

## **COUNTY COUNCIL BUDGET CONSULTATION 2019/20 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, 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 2019/20 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 7 local meetings during September and December 2018 as part of the budget consultation process. These were based on existing Town and Parish Cluster meetings or similar in each District or City Council area. An eighth meeting was put back at the request of East Devon District Council. The meetings were attended by a total of approximately 200 local representatives.

3.2 At each meeting the Leader gave a short presentation of key budgetary issues and factors affecting the County Council and the wider Devon area before inviting open questions.

3.3 The key themes to emerge included: Highway maintenance and attention to minor rural roads (including the need for more local spot contracting arrangements); School funding and new school planning; The pressure on Children's Services and problems with Special Educational Needs; Social Care funding for the elderly and tackling issues such as loneliness and isolation; and services for young people including access to mental health services.

3.4 Other issues raised included: Brexit and its economic and social impact; Greater delegation of powers and funding; The potential for more community self-help and volunteering and closer working with the voluntary sector; Business rates relief for small businesses; the mismatch between roads infrastructure investment and local district development plans.

3.5 Issues and suggestions related directly to the budget and efficiency included: Possible opportunities relating to the use of Growth Fund and the Business Rates Pilot; The need to raise Council tax and local precepts to fund essential local services; The better use of reserves and a consideration of more innovative

capital investment; The consideration of local government re-organisation as a means of saving money; 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 Senior Assistant County Treasurer gave a presentation on the 2019/20 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 2018/19 was outlined in terms of the cash reduction year on year and the real term cumulative impacts on the Council.
- 4.3 The presentation also highlighted the current position in terms of the revenue budget for 2018/19 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.
- 4.4 Looking forward to 2019/2020 and beyond, the Autumn Statement (published on 29<sup>th</sup> October 2018) outlined £650 million extra funding in 2019-20 for local authorities to help deliver the services communities need and to support the most vulnerable residents. The Provisional Settlement (announced on 13<sup>th</sup> December 2018) gave details of the final year of the current funding settlement which saw core funding reduced by £13.5 million, equivalent to 11.7%. The Adult Social Care Precept rules remain unchanged from 2017/18 – with a limit of 6% over three years, in 2017/18 DCC used 3%, a further 2% in 2018/19, leaving 1% available in 2019/20. Furthermore, the basic increase in Council Tax that will trigger a referendum is now 3%.
- 4.5 The presentation underlined that the 2018/19 100% Business Rates Retention Pilot created an estimated Devon County Council share gain of £16.6 million. It was noted, however, that Devon's bid for the 2019/20 75% Business Rates Pilot had been unsuccessful, this was to be expected however, as few councils had successful bids in both 2018/19 and 2019/20.
- 4.6 Finally, the presentation outlined the budget targets for 2019/20 and the budget timetable. As part of these budget targets, a 2% increase in spending on Adult Care and Health and a 9.4% increase on Children's Services were highlighted.

#### **5.0 Representatives of the Business Community: 15 January 2019**

- 5.1 Businesses and organisations represented at this meeting included Andrew Butler (NFU), Dirk Rohwedder (Seedbed), Julie Hawker (Cosmic) and Philip Dredge (CVS and DEVA).

- 5.2 Issues and questions raised by the group and discussed with County Council representatives included:
- a concern that Council finances could be affected by the loss of EU funding;
  - the Council's use of the additional funding from the 100% business rates pilot;
  - the Council's position on raising business rates;
  - the impact of the growth of online retail and mobile businesses on business rates collection;
  - the Council's planned decrease in spending on corporate services; and
  - the level of spending on infrastructure.

**6.0 Representatives of Older People and the Voluntary Sector: 16 January 2019**

6.1 Representatives at this meeting included Revd Iain McDonald (Devon Faith and Belief Forum), David Incoll (CAB), Sheila Curzon (National Pensioners convention), Andrea Scott (Age Concern Barnstable and District), Alison Dolley (Cosy Devon), Molly Holmes (Age UK Mid Devon), Dr Louise MacAllister (Devon Communities Together), Tony Siddal (Devon Communities Together), Shirley Fewings MBE (Assist Teignbridge), Beth Reynolds (Libraries Unlimited), Frances Canning (Devon Communities Together), Helen Imber (Healthwatch Devon), Claire Porton (Healthwatch Devon), Ruth Marchant (Devon Parent Carers Voice), Colin Lomay (Retired members, Unison), Sandra Ragalsky (Fawcett Society), Nrvan Zawal (Hikmat Devon CIC).

- 6.2 Issues and questions raised by the group and discussed with County Council representatives included:
- the level of Council Tax collection in Devon;
  - clarification on the council's involvement with the NHS 10 Year plan;
  - noting the voluntary sectors ability to aid in long term care plans;
  - the financial challenges posed to voluntary sector through a reduction of funding since 2010;
  - the impact of the closure of Day Services on carers;
  - a concern over a decrease in staff numbers and how this may impact the Council's service provision;
  - the potential for large returns on investment into the voluntary sector;
  - the importance of sustained partnership working 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;

- concern over the increasing need for mental health charities; and
- concern over the impact of the struggling Highstreet.

## **7.0 Representatives of Trade Unions: 16 January 2019**

7.1 Representatives at this meeting included Andy Bowman (UNISON), Paul Gosling (NAHT Devon), Darienne Flemington (UNISON), Tim Hodge (Devon NUT), Steve Ryles (UNISON) and Nigel Williams (Devon NASUWT).

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

- clarification on the level of the Council's reserves in relation to that of other local authorities;
- questions surrounding how overspending from previous years is factored into next year's budget;
- concerns as to whether the Council is planning on re-opening children's homes;
- concerns over the cost of the retention of care workers;
- a concern that Council finances could be affected by the loss of EU funding; and
- concerns regarding the implementation of the pay award to employees of providers delivering services on behalf of the Council

## **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