available to fund the budgeted expenditure over the next 4 years. A summary of the funding of the Capital Plan is shown in the Table below:

	2018/19	2019/20	2020/21	2020/21	Totals @ Q2 18/19
Funding	£m	£m	£m	£m	£m
Unsupported Borrowing	58	68	33	0	159
Grants	20	10	3	0	33

Contributions	1	0	0	0	1
Revenue	0	1	0	0	1
Reserves	1	2	0	0	3
Capital Receipts	3	0	0	0	3
Total	83	81	36	0	200

10. Grants

- 10.1 The Council has been notified of the following capital grant allocation:

Marine Management Organisation –

Grant of £0.225 million, from European Maritime and Fisheries Fund, has been awarded to provide 75% funding of Brixham Harbour Fendering work. This grant is scheme specific and has been allocated to the project.

11. Capital Receipts

- 11.1 The removal of a few old budgets from the Capital Plan has slightly amended the overall funding position of the Plan and currently the approved Plan relies upon the generation of a total of £3.5 million capital receipts from asset sales by the end of 2019/20. The Council has received £2.8m at 1 April 2018, but little more by the end of September 2018, although there is a sale agreed “in principal”. Some of the funds held (£0.2m) belongs to a school so is not available to support the Capital Programme, leaving a target of £0.9m still to be achieved.
- 11.2 Any use of capital receipts to fund revenue transformation costs as allowed by the Government will increase this target. The Council is currently budgeting to use £0.4m for these purposes in 2018/19.
- 11.3 Council has approved the disposal of a number of sites at nil value for affordable housing including Redwell Lane, Paignton, Totnes Road, Paignton and St Kilda’s in Brixham. Whilst this is a valid decision and helps to meet the Council’s Housing Strategy outcomes, such decisions are against the approved Capital Strategy and makes the achievement of the capital receipts harder to achieve.

12. Capital Contributions – S106 & Community Infrastructure Levy

- 12.1 No significant Section106 capital contributions have so far been received in 2018/19.
- 12.2 The Council’s Community Infrastructure Levy (CIL) scheme came into effect from 1 June 2017. The main capital project identified for funding from CIL receipts is the South Devon Highway. No CIL funds have yet been received in 2018/19.

Appendices:

Appendix 1 – Capital Plan expenditure and funding summary – Quarter Two 2018/19
Appendix 2 – Capital Plan Project update – Quarter 2 2018/19

CAPITAL PLAN - QUARTER 2 2018/19 - EXPENDITURE

Appendix 1

								Revised 4-year Plan Sept 2018						
			Cost Centre	Latest Est Scheme Cost	Expend in Prev Years (active schemes only)	Actuals & Commitments 2018/19 Qtr 2	Previous 2018/19 (@ Q1 18/19)	2018/19 Q2 Adjustments	New Schemes 2018/19	Total 2018/19 Revised	2019/20	2020/21	2021/22	Total for Plan Period
PB = Approved Prudential Borrowing schemes			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Protecting children and giving them the best start in life														
Brookfield Site / Brunel Academy Phase 1			YEC10	1,050	497	34	1,553	(1,000)		553			553	
Brunel Academy Ph 2 Vocation Classrooms			YEC14						250	250	750		1,000	
Capital Repairs & Maintenance 2014/15 (incl. Furzeham)			YEE39	752	743		9			9			9	
Capital Repairs & Maintenance 2016/17 and 2017/18			YEE41	263		99	323	(60)		263			263	
Capital Repairs & Maintenance 2018/19			YEE42	378		212	418	(60)		358	20		378	
Cockington Primary expansion			YEA24	3,147	3,142	2	5			5			5	
Devolved Formula Capital			YEE10			72	156			156			156	
Early Years - Ellacombe Academy Nursery			YEA41	863	275	476	473	115		588			588	
Early Years - White Rock Primary Nursery			YEA40	420	406	2	14			14			14	
Education Review Projects			YET01			39	230	130	(360)	0	125	729	854	
Healthy Pupils Capital Fund			YEE50	39			39			39			39	
Medical Tuition Service - relocation			YEC13	405		2	200			200	205		405	
New Paignton Primary school			YEA39	609	7		602			602			602	
Roselands Primary - additional classroom			YEA42	599				(360)	400	40	559		599	
Secondary School places			YEB22	2,357	937	1,166	1,420			1,420			1,420	
Special Provision Fund (SEND)			YEC12	616		147	282			282	167	167	616	
Torbay School Relocation			YEC11	1,200	182		18			18	500	500	1,018	
Youth Modular Projects			YEF11	409	372		37			37			37	
				19,668	6,561	2,251	5,779	(1,235)	290	4,834	2,326	1,396	0	8,556
Working towards a more prosperous Torbay														
PB Claylands Redevelopment			YNA12	10,400	185	603	1,529			1,529	7,310	1,376		10,215
DfT Better Bus Areas			YJC02	1,095	1,095		88	(88)		0				0
PB Edginswell Business Park			YNA14	6,620	25	27	95			95	6,500			6,595
PB Employment Space, Torbay Business Park			YNA13	6,644	5,011	1,604	1,633			1,633				1,633
PB Innovation Centre Ph 3 (EPIC)			YNA05	7,749	777	5,761	6,295			6,295	677			6,972
PB Investment Fund			YAB42/44	200,200	119,744	29,812	45,000			45,000	31,573	3,883		80,456
Land Release Fund projects			YNA30-32	0	0	36				0	0			0
Old Toll House, Torquay			YCE26	20	9	1	141	(130)		11				11
PB Oxen Cove Landing Jetty			YMB05	1,966	119	467	1,847			1,847				1,847
Oxen Cove Shellfish processing facility -design work			YMB06	0	0	0	0			0	0			0
PB South Devon Highway - Council contribution			YJC07	20,224	17,694	90	2,123			2,123	407			2,530
PB TEDC Capital Loans/Grant			YNA11 / 06	2,690	1,965		725			725				725
PB Town Centre Regeneration Programme			YNA20-23	25,000			0			0	10,000	15,000		25,000
Transport Highways Structural Maintenance			YJA01/YJB01			128	1,555			1,555	1,174	1,174		3,903
Transport Integrated Transport Schemes			YJC01/YJD01			709	900	(125)		775	750	712		2,237

CAPITAL PLAN - QUARTER 2 2018/19 - EXPENDITURE

Appendix 1

								Revised 4-year Plan Sept 2018					
		Cost Centre	Latest Est Scheme Cost	Expend in Prev Years (active schemes only)	Actuals & Commitments 2018/19 Qtr 2	Previous 2018/19 (@ Q1 18/19)	2018/19 Q2 Adjustments	New Schemes 2018/19	Total 2018/19 Revised	2019/20	2020/21	2021/22	Total for Plan Period
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
PB = <i>Approved Prudential Borrowing schemes</i>													
Transport - Torquay Gateway Road Improvements		YJC18	2,927	1,050	88	61	2		63	1,764	50		1,877
Transport - Torquay Town Centre Access		YJC17	530	414	7	211	(95)		116				116
Transport - Tweenaway Junction		YJC06	4,899	4,899	9				0				0
Transport - Western Corridor		YJC14	10,644	7,324	2,463	2,600			2,600	670	50		3,320
PB Upton Place, Lymington Road (Student Accom - Town Hall Car Park)		YNA15	0			0			0	0			0
			301,608	160,311	41,805	64,803	(436)	0	64,367	60,825	22,245	0	147,437
Ensuring Torbay remains an attractive and safe place to live and visit													
Babbacombe Beach Road		YJE02	70	0		70			70				70
Brixham Harbour - Breakwater		YMB04	3,853	0		3,853			3,853				3,853
Brixham Harbour - Fendering		YMB07	300	6	6	69	225		294				294
PB CCTV equipment		YBD02	412	0	146	335	27		362	50			412
Clennon Valley Sport Improvements		YCE28	70	2		68			68				68
Flood Alleviation - Cockington		YKA30	328	6	30	322	(72)		250	72			322
Flood Alleviation - Monksbridge		YKA31	412	10	37	402	(127)		275	127			402
Flood Defence schemes (with Env Agency)		YKA17/20/21/	631	630		1			1				1
PB Freshwater Cliffs Stabilisation		YKA27	375	330	40	45			45				45
Haldon Pier - Structural repair Phase I&2		YMA04	3,064	3,045		19			19				19
Hollicombe Cliffs Rock Armour		YKA26	1,543	1,330	12	213			213				213
Libraries Unlimited ICT Upgrades		YCA04	107	0				107	107				107
PB Paignton Harbour Light Redevelopment		YMC01	600	0	64	600	(500)		100	500			600
PB Parkwood Loan re Torbay Leisure Centre		YCE29	1,700	515	1,185	1,186	(1)		1,185				1,185
Princess Gardens Fountain		YCE30	122	117	60	5			5				5
Princess Pier - Structural repair (with Env Agency)		YMA04	1,664	85	885	1,579	(598)		981	598			1,579
PB Public Toilets Modernisation Programme		YKA29	1,170		508	770			770	400			1,170
Torbay Leisure Centre - structural repairs		YCE21	541	541		3	(3)		0				0
Torre Abbey Renovation - Phase 2		YCB04	5,010	4,992		18			18				18
Torre Abbey Renovation - Phase 3 (Torbay Council commitment)		YCB06	0			150	(150)		0	0			0
Torre Valley North Enhancements		YCE25	127	40		87			87				87
Torquay Harbour - Beacon Quay Decking		YMA11	80		80	80			80				80
Torquay Harbour - Town Dock Pontoons Replacement		YMA10	263	263	12				0				0
			22,442	11,912	3,065	9,875	(1,199)	107	8,783	1,747	0	0	10,530
Protecting and supporting vulnerable adults													
Adult Social Care		YQD10			42	780			780				780
Affordable Housing		YTB05	2,883	1		1,497			1,497	1,385			2,882
PB Housing Rental Company - Loan		YTB52				0			0	12,500	12,500		25,000

