

Corporate Infrastructure & Regulatory Services Scrutiny Committee

30 January 2025

2025/26 Budget

Joint Report of the Director of Finance and Public Value, the Chief Executive, Director of Public Health and Communities, and Director of Climate Change, Environment and Transport

1. Recommendation

That the Committee be asked to:

- a) Consider whether it wishes to draw to the attention of Cabinet any observations on the proposals contained within the draft Revenue Budget 2025/26 and Capital Programme for 2025/26 to 2029/30.

2. Introduction & Commentary

- 2.1 This report shares details of the draft revenue and capital budgets for consideration through the 2025/26 budget process.
- 2.2 On 31 October 2024, Chancellor of the Exchequer Rachel Reeves announced the Autumn Budget 2024 in a speech in the House of Commons, her first major fiscal announcement following the 2024 General Election. The Chancellor indicated there would be additional funding for local government. The Autumn Budget sets the overall level of planned public spending, with implications for individual authorities to follow in the finance settlement. The Chancellor indicated at this stage that 2025/26 would be a one year settlement.
- 2.3 On 28 November 2024 Minister of State (Minister for Local Government and English Devolution) Jim McMahon announced the publication of the government's 2025/26 Local Government Finance Policy Statement, containing information about the Government's plans for the upcoming settlement, without containing the settlement allocations for individual authorities.
- 2.4 The statement indicated a number of changes in funding plans including, for example, a significant transfer of allocations from rural local authorities with higher council tax revenues to lower council tax urban areas. This has implications for the Authority as it currently receives over £10 million in Rural Services Delivery Grant which is being repurposed within the overall settlement. This represents a major loss in funding for services in Devon.
- 2.5 Within the additional funding announced for local government would be a new £600 million Recovery Grant based on deprivation, and at this point an additional £600 million for social care, and a new Children's Social Care Prevention Grant worth £250 million. Overall, the statement indicated a high

risk to the Authority's funding forecasts included in budget planning assumptions.

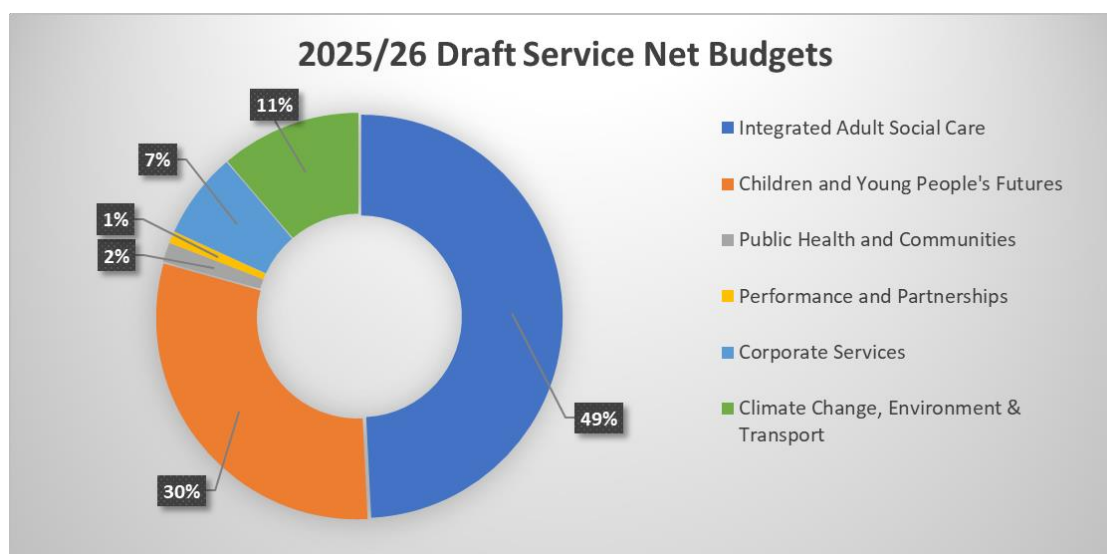
- 2.6 The Provisional Local Government Finance Settlement was published on 18 December 2024, setting out the funding allocations to individual local authorities. The allocations for Devon County Council are summarised in this section 4 of this report.
- 2.7 The Settlement provided sufficient clarity on the Authority's funding position for 2025/26, enabling Cabinet to set budget targets for services at its meeting on 8 January 2025, as set out in paragraph 3.4.
- 2.8 At the time of writing, the final outcome of the Local Government Finance Settlement is awaited and details of the council tax base, collection fund surpluses and tax base yield have yet to be confirmed along with the local element of business rates. The most up to date available information will be provided when the County Council considers final budget proposals for 2025/26 on 20 February 2025. Given the late notification of the Settlement and in line with arrangements in previous years, 26 February 2025 has been set aside for a second County Council budget meeting should it be required.

