

Lancashire County Council

Executive Scrutiny Committee

Tuesday, 5th January, 2016 at 2.00 pm in Cabinet Room 'C' - The Duke of Lancaster Room, County Hall, Preston

Agenda

Part I (Open to Press and Public)

No. Item

1. Apologies

2. Disclosure of Pecuniary and Non-Pecuniary Interests

Members are asked to consider any Pecuniary or Non-pecuniary Interests they may have to disclose to the meeting in relation to matters under consideration on the Agenda.

3. Minutes of the meeting held on 24 November 2015 (Pages 1 - 8)

4. Forthcoming Individual Cabinet Member KEY Decisions

(a) Schools Budget 2016/17 (Pages 9 - 30)

(b) Adult Social Care - Use of new Resource Allocation System (RAS) (Pages 31 - 54)

(c) Addition of Proposed Changes to Highway Layout Associated with Developments at New Hall Lane, Adelaide Street and Witton Street, Preston (Section 278 funded) to the Highways Block of the 2015/16 Capital Programme (Pages 55 - 60)

5. Urgent Business

An item of urgent business may only be considered under this heading where, by reason of special circumstances to be recorded in the Minutes, the Chair of the meeting is of the opinion that the item should be considered at the meeting as a matter of urgency. Wherever possible, the Chief Executive should be given advance warning of any Member's intention to raise a matter under this heading.

6. Date of Next Meeting

The next meeting of the Executive Scrutiny Committee will be held on Tuesday, 19 January 2016 at 2pm at the County Hall, Preston.

7. Exclusion of Press and Public

The Committee is asked to consider whether, under Section 100A(4) of the Local Government Act 1972, it considers that the public should be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part I of Schedule 12A to the Local Government Act 1972 as indicated against the heading to the item.

Part II (Not Open to Press and Public)

8. Forthcoming Individual Cabinet Member KEY Decisions

(a) Road Lighting LED Lanterns and LED Retrofit Gear Trays (Pages 61 - 64)

(Not for Publication – Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.)

(b) Approval to award contracts for the provision of 'Infant Feeding Peer Support and Infant Feeding Coordination Services, Lancashire (Pages 65 - 72)

(Not for Publication – Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.)

(c) The Supply of a Growth Mentoring Service (Pages 73 - 76)

(Not for Publication – Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.)

- (d) **Supply of a Growth Support Programme** (Pages 77 - 80)
(Not for Publication – Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.)
- (e) **The Supply and Distribution of Fresh Non-Halal Meat Products to Lancashire County Council Establishments** (Pages 81 - 84)
(Not for Publication – Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.)
- (f) **Agreement to award the Supply of Office Supplies and Computer Consumables contract using the London Universities Purchasing Consortium Framework** (Pages 85 - 90)
(Not for Publication – Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.)
- (g) **Management of the County Council's Energy Procurement** (Pages 91 - 100)
(Not for Publication – Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.)

I Young
Director of Governance,
Finance and Public Services

County Hall
Preston

Agenda Item 3

Lancashire County Council

Executive Scrutiny Committee

Minutes of the Meeting held on Tuesday, 24th November, 2015 at 2.00 pm in Cabinet Room 'C' - The Duke of Lancaster Room, County Hall, Preston

Present:

County Councillor Bill Winlow (Chair)

County Councillors

A Barnes	G Gooch
Mrs S Charles	M Green
Mrs F Craig-Wilson	C Henig
D Clifford	S Holgate
M Dad	D O'Toole
G Dowding	N Penney

County Councillors C Henig, M Dad, G Gooch and F Craig-Wilson replaced Councillors B Dawson, J Oakes, G Driver and A Atkinson respectively at this meeting.

1. Apologies

None.

2. Disclosure of Pecuniary and Non-pecuniary Interests

None.

3. Minutes of the meeting held on 3 November 2015

Resolved: That the Minutes of the meeting held on 3 November 2015 be confirmed and signed by the Chair.

4. Reports for decision by Cabinet

The Committee considered the following reports on decisions due to be taken by the Cabinet.

a. Public Sector Equality Duty

Ian Young, Director of Governance, Finance and Public Services presented a report which reminded members how the Public Sector Equality Duty under section 149 of the Equality Act 2010 should be discharged by the Council, in particular in making policy decisions to achieve budget savings that may or would have an impact on the groups of people protected by the Act.

Members were informed that this report had been presented to the Budget Scrutiny Working Group and the same report would be presented to Cabinet on 26 November. It was noted that since the introduction of the Act training had been rolled out council-

wide to officers and members including training for current Cabinet Members. Further refresher training for members was scheduled to take place through the programme of bite size briefings.

The Committee was reminded that the courts would look at whether, as a matter of substance, a local authority had paid "due regard" to the requirements of the Public Sector Equality Duty and that, whilst Equality Analysis were not a statutory requirement, they were a tool to assist decision-makers to consider and analyse the impact of decisions on persons with protected characteristics.

The Committee was also reminded that "due regard" was the regard that was appropriate in all the particular circumstances in which a public authority carried out its functions. Due regard was therefore the degree of regard that was proportionate in all the circumstances taking into account the nature of the policy or decision, its predicted effect on the statutory equality goals, and the way its impact would be experienced by those affected. In other words the greater the potential adverse impact on a protected group the more vulnerable the group in the context being considered, the more thorough and demanding the process required by section 149 would be.

It was also emphasised that the council's financial position must not be used as a reason for not properly considering the implications of decisions in line with the duty.

Resolved: That the report be noted.

b. Lancashire County Council Corporate Strategy

Dave Carr, Head of Policy, Information and Commissioning (Start Well) presented the draft Corporate Strategy. An Equality Analysis was presented at Appendix 'D' to the report.

The Strategy set out the future direction for the County Council, covering a timeframe to 2021 and beyond. It would form a framework setting out:

- The council's vision, values, high level priorities and overall approach
- The council's evidence base
- Thematic strategies, such as our financial strategy
- The council's risk, quality and performance framework
- Service delivery plans
- Annual budgets.

It was reported that the Core Strategy had been updated to take account of responses received during a wide consultation exercise including a response from Chorley Council which had been inadvertently omitted from Appendix 'C' to the report. A copy of the response from Chorley Council was circulated at the meeting.

Members were informed that key changes to the Core Strategy included a greater emphasis on the council's financial strategy, as well as a strengthening of the council's aim to work with partners across all sectors and a refresh of the evidence base to take account of the most up to date data. The opportunity had also been taken to simplify the language used to describe the council's priorities.

It was noted that the Cabinet would be asked to consider and recommend the updated Corporate Strategy to Full Council for formal approval. The Committee agreed that the County Council should look to develop different service models having regards to local needs. Members also agreed that the County Council should work closely with all sectors including District Councils, local communities and organisations in the development and delivery of these models.

Resolved: That the recommendation set out in the report to Cabinet be noted and that apart from the above-mentioned observations no other comments or suggested alternative recommendations be made.

d. **Property Strategy**

Matthew Tidmarsh, Head of Asset Management, presented a report setting out a methodology to enable the County Council to achieve a sustainable long term reduction in the council's corporate property portfolio to align with the aspirations of the Corporate Strategy and to enable the future successful delivery of public facing services. An Equality Analysis was presented at Appendix 'B' to the report.

The Committee was informed that it was intended that 112 out of the 220 properties under consideration would be retained and transformed into multi-functional 'Neighbourhood Centres' that would provide a range of front facing council services. The reduction from 220 premises would be based upon need assessed in 34 Service Planning Areas across the county using the 2015 English Indices of Multiple Deprivation.

It was stressed that no decisions had been taken on the final 112 premises that would be recommended to become 'Neighbourhood Centres'. Approval of the proposed Strategy would enable detailed analysis and consultations to be undertaken on the premises to be retained or disposed of using the agreed methodology.

It was felt that that members would have a key role to play in determining the selection of premises to become Neighbourhood Centres and in exploring opportunities for co-location and sharing service delivery with partners including District Councils. Members also considered the need to align the new Neighbourhood Centres with various service delivery plans e.g. Library Strategy and the Wellbeing, Prevention and Early Health Strategy as being vital.

It was also felt that briefings should be held to enable members to discuss and present local knowledge on the options for the use of premises to deliver services locally.

Resolved: That the recommendations set out in the report to Cabinet be noted, and that apart from the above-mentioned observations no additional comments or alternative suggestions be made.

e. **Proposals for Transforming Wellbeing, Prevention and Early Help Services for Children, Young People and Families in Lancashire**

Dr Sakthi Karunanithi, Director of Public Health, and Debbie Duffel, Head of Wellbeing, Prevention and Early Help Services, presented a report on the implementation of the proposals agreed by Full Council in February 2015. An Equality Analysis was presented at Appendix 'B' to the report.

The Committee was informed that the proposals represented a budget saving by 2017/18 of £7.4m on current spend, and would lead to the creation of a transformed and integrated wellbeing, prevention and early help service across Lancashire. The remodelled service would align existing core offers for Children's Centres, Young People's Provision, Prevention and Early Help and Lancashire's response to the Troubled Families Unit national programme.

It was intended to deliver services from 56 Neighbourhood Centres distributed across the 34 service planning areas within the Corporate Strategy. There would be at least one point of service within each of the service planning areas to meet the identified needs of children, young people and families in local neighbourhoods. It was confirmed that the service would be supplemented by outreach support. It was also confirmed that the implementation of the service offer proposals would be subject to a significant consultation exercise which was welcomed by the Committee.

Resolved: That the recommendation to Cabinet as set out in the report be noted, and that apart from the above-mentioned observations no additional comments or alternative suggestions be made.

f. **The County Council's Budget Position**

The Deputy Leader of the County Council, County Councillor Borrow, and Neil Kissock, Acting Director of Financial Resources, presented the "Money Matters" financial report, covering the current financial position, the financial outlook and medium term financial strategy (MTFS), as well as proposals to address the council's funding gap. The report also included Equality Analysis documents relating to the budget proposals.

It was noted that the forecast overspend for 2015/16 had reduced since the last report to £19.666m. It was also noted that the anticipated budget shortfall had increased to around £262m, largely due to the implementation of the National Living Wage and that the effects of the Government's forthcoming Autumn Statement on the council's budget position would have to be considered.

The principles and recommendations of the Budget Scrutiny Working Group on the budget proposals were presented and supported by the Committee. The Committee felt that recommendation (vii), as set out in the Cabinet report, should be amended to confirm that consultations on the budget proposals would be undertaken where appropriate.

The Committee noted that proposals relating to Bus Services, and Heritage and Arts Funding had been amended since the agenda had been published. The revised proposals were made available to members.

It was recognised that the decisions now facing the council were extremely difficult, but that they would be made on the basis of need in line with the Corporate Strategy and having regard to the likely impact on people with protected characteristics. Workable alternative proposals were welcomed from other political groups and external organisations.

Resolved:

- (i) That the recommendations as set out in the report to Cabinet be noted, and that Cabinet be requested to amend recommendation (vii) to read as follows:

"Approve the attached budget proposals set out in Appendices 'D' and 'E', authorise officers to proceed with their implementation subject to consultation where appropriate, and agree that the 2016/17 budget be prepared based upon these revenue decisions with the outcome of any consultations being reported to Full Council.

- (ii) That, apart from the above-mentioned observations, no additional comments or alternative recommendations be made.

5. Forthcoming Individual Cabinet Member Key Decisions

The Committee considered the following Key Decisions due to be taken by individual Cabinet Members as indicated.

a. Pennine Reach: Proposal to Introduce a Residents Only Permit System on Car Parking Areas in Clayton-Le-Moors

The Committee considered a report on the proposed introduction of five car parking areas as part of the Pennine Reach public transport improvement scheme in Hyndburn.

Resolved: That the recommendations set out in the report to the Cabinet Member for Highways and Transport be noted, and that no additional comments or suggested alternative recommendations be made.

b. Pennine Reach: Bus Lane Enforcement

The Committee considered a report on the proposed introduction of Bus Lane Enforcement on the two bus lanes within Clayton-Le-Moors as part of the Pennine Reach scheme.

