

COUNTY COUNCIL BUDGET CONSULTATION 2022/23 WITH DEVON'S REPRESENTATIVES OF OLDER PEOPLE AND THE VOLUNTARY SECTOR, TRADE UNIONS AND BUSINESS COMMUNITY (CSO/22/4)

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, the Community and Voluntary Sector, and Trade Unions. This was to discuss the County Council's budget for 2022/23 in line with statutory requirements and previous good practice.

3.0 Budget Consultation with Devon Districts

3.1 The Leader of the Council attended 8 meetings during November and December 2021 as part of the budget consultation process. All of these meetings were held remotely with support from the Devon Association of Local Councils, with each of the 8 Devon districts having a dedicated meeting. The meetings were attended by a total of approximately 120 local representatives.

3.2 At each meeting the Leader gave a short presentation of key issues affecting the Council before inviting open questions. The presentation set out the Council's Strategic Plan 2021-25, highlighting six key priorities, and also outlined changes to government funding received, an increase in FTE staff employed by the Council, changes in the Authority's savings, and other key metrics that are covered in more detail below. It was highlighted to attendees at each of these meetings the inflexibility of the 2022/23 budget, some of which was due to the impact of the ongoing COVID-19 pandemic.

3.3 Of the issues that arose at the meetings, some received particular attention, such as:

- highway maintenance, including problems with potholes and drainage especially on Devon's more rural roads. The Leader admitted budgetary constraints (as well as instances of inadequate subcontractor work) had made Highway management and maintenance more difficult in recent years;
- climate change and the environment, where attendees expressed that significant investment would be required across the board to achieve net zero such as, but not limited to: purchasing land for carbon offsetting purposes; the County Council working closely with District and Parish councils to develop a coherent, overarching approach to the development of electric car charging points; and lobbying the Government to financially support the

strengthening of the energy grid to allow development of green infrastructure; and

- problems regarding affordable homes, such as: homes defined as 'affordable' still being too expensive for ordinary families; that regulations should be placed on people owning second homes such as additional taxation; and that the lack of affordable houses was having observable impacts on employment, making it difficult for people to move into Devon for work.

3.4 Other discussion points included: 20mph speed limits; job shortages, particularly in the public sector, and the relationship between this and the number of available homes; the increasing importance of digital connectivity especially in light of adjusted working arrangements that had become, for many companies, permanent as opposed to an immediate reaction to the Coronavirus pandemic; and parking problems in various localities across Devon.

3.5 Additionally, the existing position of Children's Services, including the SEND deficit and the growing number of children who were eligible for Free School Meals (FSM), was discussed.

4.0 Budget Presentation

4.1 A representative from the office of the Director of Finance gave a presentation on the 2021/2022 budget at each of the three consultative meetings.

4.2 The presentation first highlighted that, since 2013/14, funding given to Devon County Council through the Revenue Support Grant had fallen from £135 million in 2013/14 to around £500,000 in 2019/20, staying at that level since. The presentation also outlined the Council's savings since 2011 and the significant amount of savings that had been built into the 2022/23 budget. It was explained that this was in response to a growing gap between the amount of funding received by the Authority and the cost of meeting its statutory responsibilities. It was clarified to consultees that the Authority, by law, had to maintain a balanced budget, necessitating these savings.

4.3 Additionally the Full Time Equivalent (FTE) staff employed by Devon County Council was presented on; this had dropped from just over 6,500 in 2010/11 to under 4,000 at its lowest point from 2016/17 to 2018/19. It was anticipated to increase to approximately 5,250 in 2022/23.

4.4 The presentation then outlined the Council's currently projected budget position. Between them, Adult Care & Health and Children's Services accounted for 76% of total service budgets. This represented a net change of 10.5% and 10.8% respectively in allocated budget for these service areas. Also highlighted was the ongoing problem surrounding the DSG deficit, forecast at £88.1 millions by 31 March 2022. This was

a growing deficit which had been ringfenced, with central Government yet to indicate how this would be approached after the 2022/23 financial year. Consultees were also advised on the Council's earmarked revenue reserves which were put into the national context via comparison with other Local Authorities.

4.5 Additional funding received by the Council in response to the COVID-19 pandemic was outlined in the presentation, totalling just under £149 million. Consultees were advised that this funding may soon come to an end.

