



# **2024/25 Budget Impact Assessment**

## 1. Introduction

The Budget consultation timetable is as follows:

- **29, 30 November and 4, 5, 11, 12, 14 December 2023** - on-line meetings with representatives of town and parish councils
- **15 January 2024** - Budget consultation meeting with representatives of business community
- **18 January 2024** - Children's Scrutiny Committee
- **22 January 2024** - Budget consultation meeting with representatives of the voluntary and community sector and Equality Reference Group
- **22 January 2024** - Budget consultation with representatives of the trade unions
- **24 January 2024** - Health and Adult Care Scrutiny Committee
- **25 January 2024** - Corporate, Infrastructure and Regulatory Services Scrutiny Committee

Following this consultation, the approval process for the 2023/24 Budget will be:

- **9 February 2024** - Cabinet consideration of proposed 2024/25 budget
- **15 February 2024 or 22 February 2024** - County Council approval of the Budget 2024/25

### **Risk management**

It remains of paramount importance that the Authority's finances are used in an effective and controlled way, both to manage the risks to the organisation and to support those in greatest need but also to deliver other vital local priorities.

The Authority, like all organisations, faces a wide range of risks and these can occur at any level, from the strategic to day-to-day operations. Effective risk management ensures that the Authority understands and effectively mitigates these risks.

There are several risks and challenges facing the authority which are managed including under the Authority's Risk Management Framework. A number of these key risk areas are highlighted within the Community Assessment pages which follow.

The management of risks, including those which cut across service areas, is a key element of the Authority's work to deliver the community priorities.

## Financial Considerations

The Authority has a statutory responsibility to set a balanced and robust annual budget. The target budget and service targets for 2024/25 will be considered by Cabinet at its meeting on 10 January 2024 and set out in the table below:

Service area	2023/2024 Adjusted Base Budget £000	Inflation and National Living Wage £000	Other Growth and pressures £000	Savings, Alternative Funding and Additional Income £000	2024/25 Target Budget £000	Net Change £000	Net change %
Integrated Adult Social Care	340,245	29,887	20,025	(29,411)	360,746	20,501	6.0%
Children and Young People's Futures	206,278	9,795	20,862	(9,150)	227,785	21,507	10.4%
Public Health, Communities & Prosperity	21,678	533	289	(1,577)	20,923	(755)	-3.5%
Corporate Services	49,755	2,160	1,361	(4,831)	48,445	(1,310)	-2.6%
Climate Change, Environment & Transport	81,619	6,144	2,348	(4,629)	85,482	3,863	4.7%
<b>Total</b>	<b>699,575</b>	<b>48,519</b>	<b>44,886</b>	<b>(49,598)</b>	<b>743,382</b>	<b>43,807</b>	<b>6.3%</b>

This assessment considers overall impacts of the Authority's draft proposed budget for 2024/25 and provides high level information to assist in the budget setting decision making process. The draft budget book includes details of planned technical and service changes and proposed savings strategies. Proposals to change services and policies will be subject to specific impact assessments.

All impact assessments are published at <https://www.devon.gov.uk/impact/published/> Proposals that do not affect service delivery or do not have a significant impact on staffing do not require a full impact assessment.

The local government finance settlement for 2024/25 will represent the final year of the Government's current 3-year Spending Review. Despite this being a 3-year Review, local authorities received one year settlement information only for 2022/23 and 2023/24, however there were some indications provided of likely funding in 2024/25 when the 2023/24 settlement was announced.

On 18th December 2023, the Rt Hon Michael Gove, Secretary of State for Levelling Up, Housing and Communities, released a Written Ministerial Statement to Parliament setting out the provisional local

government finance settlement for 2024/25 financial year. The Final Settlement is likely to follow in early February 2024.

## 2024/25 Service budget targets

The service budget targets include funding for inflation and pressures that mainly relate to children and adult services. Significant savings and income initiatives are required to set a balanced budget. Overall, service budget targets will increase by £43.8 million in 2024/25, an increase of 6.3%.

### Integrated Adult Social Care

The draft total budget for Integrated Adult Social Care is £360.7 million. This is an increase of £20.5 million or 6% from the 2023/24 adjusted budget, comprising two main elements:

- Integrated Adult Social Care Operations – an increase of £17.5 million; and
- Integrated Adult Social Care Commissioning – an increase of £3 million.

Growth and demand pressures amount to £20.0 million. The impact of inflation including pay and the national living wages adds £29.9 million and planned savings amount to £29.4 million.

In November 2023, the Government announced that the National Living Wage (NLW) will increase by 9.8% to £11.44 per hour in April 2024. NLW is the principal driver of price inflation in the care markets because it impacts directly on the price of labour. In Devon, NLW is now estimated to add more than £25 million to the cost of adult social care in 2024/25, within an overall total increase for inflationary pressures of £29.9 million.

The proposed budget for Integrated Adult Social Care includes an increase of £20 million to fund current and forecast costs of demand.

Budget savings and income initiatives are also required, the implementation of which is likely to present a considerable operational challenge. An increase in Better Care Fund allocation and partner and client income estimates combine to contribute £5.4 million. In addition, savings totalling £22.6 million are reflected in the proposed budget across a range of areas.

The savings will require significant operational redesign and rigour and may impact further on already challenging assessment waiting times, on the organisation's prevention agenda, ensuring a sufficient market and our partnership working. As the service moves forward with its vision of promoting independence via a strengths-based approach, which is the right thing to do and is required for the successful delivery of the budget, there will be a reduction to the care and support which people are currently receiving. The available resource will be focused on those people who need it most.

### Children's and Young People's Futures

The draft total budget for Children and Young People's Futures (excluding the Dedicated Schools Grant) is £227.8 million. This is an increase of £21.5 million or 10.4% from the 2023/24 adjusted budget, comprising of two elements:

- Children’s Social Care – an increase of £13.8 million; and
- Education Learning and Inclusion Services – an increase of £7.7 million which is mainly for school transport and SEND (Special Educational Needs and Disabilities).

Overall, the budget provides additional investment of £13.8 million (9.2%) in Children’s Social Care. Growth and demand pressures amount to £14.2 million. The impact of inflation including pay and national living wage adds £7.4 million, and planned savings amount to £7.8 million.

Provision of appropriate accommodation and support for our vulnerable children is a key priority. The care and support that some of our young people require is increasingly more complex and expensive for us to buy. The budget allows for additional investment of £16.5 million, before savings, for placements for our Children in Care, Separated Migrant Children (formerly referred to as Unaccompanied Asylum Seeking Children - UASC) and Care Experienced Young People.

Ensuring each child is in the right placement for their needs at the right price will deliver better outcomes for our children and provide best value. Plans to deliver this include expanding in-house residential capacity and recruiting and retaining more in-house foster carers. This is expected to reduce costs by £6.2 million.

In May 2023 the Authority was awarded a revenue grant of £1.1 million over two years to pilot the Staying Close move on accommodation programme and provide semi-independent supported accommodation for care experienced young people who are currently living in high cost placements. £1 million of revenue savings are planned for next year.

Overall, the budget provides additional investment of £7.7 million (13.2%) in Education, Learning and Inclusion Services. This is net of savings and the removal of one-off funding allocated for specific purposes in 2023/24.