Resolved: That the recommendations set out in the report to the Cabinet Member for Highways and Transport be noted, and that no additional comments or suggested alternative recommendations be made.

c. **Implementation of the Care Act 2014 - Review of Adult Social Care Policies and Procedures**

It was reported that this item had been withdrawn.

d. **Proposal for the Introduction of a Lancashire Blue Badge Policy, including the Introduction of Charging for Blue Badges**

The Committee considered a report on the proposed introduction of a Lancashire Blue Badge Policy, including a charging fee for the issue of Blue Badges, as from 1 January 2016.

An Equality Analysis was presented at Appendix 'B' to the report.

Resolved: That the recommendations set out in the report to the Cabinet Member for Adult and Community Services and the Cabinet Member for Health and Wellbeing be noted, and that no additional comments or suggested alternative recommendations be made.

6. **Decommissioning of Dispersed Accommodation Support Service in Preston**

The Committee considered a report on the proposed closure of a visiting housing support service to dispersed properties d by the county council.

An Equality Analysis was presented at Appendix 'A' to the report.

Resolved: That the recommendations set out in the report to the Cabinet Member for Adult and Community Services be noted, and that no additional comments or suggested alternative recommendations be made.

7. **Urgent Business**

None.

8. **Date of Next Meeting**

It was noted that the next meeting would be held on Tuesday 5 January 2016 at 2.00 p.m. at County Hall, Preston.

9. **Exclusion of Press and Public**

Resolved: That under Section 100A(4) of the Local Government Act, 1972, the press and public should be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraphs of Part 1 of Schedule 12A to the Local Government Act, 1972 and that in all circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

10. Forthcoming Individual Cabinet Member Key Decisions

The Committee considered a number of Key Decisions due to be taken by individual Cabinet Members as indicated.

a. The Supply of Consultancy Services for the Transformation of Adult Social Care Services in Lancashire - Design and Implementation

(Not for Publication - Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

The Committee considered a report on the award of a contract for the supply of consultancy services for the transformation of adult social care services in Lancashire.

Resolved: That the recommendation set out in the report to the Leader of the County Council be noted, and that no additional comments or suggested alternative recommendations be made.

b. Procurement of Service Providers to a Framework Agreement for the Provision of Local and School Bus Services in Lancashire

(Not for Publication - Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

The Committee considered a report on the award of a contract to set up a framework agreement for the supply of local and school bus services in Lancashire for a period of four years.

Resolved: That the recommendation set out in the report to the Deputy Leader of the County Council be noted, and that no additional comments or suggested alternative recommendations be made.

c. Approval to Award a Contract for the ' East Lancashire Recovery Orientated Adult Substance Misuse Treatment Service'

(Not for Publication - Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

The Committee considered a report on the award of a contract for the delivery of the East Lancashire Recovery Orientated Adult Substance Misuse Treatment Service.

Resolved: That the recommendations set out in the report to the Cabinet Member for Adult and Community Services and the Cabinet Member for Health and Wellbeing be noted, and that no additional comments or suggested alternative recommendations be made.

d. **Approval to Award a Contract for the Children and Young People's Substance Misuse Service**

(Not for Publication - Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

The Committee considered a report on the award of a contract for the delivery of the county-wide Children and Young People's Substance Misuse Service.

Resolved: That the recommendations set out in the report to the Cabinet Member for Health and Wellbeing be noted, and that no additional comments or suggested alternative recommendations be made.

e. **Approval to Award a Contract for Lancashire Tobacco and Nicotine Addiction Treatment Service**

(Not for Publication - Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

The Committee considered a report on the award of a contract for a Lancashire Tobacco and Nicotine Addiction Treatment Service.

Resolved: That the recommendations set out in the report to the Cabinet Member for Health and Wellbeing be noted, and that no additional comments or suggested alternative recommendations be made.

I Young
Director of Governance, Finance
and Public Services

County Hall
Preston

Report to the Cabinet Member for Children, Young People and Schools
Report submitted by: Head of Service Financial Management Development and Schools
Date 15 January 2016

Part I

Electoral Division affected:
All

Schools Budget 2016/17

(Appendices 'A' and 'B' refer)

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Executive Summary

In accordance with the Government's school funding framework, the Authority is required to submit a final Schools Block budget proforma for 2016/17 to the Education Funding Agency (EFA) by 20 January 2016.

This report seeks the authorisation of the Cabinet Member to submit the Schools Block budget proforma and requests approval of the Lancashire Early Years and High Needs Block Budgets for 2016/17.

Decisions and recommendations arising from the Schools Forum's consideration of the 2016/17 budget proposals will be provided for the Cabinet Member's consideration.

This is deemed to be a Key Decision and Standing Order 25 has been complied with.

Recommendation

The Cabinet Member for Children, Young People and Schools is recommended to:

- i. Note the report, including the 2016/17 Dedicated Schools Grant (DSG) allocation, the final budget proposals for each funding block and any comments made by the Lancashire Schools Forum;
- ii. Approve the estimated level of Dedicated Schools Grant for 2016/17, on which to base the Schools Budget;
- iii. Authorise the Head of Service Financial Management Development and Schools to submit the final Schools Block budget proforma for 2016/17 to the EFA by 21 January 2016, on the basis set out in this report;

- iv. Approve the 2016/17 budgets for the Early Years and High Needs Blocks;
- v. Agree that the Dedicated Schools Grant Reserve underwrite the uncertainties around the Early Years and High Needs Blocks.

This decision should be implemented immediately for the purposes of Standing Order 34(3) as any delay could adversely affect the execution of the County Council's responsibilities. The reason for this is to ensure that the necessary proforma can be submitted to the Education Funding Agency ahead of the required deadline.

Background and Advice

In the current school funding framework the Government allocates amounts to each local authority through the Dedicated Schools Grant (DSG), based on three notional blocks:

- Schools Block;
- Early Years Block;
- High Needs Block.

The notional blocks are not ring-fenced.

This report sets out the budget proposals for 2016/17 across the three funding blocks and for the centrally retained budget.

Submission of draft proforma for the Schools Block Budget 2016/17

The funding framework requires that a draft Schools Block proforma is submitted to the Education Funding Agency (EFA) in October 2015, based on provisional pupil data. The Schools Block is the main source of funding for primary schools, secondary schools, free schools and academies in Lancashire.

At the Decision Making Session on 26 October 2015, the Cabinet Member for Children, Young People and Schools approved the draft proforma for the Schools Block budget for 2016/17, which was then submitted to the EFA before the 31 October 2015 deadline.

On 16 November, the Authority was contacted by the EFA with two queries on Lancashire's submission, as part of the compliance checking process.

The first query related to the exclusion of the 2015/16 one off funding from the 2016/17 Minimum Funding Guarantee (MFG) baseline in our Authority Proforma Tool (APT) submission and the second concerned Lancashire's Growth fund criteria. Resubmissions were made in connection with these queries and on 18 November, the EFA confirmed Lancashire's 'adherence to the finance regulations and proforma appear to meet the required criteria'.

This approval is subject to the confirmation that the additional disapplication request relating to the MFG exclusion has been approved by the Secretary of State in the January APT return.

The final 2016/17 Schools Block proforma must be submitted to the EFA by 21 January 2016, to confirm final values attributable to each factor. The January submission cannot alter the Schools Block factors from those submitted in October, but allows the values to change based on final data from the October school census.

No equivalent submissions are required for the Early Years or High Needs Block budgets.

Timetable for Setting the Final Schools Budget 2016/17

Calculation of final budget proposals cannot begin until after the Department for Education (DfE) release data arising from the October 2015 school census and provide the 2016/17 DSG allocations for Lancashire.

The EFA timetable for issuing this information to local authorities and then receiving the agreed Schools Block proforma for compliance checking does not easily fit with the County Council's submission deadlines for seeking approval for the 2016/17 Schools Budget. These timetabling challenges are further compounded as the January Schools Budget decision is deemed a key decision under the constitution and must therefore be considered by the Executive Scrutiny Committee prior to the Cabinet Member's consideration. Due to the Christmas/New Year holidays, the report needs to be submitted before essential information required to develop 2016/17 Schools Budget proposals will be received from the EFA.

This report therefore sets out an outline of the Schools Budget setting process, the key principles that will be used to develop final proposals for 2016/17 and some of the budget pressures being faced.

Detailed budget information for the 2016/17 Schools Budget in Lancashire is attached at Appendix 'A'.

The Lancashire Schools Forum are scheduled to meet on 14 January 2016 to consider the 2016/17 Schools Budget. A further appendix (Appendix 'B') will be tabled at the Cabinet Member's decision making session on 15 January setting out the decisions and recommendations arising from the Forum. A copy of this document will also be published on the council's website in due course.

The proposed timetable for approving the final Schools Budget for 2016/17, submitting Lancashire's Schools Block proforma to the EFA and issuing budgets to individual schools and early years' settings is set out below.

Date	Action
26 October 2015	Cabinet Member for Children, Young People and Schools Decision Making Session where approval was given to submit the provisional Schools Block budget proforma for 2016/17.
27 October 2015	Lancashire provisional 2016/17 Schools Block proforma submitted.
November 2015	Clarification provided to EFA in response to queries on Lancashire's provisional proforma and confirmation of compliance with regulations received.

10 December 2015	APT to be re-issued by DfE, containing Lancashire October 2015 census based pupil data and factors
14 December 2015	Outline Schools Budget 2016/17 report for Cabinet Member submitted
Week commencing 14 December 2015	Publication of DSG Schools Block allocations for 2016/17 (prior to academy recoupment)
18 December 2015	Appendix 'A' to the Cabinet Member report to be submitted, setting out details of Lancashire's 2016/17 Schools Budget funding allocation from EFA
5 January 2016	Executive Scrutiny Committee
11 January 2016	Schools Forum Chairman's Working Group
14 January 2016	Schools Forum
15 January 2016	Cabinet Member for Children, Young People and Schools Decision Making Session to agree the 2016/17 Schools Budget, at which Appendix 'B' setting out any comments from the Schools Forum, will be tabled
21 January 2016	Deadline for submission of final 2016/17 authority Schools Block proforma tool to EFA
By 29 February 2016	Deadline for confirmation of schools budget shares to maintained schools.

Schools Budget Principles

Each year, the Authority consults the Schools Forum on principles to be applied when finalising the Schools Budget. The recommended principles for 2016/17 are set out below:

General principles

- Maximisation of delegated resources;
- Increase in level of Age Weighted Pupil Unit (AWPU);
- Maximisation of headroom;
- Minimise schools in MFG.

Principles for 2016/17

- Stability – Minimise turbulence at an individual setting level;
- MFG - DfE set 2015/16 MFG at minus 1.5%;
- Capping – Apply the same rate as MFG 1.5%;
- Funding by phase – Maintain at the 2015/16 funding level subject to changes in pupil numbers if headroom will allow;
- Volume Changes - To aid stability global cash values attributed to each formula factor (excluding AWPU) be limited at the 2015/16 levels by reducing the funding rate;
- Cost Pressures – To be met from headroom (if available) in the first instance. Then, if need be, by reducing all unit values excluding the lump sum;
- Shortfall - All funding rates excluding lump sums are reduced;
- Headroom - Used to increase basic pupil funding in the first instance and prior attainment funding in the Schools Block;
- Primary prior attainment – Apply a weighting to pupils assessed under the new Early Years Foundation Stage Profile, so that funding is commensurate with the percentage of pupils not reaching 73 points under the old profile;

- Any one-off funding to be distributed in 2016/17 from underspends in 2014/15 should be accompanied by guidance cautioning schools that if they choose to use any one-off funding as part of their core budget they must be aware that there can be no guarantee that there will be similar one-off funding available in future years. Budget plans for future years should exclude the one-off funding.

Once final data is received from the EFA, these principles will be used to shape the 2016/17 budget proposals that will then be produced as Appendices 'A' and 'B'.