3. Service Targets 2025/26

- 3.1 The preparation of the Budget for 2025/26 recognises that inflationary pressures continue to be felt across the economy, local government and our partners, despite the rate of inflation reducing in the past two years from its peak in October 2022. Social care is particularly impacted by increases to the national living wage which is again increased by above inflation, and the increases to National Insurance announced in the Chancellor's Autumn Budget on 30 October 2024.
- 3.2 The Authority continues to face price and demand pressures as a result. Significant and sustainable savings are being delivered with further savings required in 2025/26 and subsequent years.
- 3.3 The target budgets overall for all services include investment of £31.9 million to cover inflation and national living wage cost increases and a further £33.8 million to cover demand and service improvement pressures. To enable the authority to set a balanced budget, savings, alternative funding and additional income of £21.7 million have been identified. Overall, there is net additional funding of £44 million or 5.9% for service budgets next year. With inflation forecast to be in the region of 2.5% in 2025/26, the 5.9% net increase in budget represents a real terms increase in funding for services in cash terms.
- 3.4 The approved service revenue budget targets for the 2025/26 financial year are set out in the table below.

	2024/25 Adjusted Base Budget £000	Inflation and National Living Wage £000	Other Growth and Pressures £000	Savings, Alternative Funding and Additional Income £000	2025/26 Target Budget £000	Net Change 2024/25 to 2025/26 £000	%
Integrated Adult Social Care	354,322	19,120	18,190	(8,185)	383,447	29,125	8.2%
Children and Young People's Futures	224,970	7,834	11,054	(6,530)	237,328	12,358	5.5%
Public Health & Communities	13,931	225	365	(1,450)	13,071	(860)	-6.2%
Performance & Partnerships	7,431	121	75	(447)	7,180	(251)	-3.4%
Corporate Services	54,709	1,251	2,822	(3,319)	55,463	754	1.4%
Climate Change, Environment & Transport	84,753	3,346	1,312	(1,808)	87,603	2,850	3.4%
Totals	740,116	31,897	33,818	(21,739)	784,092	43,976	5.9%

3.5 This report provides detailed budget proposals in line with these targets. The following graph indicates the relative proportion of budgets between directorates. Integrated Adult Social Care and Children and Young People's Futures combined continue to deliver 79% of total net costs in our services.



4. The Provisional Local Government Finance Settlement 2025/26

4.1 On 18 December 2024, Minister of State (Minister for Local Government and English Devolution) Jim McMahon announced the publication of the 2025/26 Provisional Local Government Finance Settlement. The settlement provides information on funding for one year only. The Final Settlement will follow in late January/early February. The Government is currently undertaking a Spending Review to inform future years' funding priorities, which is expected to conclude by March 2025.

4.2 The Settlement sets out the Authority's Core Spending Power as measured by Government, including a range of Government grants and Government estimates for funding raised through local taxation – business rates and council tax. Nationally, Core Spending Power for local government is increasing by 6%. For DCC, our core spending power is set to increase by 4.66%. The Government assumes the Authority will implement the full allowed increase in Council Tax up to the referendum threshold of 5%. The

following tables provide a breakdown of the funding included in Core Spending Power calculations.

Core Funding	2025/26		
	2024/25	Provisional	
	Settlement	Settlement	
	£000	£000	
Revenue Support Grant (RSG)*	713	725	+1.7%
Revenue Support Grant (RSG) – Grants rolled in*	1,211	1,255	+3.6%
Business Rates – Central Government Top Up	86,461	87,260	+0.9%
Business Rates – Local Element**	23,884	24,105	+0.9%
Total Core Funding	112,269	113,345	+0.96%
Increase / Decrease compared to 2024/25		+1,076	

* The 2025/26 Revenue Support Grant includes previously separate unringfenced grants: Extended Rights Home to School Transport, Transparency Code New Burdens

