

Budget 2019/20
Report of the County Treasurer

Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect

Recommendations:

It is recommended that:

- (i) The additional funding outlined in the Chancellor's Autumn Budget be noted;
- (ii) The delay in the announcement of the Provisional Settlement be noted;
- (iii) The revenue spending targets for 2019/20 as set out in paragraph 5 are approved; and
- (iv) Members agree that the Capital Programme is determined by Cabinet on 15th February 2019.

1. Introduction

- 1.1. The Setting of the Budget Targets is the first step in the formal, Council wide, budget process. The Targets are set out in paragraph 5 and represent an overall increase of £14.4 millions or 3.0%.
- 1.2. The Provisional Local Government Finance Settlement was due to be announced on the 6th December but has now been delayed to an unspecified date. It is hoped that the Provisional Settlement will be received in sufficient time to report to the next meeting of Cabinet in January.

2. The Autumn Budget

- 2.1. The Chancellor of the Exchequer presented the Budget to the House of Commons on the 29th October; a month earlier than last year. The Budget contained additional funding for Local Government in both 2018/19 and 2019/20.
- 2.2. The additional funding for the current year, 2018/19, is of a Capital nature and is set out in the table over.
- 2.3. For 2019/20 the Chancellor announced an additional £650 millions of Revenue funding for Adult and Children's Social Care. £410 millions is for a Social Care Support Grant that is being given in response to concerns nationally of pressures in Social Care, including Children's. The remaining £240 millions is a Winter Pressures Grant and will need to be pooled into the Better Care Fund but is specifically for Councils to spend on Adult Social Care.

	National figure £000	Devon's share £000
2018/19 – Capital sums		
Local Highways Maintenance Funding - repair of roads (including potholes), bridges and local highways infrastructure generally	420,000	18,754
National Productivity Investment Fund (NPIF) – minor junction and road layout improvements	150,000	TBC*
Disabled Facilities Grants – to be pooled in the Better Care Fund and allocated to Devon Districts	55,000	791
School Equipment and Capital Maintenance – direct to schools	400,000	Estimated 5,158
2019/20 – Revenue sums		
Social Care Support Grant	410,000	6,109
Winter Pressures Grant	240,000	3,576

*the NPIF funding is expected to be allocated via a competitive bid process

3. Provisional Settlement

3.1. The Provisional Local Government Settlement for 2019/20 was due to be announced on 6th December. Unfortunately however, on 5th December James Brokenshire, Secretary of State for Ministry of Housing, Communities and Local Government made a written statement to Parliament stating that the intention to publish the Provisional Settlement on the 6th December was made prior to the scheduling of the meaningful vote [Brexit vote]. The Government has therefore taken the decision to delay the Provisional Settlement until after this 'protected period'. No specific date has been given for when the announcement will be made.

3.2. The timing of the Final Settlement is also not known but if events follow the same pattern as last year then the Final Settlement should be received in sufficient time for consideration at the scheduled budget meetings in February.

4. 2019/20 75% Business Rate Retention Pilots

4.1. In the summer the Government invited Local Authorities to apply to become 75% Business Rate Pilots. It had been hoped that the 2018/19 100% Pilots would continue into 2019/20 but this was not the case. Following the success of the Devon Pilot this year, the Devon authorities submitted a bid to join the new pilot scheme in 2019/20.

4.2. As part of the Provisional Settlement the Government was due to announced which applications had been successful but this has also now been delayed.

5. 2019/20 Targets

5.1. The proposed targets are set out in the table over.

	2018/19 Adjusted Budget*	Inflation, Pressures & NLW	Savings	Removal of one off Budgets	Removal of 18/19 one off iBCF	Addition of 19/20 one off iBCF	2019/20 Budget	
	£000	£000	£000	£000	£000	£000	£000	£000
Adult Care & Health	228,051	13,517	(3,866)	0	(10,148)	5,045	232,599	2.0%
Childrens Services	123,569	13,229	(1,645)	0	0	0	135,153	9.4%
Community, Health, Environment & Prosperity	38,326	1,431	(762)	(418)	0	0	38,577	0.7%
Corporate Services	35,306	1,476	(3,808)	0	0	0	32,974	-6.6%
Highways, Infrastructure Development & Waste	54,164	3,700	(3,317)	0	0	0	54,547	0.7%
	479,416	33,353	(13,398)	(418)	(10,148)	5,045	493,850	3.0%

* Adjusted for permanent virements

5.2. The Capital Programme for 2019/20 to 2023/24 will be presented to Cabinet at the February Budget meeting.

Mary Davis
County Treasurer

Electoral Divisions: All
Cabinet Member: Councillor Stuart Barker
Local Government Act 1972: List of Background Papers
Autumn Budget 2018
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