Schools Budget Pressures 2016/17

The EFA guidance has already confirmed that the schools block per pupil unit of funding (SBUF) in 2016/17 will be the same value as in 2015/16, subject to some minor adjustments to take account of funding and pupil numbers at Lancashire Non-Recoupment Academies (NRAs), which will be included in the Schools Block DSG allocation in exactly the same way as other schools and academies in 2016/17. EFA say that this change is designed to be cost neutral for local authorities, although local formula changes since 2014/15 may vary the figures slightly.

The result of this adjustment increases Lancashire's SBUF marginally from £4,478.54 to £4,481.89 in 2016/17.

Further details of the High Needs Block and Early Years Block allocations will be included in the DSG notification that is expected in the week commencing 14 December.

The January 2016 submission of a final 2016/17 APT to the EFA will be calculated on updated data. The January APT cannot alter the factors to be used in the 2016/17 formula, but unit values will change in light of new pupil data and other costs/income pressures or headroom that may be available.

Other income/cost pressures that could impact on schools in 2016/17, include:

- Staff pay settlement (1%);
- Ending of contracting out from State Second Pension in April 2016 increases employer National Insurance Contributions (10.1% to 13.8%)
- Increase in the Living Wage;
- Secondary sector pressures relating to curriculum changes and loss of transitional protection in sixth form funding.

Chancellor of the Exchequer's Spending Review and Autumn Statement

On 25 November, the Chancellor of the Exchequer delivered his Spending Review and Autumn Statement. These announcements contained a number of important matters for schools that could impact on the Schools Budget in future years, including:

- Protection for the core schools budget in real terms, enabling the per pupil rate for the Dedicated Schools Grant to be protected in cash terms, including £390 million of additional funding given to the least fairly funded areas in 2015/16. The pupil premium will also be protected at current rates;

- Introduction of a national funding formula for schools, high needs and early years. There will be a transitional phase to help smooth the implementation of the new schools formula. The government will launch a detailed consultation in 2016 and will implement the new formulae from 2017 to 2018;
- Savings of around £600 million will be made on the Education Services Grant (ESG), including phasing out the additional funding schools receive through the ESG. The government will reduce the local authority role in running schools and remove a number of statutory duties. The government will consult on policy and funding proposals in 2016;
- Help for schools to make savings on procurement, including by exploiting economies of scale. In 2016 the government will publish a set of specific actions to support school leaders target over £1 billion a year in procurement savings by the end of the parliament through benchmarking, guidance and improved framework contracts;
- Sixth Form Colleges in England will be given the opportunity to become academies, allowing them to recover their non-business VAT costs. The current national base rate per student for 16 to 19 year-olds in England will be protected in cash terms over the Parliament.

The implications of these announcements for Lancashire schools and the County Council are not yet clear, but the Government has indicated that there will be consultations on the detailed proposals in 2016.

Consultations

The views of schools and other educational partners and of the Schools Forum were sought in the Autumn Term, before initial proposals had to be submitted to the EFA. A dialogue with the Schools Forum has continued and any comments from the Forum arising from the budget considerations on 14 January 2016 will be reported to the Decision Making Session.

Implications:

This item has the following implications, as indicated:

Risk management

As set out in the report.

Financial

Lancashire faced a £2.6m shortfall in the core DSG funding for 2015/16, which was bridged by the use of reserves.

The 2016/17 Schools Budget is again likely to face a significant core budget shortfall. Final details are provided in Appendix 'A'.

The Schools Forum has recommended that the DSG reserve be used to bridge the core funding gap, but clearly this position is not sustainable in the longer term. Other options to decrease the level of funding distributed from the DSG may need to be

considered, for example by reducing the unit values allocated through Lancashire's school funding formulae.

Any Schools Budget funding gap would be contained within the ring-fenced DSG resources.

Legal

At the time of writing, this report reflects arrangements required by the draft School and Early Years Finance (England) Regulations 2015. The DfE have indicated that the regulations will come into force by 1 January 2016. The draft Regulations give effect to changes announced by the government in connection with school funding for 2016/17, and contained in the EFA Operational Guidance, so they are unlikely to change. However, a small risk remains that there may be edits to draft regulations that would impact on the budget process.

Final Regulations should be in place before the Cabinet Member considers the report and the submission to the EFA is required.

List of Background Papers

Paper	Date	Contact/Directorate/Tel
DfE/EFA 2016/17 funding documentation, including: <ul style="list-style-type: none"> Schools revenue funding 2016 to 2017 Operational Guide Schools revenue funding 2016 to 2017: Criteria for allocating the growth fund, falling rolls fund and targeted high needs funding 	July 2015	https://www.gov.uk/government/publications/schools-funding-arrangements-2016-to-2017
Draft School and Early Years Finance (England) Regulations 2015	September 2015	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/459796/The_School_and_Early_Years_Finance_England_Regulations_2015_CO NSULTATI...pdf
Lancashire formula and de-delegation consultations with schools	September 2015	Paul Bonser, Financial Management Development and Schools, 01772 531815

Reason for inclusion in Part II, if appropriate

N/A

Report to the Cabinet Member for Children, Young People and Schools Schools Budget 2016/17

Appendix 'A'

This Appendix to the Schools Budget 2016/17 report has been prepared following receipt of pupil data and Dedicated Schools Grant (DSG) allocation information from the Education Funding Agency (EFA) in mid-December 2015 and presents the initial estimated budget position as at 18 December 2015. A final Appendix will be submitted to the Cabinet Member on 15 January 2016, following consultation with the Lancashire Schools Forum.

Summary

On 10 December 2015, the EFA provided the final schools block data based on the October 2015 School Census to be used in the calculation of the Schools Budget for 2016/17.

The EFA sub-divide the DSG into three un-ring fenced blocks, namely: Early Years Block, Schools Block and High Needs Block.

On 17 December 2015, the EFA issued the 2016/17 Dedicated Schools Grant (DSG) allocation for Lancashire.

The DSG for 2016/17 comprises:

- Schools block – This is based on the school block units of funding (SBUF). The EFA have confirmed that the 2016/17 SBUF will be the same value as in 2015/16, subject to some minor adjustments to take account of funding and pupil numbers at Lancashire Non-Recoupment Academies (NRAs), which are now included in the Schools Block DSG allocation in exactly the same way as other schools and academies. The result of this adjustment increases Lancashire's SBUF marginally from £4,478.54 to £4,481.89 in 2016/17.
- Early years block covering:
 - The three and four year old entitlement - set at the same per pupil rate as 2015/16;
 - The two year old entitlement - set at the same per pupil rate as 2015/16;
 - The early years pupil premium - a provisional allocation as announced in October 2014;
- High needs block - the total high needs block for 2014/15 has been carried forward plus:
 - Increase in funding of £1.7m; and
 - Increased deduction in funding of £0.7m due to commissioned places.

The DSG allocation notified is prior to adjustments for:

- Academies recoupment from the schools block;
- Deductions for high needs places in academies and non-maintained special schools;
- Deduction for national copyright licences;
- Updates to the funding for three and four year olds;

- Updates to the funding two year olds; and
- Updates to the early years pupil premium.

One-off allocation of DSG reserves

In July 2015 the Schools Forum supported funding held in the DSG reserve over and above £8.4m would be distributed on a one-off basis in 2016/17, in accordance with decisions to be taken as part of the budget setting process. The amount to be allocated is £6.164m.

Budget setting basis

For the purpose of this paper, the schools budget refers to all budgets in the three funding blocks. The schools budget setting process for the 2016/17 financial year can only be set by considering the interactions of the three funding blocks together.

Annex A provides information on the agreed funding formulae to be used in the calculation of each of the funding blocks.

Forecast funding available 2016/17

The forecast funding to be used in the calculation of the Schools Budget for 2016/17 is set out in the table below and amounts to a total of £857.813m.

This figure includes:

- DSG Allocation notified by the EFA;
- Lancashire's estimate of participation for two year olds;
- Lancashire's estimate of growth in funding for three and four year olds;
- Lancashire's estimate of the High Needs reduction;
- Allocation of the £6.164m DSG reserves as a one off.

The EFA have included Early Years PPG within the Early Years block DSG. For the purpose of setting the schools budget this has been removed as it will be distributed as a separate allocation.

Forecast DSG Income from EFA 2016/17

<u>Forecast DSG Income</u>	£m's
Schools Block	701.389
Early Years Block 3/4 year olds	47.395
Early Years Block 2 year olds	8.565
Early Years PPG	0.959
High Needs Block	101.578
High Needs Block Reduction for pre & post 16 which are funded outside DSG	(4.672)
Additions for non block funding	0.227
Total forecast DSG Income	855.441
Less Early Years PPG included in DSG but not schools budget	(0.959)
Plus estimated growth in Early Years Block 3/4 year olds	1.736
Plus estimated growth in Early Years Block 2 year olds	1.594
Total forecast funding available 2016/17	857.813

DSG allocations

Schools Block £701.097m

The authority's SBUF for the Schools Block is the amount announced in September 2015 of £4,481.89 per pupil. This has been increased by £3.35 compared to 2015/16 following the incorporation of funding for former NRA academies within the allocation.

This amount has been multiplied by the pupil numbers from the October 2015 school census and the January 2015 alternative provision census plus the reception uplift, minus high needs places as set out in the EFA pupil number tool notification.

Early Years Block £47.395m

The Early Years block comprises:

- Funding for the three and four year old entitlement to 15 hours free education;
- The early years pupil premium; and
- Funding for disadvantaged two year olds entitlement to 15 hours free education.

Early Years entitlement for three and four year olds

The amount per pupil for the Early Years free entitlement is the same as for 2015/16. Initially, this has been multiplied by pupil numbers from the January 2015 early years census and school census to produce a provisional allocation. This will be updated in:

- July 2016 based on January 2016 pupil numbers; and
- July 2017 based on 5/12ths of the January 2016 pupil numbers (to cover the April 2016 to August 2016 period) and 7/12ths of the January 2017 pupil numbers (to cover the September 2016 to March 2017 period).

This means that the final allocation for three and four year olds for 2016/17 will be based on 5/12 x January 2016 pupil numbers plus 7/12 x January 2017 pupil numbers.

Officers have estimated growth of 2 % for three and four year olds to reflect increase in demand, this equates to a potential further £1.736m of DSG.

Early Years pupil premium

Provisional allocations for the Early Years pupil premium (EYPP) are being dealt with under a separate allocation process to the schools budget and therefore the value of grant has been deducted from the DSG for the purpose of calculating funding available for the schools budget.

Early Years entitlement for two year olds £8.565m

The 2016/17 per child hourly rates for disadvantaged two-year-olds is the same as for 2015/16 and Lancashire's rate is £4.85 per hour.

Pupil numbers have initially been taken from the January 2015 early years census and school census. The allocations will be updated in July 2017, based on 5/12ths of the January 2016 pupil numbers (to cover the April 2016 to August 2016 period) and 7/12ths of the January 2017 pupil numbers (to cover the September 2016 to March 2017 period). This means that the final allocations for the funding for two year olds will be based on 5/12 x January 2016 pupil numbers plus 7/12 x January 2017 pupil numbers.

Officers have estimated growth of 2% for 2 year olds to reflect increase in demand, this equates to a potential further £1.594m DSG funding for disadvantaged two year olds.

High Needs Block £101.578m

The high needs block is a single block for local authorities, high needs pupils/students aged 0-24. The block includes place funding for pre 16 and post 16.

For 2016 to 2017 the high needs block is made up of:

- each local authority's total high needs block from 2015/16; plus
- Increased funding of £1.7m;

Estimate of EFA adjustment to High Needs Block – Reduction £4.672m

Adjustments will be made to this sub block to account for both pre and post 16 places which are funded outside of the DSG: those that are funded by the EFA through direct payments to academies (with special units or resourced provision), special academies, alternative provision academies, academies with hospital education and non-maintained special schools; and post 16 places that are funded through the sixth form grant to local authorities.