** The actual amount we receive will be derived from returns completed by our Devon Districts in January 2025.

Other Grant Income Included in the Settlement	2025/26		
	2024/25	Provisional	
	Settlement	Settlement	
	£000	£000	
New Homes Bonus Grant	1,140	1,279	+12.2%
Rural Services Delivery Grant	10,124	0	-100.0%
Services Grant	717	0	-100.0%
Social Care Grant	70,729	82,763	+17.0%
Children’s Social Care Prevention Grant	0	1,577	New
Local Authority Better Care Grant*	35,933	35,933	0.0%
Adult Social Care Market Sustainability & Improvement Fund	15,643	15,643	0.0%
Domestic Abuse Duty Safe Accommodation Grant**	1,482	1,847	+24.6%
Recovery Grant	0	0	New
Business Rates – Compensation for under-indexation***	22,357	23,555	+5.4%
Total Other Grant Income	158,125	162,597	+2.8%
Increase / Decrease compared to 2024/25		+4,472	

* Adult Social Care Discharge Fund combined with Improved Better Care Fund as a single grant line in 2025/26.

** Domestic Abuse Duty Safe Accommodation Grant included within Core Spending as a new line in 2025/26.

*** This is included within the total of Business Rates Retention Government Grants we include in our budget.

Council Tax – Government Estimate	2025/26		
	2024/25	Provisional	
	Settlement	Settlement	
	£000	£000	
Assumed Council Tax Requirement*	523,974	555,475	+6.0%
Increase / Decrease compared to 2024/25		+31,501	

* This is a central government assumption. The actual Council Tax income for DCC will be determined based on local tax base information determined by our Devon Districts and the Council Tax rate set by Council in February within the Authority’s Budget report.

Summary

	2024/25 Settlement £000	2025/26 Provisional Settlement £000	
Core Funding	112,269	113,345	+0.9%
Other Grants	158,125	162,597	+2.8%
Subtotal – Core grants and settlement funding	270,394	275,942	+2.05%
Assumed Council Tax Requirement	523,974	555,475	+6.0%
Total Core Spending Power	794,368	831,417	+4.66%
Increase / Decrease compared to 2024/25		+37,049	

- 4.3 As summarised in the tables above, the Government’s calculations for the Provisional Settlement assume an increase in Core Spending Power from £794 million in 2024/25 to £831 million in 2025/26 – an increase of 4.66% assuming the full increase in Council Tax is agreed locally. Excluding Council Tax the core funding increase is 2.05%, which is below inflation forecasts resulting in what is effectively a real terms cut in grant support, placing greater reliance on Council Tax to fund increasing costs and demand for local services.
- 4.4 The Core Spending Power increase at 4.66% means Devon has the lowest increase out of all 21 county councils in England, and is well below the 6% average increase of all local authorities in England.
- 4.5 Further information is set out below regarding these funding streams.

Council Tax – County Councils in England may increase Council Tax by up to 4.99% in 2025/26, including 2% for adult social care responsibilities, without a referendum. The actual tax increase for the Authority will be determined by the County Council in February. The current draft budget estimates for 2025/26 assume the Authority will maximise this flexibility and increase the tax rate by 4.99% for next financial year, subject to formal recommendation by Cabinet and decision by Council in February 2025. Note: a 4.99% increase in the County Council's tax rate is estimated to raise additional council tax income in 2025/26 of approximately £27.2 million including £10.9 million (2%) for Adult Social Care.

Revenue Support Grant (RSG) – is increased by September 2024 inflation rate of 1.7%. In 2025/26 two grants have been rolled in to RSG that were previously issued separately: Extended Rights Home to School Transport £1.243 million, Transparency Code New Burdens £13,000.

Business Rates – the business rates funding system contains a combination of fixed and variable elements. The settlement includes the baseline target set by Government for the Council’s expected share comprising a local share under the business rates retention system plus a Top Up to reach the target funding level. It also includes grant to compensate for Government policy implications to limit rate increases which reduces the actual rates collected from businesses. Actual funding received through business rates will be determined using information provided by the

district/borough/city councils in Devon, which is due to be received by 31 January 2025.

New Homes Bonus – this grant is based on delivered housing growth within the County. Government has advised local authorities to plan for 2025/26 being the final year of the New Homes Bonus grant “in its current form”, and it is prudent to assume this grant discontinues and funding is distributed differently in future years.