CAPITAL PLAN - QUARTER 2 2018/19 - EXPENDITURE

Appendix 1

								Revised 4-year Plan Sept 2018					
		Cost Centre	Latest Est Scheme Cost	Expend in Prev Years (active schemes only)	Actuals & Commitments 2018/19 Qtr 2	Previous 2018/19 (@ Q1 18/19)	2018/19 Q2 Adjustments	New Schemes 2018/19	Total 2018/19 Revised	2019/20	2020/21	2021/22	Total for Plan Period
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<div><div>PB</div> = Approved Prudential Borrowing schemes</div>													
Housing Rental Company - Aff Hsg Developments		YTB53	100		11	100			100				100
Sanctuary HA - Hayes Road Pgn		YTB31	250	250		0			0				0
Disabled Facilities Grants		YQA01			343	1,338			1,338				1,338
Empty Homes Scheme		YTB51	500	43		0			0	457			457
Private Sector Renewal		YTA01				0			0	113			113
			3,733	294	396	3,715	0	0	3,715	14,455	12,500	0	30,670
Corporate Support													
<div><div>PB</div> Corporate IT Developments</div>		YAA12	1,035	417	135	618			618				618
<div><div>PB</div> Council Fleet Vehicles</div>		YLA01	463	333		130			130				130
<div><div>PB</div> Essential Capital repair works</div>		YBB03	872	0		0			0	872			872
Enhancement of Development sites		YAB32	327	125	70	202			202				202
Flexible Use of Capital Receipts (NB. Not Capital expenditure)			657	300		300	57		357				357
Office Rationalisation Project - Electric House refurbishment		YAB38	700	326	370	374			374				374
Payroll Project		YAA11	370	358	10	12	(3)		9	3			12
General Capital Contingency		YBB01	631	0		0			0	631			631
			5,055	1,859	585	1,636	54	0	1,690	1,506	0	0	3,196
TOTALS				180,937	48,102	85,808	(2,816)	397	83,389	80,859	36,141	0	200,389
CAPITAL PLAN - QUARTER 2 2018/19 - FUNDING													
Unsupported Borrowing						59,292	(651)		58,641	68,152	32,739		159,532
Grants						21,929	(2,297)	250	19,882	9,618	3,336		32,836
Contributions						694	55		749	460			1,209
Revenue						0	452		452	657	203		1,312
Reserves						1,149	(6)	107	1,250	1,449	(137)		2,562
Capital Receipts						2,744	(329)		2,415	523			2,938
Total						85,808	(2,776)	357	83,389	80,859	36,141	0	200,389

Capital Plan Projects		Project status report
PB	= <i>Approved Prudential Borrowing schemes</i>	18/19 budget so comment required
Protecting children and giving them the best start in life		
	Brookfield /Brunel Academy Phase 1	Project on site, on programme and budget - due to complete February 2019.
	Brunel Academy Phase 2 Vocational Classrooms	Project underway; at detailed design stage.
	Capital Repairs & Maintenance 2014/15 (incl. Furzeham)	2014/15 R&M Programme complete.
	Capital Repairs & Maintenance 2016/17 & 2017/18	2016/17 R&M Programme complete 2017/18 R&M Programme ongoing - some slippage through minimising term time disruptions.
	Capital Repairs & Maintenance 2018/19	2018/19 R&M Programme underway; some slippage due to works needing to be carried out over summer hols 2019.
	Cockington Primary expansion	Project Complete - latent defect outstanding so small budget remains.
	Devolved Formula Capital	Ongoing draw down by schools.
	Early Years - Ellacombe Academy Nursery	Project complete.
	Early Years - White Rock Primary Nursery	Project Complete - latent defect outstanding so small budget remains.
	Education Review Projects	Feasibility work underway to identify schemes for investment; report to Council to follow.
	Healthy Pupils Capital Fund	Evaluation of bids & programme to be agreed. Ongoing process until all funds from DfE drawn down.
	Medical Tuition Service relocation	Project underway; at detailed design stage. Succesful consultation event held, feedback from National Trust now supportive.
	New Paignton Primary school	ESFA project underway - awaiting invoice for LA contribution for acquisition of site. Project due to complete September 2020.
	Roselands Primary Bulge Classroom	New scheme agreed at Council Sept 18 to accommodate extra pupils until new Pgn Primary school opens
	Secondary School places	Project complete.
	Special Provision Fund	Evaluation of bids & programme to be agreed by SEND Board. Ongoing process until all funds from DfE drawn down.
	Torbay School Relocation	Feasibility study underway to identify options; report to Council to follow.
	Youth Modular Projects	Project linked to the relocation of MTS to MyPlace to minimise disruption on site and provide value for money.
Working towards a more prosperous Torbay		
PB	Claylands Redevelopment	Planning submitted. Tenders due Sep'18. Anticipated start on site Nov'18.
	DfT Better Bus Areas	Main project plans complete, remaining unused budget removed
PB	Edginswell Business Park	Legal advice obtained to derisk transaction. Proposal submitted to Hawkins Trust for relaxation of food restriction. Awaiting response.
PB	Employment Space	Scheme progressing well with tenant due to take occupation in the summer
PB	Investment Fund	Eight sites acquired with one other at 'exchanged contracts' stage. Others opportunities being considered.
	Land Release Fund projects	Schemes at 3 locations to enable land to be released for future housing developments - budget and costs now initially in revenue.

Capital Plan Projects		Project status report
PB	= <i>Approved Prudential Borrowing schemes</i>	18/19 budget so comment required
PB	NGP - Torbay Innovation Centre Ph 3 (EPIC)	Construction works commenced on site 05/03/2018. Ground works have been completed, along with the erection of the steel frame and installation of the floors and roof. The building is due to be weather tight by November 2018. There are currently no major delays or risks to the project. An application for additional ERDF funding has been made and we awaiting the outcome. The final conditions are in the process of being discharged for the Grant Funding Application for the LEP Growth Deal 2 monies.
	Old Toll House, Torquay	The original scheme has been overtaken by an Investment Fund project which will invest in the redevelopment and a pre-let agreement with a prospective tenant is in place. This budget line has now been removed.
PB	Oxen Cove Landing Jetty	Awaiting MMO licence. Expect to commence early Dec and complete by end Mar 2019
	Oxen Cove Shellfish processing facility -design work	EMFF grant funding bid withdrawn and scheme removed from Capital Plan
PB	South Devon Highway - Council contribution	Managed by DCC reisdual issues eg. Compensation claims, to be resolved
PB	TEDC Capital Loans/Grant	Funds available to draw on as required by TEDC to finance capital schemes
PB	Town Centre Regeneration Programme	Spend likely to increase in 2019/20 if regeneration projects such as Victoria Centre proceed as expected
	Transport Integrated Transport Schemes	Reduction to 2018/19 estimated expenditure due to request to delay some schemes under moratorium - these may be progressed later in the implementation plan.
	Transport Structural Maintenance	Structural Maintenance programme has commenced and on target
	Transport - Torquay Gateway Road Improvements	Design works continuing on Shiphay Lane-Lowes Bridge widening, scheme to commence in 2019
	Transport - Torquay Town Centre Access	Some minor expenditure remaining
	Transport - Tweenaway Junction	Some compensation claims to be settled
	Transport - Western Corridor	Currently on target
PB	Upton Place, Lymington Road (Student Accommodation - Town Hall Car Park)	Current project proposals abandoned.
Ensuring Torbay remains an attractive and safe place to live and visit		
	Babbacombe Beach Road	Awaiting information on recent slippage.
	Brixham Harbour - Breakwater structural repairs	Awaiting MMO licence. Expect to commence early Nov and complete by end Mar 2019
	Brixham Harbour - Fendering	Items ordered; expect to commence early Nov and complete by Xmas
PB	CCTV equipment	Project a little behind target due to a number of third party building issues that needed agreements in place or permissions granted. For Torquay these have now been completed, so start date is anticipated to be second week of October for Torquay. Paignton should hopefully follow on behind in December or January 2018/19.
	Clennon Valley Sport Improvements	Order placed for some works
	Flood Alleviation - Cockington	Detailed design works underway. Further grant in aid funding from EA will be claimed before the end of December 2018. Works should go out to tender in November 2018 with a predicted start on site in January 2019. All works should be completed by end of June 2019.
	Flood Alleviation - Monksbridge	Detailed design works currently being undertaken. Scheme will be out to tender in late October/early November with the successful contractor likely to start on site in January 2019. All works being completed by end of October 2019.
	Flood Defence schemes (with Env Agency)	Used towards Council's contribution towards capital schemes at Cockington and Monksbridge which secured Env Agency grant in aid funding in 2017/18.

CAPITAL PLAN - QUARTER 2 2018/19 - PROJECT UPDATE

Appendix 2

Capital Plan Projects		Project status report
PB	= <i>Approved Prudential Borrowing schemes</i>	18/19 budget so comment required
PB	Freshwater Cliffs Stabilisation	All works completed but some residual payments still to be made
	Haldon Pier - Structural repair Phase 1&2	Main works are complete.
	Hollicombe Cliffs Rock Armour	Outstanding compensatory work requested by Natural England still to be undertaken by TCCT.
PB	Paignton Harbour Light Redevelopment	Proposals for redevelopment are progressing although works are now unlikely to commence until next financial year.
PB	Parkwood Loan re Torbay Leisure Centre	All loan drawdowns made and works at Centre progressing.
	Princess Gardens Fountain	Project completed,over budget but additional funds (Section 106) to be agreed to be transferred into project.
	Princess Pier - Structural repair (with Env Agency)	The demolition of the pier widening, the cathodic protection to the seaward piles and the inner harbour piles have been completed. In addition the Beacon Quay decking which has been funded from this code has also been completed. The remaining works which include the application of protective coatings to the steel sub frame above water level is currently 20% complete. All works will be complete by end of March 2019. The proposed works involving underwater concrete repairs has been put back to next year.
PB	Public Toilets Modernisation Programme	Refurbishment of several toilet blocks has commenced and a clear project plan is in place. We would not anticipate any change in the set budget although we are having some issues with the time taken to obtain planning consent.
	Torbay Leisure Centre - structural repairs	Scheme complete. Small residual budget removed.
	Torre Abbey Renovation - Phase 2	An outstanding matter is expected to be resolved this year.
	Torre Abbey Renovation - Phase 3 (Torbay Contribution)	HLF application bid unsuccessful so project removed from Capital Plan
	Torre Valley North Enhancements	Project to be started winter 2018/19
	Torquay Harbour - Beacon Quay decking	Project completed.
Protecting and supporting vulnerable adults		
	Adult Social Care	Project(s) still to be identified although proposals are being discussed.
	Affordable Housing	Funds likely to be utilised for affordable housing schemes as identified by Housing Company
PB	Housing Rental Company - Loan	Finance approved to help establish and resource Housing Company
	Housing Rental Company - Affordable Housing development	Funds to progress existing Council sites for affordable housing
	Sanctuary HA - Hayes Road Pgn	Development completed. Unused resources added to Affordable Housing budget
	Disabled Facilities Grants	Statutory provision of financial assistance for adaptations to private residences enabling independence for recipients
	Empty Homes Scheme	No viable options so scheme cancelled
	Private Sector Renewal	Old residual budget not required so scheme cancelled
Corporate Support		
PB	Corporate IT Developments	We continue to identify spend on critical ICT infrastructure items which need replacing
PB	Council Fleet Vehicles	Balance of funding available for acquisition of Council's fleet vehicles as required

Capital Plan Projects		Project status report
<i>PB</i>	= <i>Approved Prudential Borrowing schemes</i>	18/19 budget so comment required
<i>PB</i>	Essential Capital repair works	Budget provided to cover emergency / urgent repairs to Council properties
	Enhancement of Development sites	Budget to enable moderate expenditure to enhance value of potential sites.
	Flexible Use of Capital Receipts	Government has introduced flexibility to allow use on transformative projects which produce ongoing savings
	Office Rationalisation Project - Electric House refurbishment	Works to update office accommodation are largely complete. Some residual costs to pay.
	Payroll Project	Project largely completed . Some remaining consultancy and implementation costs may run into next year.
	General Capital Contingency	Contingency for unforeseen emergencies or funding shortfalls



Consultation Document

Local Area Proposals for Achieving and Maintaining a Balanced Higher Needs Budget

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Consultation

School Forum is in the process of identifying ways to meet the challenges posed by a deficit in the Higher Needs Block of the Dedicated Schools Grant. The proposals have been generated through a series of meetings between Local Authority Officers and School Representatives.