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

### **Schools Funding**

The Dedicated Schools Grant (DSG) is a grant is the main source of income that is paid in support of the local authority's schools’ budget. In 2024/25 the DSG for schools and early years settings is increasing by £38 million, to a total of £714 million. The Mainstream Schools Additional Grant (MSAG) that was allocated in 2023/24 has now been included within the base funding of the DSG.

Of this increase, Early Years Funding has seen an additional £25 million due the introduction of funding for children aged 9 months up to (and including) 2-year-olds to assist new working parent entitlements. This also recognises increases to reflect teachers' pay and pensions and the National Living Wage (NLW).

Within the DSG a significant and continuing cost pressure relates to support for children with special educational needs and disabilities (SEND). This is largely due to the continued rise in the number of children with an Education Health and Care Plan (EHCP) and a year-on-year increase in demand for higher cost independent specialist provision. Whilst in Devon the Authority supports a higher than average percentage of children in mainstream settings, which could be linked to the higher proportion of EHCPs in Devon overall, it does not have sufficient state funded special school

or specialist resource provision to meet current or future demand which results in more independent places needing to be commissioned.

Our ability to provide the SEND services needed by Devon's children within the grant government provides continues to be a great concern. This could have a considerable impact on the financial sustainability of the Authority and on future education budgets within the DSG.

Increasing demands and expenditure within SEND will be mitigated by the Deficit Management Plan, which has been developed with support from the Department for Education. These pressures will be managed across four key strategic areas: Inclusion and early help; Preparation for Adulthood; Sufficiency; and Financial Management and placement value. The overarching aim is to ensure that the children and young people of Devon are supported according to their level of need within the available funding.

Significant investment by the Authority and the DfE (through the Free Schools Programme) has recently increased the number of places in our special schools. Between 2020 and 2025 it is estimated that Devon's special school estate capacity will increase by 48%, which is an expansion of 525 places including three new schools. Further work will be undertaken over the next three years to improve Devon's SEND sufficiency.

Continued demand within SEND has meant it has been difficult to contain the costs within the funding being received from Government. The 2024/25 budgeted DSG deficit is projected to be £37 million.

In December 2023 the Authority submitted its initial DSG management plan to the DfE as part of the 4th tranche of the Government's Safety Valve Intervention Programme and are in discussions to progress the decision forward. A decision is expected in February 2024.

## 2. Giving Due Regard to Equality and Human Rights

The Equality Act 2010 prohibits discrimination against someone based on the following protected characteristics:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation

The Authority must consider how people will be affected by its decisions and in so doing it must give due regard to the need to:

- Eliminate unlawful discrimination, harassment, and victimisation.
- Advance equality of opportunity.
- Foster good relations.

Where relevant, the Authority must take into account the protected characteristics. This means considering how people with different needs get the different services they require without disadvantage, and facilities are available to them on an equal basis to meet their needs, advancing equality of opportunity by recognising the disadvantages to which protected groups are subject and considering how they can be overcome.

The Authority has also pledged to treat Care Experienced People as a protected characteristic.

The Authority also needs to ensure that human rights are protected such that people have:

- A reasonable level of choice in where and how they live their life and interact with others (this is an aspect of the human right to 'private and family life').
- An appropriate level of care which results in dignity and respect (the protection to a private and family life, protection from torture and the freedom of thought, belief and religion within the Human Rights Act and elimination of discrimination and the promotion of good relations under the Equality Act 2010).
- A right to life (ensuring that nothing that the Authority does results in unlawful or unnecessary/avoidable death).

The Equality Act 2010 and other relevant legislation does not prevent the Authority from taking difficult decisions, for example, those which result in service reductions or closures. It does however require the Authority to ensure that such decisions are:

- Informed and properly considered with a rigorous, conscious approach and open mind, taking due regard of the effects on the protected characteristics and the general duty to eliminate discrimination, advance equality and foster good relations.
- Proportionate (negative impacts are proportionate to the aims of the policy decision).
- Fair.
- Necessary.
- Reasonable, and those affected have been adequately consulted.

### 3. Budget and Council Tax for 2023/24

#### Council Tax

Increases in Council Tax help to support services of which older, disabled and young people are the main users.

The amount of Council Tax payable by households is set according to a property valuation known as banding. The following tables explore how much revenue different percentage rises would generate for the County Council and the annual increase for each household.

In 2016/17, the Government introduced the Adult Social Care Precept on Council Tax allowing authorities with adult social care responsibilities to increase council tax by an average 2% per annum for the period 2016/17 to 2020/21, 3% in 2021/22, and 1% in 2022/23. In autumn 2022 the Government announced a further 2% adult social care precept for 2023/24 and 2024/25.

In addition, the Government has set the Council Tax increase that will trigger a referendum, excluding the Adult Social Care precept, at 3% for 2024/25.

#### Council Tax Bands and current amounts (2023/24)

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£1,089.42	£1,270.99	£1,452.56	£1,634.13	£1,997.27	£2,360.41	£2,723.55	£3,268.26

Total Council Tax income for Devon County Council in 2023/24 is £491.805 million.

**Scenarios – Increase in pounds per annum per household from 2023/24 to 2024/25:**

Council Tax Percentage Increase	Income for Devon County Council	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
1%	£4.918 million	10.89	12.71	14.53	16.34	19.97	23.60	27.24	32.68
2.99%	£14.705 million	32.57	38.00	43.43	48.86	59.72	70.58	81.43	97.72
4.99%	£24.541 million	54.36	63.42	72.48	81.54	99.66	117.78	135.91	163.09

The additional income in the previous table assumes that the council tax base is unchanged from the previous year. It is expected that there will also be an increase in the council tax base (and increase in income) for 2024/25 and the County Council is awaiting the final figures from the billing authorities (district councils) before the council tax base can be finalised.

Impacts of Council Tax increases are difficult to analyse. Comprehensive modelling data from district councils in developing Council Tax Support schemes has shown a highly complex picture in terms of linking wealth/income or other household profiling to property value.

## 4. Community Assessment

The following pages set out a Community Assessment with sections on:

- Population overview
- Cost of living
- Economy: Impacts on business and the public sector
- Health and care
- Education and skills
- Safety
- Connectivity
- Voluntary, Community Sector and Social Enterprises

The Community Assessment was produced for the 2023/24 Budget and the assessment below includes last year's feedback from the Council's Equality Reference Group (voluntary and community sector representatives) received during that process.

### 4.1 Population overview

All data referred to in this document is drawn from Devon County Council's Joint Strategic Needs Assessment unless otherwise attributed. [Joint Strategic Needs Assessment - Devon Health and Wellbeing](#)

Devon has a growing, and an ageing, population. It has proportionately more older people than the rest of England and 63% of the growth in the last ten years has been in the 65+ age group.



Devon's population has grown due to internal migration, planned development and people living longer.