Rural Services Delivery Grant – this grant is discontinued in 2025/26, with Government repurposing the funding distribution to support alternative funding allocations which are distributed using deprivation as a proxy for local service need. This is a significant loss of funding as the Authority received £10.124 million of the total RSDG national funding pot of £110 million in 2024/25.

Services Grant – this grant is also discontinued in 2025/26, with Government repurposing the funding distribution to support alternative funding allocations which are distributed using deprivation as a proxy for local service need.

Social Care Grant – this grant funding aims to support local authorities in meeting the costs of adults’ and children’s social care needs. The national pot for this grant has increased by £880 million through the Provisional Settlement, which is £200 million more than was indicated by Government in its November Policy Statement. The increase in social care grant for the Authority, whilst welcome, is largely offset by the majority of other grant funding either being repurposed or seeing no increase in cash terms.

Children’s Social Care Prevention Grant – this is a new grant introduced in 2025/26 which is distributed using a new children’s needs-based formula, allocating funding according to estimated need for children’s social care services. The Grant underlines the Government’s focus on reforming the Social Care system by putting emphasis on Family Help and preventative services. Grant conditions will be set out alongside the Final Settlement.

Local Authority Better Care Grant – this grant includes two lines of grant funding that were previously received separately: Improved Better Care Fund and Adult Social Care Discharge Fund. The funding is pooled into the local Better Care Fund and may be used only for the purposes of meeting adult social care needs, reducing pressures on the NHS including seasonal winter pressures, supporting people to be discharged from hospital when they are ready, and ensuring that the social care provider market is supported. In addition it may be used to enable more people to be discharged to an appropriate setting, prioritise those approaches that are most effective in freeing up the maximum number of hospital beds and reducing bed days lost, and boost general adult social care workforce capacity.

Adult Social Care Market Sustainability and Improvement Fund – the primary purpose of the fund is to support local authorities to make tangible improvements to adult social care services in their area, in particular to build

capacity and improve market sustainability in both social worker workforce capacity and social care providers. The grant received in 2025/26 is the same amount as for 2024/25 with no increase for cost or demand pressures.

Recovery Grant – this is a new one year grant with £600 million allocated nationally. The Government is targeting this funding to areas with more concentrated levels of deprivation – used as a proxy for greater need and demand for services – rather than allocating to all local authorities. Devon County Council will not receive any funding through this new grant in 2025/26.

- 4.6 Outside of Core Spending Power, the Government has provided some information through the Provisional Settlement regarding other funding:

National Insurance Costs Compensation – the Government has been clear that local authorities will receive additional funding towards the increase in employer national insurance costs following changes announced in the Autumn Budget 2024. This additional funding is aimed at costs related to the Authority's own employees and will not provide sufficient funding for increased national insurance costs borne by suppliers (e.g. care providers). Whilst an explanation of the grant methodology was included in the Provisional Settlement, actual allocations for each Authority have not yet been received with the Government due to provide this information within or before the Final Settlement. Whilst outside of Core Spending Power in 2025/26 it is conceivable this will be incorporated in future following the outcome of expected local authority funding reform in 2026/27.

Extended Producer Responsibility for Packaging Payments – a new source of income is introduced in 2025/26 which is outside of Core Spending Power, but will provide new funding towards the Authority's costs of waste services. It was confirmed within the Provisional Settlement that the Government has guaranteed the minimum level of income through this funding will be £6.765 million for the Authority.

- 4.7 Overall the Government's strategy of using deprivation as a proxy for need and demand for local services, as well as adjusting grant distribution for local tax raising opportunity, does not favour Devon as it results in funding being directed away from rural areas to areas with more concentrated levels of deprivation and less ability to raise funding through council tax.

5. Public Health and Communities

- 5.1 The Public Health and Communities Directorate is facing cost pressures of £590,000 for 2025/26. Of this, £225,000 relates to inflation and £365,000 is due to increased responsibilities for Safe Accommodation for victims of domestic violence. Savings totalling just under £1.5 million are built into the budget, giving a net reduction from 2024/25 of £860,000, which is a reduction of 6.2%.
- 5.2 The Youth service contract has been extended for a further 12 months. Funding of £1 million will be provided from the Public Health reserve to cover the period of the extension.