Difficult decisions have to be made and we welcome your feedback on the range of proposals set out by School Forum to help shape the direction for the future.

Your opinions form an important part of this process. The results and your feedback will be used by School Forum and as part of an evidence base to the Secretary of State.

To enable the widest feedback to be provided the consultation does not limit the information you may wish to share with us.

Consultation Questions

1. Do you support the proposals listed in **Strengthening an Inclusive and Accountable Culture?**

Yes

No

Please comment

2. Do you support the proposals listed in **Ensuring Children and Young People have access to alternative and bespoke provision?**

Yes

No

Please comment

3. Do you support the proposals listed in **Ensuring the right children, achieve the right level of support, at the right cost?**

Yes

No

Please comment

4. Do you support **the virement application** to deal with the deficit budget position?

Yes

No

Please comment

Please provide any other information and comments you wish to raise

Current Position

Torbay's High Needs Budget is facing severe financial pressure that needs to be addressed as a matter of urgency. In 2017/2018 the whole Schools Budget was overspent by just under £1 million (£983,000) but the High Needs Budget within this was overspent by more than £1.4 million, with savings elsewhere (primarily Early Years).

The virement of 0.5% from the Schools Block in 2018/2019 had reduced this pressure from 2017/2018 to £614,000. However, given the pressure is increasing in 2018/2019 due to rising numbers of pupils with Education, Health and Care Plans (EHCPs) and increased costs, there is a need to find a long-term solutions to the pressures.

There is no Dedicated Schools Grant (DSG) reserve. The carry forward pressure from 2017/2018 places the reserve in a negative position of £614,000. Given the local authorities overall financial position, especially the increasing social care pressures, there is little if no scope to make available any corporate funding to alleviate High Needs pressures. There is equally no basis for the local authority to occur the costs that sit within the Dedicated Schools Grant.

The analysis of Torbay's High Needs Budget shows that, whilst there are some noticeable differences with other authorities in terms of headline figures (Appendix 1 – Demand Data), the underlying local issues are very similar to the national picture. However, it is evident that Torbay's starting position of a comparatively high number of High Needs pupils, and consequently high cost, is a big contributory factor a worsening financial position. (Appendix 2 – Overall financial position paper)

The trajectory outturn position of 2018/2019 demonstrates that the Higher Needs budget pressure could be as much as £2.6 million at the end of the financial year.

At the request of School Forum, a High Needs Recovery Group (HNRG) was established to consider ways in which to reduce these pressures. The group made up of system leaders across education, health and social care have considered in detail the demands that are leading to the increased spend. At the May 2018 HNRG meeting it was agreed that an approach to include both work to change the factors contributing to demand and cost and a virement application to deal with the deficit position should be adopted. The following paper sets out a proposed approach.

Strengthening an inclusive and accountable culture

In 2016 the Local Authority commissioned an independent consultant to undertake an audit of Special Educational Needs and Disabilities (SEND) practice in all schools. This audit demonstrated that there was significant good practice within schools and areas for all schools to consider for future developments. The audit demonstrated that the systems and processes used varied significantly across all institutions and good practice was often isolated to one school, one multi academy trust or an individual year group.

SEND casework officers report that there is a varying offers across schools and a differing approach to the work that will be offered and conducted for children with identified SEND needs.

Work between the community of schools and Local Authority to bring forward a change in approach has strengthened the offer in some schools i.e. Thrive, Autism Champions and Attachment training. However there remains a significant difference in the approach, financial commitment, tolerance and levels of inclusivity that are seen across schools.

This difference in approach is notable in relation to demand for alternative placements and both fixed term and permanent exclusions. The following chart shows Torbay against comparator authorities.

	Primary			Secondary			Special			All		
	Permanent exclusion rate (1)	Fixed period exclusion rate (2)	One or more fixed period exclusion rate (3)	Permanent exclusion rate (1)	Fixed period exclusion rate (2)	One or more fixed period exclusion rate (3)	Permanent exclusion rate (1)	Fixed period exclusion rate (2)	One or more fixed period exclusion rate (3)	Permanent exclusion rate (1)	Fixed period exclusion rate (2)	One or more fixed period exclusion rate (3)
ENGLAND (4)	0.03	1.37	0.62	0.20	9.40	4.62	0.07	13.03	5.09	0.10	4.76	2.29
SOUTH WEST (4)	0.04	1.69	0.71	0.19	9.40	4.49	0.10	17.55	6.54	0.10	5.14	2.38
Devon	0.07	1.57	0.71	0.22	7.63	3.60	0.36	14.91	5.87	0.14	4.16	1.93
Plymouth	0.02	0.70	0.34	0.09	8.22	4.40	x	20.25	8.79	0.05	4.27	2.23
Redcar and Cleveland	0.00	0.49	0.18	0.15	29.52	9.34	0.00	20.11	7.24	0.06	11.60	3.70
Blackpool	0.00	1.70	0.88	0.59	19.17	9.40	0.00	2.84	2.07	0.22	7.99	3.96
North East Lincolnshire	0.04	1.77	0.99	0.41	17.20	7.56	0.00	10.97	4.08	0.17	7.41	3.37
Rotherham	0.03	1.70	0.71	0.12	17.17	6.12	0.00	0.00	0.00	0.07	8.03	2.92
Telford and Wrekin	0.02	3.11	1.10	0.08	28.18	7.75	0.00	17.69	5.77	0.04	13.16	3.78
Southend-on-Sea	0.00	0.73	0.37	0.13	10.93	4.55	0.00	5.06	3.75	0.07	5.34	2.29
Isle of Wight	0.00	1.36	0.61	0.06	12.16	5.36	0.00	8.65	3.81	0.04	6.11	2.70
Statistical Neighbour Average	0.01	1.55	0.69	0.22	19.19	7.15	0.00	9.33	3.82	0.10	8.52	3.25
Torbay	0.03	2.41	1.08	0.33	9.63	5.20		16.86	8.43	0.16	5.94	3.07

Census Data – Exclusions 2016/2017

School Forum Proposals - Strengthening an Inclusive and Accountable Culture

Peer to Peer Challenge

Governing Bodies and School Leaders are delegated funds to ensure that they can meet the duties listed in the SEN code of practice. These duties include making provision for and meeting the needs of pupils at the earliest level of need. Evidence gathered through the request for statutory assessment process and permanent exclusion paperwork demonstrates that whilst some schools provide a significant level of resources and access to professional assessment prior to seeking an alternative provision or EHC plan, others can give little or no evidence of interventions leading up to the request for support.

The current mechanisms in place do not facilitate the opportunity for the sharing of practice or discussion of provision at the lowest level of need. The pupil is only discussed when either a request for statutory assessment is received or a request for an alternative placement is passed through the Pupil Referral Panel. Whilst the Local Authority can challenge individual school decisions on the allocation of resources, this is often at the point of no return for the individual pupil.

As subject experts, School Leaders across the system need to hold one another to account on these matters and both offer challenge and support to each other on how to best meet needs.

For this reason the Local Authority will facilitate a peer challenge approach, with delegated personnel attending a meeting to discuss pupils and provision required. The peer challenge group will draw on good evidence based practice, work to the agreed behaviour thresholds and ensure that quality first teaching and provision is made available to pupils in line with the agreed local protocol. Attendees will need to be able to hold each other to account and have the necessary delegated authority to agree to budget allocation within their schools.

With a successful peer challenge network in place only those pupils with complex needs will be discussed at Pupil Referral Panel after a significant period of intervention. This will limit the number of pupils that require a bespoke arrangement.

Fair Access Protocols

In the diverse provider market of Schools, there is emerging evidence that some schools are accepting a disproportionate amount of pupils who have complex needs above others. This is causing significant strain on particular schools or year groups within schools and is not providing the best possible start for the child or young person to succeed.

The Local Authority in consultation with schools has revisited the Fair Access Protocols and agreed a set of measures to ensure equality across the system can be assured and measured.

This includes a 3% admittance rate above the October census per year group, per school. This will ensure that all schools can be considered and approached for the placement of a child or young person that meet the criteria for fair access.

In its implementation the Local Authority needs to act with greater oversight of this process, encourage reintegration across the system and ensure that all schools adhere to the local Fair Access Protocol.

Providing independent advice to parents

For many children and young people the route to alternative provision is through permanent exclusion. The decision to permanently exclude is not a decision that is taken lightly by any school and it has to be considered that the majority of decisions are taken in the context that it is felt to be a necessary step for the child or young person. However the threshold for permanent exclusion varies considerably across schools and is largely driven by the behaviour policy adopted by the school. There is a variability in the way that schools apply good practice guidance such as ACPO (drug advice for schools) and within some schools the interpretation of this policy is dealt with differently for each child. The appropriateness of re-integration provision for children subject to fixed term exclusions is also another considerable factor.

For many parents this is a difficult time and one where relationships between the school and family can be strained, due to many factors. At the point of an exclusion it is important

to support the family to understand the decision, work to secure education provision and ensure that the family understands their right of appeal.

Currently an independent advice and support service is not available to all families that do not meet the criteria for SENDIAS services. To ensure that parents are fully supported and informed of their right to appeal, access to independent support should be provided.

The estimated cost of providing this provision would be £20,000 per year.

Providing Training and Information to Governors

An unintended consequence of the Government's strong focus on school standards has led to school environments and practices that can result in disadvantaged children being disproportionately excluded or off rolled. In exercising their duties governors should be mindful of this agenda and ensure that all groups of pupils are considered in their decision making and accountability measures.