Induction for newly qualified teachers (NQTs) £0.227m

In September 2012, the induction regulations changed so that teaching schools can act as the appropriate body to monitor and quality assure NQT induction. In order to allow schools to pay for the services of their preferred appropriate body, the funding for statutory induction of NQTs was moved into the DSG in 2013/14, to allow funding to be delegated to all schools through local funding formulae. This is allocated to each local authority on a per pupil basis (using the pupil numbers used for the schools block).

Budget 2016/17

The latest Individual School Budgets (ISB) across all phases has been constructed using the final datasets made available from the EFA and our latest local Early Years and High Needs data. The budget setting principles agreed by the Schools Forum have been used as the basis for developing the initial forecast of ISBs. This has allowed Officers to calculate the headroom / shortfall in funding available in the schools budget.

This Schools Block budget estimate has been calculated using the School Forum principle of stability in cash values attributed to each formula factor (excluding AWPU). Factors are limited to the 2015/16 levels. The funding rates for some factors have reduced in comparison to 2015/16 rates because of data variations.

The table below shows those reductions. The reduction in the basic entitlement is the result of the removal of a one-off allocation of reserves in 2015/16.

Schools Block Budget funding rate changes

	Primary	Secondary
	£'s	£'s
Basic Entitlement	(39.97)	(52.13)
Lump Sum	0	0
Split Site	0	0
Rates	0	0
PFI	0	0
Rents	0	0
6th Form DSG	0	0
Prior Attainment	0)	0
EAL	(13.28)	(19.32)
CLA	(44.89)	(44.89)
FSM	(0.51)	(19.61)
IDACI Band 1	0	0
IDACI Band 2	0	0
IDACI Band 3	0	0
IDACI Band 4	0	0
IDACI Band 5	0	0
IDACI Band 6	0	0

Budget Summary – Before headroom / shortfall in funding

The table below summarises the budgets for primary, secondary, academy and early years together with a global high needs budget using the principles agreed by the Forum.

DSG allocated to:

	£m's
Schools Block	696.793
Early Years Block 3/4 year olds	48.326
Early Years Block 2 year olds	12.173
High Needs Block (HNB)	
HNB Mainstream	5.457
HNB Special Schools	46.177
HNB PRU Places	10.952
HNB PRU WPN	0.053
HNB FE	5.406
Centrally retained budget	35.933
Total of Allocations	861.270

At this stage, we have within the schools block:

- 122 schools and academies in MFG (109 primary and 13 secondary) compared to 105 in 2015/16;
- 142 schools and academies capped (122 primary and 20 secondary) compared to 170 in 2015/16;
- 304 schools and academies not in MFG or capped compared to 292 in 2015/16;
- Net cost of MFG after applying the cap is £5.569m compared to £3.581m in 2015/16.

As in 2015/16, no special schools, PRUs or early years providers are in MFG.

Pupil Premium Grant

The Pupil Premium Grant (PPG) is allocated in addition to the funding which is allocated through the Schools Budget. It is to support disadvantaged pupils, who continue to underachieve compared with their peers.

The DfE has indicated that the funding rates for 2016/17 will be held at the 2015/16 level.

Central Services and Commissioned Services Budget 2016/17

As a result of the national funding reforms introduced in April 2013, the central items budget is now split into two distinct areas, these are now known as the centrally retained budgets:

- Central Services - Where funding stays with the local authority. These areas are generally local authority statutory functions and budgets are capped at the previous year's level;
- Commissioned Services - Where funding is held centrally but then allocated to schools/service providers in connection with the education provision for individual pupils/young people.

As in previous years a detailed review of the centrally retained budgets has been undertaken and information is provided in the table below together with explanatory notes for the variance between 2015/16 and 2016/17:

Central Expenditure Limit	Approved Budget 2015/16 £m	2016/17			Total £m	Variance from 2014/15 £m	Notes
		High Needs Budget £m	Early Years Budget £m	Central Provision £m			
Central Services							
Carbon Trading	0.047	0.047	-	-	0.047	-	
Prudential Borrowing	0.240	-	-	0.240	0.240	-	
Copyright Licence	0.500	-	-	0.828	0.828	0.328	1
School Forum	0.188	-	-	0.188	0.188	-	
Sub total Central Services	0.975	0.047	-	1.256	1.303	0.328	
Commissioned Services							
EU Energy Performance Directive	0.022	0.011	0.011	-	0.022	-	
High Needs Block Top up	2.249	2.249	-	-	2.249	-	
Children Missing Education & Vulnerable Children Admissions	0.161	0.161	-	-	0.161	-	
ICT	0.937	-	-	0.937	0.937	-	
Commissioned services	0.029	0.029	-	-	0.029	-	
Hospital Provision	1.459	1.459	-	-	1.459	-	
IDSS	0.610	0.610	-	-	0.610	-	
Out County - Specialist provision	15.097	15.097	-	-	15.097	-	
Out County - Mainstream / academies	1.374	1.374	-	-	1.374	-	
Specialised Equipment	0.447	0.447	-	-	0.447	-	
Inclusion Projects	0.897	0.897	-	-	0.897	-	
Teachers & Support	4.264	4.264	-	-	4.264	-	
Multi Agency Development	0.075	0.075	-	-	0.075	-	
Early Intervention	1.400	1.400	-	-	1.400	-	
Careers Education Information Advice & Guidance	0.150	0.150	-	-	0.150	-	
Support for Vulnerable Pupils	0.977	0.977	-	-	0.977	-	
Special School PFI	1.051	1.086	-	-	1.086	0.035	2
Overheads	1.912	1.912	-	-	1.912	-	
Growth Fund	1.540	-	-	1.462	1.462	(0.078)	3
Sub Total Commissioned Services	34.651	32.198	0.011	2.399	34.608	(0.043)	
Total Central Expenditure Limit	35.626	32.245	0.011	3.655	35.911	0.285	

Notes:

1. Expenditure on licenses which are negotiated centrally by the Secretary of State – Increase £0.328m *

As copyright licences are centrally negotiated by the Secretary of State regulations allow this to be included within central schools expenditure. The DfE have included additional licences in the national licensing arrangements which has caused an increase in the budgeted cost. This element of expenditure is excluded from the limit on central items.

(*subsequent to the production of the table above, DfE confirmed a final figure for the 2016/17 copyright licences, which was £0.850m, excluding VAT. The final figure is therefore £0.350m higher than 2015/16.)

2. Special Schools Private Finance Initiative (PFI) – Increase £0.035m

The DfE amended the Schools and Early Years Finance (England) Regulations to allow the PFI affordability gap funding for special schools to be retained within the High Needs Block central items budget. This is the only way to ensure that this funding will not be re-determined in year with the consequential impact on funding.

As with all PFI costs they are index linked and vary each year which has resulted in the increase.

3. Growth Fund – Reduction £0.078m

The Growth Fund supports schools which are required to provide extra places in order to meet basic need within the authority which varies each year along with the payments to schools.

Subsequent to agreeing the above Central Expenditure Limit with the Schools Forum, the DfE has advised of an additional increase in the copyright license of £0.022m which has been included in the allocations table. Therefore in the allocations table the Central Expenditure Limit has been set at £35.933m.

Funding Shortfall

The table below has taken the figures discussed above for the forecast DSG income, the estimate of ISBs and the centrally retained budget to calculate the initial shortfall in funding to the Forum. Also included is additional funding made available by the Forum from reserves. This is detailed in the table below:

Calculation of funding shortfall

Total forecast DSG income funding available 2016/17	857.813
Total DSG of Allocations 2016/17	861.270
Surplus/(Shortfall) in funding	(3.457)
Allocation of reserves as a one off	6.164
Remaining reserves to be distributed	2.707

Allocation of reserves as a one off £6.164m

In July 2015, the Lancashire Schools Forum supported funding held in the DSG reserve over £8.400m being distributed on a one off basis in 2016/17, in accordance with decisions to be taken as part of the budget setting process. Officers have asked the Secretary of State to exempt this one off additional funding from the Minimum Funding Guarantee (MFG).

In accordance with the Schools Forum decision, funding of £6.164m will be distributed from reserves. The Schools Forum agreed that the first call on this this funding would be to offset shortfalls in funding, with any residual amount distributed through the basic pupil element to primary schools, secondary schools and their academy equivalents, top up elements in Special Schools and PRUs, and base rates to Early Years providers.

Recommendations from the Forum will be presented at the Cabinet Member Decision Making Session on 15 January 2016, as an Appendix 'B'.

School Funding Formulae 2016/17

The Authority's 2016/17 Schools Bock funding formula contains the following factors:

1. A basic per-pupil element, one rate for the primary phase and another for the secondary phase;
2. Deprivation, measured by Free School Meals EVER6 (FSM6) and Income Deprivation Affecting Children Index (IDACI);
3. Looked after children;
4. Prior attainment as a proxy measure for SEN;
5. English as an additional language, for a period of 3 years;
6. A lump sum for each primary school and a lump sum for each secondary school;
7. Split sites;
8. Rates;
9. Sixth form;
10. PFI contracts.

A Pupil Mobility factor and a Sparsity factor were also available in the national framework, but it was decided not to use these factors in Lancashire.

Authorities were also allowed to ask the EFA to approve a limited number of premises related exceptional formula factors, if they met the following criteria:

- Apply to less than 5% of schools in the local authority; and
- Account for more than 1% of the budget of the school or schools affected.

Lancashire was successful in applying for a Rents factor under this process.

High Needs Block (HNB) funding for Special Schools 2016/17

There are three sources of funding:

A. Lancashire HNB

B. EFA

C. Other commissioners / authorities

A. Lancashire HNB funding has the following components:

- Base funding for all pre 16 places funded at £10,000 per place.
- Top up funding for pre and post 16 Lancashire pupils comprising of:
 - WPN
 - School specific
- Pre 16 place related top up funding
- Post 16 place related top up funding

B. EFA – Post 16

- Base Funding for all post 16 pupils, this is the equivalent of the £10,000, the value is calculated by the EFA and passported through the authority to schools.

C. Other commissioners / authorities

- Top up funding for other commissioners / authorities pupils in a commissioned place in a Lancashire school, this top up will comprise of:
 - WPN
 - School specific
- The financial responsibility / risk for the recoupment of this funding is the responsibility of the school.

Lancashire funding – how it is calculated

Pre 16 Base funding

This is based on the number of pre 16 places and will include any places taken by pupils from out of authority. Base funding is fixed for the year and will not be re-determined within the year.

Lancashire pupil related top up funding (pre and post 16)

This will be re-determined up or down termly in line with the SEN counts in June, November and February.

- WPN funding will be allocated for the total WPN of all Pre and Post 16 Lancashire pupils. The WPN's funded are net of the 2.5 WPN (the amount relating to the value of up to £10,000)
- School specific funding will be allocated to the total number of all pre and post 16 Lancashire pupils on the SEN count.

Pre 16 place related top up funding

This will be re-determined termly in line with the SEN count terms but using the school census dates in January, May and October. This funding will be allocated on a pro rata termly basis. If the total number of pre 16 pupils on the census exceeds the number of pre 16 base funded places then the school / academy will receive an additional £10,000 pro rata for that term for each place above that funded in the pre 16 base funding.

Post 16 place related top up funding

It should be noted that Lancashire does not receive the EFA base funding allocation for the number of Post 16 places agreed and paid for by the EFA.

The EFA Post 16 places were agreed several years ago and do not now always represent the number of places required by the authority. In addition the EFA have also amended their guidance on the funding of additional Post 16 places.

The EFA Post 16 places for Special Schools were agreed several years ago and do not now always represent the number of places required by the authority. In addition the EFA have facilitated FE post 16 growth for 2016/17 along with amending their guidance on the funding of additional Post 16 places.

As a consequence of this Lancashire has reviewed its policy and where it is agreed that additional Post 16 places need commissioning, top up funding will be provided.

Funded terms

April - August	September December	-	January March	-
5/12	4/12		3/12	

High Needs Block (HNB) funding for Pupil Referral Unit (PRU) 2016/17

Base funding

Base funding will be provided at £10,000 per funded place and is fixed for the year and will not be re-determined within the year.