- 5.3 It is proposed to reduce the Libraries service fee by £200,000 for 2025/26, from a total budget of £7.1 million. After the allocation of inflation, the net reduction is £100,000, which represents 1.4% of the overall budget. A new contract will be in operation from 2026, which will encompass the delivery of a new Libraries strategy that will include more community involvement in the running of the libraries.
- 5.4 The total for Members' Locality Budgets is proposed to reduce by £180,000, which equates to a reduction of £3,000 per Member, from £8,000 to £5,000. Further savings of £70,000 are included through service redesign and a reduction in Heritage service contract.
- 5.5 The Public Health grant remains ringfenced for 2025/26. The final value of the core grant has not yet been confirmed.
- 5.6 Indicative figures have been received from the Department of Health and Social Care for the additional funding to support smoking cessation and the drug and alcohol treatment and recovery system in 2025/26: final confirmation is awaited.
- 5.7 Savings are expected to be achieved from the retender of the Sexual Health contract. Multiple funding streams associated with the delivery of sexual health services have been consolidated into a single contract.
- 5.8 The Public Health reserve at the end of the 2023/24 financial year stood at £13 million. This reserve will be used to support cost pressures and related services across the authority that deliver public health outcomes.
- 5.9 The Public Health budget is also included in the papers for the Health and Adult Care Scrutiny committee, which met on 27 January 2025.

6. Performance & Partnerships

- 6.1 Pressures totalling £196,000 are included within the Performance and Partnerships budget. Of this, £121,000 is due to inflationary increases and £75,000 relates to the Stakeholder Engagement Lead function.
- 6.2 Savings totalling £447,000 are built into the budget, giving a net reduction from 2024/25 of £251,000. This includes staff savings to be achieved from service redesign which total £267,000 and a further £50,000 will be achieved from a reduction in IT licences.
- 6.3 The budget proposals include additional income of £130,000. Of this amount, £80,000 is anticipated from the Combined County Authority and Universal Support programme for core staff working on skills, economic development and business support. A further £50,000 is expected to be achieved from external grant funding.

7. Corporate Services

- 7.1 Corporate Services has an overall budget increase of £754,000 (1.4%). This is after cost pressures of £4 million of which £1.2 million is attributable to

unavoidable inflation. To offset these pressures the Service has identified savings and income opportunities totalling £3.3 million.

- 7.2 To achieve these savings, £2.6 million of budget reductions are required in respect of staffing. This incorporates the restructuring of services and other fundamental operational changes to increase efficiency and reduce costs.
- 7.3 Strategic investment of £1.7m in ICT continues to prioritise essential developments including disaster recovery, cybersecurity and ensuring staff are equipped with fit for purpose modern technology. In addition, continuing work on digital transformation will enable further refinement of service delivery models in support of the savings plans.
- 7.4 The additional resourcing in Finance & Public Value will be allocated to the team responsible for undertaking financial assessments for clients in receipt of adult social care services. This will be funded from a corresponding increase in income identified within the Adult Social Care budget.
- 7.5 Reviews of contracts are budgeted to deliver £275,000 of savings, with a further £261,000 generated through efficiencies from the merged Devon, Plymouth and Torbay Coroners Service.

8. Climate Change, Environment and Transport.

- 8.1 The Climate Change, Environment and Transport Directorate budget has increased by £2.89 million, which represents an increase of 3.4% from 2024/25.
- 8.2 The Highways and Infrastructure Development service area faces cost pressures totalling £1.5 million, £1 million of which relates to Highways contract inflation.
- 8.3 Savings, alternative funding sources and income opportunities totalling just under £1.4 million have been identified within this service area, £750,000 of which relates to service redesign. Savings of £560,000 are expected to be achieved from a reduction in street lighting energy rates and further dimming.
- 8.4 The service understands the need to increase investment in Highways generally and drainage activities in particular. However, this is not currently affordable within the available target budget. If further funds become available, the position will be reviewed later in the budget setting process.
- 8.5 The On Street Parking (OSP) income and expenditure are held within a ringfenced account which is shown on the page entitled "Analysis of Total Expenditure for 2025/26", together with the other CCET services which are wholly self-funded. Further details of the use of the OSP reserve are available in the April 2024 Cabinet report on the County Road Highway Maintenance Capital Programme Budget and Progress on 2023/24 Schemes and Proposals for the 2024/25 Programmes.
- 8.6 The Transport Operations, Environment and Waste service area faces increased expenditure arising from pay and contract inflation totalling £1.9

million. Growth in household waste is expected to increase disposal costs by £620,000 and further pressures are expected from public transport and environment initiatives, totalling £530,000.