### Population (Census 2021)

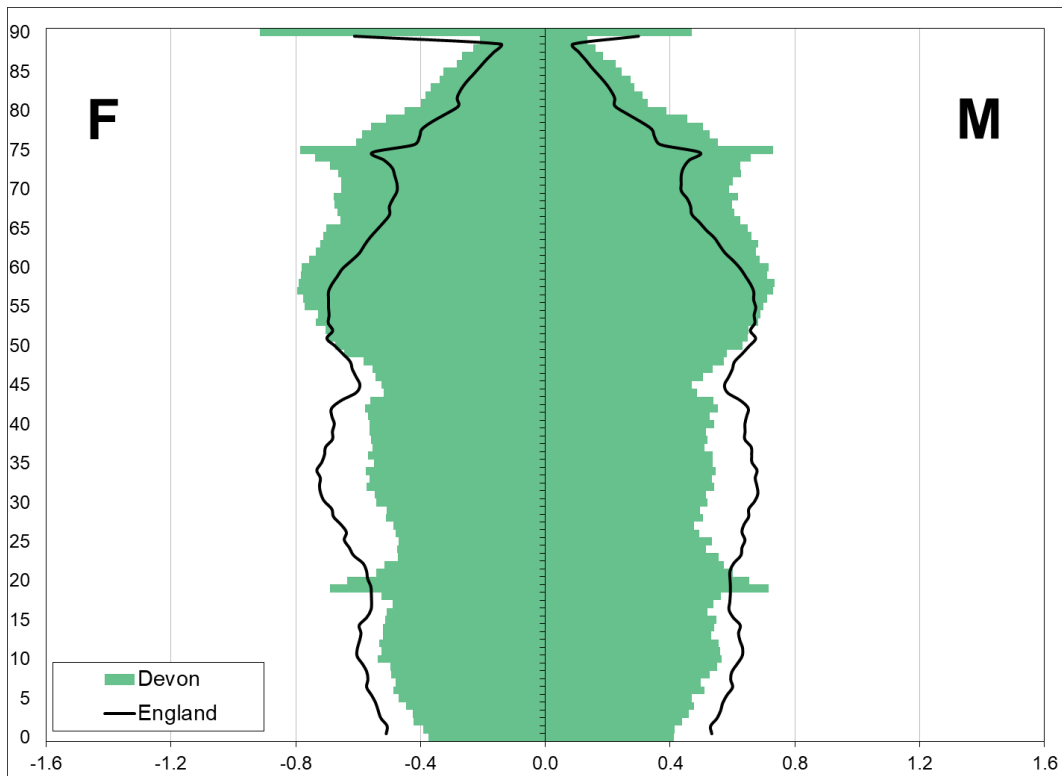
Census 2021	Total: All usual residents	Asian, Asian British or Asian Welsh		Black, Black British, Black Welsh, Caribbean or African		Mixed or Multiple ethnic groups		White		White: English, Welsh, Scottish, Northern Irish or British		Other ethnic group	
	number	number	%	number	%	number	%	number	%	number	%	number	%
<b>Devon</b>	<b>811,642</b>	<b>11,845</b>	<b>1.5</b>	<b>2,474</b>	<b>0.3</b>	<b>10,967</b>	<b>1.4</b>	<b>782,455</b>	<b>96.4</b>	<b>751,816</b>	<b>92.6</b>	<b>3,901</b>	<b>0.5</b>
<i>Plymouth</i>	<i>264,695</i>	<i>5,947</i>	<i>2.2</i>	<i>2,786</i>	<i>1.1</i>	<i>4,656</i>	<i>1.8</i>	<i>248,727</i>	<i>94.0</i>	<i>236,802</i>	<i>89.5</i>	<i>2,579</i>	<i>1.0</i>
<i>Torbay</i>	<i>139,324</i>	<i>2,254</i>	<i>1.6</i>	<i>447</i>	<i>0.3</i>	<i>2,084</i>	<i>1.5</i>	<i>133,922</i>	<i>96.1</i>	<i>128,375</i>	<i>92.1</i>	<i>617</i>	<i>0.4</i>
East Devon	150,823	1,459	1.0	348	0.2	1,720	1.1	146,847	97.4	142,011	94.2	449	0.3
Exeter	130,707	6,375	4.9	1,137	0.9	3,308	2.5	118,034	90.3	108,095	82.7	1,853	1.4
Mid Devon	82,853	562	0.7	101	0.1	899	1.1	81,068	97.8	77,699	93.8	223	0.3
North Devon	98,612	1,135	1.2	325	0.3	1,174	1.2	95,639	97.0	92,944	94.3	339	0.3
South Hams	88,628	614	0.7	149	0.2	1,048	1.2	86,427	97.5	83,481	94.2	390	0.4
Teignbridge	134,802	1,004	0.7	216	0.2	1,564	1.2	131,668	97.7	127,937	94.9	350	0.3
Torridge	68,114	356	0.5	75	0.1	630	0.9	66,920	98.2	65,452	96.1	133	0.2
West Devon	57,094	337	0.6	122	0.2	626	1.1	55,847	97.8	54,196	94.9	162	0.3
<b>England</b>	<b>56,490,048</b>	<b>5,426,392</b>	<b>9.6</b>	<b>2,381,724</b>	<b>4.2</b>	<b>1,669,378</b>	<b>3.0</b>	<b>45,783,401</b>	<b>81.0</b>	<b>41,540,791</b>	<b>73.5</b>	<b>1,229,153</b>	<b>2.2</b>

The population of Devon is expected to increase in all areas of the County over the next 20 years, with the highest levels of growth expected in East Devon (+18%), Mid Devon (+14%) and Teignbridge (+15%) districts areas, with overall growth in Devon (+13%) being above the South West (+10%) and England (+7%) averages. A growing and aging population will create increased demand on services which will need to be balanced with the challenge of ensuring the needs of other groups in the population can also be met.

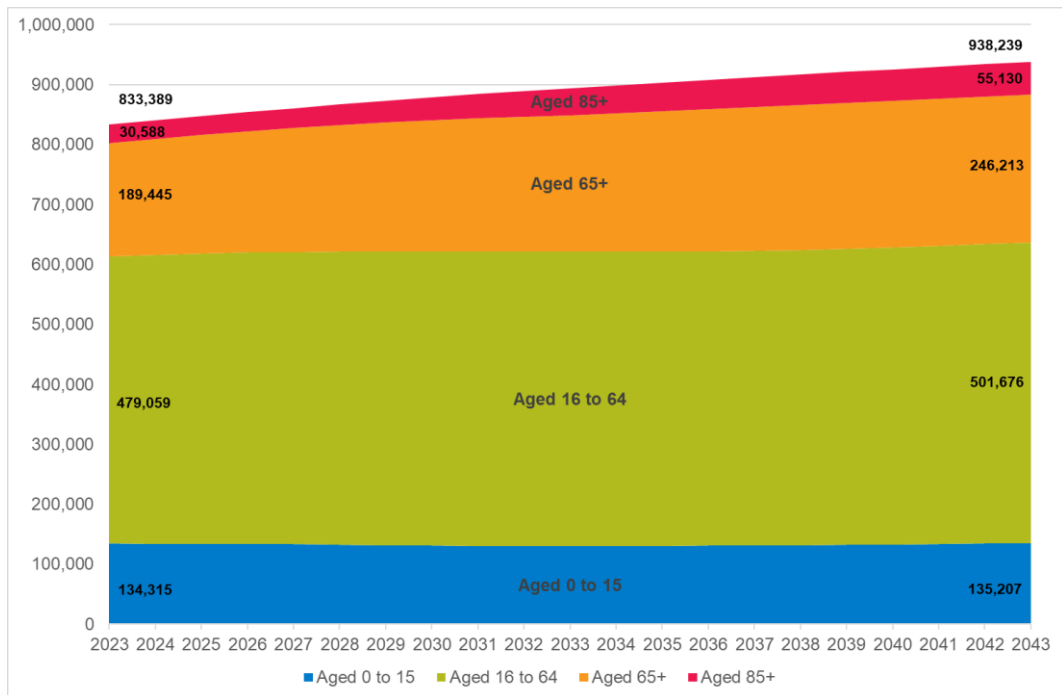
There has been several resettlement schemes taking place since the Census 2021. Data held by the Authority shows:

- Nearly 200 Afghan refugees arrived at bridging hotels in the County (and now resettled).
- Over 450 people from Hong Kong arrived in Devon under British National (Overseas) Visa Welcome Scheme.
- Over 350 asylum seekers (20+ nationalities) accommodated in hotels.
- During 2022 around 1,600 Ukrainian refugees arrived in Devon under the Homes for Ukraine Scheme.
- Significant numbers of non-EU migrant workers (including from Nigeria, India, Philippines) have recently come to Devon to work following relaxation of non-EU migrant worker sponsorship rules.
- In addition, a number of unaccompanied children and young people seeking asylum have been placed within Devon.

### Devon Population Pyramid (2022)



### Devon Projected Population Growth by Age: 2023 to 2043



**Census 2021 (Breakdown by gender)**

Census 2021	Total: All usual residents aged 16 years and over	Gender identity the same as sex registered at birth		Gender identity different from sex registered at birth but no specific identity given		Trans woman		Trans man		All other gender identities		Not answered	
	number	number	%	number	%	number	%	number	%	number	%	number	%
<b>Devon</b>	<b>683,470</b>	<b>642,587</b>	<b>94.0</b>	<b>774</b>	<b>0.1</b>	<b>476</b>	<b>0.1</b>	<b>410</b>	<b>0.1</b>	<b>674</b>	<b>0.1</b>	<b>38,549</b>	<b>5.6</b>
<i>Plymouth</i>	<i>218,624</i>	<i>205,959</i>	<i>94.2</i>	<i>405</i>	<i>0.2</i>	<i>204</i>	<i>0.1</i>	<i>266</i>	<i>0.1</i>	<i>346</i>	<i>0.2</i>	<i>11,444</i>	<i>5.2</i>
<i>Torbay</i>	<i>117,032</i>	<i>109,984</i>	<i>94.0</i>	<i>151</i>	<i>0.1</i>	<i>94</i>	<i>0.1</i>	<i>102</i>	<i>0.1</i>	<i>102</i>	<i>0.1</i>	<i>6,599</i>	<i>5.6</i>
East Devon	127,389	120,074	94.3	113	0.1	57	0.0	55	0.0	85	0.1	7,005	5.5
Exeter	111,331	103,398	92.9	189	0.2	119	0.1	98	0.1	243	0.2	7,284	6.5
Mid Devon	68,204	64,216	94.2	116	0.2	46	0.1	36	0.1	42	0.1	3,748	5.5
North Devon	82,193	77,351	94.1	98	0.1	63	0.1	55	0.1	58	0.1	4,568	5.6
South Hams	74,968	71,042	94.8	67	0.1	59	0.1	42	0.1	64	0.1	3,694	4.9
Teignbridge	113,461	106,969	94.3	103	0.1	73	0.1	63	0.1	99	0.1	6,154	5.4
Torridge	57,560	53,969	93.8	54	0.1	40	0.1	33	0.1	52	0.1	3,412	5.9
West Devon	48,362	45,568	94.2	34	0.1	19	0.0	26	0.1	31	0.1	2,684	5.5
<b>England</b>	<b>46,006,957</b>	<b>43,002,331</b>	<b>93.5</b>	<b>113,760</b>	<b>0.2</b>	<b>45,684</b>	<b>0.1</b>	<b>46,513</b>	<b>0.1</b>	<b>45,886</b>	<b>0.1</b>	<b>2,752,783</b>	<b>6.0</b>

**Census 2021 (Breakdown by sexual orientation)**

Census 2021	Total: All usual residents aged 16 years and over	Straight or Heterosexual		Gay or Lesbian		Bisexual		All other sexual orientations		Not answered	
	number	number	%	number	%	number	%	number	%	number	%
<b>Devon</b>	<b>683,469</b>	<b>612,432</b>	<b>89.6</b>	<b>8,820</b>	<b>1.3</b>	<b>8,670</b>	<b>1.3</b>	<b>2,100</b>	<b>0.3</b>	<b>51,447</b>	<b>7.5</b>
<i>Plymouth</i>	<i>218,624</i>	<i>194,465</i>	<i>88.9</i>	<i>4,297</i>	<i>2.0</i>	<i>4,509</i>	<i>2.1</i>	<i>924</i>	<i>0.4</i>	<i>14,429</i>	<i>6.6</i>
<i>Torbay</i>	<i>117,032</i>	<i>104,729</i>	<i>89.5</i>	<i>2,035</i>	<i>1.7</i>	<i>1,344</i>	<i>1.1</i>	<i>298</i>	<i>0.3</i>	<i>8,626</i>	<i>7.4</i>
East Devon	127,388	115,356	90.6	1,456	1.1	1,143	0.9	281	0.2	9,152	7.2
Exeter	111,331	95,950	86.2	2,154	1.9	3,062	2.8	679	0.6	9,486	8.5
Mid Devon	68,205	61,506	90.2	768	1.1	720	1.1	186	0.3	5,025	7.4
North Devon	82,193	74,190	90.3	913	1.1	807	1.0	204	0.2	6,079	7.4
South Hams	74,968	67,712	90.3	858	1.1	770	1.0	231	0.3	5,397	7.2
Teignbridge	113,461	102,424	90.3	1,412	1.2	1,182	1.0	276	0.2	8,167	7.2
Torridge	57,558	51,744	89.9	723	1.3	516	0.9	109	0.2	4,466	7.8
West Devon	48,363	43,550	90.0	536	1.1	470	1.0	132	0.3	3,675	7.6
<b>England</b>	<b>46,006,957</b>	<b>41,114,478</b>	<b>89.4</b>	<b>709,704</b>	<b>1.5</b>	<b>591,690</b>	<b>1.3</b>	<b>158,357</b>	<b>0.3</b>	<b>3,432,728</b>	<b>7.5</b>

**Census 2021 (Disability)**

Disabled (day to day activities limited a little): 11.8% of total population in the County

Disabled (day to day activities limited a lot): 7.7% of total population in the County

