

COUNTY COUNCIL BUDGET CONSULTATION 2024/25 WITH DEVON'S REPRESENTATIVES OF THE VOLUNTARY SECTOR, TRADE UNIONS AND BUSINESS COMMUNITY

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 Voluntary Sector, and Trade Unions. This was to discuss the County Council's budget for 2024/25 in line with statutory requirements and previous good practice.

3.0 Budget Consultation with Devon Districts

3.1 The Leader of the Council attended eight meetings during November and December 2023. The meetings were attended by a total of approximately 88 local representatives.

3.2 At each meeting, the Leader gave a short presentation and highlighted some of the key issues affecting the Council before inviting open questions. The issues discussed included:

- Condition of the roads and potholes
- On street parking charges
- The impact of second homes and holiday homes on housing
- Bus and rail networks and services
- Devolution deal
- Mobile libraries
- Youth mental health services

4.0 Budget Presentation

4.1 A representative from the office of the Director of Finance and Public Value gave a presentation on the 2024/2025 budget at each of the three consultative meetings.

4.2 The presentation first highlighted that, since 2013/14, funding provided 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 in real terms, only increasing in line with inflation. Increases in required savings in recent years since 2019/20 have primarily been due to increases in demand, an increase in the complexity of demand, and other pressures such as inflation, demographic changes, and national living wage rises.

- 4.3 The number of full-time equivalent staff employed by Devon County Council has slightly increased since 2017/18, due to service delivery changes where contracted staff have moved in-house. The number of full-time equivalent staff employed is expected to reduce in the coming years.
- 4.4 The County Fund balance, representing money held by the Authority for emergency situations, was estimated to sit at £15,981,000 as of 31st March 2024, (equivalent to approximately three and a half days of Council expenditure). The total earmarked revenue reserves are predicted to be £103,147,000 on 31st March 2024, down from £107,524,000 last year.
- 4.5 The Dedicated Schools Grant (DSG) Special Educational Needs and Disabilities (SEND) deficit (an overspend against the funds allocated by Government) forecast to be £165,103,000 on 31st March 2024. The County Council is in discussions with the Department for Education to develop a plan to achieve in-year balance to prevent the deficit rising further, which is known as the Safety Valve.
- 4.6 The National Living Wage will increase by 9.8%, creating additional cost pressure to the County Council of £25.7 million. The Government announced an additional £13.8 million for Social Care, which covers just over half of the additional costs due to increases in the National Living Wage.
- 4.7 The presentation outlined the County Council's currently projected budget targets plus an analysis of changes for each service area, including an increase of 6% for Integrated Adult Social Care; an increase of 10.4% for Children and Young People's Services; an increase of 4.7% for Climate Change, Environment and Transport; a reduction of 3.5% for Public Health, Communities and Prosperity; and a reduction of 2.6% for corporate services. The final Local Government Finance Settlement will be announced in February, allowing the Local Authority to finalise its budget.

5.0 Representatives of the Business Community: 15 January 2024

- 5.1 Representatives at this meeting included Richard Marsh (*Exeter Chamber of Commerce*), John Dowell (*Exeter College*), Fiona Rew (*National Farmers Union*), Sally Basker (*Exeter Science Park*), Stuart Elford (*Devon and Plymouth Chamber of Commerce*), Clare James (*Clinton Devon Estates*)
- 5.2 Issues and questions raised by the group and discussed with County Council representatives included:
- The reduction in revenue spend on potholes is the result of adjustment to the accounting treatment that recognises the impact

of treating potholes greater than 0.5m² in prolonging the life of the highway.

- A recognition that the private sector would welcome more engagement and conversations.
- The plan for success in the Special Educational Needs and Disability service.
- The need for the County Council to continue to make savings due to increases in demand, increases in the complexity of demand, and other pressures such as inflation and national living wage rises.
- The Agri Innovation programme which will provide support to Devon farmers.

6.0 Representatives of the Voluntary and Community Sector: 22 January 2024 (AM)

6.1 Representatives at this meeting included Diana Crump (*Devon, Plymouth, and Torbay VCSE (Voluntary, Community and Social Enterprise) Assembly*), Nora Corkery (*Devon Communities Together*), Graham Fice, (*Action East Devon*), Edwina Bradshaw (*Citizens Advice Bureau*), Iain McDonald (*Devon Faith and Belief Forum*), Diane King, (*Living Options*), Holly Sutton (*Churches Housing Action Team*).

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

- The programme to rationalise the County Council's property estates.
- Understanding the impact on services and residents resulting from budget cuts, particularly the possible impact on other parts of the system.
- The role of the County Council in Public Health Mental Health services.
- Request from the Devon, Plymouth, and Torbay VCSE Assembly to have greater engagement with Devon County Council regarding changes to services.
- Request from Citizens Advice Bureau to be engaged early regarding any changes to services.

7.0 Representatives of the Trade Unions: 22 January 2024 (PM)

7.1 Representatives at this meeting were Paul Gosling (*NAHT*), Darienne Flemington (*UNISON*), Steve Ryles (*UNISON*), Nigel Williams (*NASUWT*), Michael Daniell (*UNISON*), Matthew Dyer (*UNISON*), Anna Harvey-Thomas (*GMB*), Fiona Bentley (*UNISON*)

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

- The provision within the budget for staff salary increases.
- The numbers of agency staff are still too high but will be reducing and the County Council are trying to bring agency staff in house.
- Alleged poor practice by companies who look after vulnerable people in Devon, which the County Council agreed to investigate.
- There is no imminent plan for business rate reform.
- Potential benefits from the devolution deal.
- Council tax, particularly the requirement to have a referendum on any proposed increase of 3% or more, and the possibility of an increase in council tax on second homeowners.
- The need for investment in infrastructure to support the increased use of electric vehicles.
- Potholes and the need for capital expenditure to increase the life of the asset, in this case the highway.
- The need for increased staff consultation about savings.