To support governors in providing both the challenge and support to the senior leaders of their schools it would be advisable to provide appropriate focused training on inclusion, equipping governors with the necessary questions to fulfil their role.

The previous SEND audit conducted on all schools in 2016, supported senior leaders and governing bodies to be reflective and evaluative of current practice in relation to SEND. This audit also provided a valuable mechanism for school feedback to the local authority SEN team, with many actions being taken forward collectively through the SEND network.

To ensure that schools receive appropriate support and challenge it would be advisable to offer schools a further audit opportunity, this would enable a reflection on what has been achieved since 2016 and offer a further review of current practice. In addition the review could be used to ensure that there is information gathered on the element 2 funding that is received by schools, further strengthening the opportunity for equity across the school system.

The estimated cost of providing this provision would be £30,000 per year.

Ensuring children and young people have access to alternative and bespoke provision.

For some pupils who can't attend mainstream school for a variety of reasons, such as school exclusion, behaviour issues, short or long term illness or school refusal, there needs to be access to alternative and bespoke provision.

Torbay commissions a range of alternative provision both within the geographical boundary and in the neighbouring authority. The demand for this provision is above the numbers currently commissioned by the Local Authority.

The Local Authority discharges its duty for permanently excluded students through alternative provision provided by Mayfield – Chestnut Centre for the Primary Phase and Catch 22 Multi Academy Trust – Burton Academy for secondary students.

Students unable to receive suitable education due to illness are provided for through the work of the Medical Tuition Service and its Hospital School.

The Cost of Alternative Provision

£1.21 million was spent on commissioned secondary AP and assessment top ups in 2017/18

This is the cost of commissioned Alternative Provision at Burton Academy

£120,000 was spent on commissioned primary AP and assessment top ups in 2017/18 excluding outreach services

As Mayfield Chestnut is a combined SEMH/AP provision it is not possible to arrive at an absolute figure. Using Burton as indicative this is the cost of 7 exclusion places.



£610,000 - base funding for 55 places at Burton and 6 at Chestnut

As more children are excluded to Alternative Provision this cost is increasing.
(£490,000 in new exclusions in 2017/18 should they remain for a year)

£147,904 - cost of transporting students to Burton, Chestnut and the Medical Tuition Service.

90% of this cost was on taxis to all three services.



School Forum Proposals - Ensuring children and young people have access to alternative and bespoke provision.

Exclusion Recovery Process

School Forum have already taken proactive steps to consider the recoupment mechanism applied across all schools that permanently exclude a pupil. In June 2018, a decision was taken to adjust the recoupment mechanism to include Minimum Funding Guarantee (MFG). Although this will not recover significant additional funds it ensures that the funding follows the pupil to the maximum amount possible.

Recovering funding from schools for pupils moving to bespoke, alternative provision or those selecting to become electively home educated

The Local Authority currently recovers no funds from schools where a pupil moves to a bespoke or alternative provision. The funding attracted for the pupil remains with the school where the child was originally registered on the school census. The lack of recovery of funds results in the higher needs block covering the full cost of the new place.

To ensure that the funding received follows the child and the cost to the higher needs block is reduced it would be appropriate to charge schools for this provision. This could equally apply to children coming of a school roll to be educated at home. This funding could be brought back and used across the system.

The table below demonstrates the potential funds that could be recovered back into the higher needs budget:

	Unit Value to recover £		No. of pupils	Potential Cost Recovery £	Note
Medical Tuition Service	6,000		30	180,000	1
Assessment places at Alternative Provision	6,500		15	97,500	1
Elective Home Education (from May)	9,360	X 80%	30	205,920	2
Elective Home Education (from Oct)	9,360	X 80%	30	112,320	2
Elective Home Education (from Jan)	9,360	X 80%	30	56,160	2
Total recovery of funds from schools				651,900	

Notes:

1 – This would be a yearly charge as long as the pupil remains on the school census.

2 – The unit value of £9,360 has been calculated using secondary unit values of £4,600 minimum per pupil funding, £573 EAL, £1,988 FSM, £1,264 Low Attainment and £935 Pupil Premium. This is the same charge as excluded pupils and would be pro-rata. The 80% assumes that not all pupils will attract all these elements of funding.

Reviewing the cost and availability of alternative commissioned placements

For both pre 16 and post 16 independent placements, fees are based on agreement between the authority and the provider. Torbay currently has over 30 pupils in pre-16 places, costing about £1.4 million and about 50 in post 16 places, costing over £1.1 million.

The Local Authority has a number of actions in place to consider the increasing cost pressures and value for money of such provisions. These include:

- Post 16 working group and panel to ensure required outcomes are achieved and value for money is obtained, by strengthening accountability measures.

- Reviewing existing arrangements, including joint funding (social care and health).
- Consideration of capping commissioned place numbers.

For bespoke arrangements and packages, the SEND casework officers take the responsibility to negotiate and agree fees with providers. The caseworkers have a good understanding of the individual needs and relative costs to support those needs and do have success in managing down costs. However, the Local Authority needs to move towards having a dedicated resource for agreeing placement costs and the commissioning of places.

Current arrangements are commissioned on a spot purchase system, learning from other authorities, Torbay needs to negotiate a block contract arrangement with provider institutions that could deliver significant savings through agreed efficiencies.

By working with current providers to negotiate block contract rates it is anticipated that £200,000 savings could be achieved.

Creating alternative provision within the local area

There are currently five area- based resource provisions in Torbay. The top up funding provided to these provisions demonstrates good value for money, when compared to externally commissioned placements. A sixth resourced provision opened in September 2018 at Paignton Community and Sports Academy (PCSA), with potential savings in excess of £100k per annum.

Analysis of the cohort taught within externally commissioned placements, demonstrates that there is a need to prioritise the development of primary SEHM provision, for excluded primary aged pupils. Three multi academy trusts have approached the local authority with a proposal to offer an enhanced resource base.

Working with these providers there is the potential to create six placements, relieving the pressure on Mayfield – Chestnut and enabling the school to become a specialist SEMH provision. This would reduce the reliance of the Local Authority on using additional packages that are bespoke and costly. This could potentially reduce the budget by £80,000 per year.

On the 13th August 2018, the Department for Education opened an opportunity for Local Authorities to apply to open a special or alternative provision free school. The suggested criteria for a successful application would require a cross border application, the Local Authority is engaged with neighbouring authorities to work on a bid that could offer an alternative solution to meet need, including the potential for a post sixteen offer. Due to the timing of the announcement it is unknown at this stage what savings could be achieved through a successful application.

Ensuring an appropriate contribution and investment in services from Health and Social Care

Many of the children and young people require additional support that is beyond the remit of an education provision. For a significant cohort of SEN pupils there is a need for either or both, social care and health support. The code of practice for SEN is starting to embed a stronger understanding of a joint and co-ordinated plan. Work conducted by the Local Area is strengthening initial systems and processes, but there is still lots of work to do to achieve a holistic assessment and plan for children when appropriate.

Work needs to continue with the professional bodies across the partnership to ensure that children and young people are in receipt of a co-ordinated plan, and where appropriate this needs to be funded across all agencies.

Initial work conducted on joint placement funding has ensured that the joint funded placements are within the set budget and are reducing in cost from an education perspective.

To build on this good work a joint funding panel has been established with Health, Social Care and Education. This panel will discuss complex cases and agree a proportionate share of costs for any significant package of support. The first panel took place in September 2018 and will meet monthly.

School Forum Proposal - Ensuring the right children, achieve the right level of support, at the right cost

Request for Statutory Assessment and Issuing of Education Health and Care Plan

Torbay historically and currently has a higher proportion of children and young people with Education Health and Care Plans. The local authority also has a relatively low number of tribunal cases and requests for mediation. This may be an accurate reflection of the high number of pupils with complex needs or could be attributed to an application of thresholds that differs from other authorities or to a lack of challenge to support needs without the need for an EHCP.

Plymouth the partner authority for Torbay has not experienced the significant increase in requests for statutory assessment since the introduction of the code in 2014, nor have they issued an increased number of EHCP's. The current refusal rate for Plymouth is 40% of all requests.

To ensure accurate application of threshold, it is proposed that Torbay uses the partner relationship with Plymouth to test EHCP thresholds, inviting Plymouth colleagues to be a member of the panel.

A reduction in the issuing of EHC plans would result in the reduction of future spend and bring us further in line with statistical comparators.

Element 3 (Top up)

The EFSA's operational guide sets out how the top up funding system works, in addition to the core funding. This guide places emphasis on local authorities working with all providers to ensure that there are clear processes for allocating top up funding.

For mainstream schools the guide states that 'Top up funding rates . . . should reflect the needs of the individual and the cost of meeting those needs.' They should be 'on a consistent and fair basis'. Funding may also be provided where a school has a disproportionate number of pupils with a particular type of SEND. Further, the guide states 'Local authorities should have a formula or other method, based on experience of distributing additional funding to their schools and academies. In all cases the distribution methodology should be simple and transparent, and devised so that additional funds are targeted only to a minority of schools which have particular difficulties because of their disproportionate number of High Needs or SEND pupils or their characteristics'.

In theory, this means that there are four main options (with variants) for a top up system:

- An all-in, flat cash value e.g. reach a tipping point and get a fixed sum. This is highly dependent on local culture, e.g. if all schools agree to accept potential for gains and losses in relatively equal measures across time.
- A banding threshold system, dependent on determining local qualitative/quantitative criteria to measure the child's needs against;
- A real terms "costed" model- for example if you apply specific quantified advice about what special education provision the child requires, you can cost this out £ for £. However this could prove expensive and raise expectations.
- A highly delegated model, where you ensure fair spread of the element 3 factor across all schools and the LA doesn't need to attach any monies to an EHC plan because all schools are financed and required to deliver a suite of SEN provisions. This could be a risky option but if planned and implemented well, the payoff is that it could encourage localism, spreads the load and could be achieved within the Higher Needs Budget.

Most authorities' formula have some mechanism that converts assessed need into a value, whether a point scoring system on an individual basis or a banding system. Most authorities are reviewing, or have already reviewed, their approaches in light of budget pressures and are adjusting them by any one or a combination of:

- Completely reviewing the assessment process
- Reducing the number of bands
- Reducing the values applied to bands
- Restricting the overall top up budget and applying that pro rata across all schools – whether on assessed need or historical factors or simply on the individual schools budget.