PRUs will be expected to admit pupils in year up to the number of funded places.

Place related top up

It has been decided locally to supplement the base funding with additional place related top up, this will be re-determined termly in line with the PRU count dates in January, May and October. This funding will be allocated on a pro rata termly basis. If the total number of pupils on the census exceeds the number of funded places then the PRU will receive an additional £10,000 pro rata for that term for each place above that funded in the base funding.

Pupil related top up funding

Top up funding will be provided for:

- Exclusions;
- Medical needs;
- Other needs;
- Primary support.

Re-determinations of top up funding

Top up Funding will be re-determined up or down in accordance with the Schools and Early Years Finance (England) Regulations. This will be applied to place related top up and pupil related top up funding, meaning budgets can increase or reduce.

Termly re-determinations will be applied from in line with re-determinations of all schools and academies:

- May PRU count (April to August)
- October PRU count (September to December)
- January PRU count (January to March)

Other funding

In addition to the formula funding, PRUs may receive funding for the following:

Careers Education Information, Advice and Guidance (CEIAG) Secondary - The Forum has agreed to commission Young People's Services (YPS) to continue to deliver CEIAG on behalf of PRUs for the 2016/17 financial year. This funding will be passported to Wellbeing, Prevention and Early help in its entirety.

Pupils with statements - Funding from the high needs block will also be provided for pupils with statements where the cost is above £10,000, this will be funded at the 2016/17 WPN rate.

One to One support – Funding provided for via the School Improvement Service for hard place pupils with significant additional needs such as one to one or two to one support. This funding will be agreed in an individual package basis.

Early Years Single Funding Formula (EYSFF) 2016/17

The 2016/17 guidance does not introduce any changes to the Early Years funding formulae nationally.

The 3 and 4 year old formula will comprise:

- Base Rates;
- Deprivation Supplement;
- Rurality Supplement;
- Teachers Supplement;
- PFI Supplement.

The 2 Year old formula will comprise:

- 2 year old base rate;
- Targeted support.

Report to Cabinet Member for Adult and Community Services
Report submitted by: Corporate Director for Operations and Delivery
Date 6th January 2016

Part I

Electoral Division affected:
All

Adult Social Care – Use of new Resource Allocation System (RAS)
(Appendix 'A' refers)

Contact for further information:
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Executive Summary

Following the development of policies on 'Personalisation' the County Council's Adult Social Care has been using a Resource Allocation System (RAS) to support frontline decision making in the setting of Personal Budgets for people with eligible social care needs. Earlier versions of the RAS have been used locally stretching back to 2007/08. The current version has been in operation since January 2014.

Following the implementation of the Care Act in April 2015 and the need to make financial savings, a new version of the RAS has been developed for use in Lancashire and this report seeks agreement for this new version to be introduced into policy and practice early in 2016.

Once adopted the RAS will be Care Act compliant and provide a basis for reviewing existing or proposed levels of Personal Budgets to realise savings where safe and reasonable.

This is deemed to be a Key Decision and the provisions of Standing Order No. 25 have been complied with.

Recommendation

The Cabinet Member for Adult and Community Services is recommended to:

- (i) Agree the adoption and use of a new RAS to support decision making in the setting of Personal Budgets for adults with eligible care needs, which will enable the delivery of savings and ensure Care Act compliance.

(ii) Authorise the Director of Adult Services to make any necessary amendments to the Resource Allocation System in the light of further testing, operational management advice, experience and legal clearance.

(iii) Endorse the continued development and implementation of plans to embed the new RAS into the County Council's operating systems.

(iv) Endorse the continued development of plans for undertaking service user reviews to realise savings on the basis of the new RAS.

1. Background and Advice

The 2015/2016 'Service Offers' approved by Cabinet earlier this year included proposals to reduce expenditure on packages of care to meet the care and support needs of adults deemed eligible under the Care Act.

This offer implied that the County Council would review all existing adults who receive Personal Budgets to meet their needs, to ensure that budgets are distributed more equitably across all customer groups and that one tool we will use to support the review is a new RAS with the expectation that we will be able to reduce the average care package cost by user group across the overall adult social care budget. It also implied that the Personal Budget offer made to adults deemed eligible for Personal Budgets in future, would in many cases be lower than currently available.

Detailed work has been undertaken since then, and the proposals have been reshaped to ensure compliance with the Care Act, to learn from testing by our own operational staff and the technical advice offered by the company, FACE, who provide the proprietary RAS software. The County Council has also taken account of the findings of the consultation earlier this year with existing service users. This has led to a significant revision of the proposals, with greater confidence in the robustness of the final proposal below but a significantly reduced expectation of the level of savings likely to accrue from this area of social care.

2. Using the RAS

Like many other councils, Lancashire County Council uses a RAS as part of the social work assessment process.

In brief, the RAS is used to provide an estimated budget as a guide to what money may be made available to meet an individual's assessed needs. This works as follows:

- The RAS software takes scores from information collected by the social worker about the individual's needs and circumstances during the assessment process and feeds these into a formula.
- The formula then uses a sophisticated algorithm, the proprietary name of which is FACE. This is weighted to allow for local differences in the costs of care and support, to provide an indicative budget of the amount of money likely to be

required to meet the customer's identified need.

- The intention of the indicative budget is to provide greater clarity for frontline staff in working with eligible adults, their families, NHS partners and providers. The aim is to empower the individual at the heart of the assessment on the assumption that an understanding of the money available will enable her/him to exercise greater choice and control at the support planning stage.
- When the support plan is agreed and signed off, the value of the actual Personal Budget is also recorded and must be shared with the individual.
 - The actual Personal Budget may be higher than the indicative budget, because that is the amount required to meet eligible needs. Giving an individual less would be unlawful
 - Conversely, the indicative budget might be more than enough. Giving people more than they require fails tests of best value and of equity, while jeopardising financial imperatives for the County Council including ensuring affordability.
 - So the final Personal Budget amount should be just right, balancing these two factors

In many cases the Personal Budget will be in the form of a Direct Payment (effectively a cash payment), but in most cases the Personal Budget is held by the County Council or sometimes by a third party and used to pay for the range and volume of services specified in the support plan. In some cases this money will be used to off-set the costs of using in-house services.

The benefits of using the RAS are now reasonably well established. It assists with demonstrating fairness, consistency and transparency, and consciously sets out to target money according to need. For service users and families it may allow greater creativity when they come to plan their support. For the County Council's Adult Social Care management it provides a systematic financial and quality assurance tool for managers and supervisors to use across large and dispersed workforces, and to support delegated decision making.

However the use of RAS is not without its challenges. It can be difficult to understand and explain in straightforward language how the numbers have been arrived at, and as a system it does need active management and maintenance. Not all councils have used a RAS in the past, but it seems the challenge of ensuring compliance with the Care Act is leading those who have not previously used a RAS to reappraise the benefits and consider its introduction.

3. Recalibrating the RAS

The RAS should be re-calibrated on at least an annual basis to ensure that variations in local fee rates or adjustments in the allocation of resources can be updated and the RAS remains accurate.

Lancashire's current RAS (FACE version 1) has been in place since early 2014 and whilst a re-calibration would ordinarily have been completed, this project will instead upgrade to the latest version (FACE version 7) of the RAS and make this available for use within a single Care Act compliant process for social care customers across

all client groups and also for Carers.

The latest version has now been updated to reflect the most current provider fee rates and configured to support reductions in resources allocated whilst still ensuring that the County Council's statutory duty to meet assessed need within its overall financial envelope are met. It has been tested by local social work practitioners using a sample of real cases and with the right training and advice there is a good fit between the scoring system and the workers assessments. However further development work is needed before it can be used in some areas. For example, in Personal Budget decision making for Adult Mental Health, further testing is required. Further consideration is also needed as to how it can best be used to support decision making in supported living services for adults with learning disabilities.

The law is quite clear that the County Council cannot impose arbitrary ceilings on the cost of care it will meet, and indeed it is not the County Council's intention to do so. However what we can legitimately consider is the broad range of options and ways to meet need, and this means we can and do intend to use the appropriate fee rates for residential care or for 'Shared Lives' services, for particular user groups as a threshold to test the most affordable setting we can meet a person's needs and keep him/her safe. In practical terms to support the implementation of the new RAS, the County Council will also introduce the concept of a 'Reasonable Offer' into social work practice to ensure staff consider the relative value for money and affordability of meeting needs in different settings and share that with the individual.

This 'Reasonable Offer' will be based on ensuring that the County Council is able to meet its minimum statutory requirements in responding to the assessed needs of those who are eligible under the Care Act. The 'Reasonable Offer' can legitimately take account of the potential for signposting and referral to other support that does not require Personal Budget expenditure.

4. Implementation Issues

The adoption of the new RAS will create a number of issues that need to be addressed further.

Firstly, the operational arrangements for assessment, use of advocacy services, determining eligibility, for support planning and for reviewing needs will need to be adapted to support its use. This will involve some technical system changes, finalisation of Care Act compliant policies, and ensuring training is delivered to all relevant staff. Acknowledging the importance of getting these responses right to ensure legal compliance was a theme in the County Council's response to the Service Offer consultation findings which was reported at <http://council.lancashire.gov.uk/ieDecisionDetails.aspx?ID=7336>. This will have particular relevance for former Independent Living Fund recipients, but it will also for all those individuals and groups concerned that in making funding reductions we protect the most vulnerable, and are fairly distributed.

Secondly, the importance and role of preventative services such as reablement, telecare, community equipment and the Health and Well Being Service will be further highlighted and emphasised through training and briefings with staff. This will be accompanied by an equal emphasis on strength or asset based approaches to

assessment which fits closely with the County Council's Corporate Strategy and its focus on working across and within 'Neighbourhoods'. Together, these approaches are intended to ensure support is available to individuals in ways which do not require a level of expenditure to be built into Personal Budgets. This will be an important response to the reduced levels of Personal Budgets that some individuals will face as a result of changes to the RAS. This was an important point in the responses received as part of the consultation findings reported in <http://council.lancashire.gov.uk/ieDecisionDetails.aspx?ID=7336> and evidenced in the Equality Analysis at Appendix 'A' as a mitigating factor.

Thirdly, getting the right level of Personal Budget first time for everyone we deal with is the correct ambition but it is best and more realistic to assume we will not always achieve that. So we need to build in arrangements for early resolution of disagreements or complaints about the Personal Budget setting process and the levels allocated. This was also an important issue highlighted in the consultation on the Service Offers as can also be seen in <http://council.lancashire.gov.uk/ieDecisionDetails.aspx?ID=7336>. We will consider how best to establish increased capacity or different arrangements to support an early resolution to complaints or substantive disagreements.

Fourthly, the sensitive and safe management of the changes faced by individuals affected by reductions in Personal Budgets will also be essential. In some cases the scale of such changes for some individuals may require a transitional arrangement is agreed while new support plans are drawn up and services are put in place. Again these were issues and options highlighted in the Service Offer consultation at <http://council.lancashire.gov.uk/ieDecisionDetails.aspx?ID=7336> and in the Equality Analysis at Appendix 'A'.

Finally it is important to acknowledge that there will continue to be differences in the levels of Personal Budgets offered to individuals which will arise from differential patterns of availability and pricing between services for different user groups. This may mean for example that an older person may receive a lower level of Personal Budget compared to someone with a mental health need or learning disability.

5. Illustrative Examples

Given the wide range of individual and local circumstances that have to be taken into account in assessments and support planning, one must be cautious in making broad generalisations about the way these changes will impact on individuals. However some simple examples include:

- The use of Telecare as a substitute for some home care visits for older people which are focussed on safety or medication checks
- Acknowledging opportunities for people with learning disabilities to participate in leisure, work or social activities outside their home will rely much more on volunteers to accompany the individual than on paid staff, and encouraging people to make the most of their own and community strengths and assets
- Shifting the balance towards more support from family, friends or neighbours and less from paid carers
- Greater focus on the role of prevention, establishing an ethos of promoting independence throughout all services so the value of an individual's Personal

Budget is reviewed downwards if and when an alternative and cheaper approach to support is available

These changes in emphasis and in the value of Personal Budgets may be difficult for many individuals and families to accept, but these, realistically, are the nature of the impact they will experience.