8.7 The Transport Operations, Environment and Waste budget includes savings, alternative funding, and additional income assumptions totalling £420,000, of which £250,000 is anticipated from service redesign.

8.8 The Planning budget includes an increase of £57,000 for staff pay inflation.

9. Capital Programme

9.1 The Capital Programme, in line with the Capital Strategy, aims to strike a balance between an affordable Capital Programme and one that meets the needs and aspirations of the Authority's services.

9.2 The Medium Term Capital Programme (MTCP) has been prepared for The Authority prior to the formation of the Combined County Authority (CCA), and therefore includes funding that may in practice transfer to the CCA once it is formally set up. The impact on the MTCP of such changes will be implemented after the budget for 2025/26 is set.

9.3 Given the financial pressures on resources, bids for corporate capital funding were invited only where they offered revenue savings, cost reductions or where expenditure is required to perform a statutory duty, in line with previous years. The focus of bids approved continues to be on supporting the Digital and Technology Services Workplan, fulfilling statutory maintenance and compliance obligations on the County Farms Estate and in maintaining the Winter Maintenance and General Fleet whilst gradually replacing vehicles with electric vehicles where it is possible and affordable to do so, as part of the Authority's drive towards Net Zero.

9.4 The Authority proposes to apply flexible use of capital receipts to fund transformation projects including service redesign/restructuring, following confirmation in the Provisional Settlement that this flexibility has been extended to 2029/30. The updated Flexible Use of Capital Receipts Strategy will be included in the 2025/26 budget report and will reflect a revised strategy for 2024/25 as well as applying to 2025/26 capital plans.

9.5 In order to support the corporate financing strategy of applying flexible use of capital receipts to fund transformation projects, it is proposed that the financing of highways maintenance and drainage projects within the 2024/25 capital programme amounting to £10 million is switched from capital receipts to borrowing.

9.6 A brief outline of each area of adjustment follows and the detail is shown at Appendix A on page 52.

9.7 The proposed Corporate Infrastructure and Regulatory Service Medium Term Capital Programme is shown at Appendix B on page 55.

10. Corporately Funded Increases – Flexible Use of Capital Receipts

10.1 As referred to above, the Authority proposes to apply flexible use of capital receipts to fund transformation projects as set out below:

	2024/25	2025/26	TOTAL
Proposed CIRS Projects under Flexible Use of Capital Receipts	£'000	£'000	£'000
Future Finance Project	3,250		3,250
Service Redesign - Corporate Services	930		930
Service Redesign - Performance & Partnerships	175		175
Service Redesign - All Services		3,000	3,000
	4,355	3,000	7,355

10.2 The Future Finance Project in 2024/25 involves replacing the suite of finance systems and supports the Authority's strategy to simplify financial management, provide better access to information and improve budgetary controls. This improves the Authority's readiness for future change and delivers productivity benefits through reduction in manual intervention. The project is expected to contribute to planned efficiency savings to be built into the MTFP through the 2025/26 budget process estimated to rise to £2.3 million by 2028/29.

10.3 Under the Service Redesign projects, the Authority proposes to fund revenue costs related to service transformation to improve efficiency of services and deliver ongoing budget savings, supporting the requirement to secure the financial sustainability of local services.

11. Corporately Funded Increases - Other

11.1 The proposed programme includes an increase in funding of £6.4 million over 5 years, including £400,000 in 25/26, to support the Digital and Technology Service Workplan. This workplan drives forward the digital agenda for the Authority whilst ensuring the legacy business critical services that need to continue for the medium term are maintained.

11.2 The 5 year programme includes:

- £4.8 million to replace obsolete laptops, docking stations and meeting room hardware, in line with the strategic aim of meeting UK Government digitisation expectations and standards, and to ensure that staff have access to up-to-date, secure and supported technology
- £1.3 million of digital platform costs, including new digital service development and providing the foundation for a portfolio of live services

such as the Highways Licence and Application Digital Service (ALFIE) and SEND Statutory Team Digital Service (SATURN).