Torbay's current process is administratively time consuming. This includes a detailed assessment of criteria (55 in total) within four main characteristics (cognition and learning,

communications and interaction, behaviour and emotional & social development, sensory, physical and or medical.) For each criterion a score within a set range is allocated. This is then added up, multiplied by 39 (weeks), and then multiplied by £4.41 (rounded) to arrive at a value for additional support required. If this value is above £6,000 then this is provided as a top- up. This approach serves well to arrive at individuals' needs, however it can be made more efficient.

Torbay needs to review its detailed assessment process and associated values applied to an individual pupil level, as one of main sources of potential savings to deal with the deficit and maintain a balanced budget into the future.

Torbay needs to review the process used for allocating Element 3 funding and work with schools and families to introduce a banding system that aligns with the budget available. To achieve this there would need to be a dedicated working party and an implementation plan that would potentially result in a panel decision process, creating shared accountability.

Special Schools

Special schools are protected in line with the minimum funding guarantee for mainstream schools (0.5% and -1.5% limits), within certain parameters.

Torbay and the majority of Local Authorities delegate funds to special schools through a banded system based on the pupil's needs. It is recognised that average values per pupil in other authorities appear to be higher than those allocated in Torbay. For example Wigan Council's top up is about £10,000 per pupil compared with Torbay's at about £7,000 per pupil. The comparator statistics show Torbay as the 2nd highest per capita (0-19) compared with Wigan at 10th highest (out of 11) in the group. This reflects the relative number of pupils with EHCPs.

Despite Torbay being a relatively low spender per pupil for these top ups, with a total spend of about £4.3 million, this has to be considered as a potentially area of saving to achieve a balanced budget and maintain the position in the future.

To manage the spend on Special Schools it is proposed to limit the special school funds to the 1% increase that has been included in the DfE technical guidance. This includes the 0.5% increase in 2017 – 2018 and a further 0.5% increase from the 2018 – 2019 position.

The following table demonstrates the impact on each school.

SCHOOLS FORUM 1/10/18														
SPECIAL SCHOOL PER PUPIL FUNDING														
REDUCTIONS IN BUDGET TOP-UP VALUES FOR 19/20 COMPARED WITH CURRENT 18/19 TOP-UP VALUES AGREED BY SCHOOLS FORUM IN MARCH 18														
	Initial	Current	Initial Top-up	Number	Number	Initial	Current Funding Position				With 1% increase in initial funding			Reduction in
	Top-up	Top-up	with 1% increase	of Places	of Pupils	Funding	Place	Pupil	Total	Increase	Place	Pupil	Total	Funding
	per pupil	per pupil	in funding	Jan 18	Jan 18	Position	Funding	Funding	Funding	agreed by	Funding	Funding	Funding	
	£	£	£				£	£	£	Forum	£	£	£	£
Combe Pafford														
Autism	4,726	5,132	4,926	38	54	635,204	380,000	277,128	657,128	21,924	380,000	266,002	646,002	11,126
BESD 1	5,240	5,690	5,462	19	21	300,040	190,000	119,490	309,490	9,450	190,000	114,696	304,696	4,794
SLD	5,127	5,567	5,344	2	6	50,762	20,000	33,402	53,402	2,640	20,000	32,064	52,064	1,338
Hearing	5,014	5,444	5,226	2	2	30,028	20,000	10,888	30,888	860	20,000	10,452	30,452	436
MLD 1	507	551	528	63	47	653,829	630,000	25,897	655,897	2,068	630,000	24,837	654,837	1,060
MLD 2	1,291	1,402	1,346	53	41	582,931	530,000	57,482	587,482	4,551	530,000	55,171	585,171	2,311
MLD 3	2,337	2,538	2,436	27	27	333,099	270,000	68,526	338,526	5,427	270,000	65,769	335,769	2,757
PD	4,726	5,132	4,926	9	13	151,438	90,000	66,716	156,716	5,278	90,000	64,038	154,038	2,678
SpecLD	2,281	2,477	2,378	4	2	44,562	40,000	4,954	44,954	392	40,000	4,755	44,755	199
SLCN	4,575	4,968	4,769	32	35	480,125	320,000	173,880	493,880	13,755	320,000	166,900	486,900	6,980
Visual	7,858	8,532	8,190	3	1	37,858	30,000	8,532	38,532	674	30,000	8,190	38,190	342
Totals				252	249	3,299,876	2,520,000	846,895	3,366,895	67,019	2,520,000	812,875	3,332,875	34,020
Mayfield & Chestnut														
PMLD	12,046	12,606	12,305	52	49	1,110,254	520,000	617,694	1,137,694	27,440	520,000	602,941	1,122,941	14,753
BESD1 - Chestnut	10,592	11,085	10,820	32	33	669,536	320,000	365,805	685,805	16,269	320,000	357,049	677,049	8,756
SLD	6,452	6,752	6,591	146	151	2,434,252	1,460,000	1,019,552	2,479,552	45,300	1,460,000	995,192	2,455,192	24,360
Totals				230	233	4,214,042	2,300,000	2,003,051	4,303,051	89,009	2,300,000	1,955,182	4,255,182	47,869
Burton & Brunel														
Brunel - SEMH	13,000	13,480	13,236	56	54	1,262,000	560,000	727,920	1,287,920	25,920	560,000	714,742	1,274,742	13,178
Burton - Alternative Provision	9,500	9,850	9,672	50	63	1,098,500	500,000	620,550	1,120,550	22,050	500,000	609,363	1,109,363	11,187
Totals				106	117	2,360,500	1,060,000	1,348,470	2,408,470	47,970	1,060,000	1,324,105	2,384,105	24,365
Special School Totals				588	599	9,874,418	5,880,000	4,198,416	10,078,416	203,998	5,880,000	4,092,162	9,972,162	106,254

Managing the historic and expected deficit

The measures listed in this report will create a marked shift to bring about significant cost reductions alongside increasing accountability and inclusive practice. This will begin to address the driving factors that lead to demand led costs and help to ensure mechanisms are in place to only allocate resources that are within the delegated higher needs budget.

The proposals listed within the report identified a number of options that could be implemented. These are summarised below to demonstrate the recovery savings that could be achieved if all options were implemented and achieved.

	£m
Recovery of Funds from schools where pupil moves to alternative provision	£0.6m
Renegotiation of Commissioned Placement costs	£0.2m
Creating Alternative provision in Local Area	£0.1m
Special School Funding	£0.1m
Total if all Options Implemented and Achieved	£1m

The options above recover under 50% of the shortfall predicted for 2018/2019.

School Forum have considered a number of options and recognise that an application to ask for the removal of the regulation, to cap the movement of funds between blocks, has to be submitted to the Secretary of State. This will begin to address the historic deficit and the projected year end out turn position.

School Forum took a decision to recover a value of £1.359 million, a disapplication percentage of 1.79%. The disapplication option would include the 0.5% allowed by Schools Forum.

	Disapplication Required	
To achieve a balanced budget for 2019/20	£m	%
If £1m options above accepted	1.359	1.79
If £1m options above not accepted	2.4	3.17
To recover 18/19 and prior year deficit	3.0	3.96
If £1m options above accepted: To recover 18/19, prior year deficit and achieve a balance budget in 19/20	4.4	5.81
If £1m options above not accepted: To recover 18/19, prior year deficit and achieve a balance budget in 19/20	5.4	7.13

Disapplication request to transfer funds from Schools Block to Higher Needs Block

School Forum established a working party to look at how the growth funds should be shared amongst schools if the disapplication request was approved. In taking their decision the group considered the principles that had been used to agree the allocation of growth funds by the School Forum at a previous meeting. This included the consideration of the minimum per pupil amounts, whilst also being mindful of the impact on schools to make the necessary step changes to alter the budget.

The working party agreed to consult on the following model of allocating the £841k growth funds.

- Assume a Minimum Funding Guarantee of 0% per pupil
- Minimum per pupil amount of £3,400 for Primary (50% increase from 18/19 levels)
- Minimum per pupil amount of £4,700 for Secondary (50% increase from 18/19 levels)
- The majority of the drivers used to allocate the 19/20 funding will be the same as in 18/19, you will see the unit values used for modelling purposes in the tables below:

AWPU

Lump sum

FSM

IDACI (Bands A - E)

IDACI (Band F – New for 19/20)

Prior Attainment

PFI

Split Sites

Rates

English as an additional language

The following chart indicates the impact of the virement application on each individual school budget.

Schools Forum 1/10/18

Comparison between 18/19 allocations and the potential impact on schools in 19/20 if £1.359m of the Schools Block growth was not allocated

£1.359m would require a 1.79% (of Schools Block) disapplication request

These allocations ensure a minimum per pupil funding of £3,400 for Primary & £4,700 for Secondary for 19/20 (50% of the increase from 18/19 towards the values of £3,500 Primary & £4,800 Secondary).