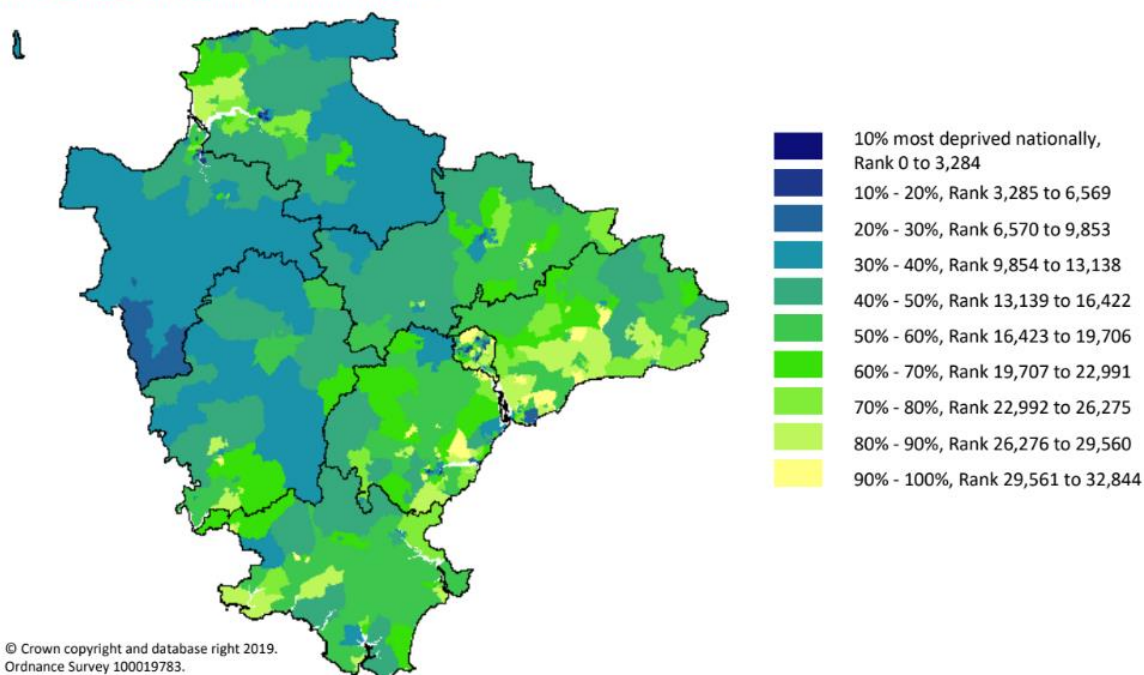
(Total disabled 19.5% of total population in the County)

## Annual population survey – working age people with disabilities (Full Census data on total population with disabilities yet to be released)

Annual Population Survey - % aged 16-64 who are EA core or work-limiting disabled	Jan 2021-Dec 2021			Jul 2021-Jun 2022		
	numerator	Number of aged 16-64	percent	numerator	Number of aged 16-64	percent
<b>Devon</b>	<b>112,300</b>	<b>455,900</b>	<b>24.6</b>	<b>109,700</b>	<b>456,200</b>	<b>24.0</b>
<i>Plymouth</i>	58,500	165,900	<b>35.2</b>	55,900	165,500	<b>33.7</b>
<i>Torbay</i>	18,600	73,500	<b>25.4</b>	20,800	73,800	<b>28.1</b>
East Devon	18,700	78,100	<b>23.9</b>	14,800	78,700	18.8
Exeter	22,600	89,700	<b>25.2</b>	20,200	89,200	22.6
Mid Devon	13,500	47,000	<b>28.8</b>	13,800	46,800	<b>29.5</b>
North Devon	9,200	50,700	18.2	9,700	51,300	19.0
South Hams	13,800	45,300	<b>30.5</b>	13,600	46,400	<b>29.2</b>
Teignbridge	15,200	76,300	19.9	22,200	74,800	<b>29.7</b>
Torridge	9,300	38,400	<b>24.3</b>	8,800	38,700	22.8
West Devon	10,000	30,400	<b>32.9</b>	6,600	30,300	21.7
<b>England</b>	<b>7,985,500</b>	<b>34,873,900</b>	<b>22.9</b>	<b>8,216,600</b>	<b>34,934,500</b>	<b>23.5</b>

In Devon, as elsewhere, health and wellbeing outcomes are strongly linked to poverty and social context. For instance, disabled, unpaid carers, Black, Asian and minority ethnic groups, and people who identify as Lesbian, Gay, Bisexual and Transgender (LGBT+) typically experience poorer health. There is also a clear north-south divide in Devon: the north is more deprived as highlighted by the chart below:

Map 2 IMD Deprivation by national decile



Further information is available at [Challenges, Opportunities and Priorities 2023 - Equality, Diversity and Inclusion \(devon.gov.uk\)](#) under the section 'Understanding our communities'.

## 4.2 Cost of living

A significant proportion of the people in Devon have below-average incomes and above-average housing costs. This makes them particularly vulnerable to increases in the cost of living.

- In 2023 North Devon £590.30, Teignbridge £597.50, West Devon £599.00, and Torridge £619.60, have among the lowest average earnings in UK, with the average for Devon at £628.80 being significantly below the UK average of £681.70.
- Lower than average wages and lack of access to affordable housing, public transport and digital connectivity has a major impact on rural communities' ability to access vital public services, education, skills, training, and employment (National Rural Services Network 2022). Plymouth and Devon Racial Equality Council see many people who are facing council tax debt as they struggle to understand which bills to prioritise.
- Plymouth and Devon Racial Equality Council see many people from minority ethnic groups who are facing Council Tax debt as they struggle to understand and prioritise finances. This can lead to missing out on financial support. There is a higher proportion of Black, Asian, and other ethnically diverse groups in private rented accommodation and problems with accessing financial support could lead to greater numbers of evictions.
- The Equality Reference Group reported that the growth in reliance on temporary accommodation, resulting from the housing shortage, is leading to refugees living in hotels and unable to access or cook traditional food.
- The housing affordability ratio in Devon is 10.0 compared to 8.3 nationally (average house price divided by average annual earnings for 2022). Compared to the rest of England, Devon also has: a higher proportion people who do not have access to mains gas; lower levels of social rented properties (outside of Exeter); higher levels of privately rented properties; lower levels of mortgaged properties and high house prices. There are localities in which people are especially at risk should mortgage rates rise further and remain high, around Cranbrook, parts of Exeter, Barnstaple, Tiverton, Cullompton, and Newton Abbot/Kingsteignton, particularly among younger first-time buyers.
- The [One Devon Cost of Living Index](#) summarises risk relating to cost of living across Devon, Plymouth and Torbay neighbourhoods in relation to fuel poverty, food insecurity, income deprivation, child poverty and unemployment. The 10 highest Devon neighbourhoods (2023) were Buckfastleigh North, Tiverton Leat Street, Exeter Burnthouse Lane, Northam Central, Exmouth Moorfield Road, Bideford Churchill Road, Ilfracombe High Street, Newton Abbot Sandringham Road, Bideford Town Centre, and Exmouth Littleham.
- Inflation hits people on lower incomes hardest so large parts of Devon's population are especially vulnerable to increases in the cost of food, energy, mortgages, and private rents. Fawcett Devon reported that some older women have had to use savings to cope with the

unexpected rise in state pension age and many women tend to be on considerably lower pensions linked to their previous earnings.