Consultations

The findings from the consultation on the original Service Offers were subject of a report to Cabinet in October 2015 <http://council.lancashire.gov.uk/ieDecisionDetails.aspx?ID=7336>. These findings have been considered in the Equality Analysis attached at Appendix 'A' and some of the specific responses have been highlighted in Section 4 of the report above 'Implementation Issues'. These have resulted in a significant change to the speed of and approach to implementation which has also contributed to the revision of the level of anticipated savings.

Implications:

This item has the following implications, as indicated:

Risk Management

This report contains a complex and significant set of proposals which will affect many individuals who receive services now or may do so in the future. The impact on the County Council's finances is also significant if targeted levels of savings are not achieved.

The work on the development of the RAS so far has been subject to robust Programme Management arrangements, and if the recommendations in this report are approved, revised but equally robust Programme Management governance will be established to oversee full implementation over the next year.

Finance

The budget agreed in February 2015, contained programmes to reduce the current cost of packages of support for service users in receipt of community based support. The total saving estimated to be achieved by these programmes between 2015/16 to 2017/18 was agreed as £17.4m, although this service offer was then subject to a planned separate consultation process.

The implementation of the proposed recalibrated RAS is expected to contribute to the delivery of this savings programme, which was always subject to individual care assessments of each individual and therefore a significant level of delivery risk. An updated risk assessment has identified that £8.8m of the originally agreed savings is now not considered deliverable and savings of £4.3m in 2016/17 and £4.3m in 2017/18 are now assessed as achievable. The impact of these changes has been factored into the updated Medium Term Financial Strategy November 2015 Cabinet report.

Equality

The report 'Adult Social Care: Findings from the Consultation on Service Offers and the County Council's Options in Response' have been taken into account both to inform the Equality Analysis and development of potential mitigating arrangements.

List of Background Papers

Paper	Date	Contact/Tel
Adult Social Care: Findings from the Consultation on Service Offers and the County Council's Options in Response	12 October 2015	http://council.lancashire.gov.uk/ieDecisionDetails.aspx?ID=7336

Appendix 'A'

Section 4

**Equality
Analysis Toolkit**

**Adult Social Care – Approval of Resource Allocation
System (RAS)**

3 November 2015

For Decision Making Items

What is the Purpose of the Equality Decision-Making Analysis?

The Analysis is designed to be used where a decision is being made at Cabinet Member or Overview and Scrutiny level or if a decision is being made primarily for budget reasons. The Analysis should be referred to on the decision making template (e.g. E6 form).

When fully followed this process will assist in ensuring that the decision-makers meet the requirement of section 149 of the Equality Act 2010 to have due regard to the need: to eliminate discrimination, harassment, victimisation or other unlawful conduct under the Act; to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard means analysing, at each step of formulating, deciding upon and implementing policy, what the effect of that policy is or may be upon groups who share these protected characteristics defined by the Equality Act. The protected characteristics are: age, disability, gender reassignment, race, sex, religion or belief, sexual orientation or pregnancy and maternity – and in some circumstances marriage and civil partnership status.

It is important to bear in mind that "due regard" means the level of scrutiny and evaluation that is reasonable and proportionate in the particular context. That means that different proposals, and different stages of policy development, may require more or less intense analysis. Discretion and common sense are required in the use of this tool.

It is also important to remember that what the law requires is that the duty is fulfilled in substance – not that a particular form is completed in a particular way. It is important to use common sense and to pay attention to the context in using and adapting these tools.

This process should be completed with reference to the most recent, updated version of the Equality Analysis Step by Step Guidance (to be distributed) or EHRC guidance at <http://www.equalityhumanrights.com/private-and-public-sector-guidance/public-sector-providers/public-sector-equality-duty>

This toolkit is designed to ensure that the section 149 analysis is properly carried out, and that there is a clear record to this effect. The Analysis should be completed in a timely, thorough way and should inform the whole of the decision-making process. It must be considered by the person making the final decision and must be made available with other documents relating to the decision.

The documents should also be retained following any decision as they may be requested as part of enquiries from the Equality and Human Rights Commission or Freedom of Information requests.

Support and training on the Equality Duty and its implications is available from the County Equality and Cohesion Team by contacting

AskEquality@lancashire.gov.uk

Specific advice on completing the Equality Analysis is available from your Service contact in the Equality and Cohesion Team or from Jeanette Binns

Jeanette.binns@lancashire.gov.uk

Name/Nature of the Decision

The Cabinet Member for Adult and Community Services is recommended

(i) Agree the adoption and use of a new Resource Allocation System (RAS) to support decision making in the setting of Personal Budgets for adults with eligible care needs;

(ii) Authorise the Director of Adult Services to make any necessary amendments to the Resource Allocation System in the light of further testing, operational management advice, experience and legal clearance;

(iii) To approve the continued development and implementation of plans to embed the new RAS into the Council's operating systems.

(iv) To approve the continued development of plans for undertaking service user reviews to realise savings on the basis of the new RAS

What in summary is the proposal being considered?

Since the development of policies on 'Personalisation' the County Council's Adult Social Care has used a Resource Allocation System (RAS) to support frontline decision making in the setting of Personal Budgets for people with eligible social care needs. Following the implementation of the Care Act in April 2015 and the need to make financial savings a new version of the RAS has been developed for use in Lancashire.

If adopted this RAS will be Care Act compliant and provide a basis for reviewing existing or proposed levels of Personal Budgets to realise savings where safe and reasonable.

Is the decision likely to affect people across the county in a similar way or are specific areas likely to be affected – e.g. are a set number of branches/sites to be affected? If so you will need to consider whether there are equality related issues associated with the locations selected – e.g. greater percentage of BME residents in a particular area where a closure is proposed as opposed to an area where a facility is remaining open.

The upgraded RAS will be used in the review or assessment processes for all Adult Social Care customers from all client groups across the county.

Customers with a Mental Health category who have their assessments carried out in conjunction with our partner Lancashire Care Foundation Trust will in the short-term continue to have their indicative budgets calculated using the existing off-line system until the additional technical and training requirements needed for the upgraded RAS can be implemented.

Could the decision have a particular impact on any group of individuals sharing protected characteristics under the Equality Act 2010, namely:

- Age
- Disability including Deaf people
- Gender reassignment
- Pregnancy and maternity
- Race/ethnicity/nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership Status

In considering this question you should identify and record any particular impact on people in a sub-group of any of the above – e.g. people with a particular disability or from a particular religious or ethnic group.

It is particularly important to consider whether any decision is likely to impact adversely on any group of people sharing protected characteristics to a disproportionate extent. Any such disproportionate impact will need to be objectively justified.

The decision will be applied to all new and existing Adult Social Care customers in receipt of commissioned care or direct payments to meet long term needs.

To reflect the move to a more equitable offer across client groups the rates of reduction on the overall budget available for community based support will vary across customer groups.

Client Group	Number of service users with Personal Budgets currently above the indicative budgets generated by the new RAS v.7	Total number of service users	Percentage of total number of service users with Personal Budgets estimated to be above the indicative budgets generated by the new RAS v7
Learning Disabilities	347	2,898	12%
Mental Health	27	644	4%
Older People	350	4,751	7%
Physical Disabilities	369	3,344	11%

Customers with an existing package of care will be reviewed and it is likely that some of these customers will receive reduced Personal Budgets following the review. The further use of Telecare and other interventions such as reablement will also be a factor in reducing the overall spend per package required long-term.

In addition the transfer of the Independent Living Fund and the county council's decision not to ring fence associated monies in the long term may add to the cumulative effect for some customers.

People affected by this change may also be impacted upon by the transitional process from Disability Living Allowance (DLA) to Personal Independence Payments (PIP). This might affect the level of payments some customers receive from DWP.

The Welfare Reform Bill may also have an impact.

If you have answered "Yes" to this question in relation to any of the above characteristics, – please go to Question 1.

If you have answered "No" in relation to all the protected characteristics, please briefly document your reasons below and attach this to the decision-making papers. (It goes without saying that if the lack of impact is obvious, it need only be very briefly noted.)

Question 1 – Background Evidence

What information do you have about the different groups of people who may be affected by this decision – e.g. employees or service users (you could use monitoring data, survey data, etc to compile this). As indicated above, the relevant protected characteristics are:

- Age
- Disability including Deaf people
- Gender reassignment/gender identity
- Pregnancy and maternity
- Race/Ethnicity/Nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership status (in respect of which the s. 149 requires only that due regard be paid to the need to eliminate discrimination, harassment or victimisation or other conduct which is prohibited by the Act).

In considering this question you should again consider whether the decision under consideration could impact upon specific sub-groups e.g. people of a specific religion or people with a particular disability. You should also consider how the decision is likely to affect those who share two or more of the protected characteristics – for example, older women, disabled, elderly people, and so on.

Information about the different groups of people who may be affected by this decision has been gathered from a number of sources.

Finance data suggests the numbers of individuals likely to be affected by the proposed changes to the RAS may be as follows

Client Group	Number of service users with Personal Budgets currently above the indicative budgets generated by the new RAS v.7	Total number of service users	Percentage of total number of service users with Personal Budgets estimated to be above the indicative budgets generated by the new RAS v7
Learning Disabilities	347	2,898	12%
Mental Health	27	644	4%
Older People	350	4,751	7%
Physical Disabilities	369	3,344	11%

The responses to the public consultation indicated that customers in receipt of the Independent Living Fund, Carers, customers aged 25-44 and carer respondents of BME service users consider themselves to be the customer groups most likely to

be affected by the proposed changes.

The FACE RAS Modelling Test Analysis Report which was produced following formal testing of the RAS provided information on the average and correlation of indicative budgets and actual budgets by customer group. The evidence shows that customers with physical disabilities are more likely to receive an indicative budget which is lower than the actual cost of their current package of care than customers in either the older people or learning disability customer groups.

A financial illustration of the impact of the upgraded RAS based on application of a maximum 'reasonable offer' equivalent to a residential care rate showed that budget savings will be made across all customer groups. This supports the decision to move to a more equitable offer across all customer groups.

Question 2 – Engagement/Consultation

How have you tried to involve people/groups that are potentially affected by your decision? Please describe what engagement has taken place, with whom and when.

(Please ensure that you retain evidence of the consultation in case of any further enquiries. This includes the results of consultation or data gathering at any stage of the process)

The views of those adults potentially affected were considered as part of the county council's public consultation on the 2015/2016 service offers. Details are contained at <http://council.lancashire.gov.uk/ieDecisionDetails.aspx?ID=7336>

The consultation period ran from the 1st January 2015 – 31st March 2015. A total of 10,037 service users and carers received information to participate in the consultation exercise.

Access to all service users, carers and other stakeholders was through face to face consultation events, written questionnaires, and telephone contact lines and via the internet. A total of 2,018 of the 10,037 contacted submitted a response through the various communication channels made available.

From the information gathered during the public consultation there is a general concern across all customer groups and carers that the proposed cuts to Local Government will affect the most vulnerable.

The public consultation also showed that 94% of service users and 92% of carers agree that LCC should continue to invest money in services to help people retain their independence. This is in line with our corporate strategy and vision.

In line with the move to a more equitable offer to customers across all client groups 65% of service users and 63% of carers agree that LCC should make the distribution of money between the different groups of people we support fairer.

Customers in receipt of the Independent Living Fund expressed concern that as a result of the decision not to ring fence these monies they would be directly

impacted upon. 55% of respondents who receive ILF agree that LCC should assess the needs of people previously receiving ILF using the same criteria as other people with social care needs. 23% of respondents who receive ILF disagree.

Carers are one specific group who identified themselves as not feeling valued and in need of more support.

Overall customers in the 25-44 age bracket disagreed relatively most with the proposals to invest money to help retain independence and with the proposals to distribute monies more equitably across all customer groups.