DfE No.	School Name	Pupil Numbers Oct-17	18/19 Allocation	18/19 Allocation	18/19 Funding per pupil before minimums are applied	19/20 Potential Allocation with £841k DSG Growth	19/20 Potential growth school would receive with £841k growth	19/20 £841k growth	19/20 £841k growth per pupil before minimums are applied	19/20 Potential Allocation with £2.2m DSG Growth	19/20 Potential growth school would receive with £2.2m growth	19/20 £2.2m growth	19/20 £2.2m growth per pupil before minimums are applied	19/20 Funding School wouldn't receive with £1.359m Disapplication
			£	Formula or MFG	£	£	£	Formula or MFG	£	£	£	Formula or MFG	£	£
2407	Furzeham Primary and Nursery School	275	1,027,474	Formula	3,736	1,055,153	27,678	Formula	3,837	1,072,396	44,921	Formula	3,900	17,243
2434	Curlledge Street Academy	414	1,633,389	Formula	3,945	1,633,389	0	MFG	3,945	1,670,079	36,691	Formula	4,034	36,691
2438	Oldway Primary School	637	2,106,385	Formula	3,307	2,165,800	59,415	Formula	3,331	2,165,800	59,415	Formula	3,368	0
2439	White Rock Primary School	544	1,864,299	Formula	3,427	1,887,101	22,801	Formula	3,469	1,917,390	53,091	Formula	3,525	30,290
2453	Cockington Primary School	564	2,163,842	Formula	3,837	2,165,051	1,209	Formula	3,839	2,217,497	53,655	Formula	3,932	52,446
2454	Ellacombe Academy	351	1,521,644	MFG	4,335	1,521,644	0	MFG	4,335	1,521,644	0	MFG	4,335	0
2455	Homelands Primary School	207	915,215	Formula	4,421	934,721	19,505	Formula	4,516	956,193	40,978	Formula	4,619	21,472
2456	St. Margaret's Academy	409	1,557,456	Formula	3,808	1,573,297	15,842	Formula	3,847	1,613,426	55,970	Formula	3,945	40,129
2460	Watcombe Primary School	195	879,666	Formula	4,511	879,666	0	MFG	4,511	896,861	17,195	Formula	4,599	17,195
2464	Preston Primary School	321	1,129,564	Formula	3,519	1,131,213	1,649	Formula	3,524	1,140,692	11,128	Formula	3,554	9,479
2468	Shipway Learning Academy	421	1,454,300	Formula	3,454	1,455,948	1,648	Formula	3,458	1,464,872	10,572	Formula	3,480	8,924
2469	Sherwell Valley Primary School	645	2,228,882	Formula	3,456	2,228,882	0	MFG	3,456	2,240,631	11,748	Formula	3,474	11,748
2473	Roselands Primary School	310	1,128,860	Formula	3,641	1,135,638	6,778	Formula	3,663	1,155,815	26,955	Formula	3,728	20,177
2474	Barton Hill Academy	586	2,688,176	MFG	4,587	2,688,176	0	MFG	4,587	2,688,176	0	MFG	4,587	0
3103	Brixham C of E Primary School	212	802,830	Formula	3,787	843,132	40,302	Formula	3,977	860,012	57,181	Formula	4,057	16,880
3119	Ilsham Academy	174	633,271	Formula	3,639	650,043	16,772	Formula	3,736	659,458	26,187	Formula	3,790	9,415
3120	Upton St. James Primary	101	486,836	Formula	4,820	495,276	8,440	Formula	4,904	509,207	22,371	Formula	5,042	13,931
3121	Warberry C of E Primary School	393	1,444,544	Formula	3,676	1,456,710	12,166	Formula	3,707	1,488,197	43,653	Formula	3,787	31,487
3600	Galmpton C of E Primary School	219	767,660	Formula	3,505	779,773	12,112	Formula	3,561	786,273	18,613	Formula	3,590	6,500
3601	St. Margaret Clithrow Catholic Primary School	123	500,509	Formula	4,069	517,432	16,923	Formula	4,207	525,341	24,832	Formula	4,271	7,909
3613	Sacred Heart Catholic Primary and Nursery School	207	848,805	Formula	4,101	852,461	3,656	Formula	4,118	872,442	23,636	Formula	4,215	19,980
3614	Our Lady of the Angels Catholic Primary School	173	715,042	Formula	4,133	718,117	3,076	Formula	4,151	733,825	18,783	Formula	4,242	15,707
3615	All Saints Babbacombe C of E Primary School	204	798,873	Formula	3,916	811,777	12,903	Formula	3,979	829,104	30,230	Formula	4,064	17,327
3616	St. Marychurch C of E Primary School	308	1,178,286	Formula	3,826	1,189,027	10,741	Formula	3,860	1,215,627	37,341	Formula	3,947	26,600
3617	Priory Roman Catholic Primary School	163	690,786	Formula	4,238	702,148	11,363	Formula	4,308	717,683	26,897	Formula	4,403	15,535
3618	Torre C of E Primary School	296	1,131,574	Formula	3,823	1,146,900	15,326	Formula	3,875	1,175,085	43,511	Formula	3,970	28,185
3619	Collaton St. Mary C of E Primary School	208	781,353	Formula	3,757	801,374	20,021	Formula	3,853	820,478	39,125	Formula	3,945	19,104
3751	Eden Park Primary Academy	391	1,463,714	MFG	3,744	1,488,962	25,248	Formula	3,808	1,517,506	53,791	Formula	3,881	28,543
3752	Kings Ash Academy	358	1,624,081	Formula	4,537	1,624,081	0	MFG	4,537	1,651,236	27,155	Formula	4,612	27,155
5200	Hayes School	408	1,620,952	Formula	3,973	1,620,952	0	MFG	3,973	1,661,845	40,893	Formula	4,073	40,893
	TOTAL PRIMARY SCHOOLS	9,817	37,788,268			38,153,843	365,575			38,744,787	956,519			590,944
4114	Torquay Grammar School for Girls	712	3,275,200	Formula	4,387	3,346,400	71,200	Formula	4,426	3,346,400	71,200	Formula	4,470	0
4115	Torquay Academy	1147	5,761,229	Formula	5,023	5,802,248	41,019	Formula	5,059	5,986,638	225,408	Formula	5,219	184,389
4116	Churston Ferrers Academy	738	3,394,800	Formula	4,389	3,468,600	73,800	Formula	4,444	3,468,600	73,800	Formula	4,491	0
4117	The Spires College	728	4,034,549	Formula	5,542	4,075,079	40,530	Formula	5,598	4,206,569	172,020	Formula	5,778	131,490
4118	Brixham Academy	986	4,794,562	Formula	4,863	4,875,862	81,301	Formula	4,945	4,999,372	204,810	Formula	5,070	123,509
4119	Paignton Community & Sports Academy	1277	6,688,803	Formula	5,238	6,740,501	51,698	Formula	5,278	6,940,225	251,422	Formula	5,435	199,724
4601	St Cuthbert Mayne Joint Catholic and C of E School	768	3,955,483	Formula	5,150	3,992,314	36,830	Formula	5,198	4,121,293	165,810	Formula	5,366	128,979
5401	Torquay Boys' Academy	790	3,634,000	Formula	4,386	3,713,000	79,000	Formula	4,437	3,713,000	79,000	Formula	4,479	0
	TOTAL SECONDARY SCHOOLS	7,146	35,538,626			36,014,004	475,378			36,782,096	1,243,470			768,092
	TOTAL PRIMARY & SECONDARY	16,963	73,326,895			74,167,847	840,952			75,526,883	2,199,988			1,359,036
	PRIMARY AVERAGE PER PUPIL		3,849			3,887				3,947				
	SECONDARY AVERAGE PER PUPIL		4,973			5,040				5,147				
	PRIMARY:SECONDARY RATIO		1.29			1.30				1.30				

Note of caution - these allocations will change when Oct 18 census data is used and also any changes to unit values and process changes which the ESFA may implement for 19/20.

Assumptions										
Pupil numbers for 18/19 & 19/20 are the same.										
Allocations for PFI, Split Sites & Rates for 18/19 & 19/20 are the same.										
The minimum funding guarantee has been set at 0%										
The unit values used for the allocations are:		Primary	Primary		Primary	Secondary	Secondary		Secondary	
		18/19	19/20		19/20	18/19	19/20		19/20	
			£841k		£2.2m		£841k		£2.2m	
		£	£		£	£	£		£	
Age Weighted Pupil Unit (AWPU) - KS1 & 2		2,806.18	2,776.59		2,776.59					
Age Weighted Pupil Unit (AWPU) - KS3						3,862.65	3,862.65		3,862.65	
Age Weighted Pupil Unit (AWPU) - KS4						4,386.81	4,386.81		4,386.81	
Lump Sum		85,000	98,000		98,000	110,000	110,000		110,000	
FSM		1,301.24	1,171.11		1,236.18	1,988.03	1,491.02		1,988.03	
FSM - Ever 6		0	0		0	0	0		0	
IDACI - Band A (score between 0.5 & 1.0)		966	851.15		1,061.72	642.42	828.49		1020.47	
IDACI - Band B (score between 0.4 & 0.5)		805	616.35		768.83	535.35	614.69		757.12	
IDACI - Band C (score between 0.35 & 0.4)		644	572.33		713.91	428.28	573.11		705.92	
IDACI - Band D (score between 0.3 & 0.35)		483	528.3		659.00	321.21	525.6		647.4	
IDACI - Band E (score between 0.25 & 0.3)		322	352.2		439.33	214.14	445.43		548.64	
IDACI - Band F (score between 0.2 & 0.25)		0	293.5		366.11	0	296.95		365.76	
Prior attainment		631.11	631.11		631.11	1,264.08	1,264.08		1,264.08	
EAL		642.07	642.07		642.07	573	573		573	
Minimum per pupil funding		3,300	3,400		3,400	4,600	4,700		4,700	

Conclusion

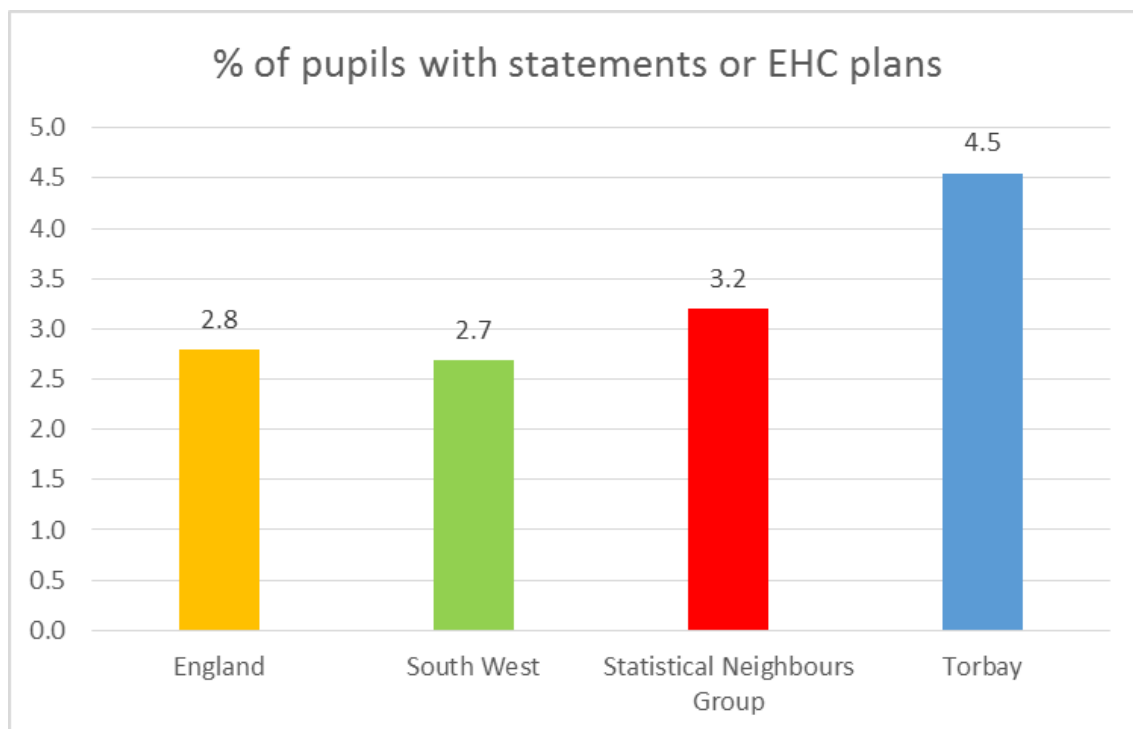
It is recognised that the proposals have a significant impact on school budgets. The proposals seek to ensure that children and young people continue to have access to the range of provisions that are required to meet their needs, whilst also working to support a mainstream offer.