- In the 18 months up to October 2022 Devon households with low or very low food insecurity increased from 17% to 29%. (Food and Fuel Insecurity in Devon report: December 2022)
- The Devon Faith and Belief Forum stated that churches and religious establishments have been providing warm spaces but hostility towards some Muslims has made it harder for the mosque to provide wider community support.
- 79% of Devon households plan to reduce their energy usage, with 36% planning to switch their heating off altogether: this will put people already vulnerable to respiratory and cardiac conditions at even higher risk of illness and death. (Food and Fuel Insecurity in Devon Report: December 2022)
- 80%-90% of households experiencing food insecurity are also fuel insecure. Households with the highest rates of food and fuel insecurity include those: (Food and Fuel Insecurity in Devon report, December 2022)
  - with total incomes of less than £16,190 *and* children
  - with children and a single adult
  - where the main respondent is long-term sick or disabled
  - in which one or more household members have mental health problems
  - In which one or more household members are unemployed

Devon Households accessing emergency food in the past 30 days was up from 2% (April 21) to 5% (Oct 22); 84% of these were in receipt of means-tested benefits. (Food and Fuel insecurity in Devon: December 2022)

A Food Poverty study in 2021 also found some evidence that households in which the household was either Black ethnicity or mixed heritage were more likely to be food insecure. This was explored further and in 2023 the research reported that there were many commonalities with the mainstream experience of food insecurity. Shame and embarrassment created stress and anxiety, and food provision lacked cultural diversity (such as fish, yams, plantain, cassava and buckwheat, and a preference for fresh food over canned) and this resulted in under-representation in food support services.

The Authority continues to work in partnership with, and provide support to, the Devon Food Partnership which aims to ensure that nutritious, local, sustainably produced food is available and affordable for everyone in Devon. In relation to the cost-of-living crisis, we are particularly interested in working in partnership to understand better and respond collaboratively to food insecurity.

The Government's Household Support Grant administered by the Authority includes support to District hardship schemes; free school meal holiday vouchers; citizens advice energy relief scheme; Energy Saving Devon measures; early help family support scheme and a Food, Fuel & More grant scheme for Voluntary, Community and Social Enterprise (VCSE) organisations supporting population groups who struggle the most to access support. Devon's approach to household

support can be viewed on our website: [Household Support Fund \(HSF4\): Devon's approach | Cost of living | Devon County Council](#) The Government's Autumn budget statement of 2022 announced a further Household Support Fund (No.4), running for 12 months, to 31 March 2024.

The Authority provides a number of grants to external organisations, and in particular will provide support to Citizens Advice (CA) Devon which provides free, impartial, confidential and independent advice to help people overcome their problems. CA Devon has helped to mitigate the negative impacts of the pandemic and the rising costs of living on people's financial circumstances and other aspects of their lives, helping to ensure they receive the financial and practical support they need to maintain and improve their financial, physical and mental health.

The vision and activity of CA Devon aligns well with the [Strategic Plan | 2021 – 2025 | Devon County Council](#) – Grow up, live well and prosper - and in particular its commitment to creating a fairer Devon; inclusive, compassionate and caring, where everyone is safe, connected and resilient . It aligns particularly well with DCC's priority to tackle poverty and inequality – to make Devon a fairer place, address poverty, health and other inequalities, and ensure support for those people and families struggling most.

The Authority has pledged to treat Care Experienced People as a protected characteristic. A UCL study shows that 70 per cent of care experienced people die early; more than half of the people who are in custody up to the age of 21 years old have been in care (Become Charity); and a quarter of the homeless population is care experienced (The Independent Review of Children's Social Care).

For young people attending higher education, there are increasing pressures of managing finances. Increasing debt and lack of suitable, affordable housing for young people is a major challenge.

### 4.3 Economy: Impacts on business and the public sector

All data in this section is from the Authority's economy team analysis (various data sources, including ONS) - 2022

Organisations in Devon are finding it difficult to recruit and retain staff. This is affecting many sectors, including Health and Care, and is partly because of high housing costs, low housing availability, and low pay. Reduced discretionary spending and slowing in the construction sector are likely to impact jobs in construction, real estate, tourism, and hospitality. Outside of Exeter, most of Devon depends on jobs in these sectors.

As high inflation pushes up construction costs, the Authority and other Devon local authorities are being hit hard by the increased cost of building and of maintaining buildings and infrastructure. The cost-of-living crisis is likely to increase the number of residents who need help with Council Tax payments whilst business failures will impact the Business Rates base. The greatest pressures are being felt across younger families and those with a fixed income.

Devon has:

- Varied skill levels: above average in Exeter and South Hams and average, or below average, elsewhere.

- Difficulty in recruiting to lower and some medium paid jobs, especially in areas where house prices are high, there are few properties for sale, and there are many second homes and holiday lets.
- High numbers of economically inactive over 50s – their numbers have risen since 2020, especially in East Devon, partly because of early retirement and long-term sickness. These people may now be impacted by the rising cost-of-living and some may return to the workplace.
- Above the national average unemployment rates for under 25s.
- High numbers of people employed in sectors vulnerable to recession such as tourism, construction, transport, retail, and hospitality.
- Levels of business failure, currently low but some failures are starting to appear Devon's economy is dominated by small and micro businesses, and levels of business confidence over the next 6 to 12 months remain low, rising cost bases across energy, labour, debt repayment and raw materials are amongst the key cost drivers, increasing levels of competition and reducing consumer spend are all taking a toll on levels of confidence. As is the case across the country, the financial situation of Local Authorities is curtailing their ability to respond to the increased levels of need across all areas of their work.

#### 4.4 Health and Care

All data referred to in this section is taken from the Authority's Joint Strategic Needs Assessment unless otherwise stated <https://www.devonhealthandwellbeing.org.uk/jsna/>

Devon faces many challenges in addressing inequalities in health and wellbeing. In Devon there are many population groups across the life course that experience inequalities in health and wellbeing outcomes.

- Devon has an ageing and growing population with proportionately more older people compared to England, with the older demographic contributing to higher levels of long-term conditions and frailty in the population. Dementia diagnosis remains unchanged in Devon and highlights a potential gap of unmet need where 2 in 5 people aged 65 and over are estimated to have dementia but are undiagnosed.
- Poverty: People living in the most deprived areas of Devon are much more likely to die young than people living in Devon's least deprived areas.
- Life expectancy in Devon has not changed much over the last decade. However, inequalities in life expectancy have persisted and for some (for example, females) have widened. For instance, there is a 15-year gap in life expectancy between central Ilfracombe and Liverton: someone born in Ilfracombe can expect to live to be 75, whereas someone from Liverton can expect to live to 90. (Primary Care Mortality Database 2017 – 2021)
- 'Post-Covid syndrome', known as 'Long Covid', describes those experiencing longer term symptoms from a COVID-19 infection. These symptoms can be physically debilitating and impact mental health and wellbeing. The highest levels of Long Covid are found in those aged 35 to 69, females (rates are 41% higher than males), people living in more deprived areas (rates are 49% higher than less deprived areas), people employed in social care, health, teaching, retail and hospitality occupations, and those with pre-existing long-term conditions.