Carer respondents of BME service users were also the group who disagreed most with our proposal to make the distribution of money between the different groups of people we support fairer.

Question 3 – Analysing Impact

Could your proposal potentially disadvantage particular groups sharing any of the protected characteristics and if so which groups and in what way?

It is particularly important in considering this question to get to grips with the actual practical impact on those affected. The decision-makers need to know in clear and specific terms what the impact may be and how serious, or perhaps minor, it may be – will people need to walk a few metres further to catch a bus, or to attend school? Will they be cut off altogether from vital services? The answers to such questions must be fully and frankly documented, for better or for worse, so that they can be properly evaluated when the decision is made.

Could your proposal potentially impact on individuals sharing the protected characteristics in any of the following ways:

- Could it discriminate unlawfully against individuals sharing any of the protected characteristics, whether directly or indirectly; if so, it must be amended. Bear in mind that this may involve taking steps to meet the specific needs of disabled people arising from their disabilities
- Could it advance equality of opportunity for those who share a particular protected characteristic? If not could it be developed or modified in order to do so?
- Does it encourage persons who share a relevant protected characteristic to participate in public life or in any activity in which participation by such persons is disproportionately low? If not could it be developed or modified in order to do so?
- Will the proposal contribute to fostering good relations between those who share a relevant protected characteristic and those who do not, for example by tackling prejudice and promoting understanding? If not could it be developed or modified in order to do so? Please identify any findings and how they might be addressed.

Implementation of the upgraded RAS is expected to support the reduction of the cost of individual packages of care following the review process. As a result all adult social care customers including those of the protected characteristic groups may be impacted. However the purpose of the RAS is to ensure such reductions are identified and managed in a fair, transparent and equitable manner, ensuring the allocation of resources reflects needs. This may mean some individuals may perceive themselves as being relatively more or less affected compared to other individuals.

At worst, reducing the Personal Budgets to customers may result in a more rapid deterioration in customer's health and wellbeing leading to increased crisis situations, admissions to hospital and residential care and increased impact upon informal carers. This situation could apply to any adult social care customer including those of the protected characteristic groups. The changes themselves may also increase anxiety and stress among affected individuals and their carers and families.

Question 4 –Combined/Cumulative Effect

Could the effects of your decision combine with other factors or decisions taken at local or national level to exacerbate the impact on any groups?

For example - if the proposal is to impose charges for adult social care, its impact on disabled people might be increased by other decisions within the County Council (e.g. increases in the fares charged for Community Transport and reductions in respite care) and national proposals (e.g. the availability of some benefits). Whilst LCC cannot control some of these decisions, they could increase the adverse effect of the proposal. LCC has a legal duty to consider this aspect, and to evaluate the decision, including mitigation, accordingly.

If Yes – please identify these.

The recalibration of the RAS is integral to the budget reduction in service offers required as part of the 2015/2016 budget savings.

Reductions in commissioned packages of care as a result of reduced Personal Budget levels may at worst result in a more rapid deterioration in some customers' health and wellbeing leading to increased crisis situations, admissions to hospital and residential care, increased impact upon informal carers.

The transfer of the Independent Living Fund and the county council's decision not to ring fence associated monies may add to the cumulative effect for some customers.

People affected by this change may also be impacted upon by the transitional process from Disability Living Allowance (DLA) to Personal Independence Payments (PIP). This might affect the level of payments some customers receive

from DWP.

The Welfare Reform Bill may also have an impact.

The County Council is in the process of preparing its budget for 2016/17 and other decisions on continued investments and savings which may be identified from Adult Social Care or other areas of the Council's activities are also likely have an impact on individuals. Examples could include changes to the levels of services available, access arrangements, their costs/ charges or the assessment arrangements.

Question 5 – Identifying Initial Results of Your Analysis

As a result of your analysis have you changed/amended your original proposal?

Please identify how –

For example:

Adjusted the original proposal – briefly outline the adjustments

Continuing with the Original Proposal – briefly explain why

Stopped the Proposal and Revised it - briefly explain

The implementation of the Care Act and the long term funding reductions facing the county council means that a new RAS is required and that cannot be ignored or delayed indefinitely.

The related recommendations (ii) to (iv) are also necessary for the implementation of the new RAS.

The proposals are therefore retained as they were first outlined.

Question 6 – Mitigation

Please set out any steps you will take to mitigate/reduce any potential adverse effects of your decision on those sharing any particular protected characteristic. It is important here to do a genuine and realistic evaluation of the effectiveness of the mitigation contemplated. Over-optimistic and over-generalised assessments are likely to fall short of the “due regard” requirement.

Also consider if any mitigation might adversely affect any other groups and how this might be managed.

Firstly, the operational arrangements for assessment, use of advocacy services, determining eligibility, for support planning and for reviewing needs will need to be adapted to support the use of the RAS. This will involve some technical system changes, finalisation of Care Act compliant policies, and ensuring training is delivered to all relevant staff. Acknowledging the importance of getting these

responses right to ensure legal compliance was a theme in the County Council's response to the Service Offer consultation findings which was reported at <http://council.lancashire.gov.uk/ieDecisionDetails.aspx?ID=7336>. This will have particular salience for former Independent Living Fund recipients, but for all those individuals and groups concerned that in funding reductions we protect the most vulnerable, and are fairly distributed.

Secondly, the importance and role of preventative services such as reablement, telecare, community equipment, and the Health and Well Being Service will be further highlighted and emphasised through further training and briefings with staff. This will be accompanied by an equal emphasis on strength or asset based approaches to assessment. Together, these approaches are intended to ensure support to individuals in ways which don't require a level of spend which has to be built into Personal Budgets. This will be an important response to the reduced levels of Personal Budgets that some individuals will face as a result of changes to the RAS. This was an important point in the responses received as part of the consultation findings reported in <http://council.lancashire.gov.uk/ieDecisionDetails.aspx?ID=7336>.

Thirdly, getting the right level of Personal Budget first time for everyone we deal with is the correct ambition but it is best and more realistic to assume we will not always achieve that. So we need to build in arrangements for early resolution of disagreements or complaints about the Personal Budget setting process and the levels allocated. This was also an important issue highlighted in the consultation on the Service Offers as can also be seen in <http://council.lancashire.gov.uk/ieDecisionDetails.aspx?ID=7336>. We will consider how best to establish increased capacity or different arrangements to support an early resolution to complaints or substantive disagreements.

Fourthly, the sensitive and safe management of the changes faced by individuals affected by reductions in Personal Budgets will also be essential. In some cases the scale of such changes may require a transitional arrangement is agreed while new support plans are drawn up and services are put in place. Again these were issues and options highlighted in the Service Offer consultation at <http://council.lancashire.gov.uk/ieDecisionDetails.aspx?ID=7336>

Finally it is important to acknowledge that there will continue to be differences in the levels of Personal Budgets offered to individuals which will arise from differential patterns of service availability and pricing between user groups. This may mean for example that an older person may receive a lower level of Personal budget compared to someone with a mental health need or learning disability.

Irrespective of the indicative budget generated by the upgraded RAS the county council will ensure that it meets its minimum statutory obligation to keep customers safe and meet their assessed eligible needs.

Question 7 – Balancing the Proposal/Countervailing Factors

At this point you need to weigh up the reasons for the proposal – e.g. need for budget savings; damaging effects of not taking forward the proposal at this time – against the findings of your analysis. Please describe this assessment. It is important here to ensure that the assessment of any negative effects upon those sharing protected characteristics is full and frank. The full extent of actual adverse impacts must be acknowledged and taken into account, or the assessment will be inadequate. What is required is an honest evaluation, and not a marketing exercise. Conversely, while adverse effects should be frankly acknowledged, they need not be overstated or exaggerated. Where effects are not serious, this too should be made clear.

A decision on whether to continue with the use of a RAS at Lancashire as part of the overall assessment process has been considered. The use of a RAS at Lancashire and information from other councils has provided lessons learnt about their potential benefits and their drawbacks.

The need to achieve the budget savings required in 2016/2017 is a primary driver for this project. This has influenced the configuration of the upgraded RAS and careful decision on where resources should be allocated during the assessment. This will directly support fairness and consistency in the assessment process as well as a degree of transparency. It will be the case that following review some customers receive a reduced budget allocation and these customers will consider this to be a negative impact.

Reductions in commissioned packages of care as a result of reduced Personal Budget levels may at worst result in a more rapid deterioration in some customers' health and wellbeing leading to increased crisis situations, admissions to hospital and residential care, increased impact upon informal carers.

The current RAS V1 is not Care Act compliant as it applies distinct RAS models for each client group. To continue with its use as part of our assessment process presents a high risk of challenge. The upgraded version better attempts to target money according to need.

Social Care staff currently have a number of customers who are pending review. The upgraded RAS is a pre-requisite of that activity commencing. The benefit of using the upgraded RAS will be that the impact of providing the telecare, reablement and other initiatives to customers is reflected accurately in the provision of an indicative budget sufficient to meet the costs of long-term packages of care. The use of an accurate RAS will also provide a firmer starting point for negotiations in the support planning stage and promote creative support planning.

Analysis of the existing version of the RAS has shown that over time the correlation of it to the actual budget required has diminished, as a result it is providing misleading information to social work practitioners and customers. This can create expectations that the indicative budget is a minimum or target value to spend against and where this is not the case can lead to complaints. The implementation of a carefully calibrated upgraded version will provide a systemic quality assurance tool for managers and supervisors to use across large and dispersed workforces, and to support delegated decision making.

Question 8 – Final Proposal

In summary, what is your final proposal and which groups may be affected and how?

The Cabinet Member for Adult and Community Services is recommended

- (i) Approve the adoption and use of a new Resource Allocation System (RAS) to support decision making in the setting of Personal Budgets for adults with eligible care needs;
- (ii) Authorise the Director of Adult Services to make any necessary amendments to the Resource Allocation System in the light of further testing, operational management advice, experience and legal clearance;
- (iii) To approve the continued development and implementation of plans to embed the new RAS into the Council's operating systems.
- (iv) To approve the continued development of plans for undertaking service user reviews to realise savings on the basis of the new RAS

Question 9 – Review and Monitoring Arrangements

Describe what arrangements you will put in place to review and monitor the effects of your proposal.

Performance of the upgraded RAS will be closely monitored in operation. The product vendor will directly support us in this by 4/6 weekly on-site review sessions. These sessions will allow any unplanned adverse performance of the product to be identified in a timely manner and immediate adjustments made.

All staff will receive refresher training in the use of the RAS and specifically in the changed configuration choices. This is important as it will underpin accurate use of the RAS and also how it is explained to customers.

The product vendor will carry out a formal audit of the upgraded RAS 3 months after implementation to ensure that it is performing as expected. This audit will take a data sample of live customer cases and collect indicative and actual budget costs for each. This will allow interrogation of a representative sample of cases and provide quality assurance on the upgrade.

Programme Management arrangements to oversee the implementation of this will take account of levels and nature of complaints

Monitoring of impact across the affected groups to identify if any are disproportionately affected so that further mitigating actions can continue to be developed to minimise negative impact.

Equality Analysis Prepared By Tracey Boswell

Position/Role Programme Office Lead/Subject Matter Expert Adults Services

Equality Analysis Endorsed by Line Manager and/or Service Head

Decision Signed Off By Tony Pounder, Director of Adult Services

Cabinet Member or Director

Please remember to ensure the Equality Decision Making Analysis is submitted with the decision-making report and a copy is retained with other papers relating to the decision.

Where specific actions are identified as part of the Analysis please ensure that an EAP001 form is completed and forwarded to your Service contact in the Equality and Cohesion Team.

Service contacts in the Equality & Cohesion Team are:

Karen Beaumont – Equality & Cohesion Manager

Karen.beaumont@lancashire.gov.uk

Contact for Adult Services ; Policy Information and Commissioning (Age Well); Health Equity, Welfare and Partnerships (PH); Patient Safety and Quality Improvement (PH).