To minimise the risks, the proposals do not set out to address the overall budget position and historic deficit in one step or one financial year. School Forum will need to continue to work towards creating a balanced budget position.

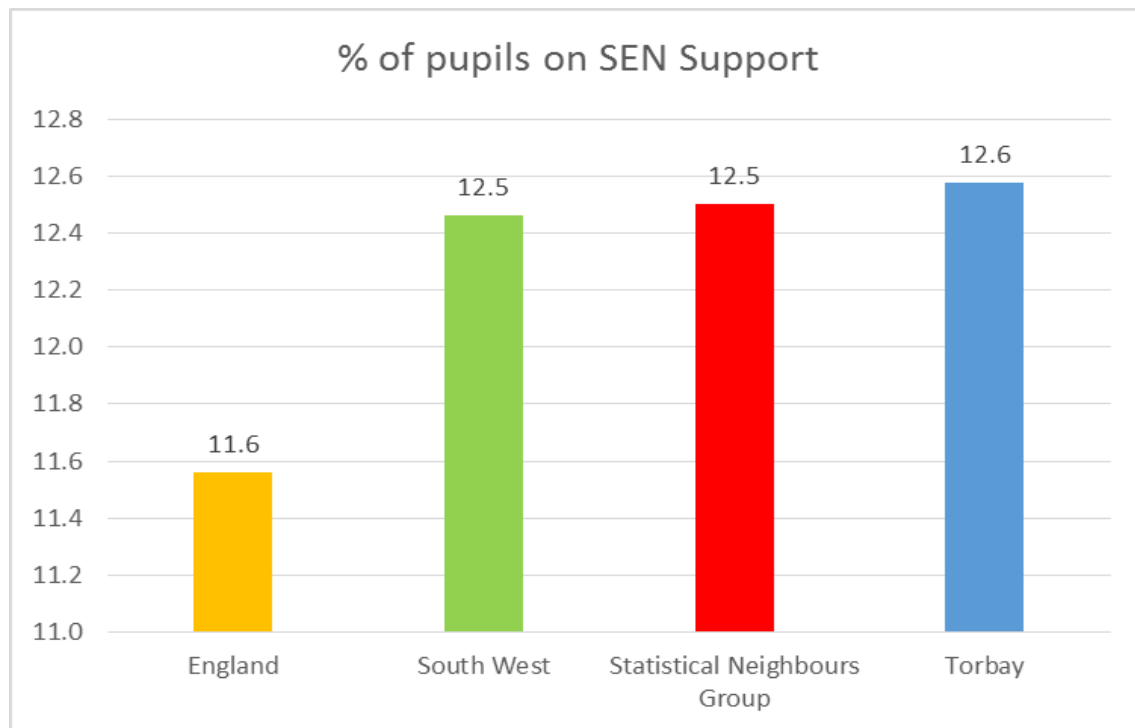
Please ensure that you provide your consultation response by 21st November 2018

Appendix 1 – Demand Data

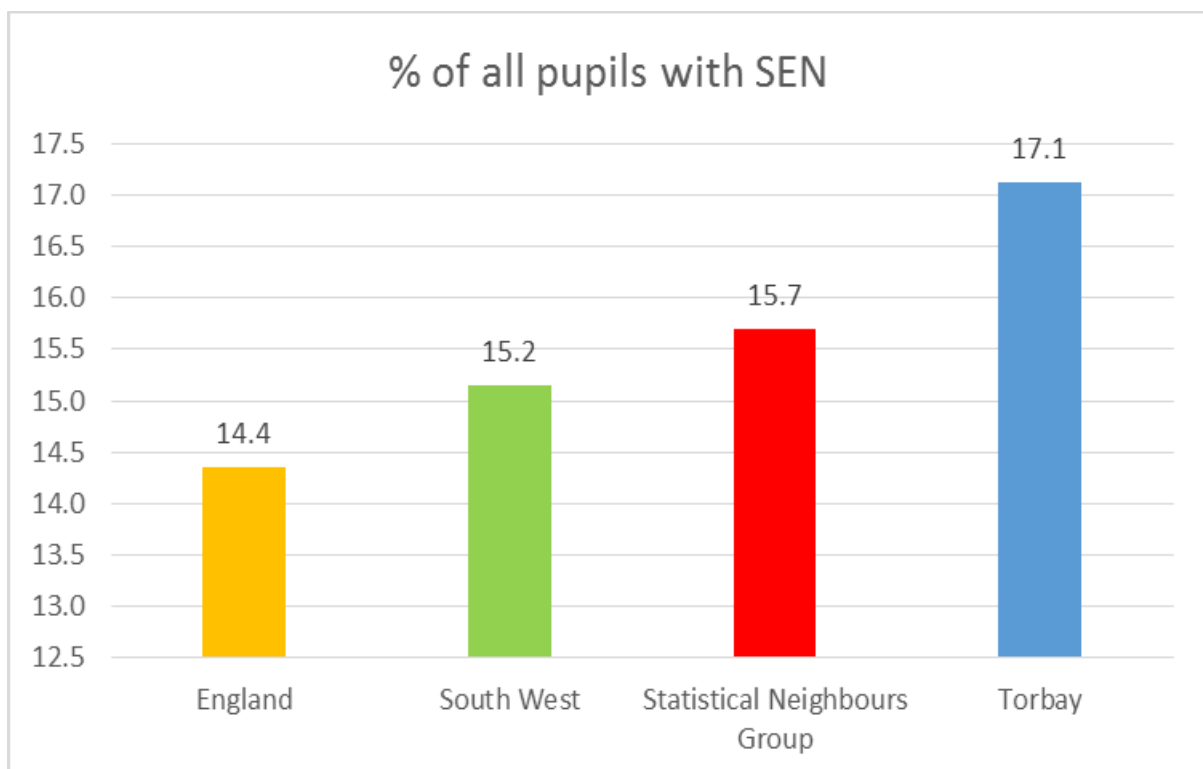
As reported to School Forum and the Higher Needs Recovery Group. The Local Area continues to have a high number of children and young people requiring an Education, Health and Care Plan. This remains both above national, south west and statistical neighbour groups.



In addition to the high levels of demand of EHC plans, there is also a significant number of children and young people identified as requiring SEN support. Whilst more in line with statistical neighbours for this category of support, it should not be looked at in isolation.



When taking as a whole, this means that Torbay is 3% above national comparators for its SEN population and 1.4% above statistical neighbours.

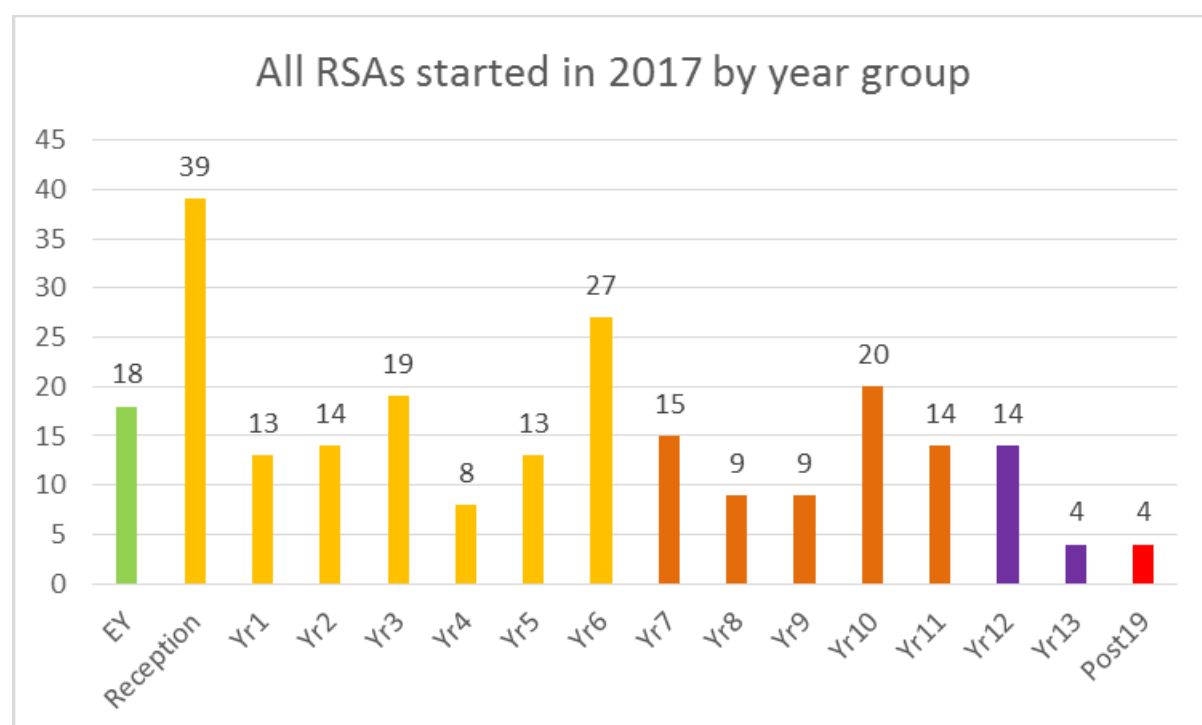


The Local Area has not seen a reduction in the number of requests for statutory assessment. The following table demonstrates the number of RSA's received, assessment started and refusals.