- Climate change poses a significant risk to health and wellbeing and is already contributing to excess death and illness in our communities due to pollution, excess heat and cold, exacerbation of respiratory and circulatory conditions and extreme weather events.
- Mental health problems can affect people at any stage of their lives and can significantly impact physical health, education and employment prospects, and life expectancy. Hospital admissions in children and young people are considerably higher in Devon, when compared to the rest of the country, for mental health conditions, self-harm, and injuries. This gap is even wider for vulnerable groups such as disadvantaged and looked after children. Some children and young people’s mental health and wellbeing has been severely impacted during the pandemic (SHEU survey Devon, 2022) and it is currently estimated that around 5-6 young people in every class now have one or more mental health problems.
- Loneliness and social isolation – including digital exclusion/inclusion. Older people, people with a disability. There is strong evidence in the form of systematic reviews for an association between social isolation and loneliness and ill-health in the general population. Furthermore, recent evidence from a systematic review and meta-analysis found that loneliness was positively associated with an increased risk of dementia. The adoption of a life span approach, that compares prevalence and antecedents for adults of different ages at the same time point, has demonstrated that loneliness is experienced across all age groups (Jopling and Serwanja, 2016; Brown and Munson, 2020). The Office for National Statistics published a report in April 2018, exploring the characteristics of those individuals self-reporting as lonely, and developing a series of profiles of those likely to be lonely more often Widowed older homeowners living alone with long-term health conditions.
  - Unmarried, middle-agers with long-term health conditions.
  - Younger renters with little trust and sense of belonging to their area.
- Young Devon report that for young people who have grown up with the impact of austerity, covid, cost of living means there is now a “tidal wave” of young people presenting with mental health issues. Young Devon report there has been a 55 per cent increase in mental health issues in the past four years. This is particularly noticeable in LGBTQ+ young people who are “stuck in high-cost public services” as well as young people in lower-income families.
- The Intercom Trust, a charity providing support to LGBTQ+ people, has been “inundated” with calls to their helpline by people with mental health concerns.
- Living Options Devon, a charity providing support to disabled and Deaf people, report that disabled still face anxiety from Covid such as feeling anxious about leaving home. People are not returning to the activities, or the activities that took place before Covid have not restarted, and there has been a subsequent loss of skills with social interaction. Mental health issues have increased and there are higher waiting lists for community-based support. More people than ever are now requiring additional low-level/early intervention support.
- Health outcomes for people with a disability, 53.5% of disabled people aged 16 to 64 years in the UK were employed compared with 81.6% of non-disabled people. Within Devon the ASCOF show people with a learning disability known to social care is 7.6%.
- Health is an area for which there are evidenced differences in outcomes for people with protected characteristics. For instance, disabled, unpaid carers, people from Black, Asian and minority ethnic groups, Travellers and Gypsies and people who identify as LGBT+ experience significant inequalities in accessing services.

- Fawcett Devon report that problems with social care availability impacts disproportionately on women who are more likely to pick up the role of unpaid carers.
- Devon is supporting refugee resettlement via Government schemes (from Afghanistan, Hong Kong and Ukraine in particular). In addition, people seeking asylum are being supported through temporary hotel-based accommodation and onward resettlement.

## 4.5 Education and skills

All data in this section is taken from <https://explore-education-statistics.service.gov.uk/data-tables>

Despite lower national funding, average educational outcomes in Devon are relatively good. However, a lower proportion of schools are rated Good or Outstanding than in other parts of the country, and this is especially so in deprived areas across Devon.

- The proportion of children achieving a ‘good level of development’ at the end of reception has not improved at the same pace as improvements seen nationally and is even lower for those in receipt of free school meals.
- In 2022 55% of all Key Stage 2 pupils in Devon reached the expected standard in reading, writing and maths, down from 64% in 2019.
- In 2021/22 Devon’s GCSE results overall were better than the England average and close to the regional average. However, Devon did not perform as well in the English and Maths GCSE measures. Outcomes for Devon’s disadvantaged children in GCSE English and Maths have improved but remain below the national and regional averages for those in similar circumstances. However, a higher proportion (37.5%) of Children in Care in Devon achieved grades 9 to 4 in English and Maths compared to the national average (24.4%)
- The progression rate to higher education (HE) for all children across Devon is lower compared to the South-West Region. One reason for this may be that in some parts of Devon there are few local opportunities for well paid jobs requiring Level 3 or graduate entrance. This is particularly so in Northern Devon where seasonal and part-time work dominates.
- The South-West has the highest number of 16 to 24-year-olds leaving the region.

There are substantial inequalities in social mobility across Devon. The Social Mobility Commission’s Social Mobility Index [Social Mobility in the South West Report \(exeter.ac.uk\)](https://www.exeter.ac.uk/social-mobility-report) compares the chances that a child from a disadvantaged background will do well at school and get a good job across each of the 324 local authority district areas of England. The highest levels of social mobility are seen in Exeter (49<sup>th</sup> in the country) with the lowest in Torrington (283<sup>rd</sup>).

The Authority’s approach has been to focus on improving outcomes in the most disadvantaged areas, where it undertakes several programmes to help address these issues. These include: support for training providers and employers to increase the number of traineeships and apprenticeships for young people; work with at-risk sectors to widen skills and support business development; development of the Skills Hub to promote information and support around careers, employability, upskilling and reskilling, including targeted support to address inequalities; promoting Devon nationally and internationally to attract new inward investment; and adult

education through Learn Devon to provide English, maths, digital skills and English for Speakers of Other Languages (ESOL) for individuals and to address barriers to further and higher education.

Devon has a relatively low number of young people aged 0-18 per head of the population. However, per capita spending and overall spending on children's services remains high in relation to statistical neighbours. Devon Children's services were judged as inadequate in 2020 and the financial impact of an Inadequate Ofsted rating is often higher cost services due to inefficiencies and the need to increase investment to improve quality. Our Children's services are currently on that improvement journey.

Devon continues to have high numbers of children who are missing education, either because of exclusion or non-attendance, as well as higher numbers of children in care than statistical neighbours and is an outlier in terms of children with education, health and care plans (EHCPs). These issues must be addressed both to improve outcomes for children and young people and to improve the financial stability and sustainability of the council.

The numbers of pupils eligible for free school meals continues to rise year on year. In January 2023 18.9% of pupils receive free school meals in Devon, compared to 9.6% in 2017.

The Equality Reference Group has advised that library services such as free access to ICT and maths and English classes are vital to support communities and more publicity is required to improve awareness. Course providers and libraries could do more to promote women's access and confidence in using ICT such as women-only computer courses.

Overall, the Equality Reference Group suggests that public services need to give more consideration to the whole system approach in considering impacts on services such as the closure of a course in a town coupled with a reduction in public transport.

## 4.6 Safety

As set out by the Local Government Association (2022) cost of living briefing, the impact on communities of the pandemic and the cost-of-living crisis is complex and evolving.

