

COUNTY COUNCIL BUDGET CONSULTATION 2018/19 WITH DEVON'S BUSINESS COMMUNITY, REPRESENTATIVES OF OLDER PEOPLE AND THE VOLUNTARY SECTOR AND TRADE UNIONS

- 1.0 Recommendation:** that the contents of the report and the representations of the consultees be noted.
- 2.0 Introduction**
- 2.1 The Leader of the Council, Group Leaders and other Members and officers met with the representatives of the Business Community, organisations which champion the cause of older people and the voluntary sector, and Trade Unions. This was to discuss the County Council's budget for 2018/19 in line with statutory requirements and previous good practice.
- 3.0 Budget Consultation with Parish and Town Councils**
- 3.1 The Leader of the Council attended 8 local meetings during October and December 2017 as part of the budget consultation process. These were based on existing Town and Parish Cluster meetings or similar and held in Barnstaple, Exeter, Holsworthy, Tiverton, Sidmouth, Totnes, Newton Abbot and Okehampton. The meetings were attended by a total of approximately 250 local representatives.
- 3.2 All meetings were shown or given prior access to a short video animation showing the current budget position prior to the meeting. At each meeting the Leader gave a short presentation of key issues affecting the Council before inviting open questions.
- 3.3 The key themes to emerge included: Highway maintenance, pothole reporting and attention to minor rural roads; School funding, impact of academies, new school planning and support for children with Special Educational Needs; Broadband roll-out and poor mobile phone coverage; Concerns over the impact of development on issues such as lack of infrastructure and flood risk.
- 3.4 Other issues raised included: Possible opportunities as a result of the Business Rate pilot; Greater delegation of powers and funding, the potential of community self-help and volunteering, and better use of Tradeshow Access Programme funds; Care home sufficiency; 20mph speed limits; Concerns over missed opportunities for prevention and early help as a result of youth provision changes.
- 3.5 Issues and suggestions related directly to the budget and efficiency included: The sale of assets and need to ensure this is done carefully; the need to raise Council tax and local precepts to fund essential local services; Use of reserves; The potential for greater lobbying of Government to push for more resources and to ensure Devon is treated fairly.

4.0 Budget Presentation

- 4.1 The Deputy County Treasurer gave a presentation on the 2018/19 budget at each of the three consultative meetings.
- 4.2 The presentation first reflected upon the impact of the Comprehensive Spending Review outlining the significant changes to the way in which Local Government was funded. The reduction in core funding from 2010/2011 to 2017/18 was outlined in terms of the cash reduction year on year and also the real term cumulative impacts on the Council.
- 4.3 The presentation also highlighted the current position in terms of the revenue budget for 2017/18 and the reserves and balances in terms of the County fund and the earmarked reserves. The earmarked reserves of Devon County Council were compared with the reserves of other English County Councils. The funding available to the County Council from 2017/18 to 2019/20 through the Improved Better Care Fund, and how this is accessed, was also outlined.
- 4.4 Looking forward to 2018/2019 and beyond, the Autumn Statement (published on 22 November 2017) outlined changes to the business rates annual inflationary increase, the Council Tax on empty properties, and the National Living Wage, but contained very little other detail relevant to local government. The Provisional Settlement (announced on 19 December 2017) gave details of year three of the four year funding settlement which saw core funding reduced by £13.1 million, equivalent to almost 10.2%. The Adult Social Care Precept rules remain unchanged from 2017/18, but the basic increase in Council Tax that will trigger a referendum will increase from the current level of 2% to 3%. The New Homes Bonus Scheme for 2018/19 will remain largely unchanged.
- 4.5 The presentation underlined how Devon's bid for the Business Rates Pilot had been successful. Although final figures will not be known until May 2019, there is an estimated benefit of approximately £17 million across Devon including £10 million to the County Council.
- 4.6 Finally, the presentation outlined the budget targets for 2018/19 and the budget timetable. As part of these budget targets, a 6.1% increase in spending on Adult Care and Health and a 5.5% increase on Children's Services were highlighted.

5.0 Representatives of the Business Community: 16 January 2018

- 5.1 Businesses and organisations represented at this meeting included George Cowcher (Devon Chamber of Commerce), Roberto Franceschini (UNISON Retired Members), Edward Humber (NFU South West), Colin Lomax (UNISON Retired Members), Dirk Rohwedder (SEEDBED - the Social Accelerator School for Social Entrepreneurs Dartington), Martha Wilkinson (Chief Executive at Devon Community Foundation), and Sue Wilkinson (Federation of Small Businesses).