4.6 Overall, the figures that the Government allocated to the Authority in the Provisional Settlement were within £120,000 of the allocations anticipated by the Council. As such there were no significant adjustments expected to be made to the planned budget.

5.0 Representatives of the Business Community: 10 January 2022

5.1 Representatives at this meeting included Tim Jones (South West Business Council), Andrew Dean (University of Exeter), Claire Williamson-Cary (Devon Community Foundation), Dave Britton (Met Office), Sue Wilkinson (Federation of Small Businesses), Richard Church (Exeter College) and Stuart Elford (Devon & Plymouth Chamber of Commerce).

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

- comparisons between pre-Covid funding for Children's Services and Adult Care & Health and current levels of funding;
- concern surrounding the DSG deficit and the future uncertainty of how this would be addressed. Consultees were advised that this was a national problem not exclusive to Devon, but that Devon – as a large Authority – has a larger deficit to address compared to other Local Authorities;
- the amount of additional funding received during the Coronavirus pandemic that had gone to businesses; and
- the similarities between the Council and the private sector in terms of staff shortages and financial constraints, with the importance of a large-scale, co-operative skills plan being noted.

6.0 Representatives of the Voluntary and Community Sector: 11 January 2022

6.1 Representatives at this meeting included Revd Iain McDonald (Devon Faith & Belief Forum), Kev Henman (Space Youth Services), Karen Brooks (Age UK, Exeter), Colin Bray (Libraries Unlimited), Gail Mattocks

(ECSW), Andy Bowman (UNISON Retired Members), Matt Evans (Active Devon), Darran Hill (TTVS), Nora Corkery (Devon Communities), Ana Lodge (Sunrise Diversity), Caroline Voaden (Devon Rape Crisis) and Andrew Moreman (Young Devon).

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

- a variety of grant schemes being paid to the voluntary sector in arrears which was creating significant problems as many organisations do not have the funds to bankroll opportunities upfront;
- concern that, where savings are made by the Authority in areas such as Adult Care & Health and Children's Services, the responsibility to address resulting shortcomings then falls onto the voluntary sector which was causing strain;
- the impact of staffing shortages, particularly in social work, where higher wages were being offered to fill these vacancies creating an unsustainable 'outbidding culture' and leaving less money remaining for investment in areas such as the voluntary sector;
- whether the Authority had any indication of additional funding being received during the 2022/23 financial year and disseminated across the voluntary sector. It was explained that additional funding often comes with short notice as well as strict regulations as to what it can be spent on, which makes it very hard to incorporate into budget planning; and
- that there were improvements that could be made in simplifying some of the processes that non-profit organisations go through to apply for funding, especially as there are many volunteer and community groups that have small numbers of staff.

7.0 Representatives of the Trade Unions: 11 January 2022

7.1 Representatives at this meeting included Darienne Flemington (UNISON), Steve Ryles (UNISON), David Fitzsimmons (Association of School and College Leaders), Nigel Williams (NASUWT), Anna Harvey-Thomas (GMB) and Julia Neal (National Education Union).

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

- the overall financial context of the Council versus 11 years prior. It was explained that the Council is working from a budget of approximately £20 million less than in 2010 which, when inflationary adjustments and demographic pressures had been factored in, works out at approximately £300 million less in terms of spending power;

- further concern surrounding the DSG deficit;
- how the anticipated increase in FTE staff employed by the Council would be spread across its service areas;
- ongoing concern for staffing shortages, both in areas already explored (particularly social work) and in other areas such as civil enforcement (parking);
- the need for Government priorities to shift towards practical applications of money such as road maintenance and other upkeep, where Government attention seemed to have been on new projects which are not always practical; and
- practical difficulties surrounding sub-contractor work for road maintenance due to both reduced funding and to unstable material prices – namely, that in many instances there was no clear way of planning what contractor services would cost.

8.0 Conclusion

The consultations carried out provided a positive opportunity for the people of Devon to specify their priorities in future service delivery. The DSG deficit and the ongoing impact of the Coronavirus pandemic received much attention, and many other vital issues were explored. The feedback received provided an excellent insight into current opinion on the challenges facing Devon residents and organisations.