Reduced community resilience and heightened vulnerability are seen through:

- Complex impacts on domestic abuse – including escalating intensity and severity of abuse and reduced opportunities to escape. Available data for domestic abuse only partially capture these impacts but police records show a 5% rise over the last year and a 10% rise compared to pre-pandemic. (Women's Aid, 2022)
- A 34% increase in police recorded rape and sexual offences over 2021/22 (this rise is likely to be at least partly due to greater reporting). (Devon and Cornwall Police Data) There has also been a continued increase in referrals to specialist support services following a long-term trend.
- Increasing risks of sexual exploitation with provider services reporting a concerning increase in women forced into sex work through an inability to meet the increasing cost of living.

- A 38% rise in hate crime over 2021/22 continues a pattern of year-on-year increases. Racial hate crime continues to account for the highest proportion, most recently 50% of all hate crimes. (Devon and Cornwall Police data) Periods of economic difficulty traditionally provide fertile ground for extremist narratives, for example anti-immigration and anti-disability rhetoric and mistrust in government. Partner intelligence and available data indicates that tensions in communities have increased over the last 3 years. (Devon and Cornwall Police data)
- The Equality Reference Group advised that racism and other forms of identity-based harm increased during austerity and continue to accelerate during pandemic and cost of living crisis. Refugees, disabled, and single parents are seen as a 'burden' on public services/spending and the perception is they are taking from the rest of the population. Intergenerational tensions could increase.
- Impacts on young people's resilience due to the pandemic, the cost-of-living crisis, and pressures on schools and other universal/early support provisions. This is playing out in: increased risk of exploitation; increases in mental health need; increased reports of hate and anti-social behaviour; rise in fixed term exclusions (up 86%) and permanent exclusions (up 39%) with increased levels of special educational needs in exclusions data. (DCC – Education and Inclusion Service)
- An increase nationally in vulnerable people being targeted by scams and illegal money lending (loan sharks) because of the cost-of-living crisis (Citizens Advice 2022). Risks around financial exploitation are anticipated to increase. Devon is ranked in the top 14 out of 152 council areas in England for the highest number of operations undertaken by the Illegal Money Lending Team England over the last six years.
- In the 2022/2023 academic year, 40 per cent (163 out of 409) of Devon schools reported bullying and prejudice related incidents (with 1,054 bullying and prejudiced related incident reports received). However, where schools do not report, there are concerns that incidents of racism, religious hatred, transphobia, and homophobia are not being dealt with effectively. Further incentives are needed to encourage schools to report and respond.

The Equality Reference Group advises that more work is needed in schools and communities to educate people to become 'active bystanders' using the power of the community to step in to reduce the level of incidents. The role of SACRE (Standing Advisory Committee on Religious Education) and teaching understanding of different faiths and cultures should be utilised.

Statutory duties around community safety are becoming greater in number (Domestic Abuse Act, Prevent Duty, forthcoming Protect Duty, Serious Violence Duty, Victims Bill requirements around Modern Slavery and Human Trafficking). Funding is limited and scrutiny from national government is increasing.

## 4.7 Connectivity

Devon's large, rural geography is associated with transport and digital connectivity challenges. Providing services across such a large area is difficult.

Much of Devon's bus network is not commercially viable and relies on subsidy. Limited public transport options particularly effects young people who cannot yet drive, those with certain disabilities and people who cannot afford to purchase or run a car and who are therefore more reliant on public transport to access work and other opportunities.

### Map showing commercial and DCC supported bus services in Devon – August 2022



#### Key

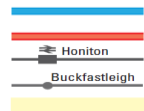
Commercial services

Supported services

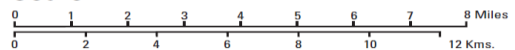
Rail line and station

Private rail line and station

Fare Car areas



#### Scale



GRMMAPPING.CO.UK 29/07/22

Poor digital connectivity is a barrier to growth, economic prosperity and social mobility and is compounded by cost-of-living increases which will disproportionately impact rural residents. Fawcett Devon report that women tend to have a higher dependence on public transport and may be less IT literate. Intersectionality of age, sex and rurality means they face barriers in access to services irrespective of being on-line.

Rural communities face an additional burden from inflation as access to food, education and services are made more difficult due to the high cost of travel, limited availability and high cost of food in rural areas, and the cost of heating homes which are more often poorly insulated and without gas.

Young Devon reports that getting around is becoming more difficult for young adults who already face high costs with insuring vehicles couples with high fuel prices and cost of lessons and vehicles on top. Public transport is becoming more expensive, less frequent, and less accessible and the closure of courses means that students are forced to travel further afield to study or struggle to access jobs. Those in deep rural areas such as north Devon can face up to a five-hour daily commute to study or to work.

The Equality Reference Group members highlighted their concerns that as households start to cut back on spending Broadband could be seen as a non-essential compared to food and heating. This could isolate young people further and exacerbate mental health problems. A loss of Broadband will also limit access to online services and education as many services are still not providing local, face to face support.

#### 4.8 Voluntary, community sector and social enterprises

The Voluntary, Community and Social Enterprise (VCSE) sector is experiencing significant decreases in volunteering and difficulty recruiting new volunteers.

Many VCSE organisations that are reliant on formal volunteering have had to reduce their services, despite increased demand.

The National Centre for Voluntary Organisations UK Civil Society Almanac (Oct 22) reports that in the last year the numbers of people:

- formally volunteering, at least once a year, fell 7% (37% to 30%)
- formally volunteering, at least once a month, fell 6% (23% to 17%).

Informal volunteering, however, saw a small increase of 2%: but with 81% of volunteers volunteering in their local area and with a higher proportion of mutual aid groups in more affluent areas this leads to inequalities. This is likely to worsen as people's capacity to volunteer may be affected by the need to return to work.

VCSE organisations, particularly small and medium sized organisations operating with small margins, are reporting significant risks to their viability. There is a very substantial risk that if the preventative work of many VCSE organisations ceases the burden on frontline statutory services will increase even more.

Recent research from Charities Aid Foundation (CAF) describes the current cost pressures which are affecting donations to charities, including:

- 58% of people planning to cut some discretionary spending in next 6 months.
- Only 25% of people currently donating to charity, down from 29% last year.
- 12% reporting that they plan to cut back on charity donations.

86% of charity leaders anticipate that demand for their services is likely to increase. Homelessness, food, and debt charities have seen surges in demand as people struggle to cover the cost of food, other essentials and utility costs. Citizens Advice Bureau has reported that demand for its support is now higher than at any point in the last 10 years.

As a result of the cost-of-living crisis, charities will find goods and services more expensive, and donations will not go as far as they once did. Pro Bono Economics analysis suggests a £20 donation in 2021 is predicted to be worth just £17.60 in 2024.

In considering the community assessment representatives from the Devon VCSE sector advised that one-year rolling contracts are not helpful for the sector. Although they recognise that local authorities are in a similar position with their one-year settlements. The one-year arrangements limit the ability to recruit and retain high quality staff. Community development can take at least three years to deliver. Contract prices are not increasing in line with increases in inflation and this is in on top of years of austerity. During austerity and during the pandemic there was a reliance on the sector to 'plug the gaps' and support early intervention. However, this cannot be provided at the same cost as previous years. The public sector needs to be aware that VCSE cannot continue to mitigate their service reductions.

The VCSE Sector calls for improved partnership working and collaboration with the public sector to find joint responses to mitigate the problems facing Devon.