5.2 Issues and questions raised by the group and discussed with County Council representatives included:

- clarification on the additional Council Tax element, the Council's private finance initiative agreements (PFIs), and the County Council's relationship with Carillion;
- the Council's position regarding on street parking charges;
- the Council's position on raising income through property investment;
- clarification of the Business Rates Pilot, noting that 100% of business rates growth would be retained by local authorities;
- the Council's relationship with The Heart of the South West (HotSW) LEP and plans for economic growth;
- the impact of future reductions to the Council budget;
- clarification of the Council's position with debts;
- the Council's position regarding the tax on empty homes;
- a concern that Council finances could be affected by the loss of EU funding;
- clarification on levels of grant income for 2017/18.

6.0 Representatives of Older People and the Voluntary Sector: 17 January 2018

6.1 Representatives at this meeting included Alan Hughes (Chair of Devon Parent Carers Voice), Andrea Scott (Age Concern Barnstaple and District), Andrew Tull (Age Concern), Andy Hunt (Intercom Trust), Colin Bray (Libraries Unlimited), Dave Hillman (Age Concern Barnstaple and District), David Incoll (CAB Devon), Diana Crump (Living Options Devon), Elaine Cook (Devon Communities Together), Geoff Goldsworthy (Age Concern Barnstaple and District), Julie Paget (Plymouth and Devon Racial Equality Forum), Kay Yendall (Newton Abbot Community Transport Association), Marillion Spencer (Estuary League of Friends), Mr Graham Fice (Action East Devon), Nicola Jeffryes (Fawcett Devon), Revd Iain McDonald (Devon Faith & Belief Forum and Equality Reference Group), and Shirley Fewings (Assist Teignbridge).

6.2 Issues and questions raised by the group and discussed with County Council representatives included:

- the quality of the relationship between health and care services in Devon;
- clarification on what the Council's spending on Corporate Services incorporates;
- a concern that the Council's Community Insight Service under represents younger adults and the impact this may have on decision making;
- the challenges the Council faces in terms of revenue from business rates in a County where there are many smaller businesses;

- the issue that some residents on lower incomes are unable to meet increases in Council Tax and clarification of the measures local authorities take to support these residents;
- the financial challenges posed to charitable organisations by demographic changes in Devon and whether the 6.1% increase in spending on Adult Care and Health would be used to support these organisations;
- a concern that the work of voluntary organisations could be affected by the reduction in the Council's Highways and Infrastructure funding announced for 2018/19 and by business rate tax;
- the importance of sustained partnership between the voluntary sector and the County Council in meeting the needs of people in Devon and reassurance that the Council will continue to support voluntary organisations;
- the nature of central government funding for Devon.

7.0 Representatives of Trade Unions: 17 January 2018

7.1 Representatives at this meeting included Andy Bowman (UNISON), Trevor Cope (ATL), Darienne Flemington (UNISON), Tim Hodge (Devon NUT), and Nigel Williams (Devon NASUWT).

7.2 Issues and questions raised by the group and discussed with County Council representatives included:

- the situation regarding teacher's projected pay awards, the Exeter School's PFIs, and the High Needs Block;
- clarification of the Council Tax rise outlined by the Council, including the social care precept element;
- the increase in the Children's Services budget and where this money will be allocated;
- the Council's position on funding from reserves;
- clarification of the Business Rates Pilot Scheme and the revenue Devon is likely to gain from this;
- the Council's position regarding any planned reductions to County Council staff numbers in the current year;
- Elaboration on how weather conditions in Devon can affect waste disposal costs for the County Council;
- clarification of how the Council will meet the cost pressures posed by the National Living Wage.

8.0 Conclusion

The consultations carried out provided a positive opportunity for the people of Devon to specify their priorities in future service delivery, particularly in times of austerity where difficult choices have had to be made. The data collected and feedback received provides a valuable snapshot of current opinion on where resources should and should not be allocated in future.

Jan Shadbolt, County Solicitor

ELECTORAL DIVISIONS: ALL

Local Government Act 1972: List of Background Papers

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<u>Background Paper</u>	<u>Date</u>	<u>File Reference</u>
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Nil