	Sept 13- Aug 14	Sept 14 - Aug 15	Sept 15 - Aug 16	Sept 16 - Aug 17	Sept 17 - April 18*
RSAs	133	161	176	216	184
Assessment started	115 (86%)	140 (87%)	132 (76%)	176 (81%)	15
Refused to assess	18 (14%)	21 (13%)	42 (24%)	40 (19%)	0
Assessment completed		136	130	170	74
Other		4	4	6	2

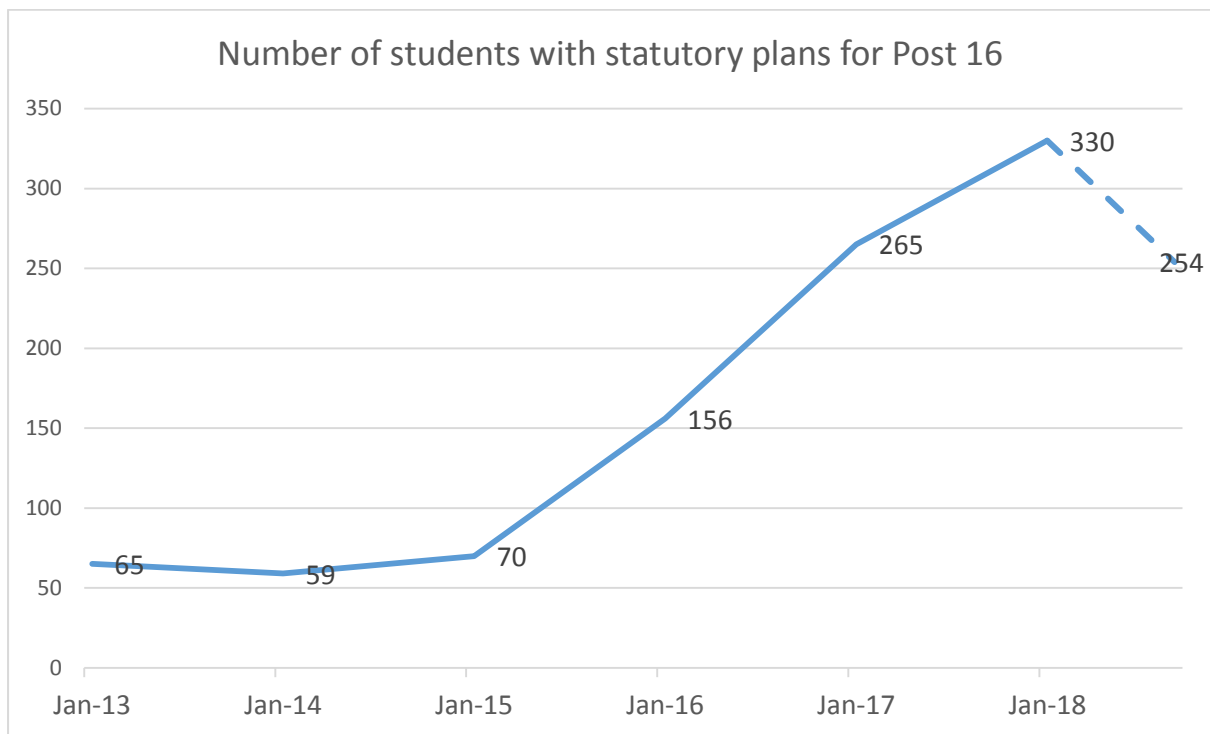
*This is not full the academic year and demonstrates 8 months of the year.

The Local Area has conducted work to understand the when a request is most likely to occur by breaking down the RSA requests for 2017. The Higher Needs Recovery Group recognise that requests are most likely to be submitted at points of transition. This needs to be a focus for any support work directed at schools.



The area of significant interest, following the introduction of the code in 2014 is the number of post 16 pupils. The chart below shows the number of statutory plans since the introduction of the reforms. Over the summer period Local Authority officers have worked

to review the post 16 plans. The dotted trajectory line shows the plans that have been ceased over this period through due process.



The Schools Budget position for the last four years is shown

Appendix 2 – Overall Financial Position Paper

in the following table:

	2014/2015	2015/2016	2016/2017	2017/2018
	£000	£000	£000	£000
Year end position – Over/(under) spend	(180)	(130)	835	983
Cumulative		(310)	525	1,508

The main reasons for the overspends on High Needs in the last two years are:

- EHCP/Statemented Pupils (Mainstream) - £178k (2016/2017) and £292k (2017/2018)
- Independent Special Schools - £87k and £150k respectively
- Special Schools - £274k and £882k respectively
- Other statementing costs - £163k and £152k respectively

The above reasons are aligned with the national picture of increased costs.

Special School placements have increased significantly over the last two years, with numbers exceeding commissioned places and the relative mix of pupils becoming more expensive i.e. fewer 'lower end' MLD placements.

Mainstream school top ups (element 3) increased budget is shown in the table below:

Year	EHCP Pupils FTE	Top Up	Per FTE	Increase							
				Yr on Yr FTE		Cum FTE		Yr on Yr FTE		Cum £/ FTE	
		£000	£	FTE	%	FTE	%	Per FTE	%	£	%
2014/15	327.83	609	1857.67								
2015/16	325.00	733	2255.38	-2.83	- 0.9	-2.83	- 0.9	397.71	21.4	397.71	21.4
2016/17	334.00	926	2772.46	9.00	2.8	6.17	1.9	517.07	22.9	914.78	49.2
2017/18	353.17	1234	3494.07	19.17	5.7	25.34	7.7	721.61	26.0	1636.40	88.1
2018/19	358.83	1508	4202.55	5.66	1.6	31.00	9.5	708.48	20.3	2344.88	126.2

This shows that the numbers of pupils with EHCPs has increased by about 10% over the four years but the cost per pupil has more than doubled.

The following are some key comparator statistics that have been obtained by using information from the Department for Education (DfE)

Torbay figures in bold	National (150)	Statistical (11)	South West (15)	England Average
High Needs Funding per pupil (Schools Block) - £1015.77	27 th	2 nd	1 st	£822.98
High Needs Funding per pupil (pupils in special and academies) £31,433	149 th	11 th		£49,066
Total DSG per pupil (schools block) £5883.00	77 th	6 th	2 nd	£6012.67
Top up per capita (0-19years) (total excluding place funding) £311		2 nd	3 rd	£271

Torbay's High Needs block funding per schools' pupil reflects the significantly high historic level of spending on pupils, as the National Funding Formula (NFF) uses 50% of historic spend/budget. Torbay's proportion of pupils in special school and academy places is significantly higher (3.2%) when compared with all the other comparator authorities.

Whilst recognising the significant overall cost to Torbay of these pupils, it is worth understanding how much is spent per pupil with an EHC Plan/ Statement. The 2017/2018 figures relating top up funding to overall EHCP numbers can be broken down as follows:

	Torbay	England	South West	Statistical
Total EHCPs (per capita 2- 18 years)	47.6	25.9	25.5	29.9
Top up funding (per capital 2 – 18 years)				
Maintained schools, academies, free schools and colleges	235.9	216.8	211.8	199.5
Non maintained and independent schools and colleges	114.1	91.5	101.1	82.2
Total top up per capita	350.0	308.3	312.9	281.7
Total budget /spend per EHCP	£7,459	£11,929	£12,263	£9,418

This shows that, in overall terms, Torbay spends significantly less on top-up funding per EHCP than the average across England, South West Region and its statistical neighbours.

This differential is very interesting, given the significant increase in Torbay's top up costs, particularly in relation to mainstream pupils.

Indicative High Needs funding for 2019/2020 compared with the 2017/2018 baseline shows that Torbay's increase will be near the base at 1% compared with a national average of 3.2%, the third lowest in the statistical comparator group (Isle of Wight and Redcar & Cleveland) lower. The highest increase in this group is 5.8% for Southend –on –Sea. Within the South West Region, most authorities' increases would be between 1% and 2% but Cornwall's would be 6.4%.

Identify the potential positive and negative impacts on specific groups The Equality Impact Assessment will be updated following consultation				
		Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
	Older or younger people	<p>The proposals set out the allocation of growth funds to schools at the rate of £841k for 2019/2020.</p> <p>The proposals set out a number of measures that ensures that identified children and young people can receive support from specialist provisions where thresholds have been met.</p> <p>The proposals set out a mechanism of support for parents and carers of children at risk of being or have been permanently excluded. This proposal will help parents and young people to understand their rights.</p>	<p>The proposals set out a number of recommendations that will see a growth in funding to schools being reduced from £2.2million to £841k for 2019/2020. Schools will need to manage the smaller amounts of growth funds being allocated and ensure that this is targeted at those children requiring the most help and support. For some schools this will result in the reduction of services provided across the whole school population.</p>	

People with caring Responsibilities		The proposals will result in schools reviewing their allocated budgets. Each school will need to take decisions and there is the potential for wider services such as family support to be reduced. However this remains unknown as each school will determine the use of their budget allocation. The Schools will determine whether there is a need to undertake specific consultation on the use of their budget allocation.	
People with a disability		The proposals set out a reduction of funding to Special Schools against the School Forum decision in 2018. The decision to limit the allocation of additional money to Special Schools to that listed in the EFSA regulations will remove £103k from the overall special schools budget. Special Schools will need to manage this reduction to ensure that it has the least amount of impact on children and young people. The Schools will determine whether there is a need to undertake specific consultation on the use of their budget allocation	

Women or men			There should be no differentiation between the impact of the proposals on women and men.
People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			There should be no differentiation between the impact of the proposals on black or minority ethnic backgrounds.
Religion or belief (including lack of belief)			There should be no differentiation between the impact of the proposals in relation to religion or belief.
People who are lesbian, gay or bisexual			There should be no differentiation between the impact of the proposals for people who are lesbian, gay or bisexual.
People who are transgendered	For children and young people the proposals seek to provide specialist provision where required.		
People who are in a marriage or civil partnership			There should be no differentiation between the impact of the proposals on people who are in a marriage or civil partnership.
Women who are pregnant / on maternity leave			There should be no differentiation between the impact of the proposals on women who are pregnant/on maternity leave.

<p>Socio-economic impacts (Including impact on child poverty issues and deprivation)</p>	<p>The proposals will ensure that funding can be used to provide support to children and young people requiring a high cost provision or specialist service. The virement of funds from a central (universal) fund to a specialist fund will support access to these provisions.</p>	<p>The proposals will seek to ensure best value for money from all providers delivering specialist provisions. This may result in a change of approach to the individual care package being provided.</p> <p>The proposals will reduce the amount of funds available to schools in the central (universal) block, this funding provides a range of services to children, young people and their families and is often targeted at deprivation. Schools in considering the limited growth funds being received will need to ensure that money is targeted to have the least impact on interventions and support. Schools will continue to receive pupil premium funding for identified pupils and these funds will continue to be targeted at deprivation.</p>	
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	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)	<p>The proposals will ensure that funding can be used to provide support to children and young people requiring a specialist provision including mental health and physical conditions.</p> <p>The proposals do not impact on the wider contribution of health visitors and schools nurses that work directly with schools. This service will remain.</p>	<p>The proposals will reduce the amount of funds available to schools in the central (universal) block, this funding provides a range of services to children, young people and their families and can be used to provide preventative services. Schools in considering the limited growth funds being received will need to ensure that money is targeted to have the least impact on interventions and support.</p>	
16	Cumulative Impacts – Council wide (proposed changes elsewhere which might worsen the impacts identified above)	The proposals will reduce the schools ability to offer early help services and preventative services. The result of a reduction could lead to increased demand on statutory services for children in need of help of protection.		
17	Cumulative Impacts – Other public services (proposed changes elsewhere which might worsen the impacts identified above)	The proposals will reduce the schools ability to offer early help services and preventative services. The result of a reduction could lead to increased demand on statutory services and a reduced contribution towards targeted planning.		