

COUNTY COUNCIL BUDGET CONSULTATION 2023/24 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 2023/24 in line with statutory requirements and previous good practice.

3.0 Budget Consultation with Devon Districts

3.1 The Leader of the Council attended six meetings during December 2022, and one in February 2023 as part of the budget consultation process. The meetings were attended by a total of approximately 70 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, highlighted six key priorities, and also outlined changes to government funding received, changes in the Authority's savings, and other key metrics that are covered in more detail below.

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

- Planning and District co-operation;
- On-street parking provision;
- Council Tax and Business Rates;
- The Mayoral system; and
- Snow Wardens

4.0 Budget Presentation

4.1 A representative from the office of the Director of Finance gave a presentation on the 2023/2024 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 in real-terms, only increasing in line with inflation. The presentation also outlined the Council's savings since 2011 and the

significant amount of savings and income initiatives that the Council has had to deliver. For the 2023/24 budget, the savings required were shown to be significant. 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 had to maintain a balanced budget, necessitating these savings, and that maintaining this balanced budget was proving more difficult in recent years in the face of reduced Revenue Support Grant funding and austerity.

- 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. From 2018/19 to 2022/23 this had increased back up, driven by service delivery changes such as in-sourcing public health nursing and other services. The amount of FTE staff employed by Devon County Council was anticipated to decrease in the 2023/24 budget.
- 4.4 The presentation outlined the reserves and balanced held by the County Council. The County Fund balance, representing money held by the Authority for emergency situations, was estimated to sit at £15,825,000 as at 31st March 2023, equivalent to approximately four days of Council expenditure. Also outlined were the Statutory Earmarked Reserves and General Earmarked Reserves, which there was predicted to be an in-year need to draw on. Also highlighted was the Dedicated Schools Grant (DSG) Special Educational Needs and Disabilities (SEND) deficit (an overspend against the funds allocated by Government) which had been ringfenced and was forecast at £127.1 millions by 31 March 2023. Discussions with the Department for Education to support with this were ongoing but were not finalised. Consultees were also advised on the Council's earmarked revenue reserves which were put into the national context via comparison with other Local Authorities. In comparison to other County Council earmarked reserves, Devon remained as expected and in the middle.
- 4.5 Highlights from the Provisional Settlement included the extension of the Adult Social Care Precept and the freeze of the Business Rates multiplier, with local authorities compensated because of this. The figures that the Government allocated to the Authority in the Provisional Settlement included an additional £29.1m for Social Care. The increase in National Living Wage (9.7% from April 2023) represented a significant cost driver for the Local Authority in the upcoming financial year.
- 4.6 The presentation then outlined the Council's currently projected budget targets. Between them, Integrated Adult Social Care and Children's and Young Peoples Futures accounted for approximately 77% of total service budgets. This represented a net increase of 8.8% and 18.8% respectively in allocated budget for these service areas. It was reported that since the setting of these targets, an opportunity had arisen to

reduce budget pressured in Integrated Adult Social Care services by £1.63 million.

- 4.7 The final Local Government Finance Settlement was due to be announced in February which would offer more clarity and allow the Local Authority to finalise its budget.

5.0 Representatives of the Business Community and the Voluntary and Community Sector: 24 January 2023

- 5.1 Representatives at this meeting included Diane King (Living Options), Stephanie Lewis (Living Options), Ian Martin (Exeter Quakers), Kev Henman, (Space Youth Services), Edwina Bradshaw (East Devon CAB), Matt Evans, (Active Devon), Andrew Dean (Exeter University), Andrew Butler (NFU), Jo Atkey (Devon Communities), Bob Mark (SWCPA), Vicki Rowe (Rural Devon CAB), Roberto Franceschini (retired Unison)

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

- Concern for the financial wellbeing of older people in communities and the subsidised services required. Consultees were advised that MP's had been lobbied for greater support to adult services. The local authority would continue to work with the NHS and partners to provide integrated care across the county and aid those to return to their own homes from hospital with the appropriate care;
- Concern for adequate funding invested in early intervention of mental health services and a need for transformational change with partner agencies. Consultees were advised that investment through the Better Care Fund assisted supported living.
- Concern for staff shortages. Consultees were advised that investment to reduce use of agency staff and to recruit necessary workforce was under investigation

6.0 Representatives of the Trade Unions: 24 January 2023

- 6.1 Representatives at this meeting included Darienne Flemington (UNISON), Steve Ryles (UNISON), Nigel Williams (NASUWT), Michael Daniell (UNISON); Matthew Dyer (UNISON)

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

- How the 'safety valve' as mentioned in the presentation 'worked'. Consultees were advised that the Department for Education (DfE) support local authorities with deficits through the 'Safety Valve programme' to help deliver within the budgets allocated to them. It

was noted that the concepts of an improvement plan had been agreed in principle.

- Concern about a recruitment freeze. Consultees were advised that front line services would not be frozen. Support and back-office staff remain frozen. Vacancies to continue to be filled by internal candidates in the first instance.

7.0 Conclusion

The consultations carried out provided a positive opportunity for the people of Devon to specify their priorities in future service delivery. Adequate funding for Childrens Services remained a concern in addition to maximisation of provision of service through partnership working. The feedback received provided an excellent insight into current opinion on the challenges facing Devon residents and organisations.

Maria Price, Head of Legal & Democratic Services

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>
Nil		