Jeanette Binns – Equality & Cohesion Manager

Jeanette.binns@lancashire.gov.uk

Contact for Community Services; Development and Corporate Services; Customer Access; Policy Commissioning and Information (Live Well); Trading Standards and Scientific Services (PH), Lancashire Pension Fund

Saulo Cwerner – Equality & Cohesion Manager

Saulo.cwerner@lancashire.gov.uk

Contact for Children's Services; Policy, Information and Commissioning (Start Well); Wellbeing, Prevention and Early Help (PH); BTLS

Pam Smith – Equality & Cohesion Manager

Pam.smith@lancashire.gov.uk

Contact for Governance, Finance and Public Services; Communications; Corporate Commissioning (Level 1); Emergency Planning and Resilience (PH).

Thank you

Report to the Cabinet Member for Highways and Transport
Report submitted by: Head of Service, Policy, Information and Commissioning
(Live Well)
Date: 6 January 2016

Part I

Electoral Division affected:
Preston City & Preston
South East

Addition of Proposed Changes to Highway Layout Associated with Developments at New Hall Lane, Adelaide Street and Witton Street, Preston (Section 278 funded) to the Highways Block of the 2015/16 Capital Programme

Contact for further information:
Rina Housbey (01772) 533763, Programmes and Project Management,
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Janet Wilson, (01772) 538647, Commissioning Manager (Live Well),
janet.wilson@lancashire.gov.uk

Executive Summary

On 18 June 2015, planning approval was granted by Preston City Council for change in use of office accommodation located on London Road, Preston to a state funded school. As a condition of planning consent, it is proposed to add a signal controlled pedestrian crossing on New Hall Lane as well as coloured surfacing on the side roads either side of the crossing to highlight carriageway crossing points. A new footway is also to be constructed on Witton St and a new footway with loading bay is to be constructed on Adelaide St, as well as changes to existing waiting restrictions. These works are necessary to improve the route schoolchildren will be using to access the new school.

These works will be funded by a Section 278 Highways Act 1980 payment by the developer, and in order to commence statutory advertisement and implementation, it is necessary to add the scheme to the County Council's Capital Programme.

This is a Key Decision and the provisions of Standing Order 25 have been complied with.

Recommendation

The Cabinet Member for Highways and Transport is asked to approve the addition of this scheme, as shown on the plan attached at Appendix 'A', to the highways block of the County Council's 2015/16 capital programme at an estimated total cost of £300,000, fully funded by a s278 agreement.

Background and Advice

The District Planning Authority has imposed conditions on the development on Adelaide Street that require modification to the highway network to meet increased pedestrian traffic flows. The scheme would be solely funded by a Section 278 payment from the developer.

Consultations

Preston City Council, as the Planning Authority, have imposed these conditions on the development as part of granting planning consent and are therefore fully aware of the scope and extent of these works.

Implications:

This item has the following implications, as indicated:

Financial

The estimated cost of the County Council's design element is £13,443. The advance payment of the design fee estimate has been received from the promoter. The County Council may have to commission advance design work by utility companies to enable the diversion or protection of their services during the construction phase, but this will only become clear as design proposals are developed. Any payment required for this work will be received from the developer before the County Council authorises third party design.

The site supervision fee estimate is £1,451 and the construction phase estimate is £250,000 including contingencies. The construction phase is currently scheduled for quarter 1 in 2016. All work will be fully funded by the developer, initially by advance payments and ultimately through the Section 278 Agreement. Once the design phase is complete the construction phase costs will be obtained from the works tendering process. The terms of the Section 278 Agreement means that the developer pays all actual costs associated with the work. These costs are monitored and additional payment requested to safeguard the County Council from financial risk. The total estimated cost is £300, 000.

Risk management

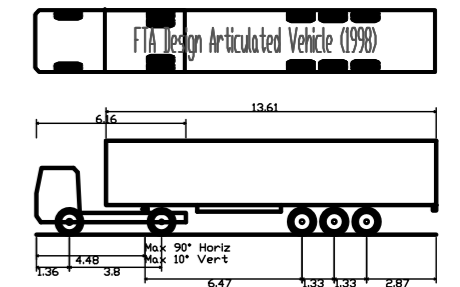
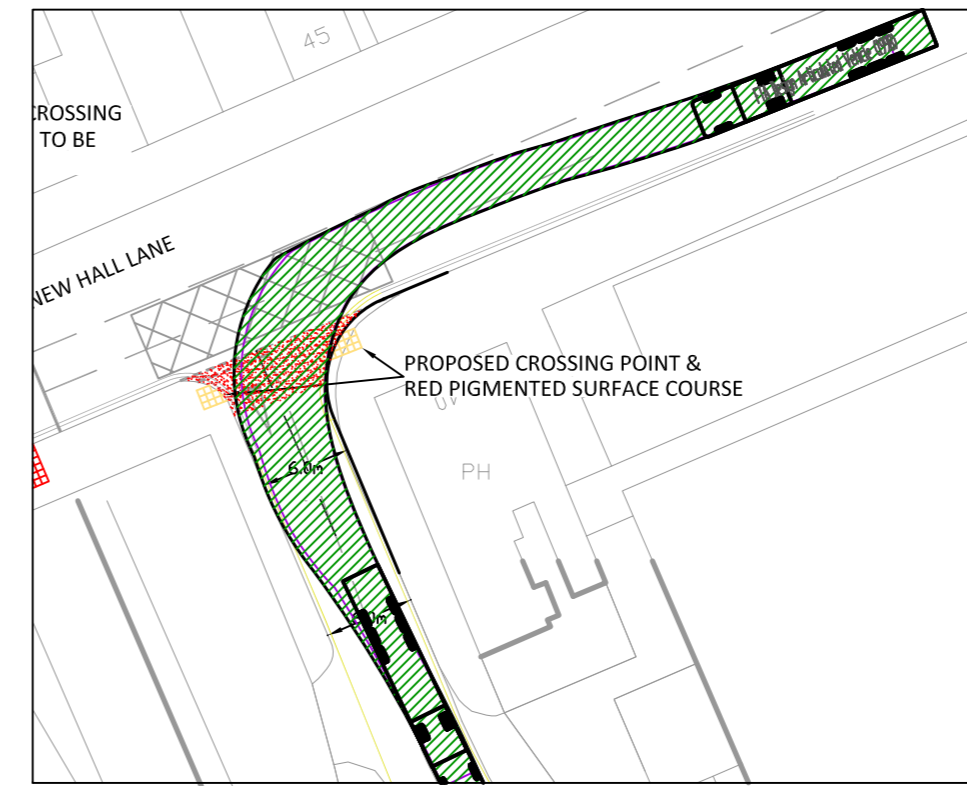
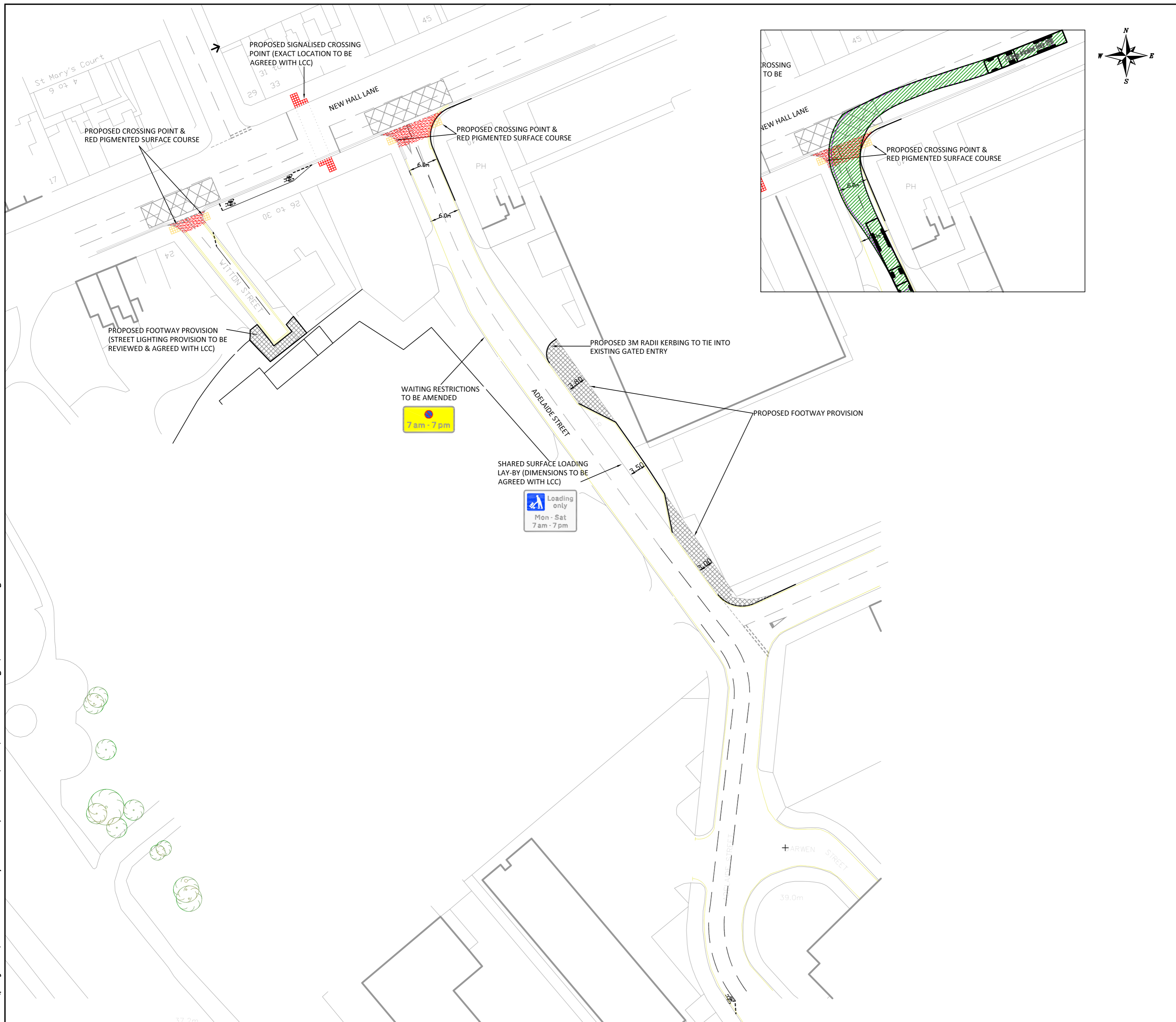
The advance payment of design fees and the Section 278 Agreement provides a robust mechanism for the County Council to ensure it is at no financial risk from carrying out the design, construction and supervision of these works.

List of Background Papers

Paper	Date	Contact/Tel
Planning number: 06/2015/0331	18 June 2015	Preston City Council

Reason for inclusion in Part II, if appropriate

N/A.



FTA Design Articulated Vehicle (1998)
 Overall Length 16.480m
 Overall Width 2.550m
 Overall Body Height 3.870m
 Min. Body Ground Clearance 0.315m
 Max. Track Width 2.470m
 Lock to Lock Time 3.00s
 Kerb to Kerb Turning Radius 6.550m

REV.	DETAILS	DRAWN	CHECKED	DATE

CLIENT: **EDUCATION FUNDING AGENCY**

PROJECT: **EDEN BOYS SCHOOL, PRESTON**

DRAWING TITLE: **PROPOSED HIGHWAY IMPROVEMENTS**

SCALES: **1:500 @ A2**

DRAWN: **JC** CHECKED: **TR** DATE: **09.06.2015**

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DRAWING NUMBER: **0821-04** REVISION: **A**

Agenda Item 8a

(NOT FOR PUBLICATION: By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It is considered that all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

Document is Restricted

Agenda Item 8b

(NOT FOR PUBLICATION: By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It is considered that all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

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Agenda Item 8c

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Agenda Item 8d

(NOT FOR PUBLICATION: By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It is considered that all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

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Agenda Item 8e

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Agenda Item 8f

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Agenda Item 8g

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