- £300,000 for ICT service infrastructure investment to support digital working and improve security, including replacement of Wi Fi hubs
- 11.3 Fleet Vehicle purchase budgets have been increased by £769,000 as part of the ongoing strategy to maintain the fleet, whilst gradually replacing vehicles with electric vehicles where it is possible and affordable to do so.
- 11.4 The Authority has a statutory duty, under the Highways Act 1980, to keep our road network free from ice and snow during winter, insofar as is reasonably practicable. Winter Maintenance purchase budgets have been increased by £550,000 to allow ongoing strategy to maintain the Winter Maintenance Vehicle Fleet.
- 11.5 The County Farms Estate programme has been increased by £450,000 to enable work to continue on fulfilling statutory maintenance and compliance obligations on the County Farms Estate.

12. Other Changes to the Corporately Funded Capital Programme

- 12.1 Reductions in the capital programme include reduction of programmed spend on the North Devon Link Road Project, as a result of reworked total scheme cost which has released £2.8 million of internal borrowing. Spend totalling £836,000 previously planned to be forward funded from internal borrowings will now be funded by developer contributions. This is mainly relating to Heywood Road junction, which will not be constructed until all relevant developer contributions have been received.
- 12.2 Due to the constraints of inflationary cost increases on the Tavistock Household Waste Recycling Centre (HWRC), this project has been paused and work will only continue in respect of securing the necessary planning permission. As a result the remaining budget has been surrendered, releasing £4.8 million of internal borrowing.
- 12.3 In order to support the corporate financing strategy of applying flexible use of capital receipts to fund transformation projects, £73,000 of match funding in 2025/26, relating to West Devon Transport Hub Okehampton Station, has been switched from capital receipts to borrowing.
- 12.4 A number of projects have been reprofiled to reflect updated delivery timescales. These changes have a nil overall effect on the programme.

13. Introduction of, or changes to Externally Funded projects

- 13.1 There is an overall increase in externally funded projects of £121.7 million over the 5 year period from 2025/26 to 2029/30. This figure represents all changes to externally funded projects including increases, reprofiling and reductions in spend. A full list is available at Appendix A.
- 13.2 The increase is mainly due to the announced increase to base funding and the addition of extra funding in respect of 2025/26 relating to the Local

Transport Plan (LTP) Highways Maintenance and Pothole Fund, and the inclusion of 2029/30 estimated grant funding.

13.3 The existing capital programme reflected LTP Highways Maintenance and Pothole funding announced by the previous Government for 2025/26 of £52.8 million. In December 2024, the Department for Transport (DfT) announced an updated allocation baseline grant of £61.1 million. DfT also announced a further increase of £22.5 million, of which 25% will be held back until local authorities can prove that they are meeting certain criteria, details of which will be shared with local authorities in due course. On this basis, it was felt prudent to only reflect the unconditional element of £16.9 million in the capital programme at this stage, giving a total increase to the capital programme in relation to LTP Highways Maintenance and Pothole of £25.2 million for 2025/26.

13.4 Estimates in respect of 2029/30 include the following:

- £61.1 million LTP Highways Maintenance and Pothole
- £3.6 million estimated LTP Integrated Transport Block grant funding

External Funding is subject to future Government announcements and therefore cannot be guaranteed. Commitments will not be made in future years, until funding is either announced or secured.

14. Equality Impact Assessment

14.1 Under the Equality Act 2010, the Authority has a legal duty to give due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations when making decisions about services. This duty applies to the eight 'protected characteristics' of age, disability, gender reassignment, pregnancy and maternity, race, religion and belief, sex and sexual orientation. Where relevant, Impact Assessments are carried out to consider how best to meet this duty, which includes mitigating against the negative impact of service reductions.

14.2 The Equality Act 2010 and other relevant legislation does not prevent the Authority from taking difficult decisions which result in service reductions or closures for example, it does however require the Authority to ensure that such decisions are:

- Informed and properly considered with a rigorous, conscious approach and open mind.
- Taking due regard of the effects on the protected characteristics with the need to ensure nothing results in unlawful discrimination in terms of access to, or standards of, services or employment as well as considering any opportunities to advance equality and foster good relations.
- Proportionate (negative impacts are proportionate to the aims of the policy decision).
- Fair
- Necessary

- Reasonable, and
- Those affected have been adequately consulted.

14.3 The impact assessment for the 2025/25 budget is published at <https://www.devon.gov.uk/impact/published/budget-impact-assessments/>

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Electoral Divisions: All

Cabinet Member: Councillor Phil Twiss

Local Government Act 1972: List of Background Papers

Spending Review 2022 & Provisional Settlement 2025/26

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Strategic Leadership Team Commentary

A sustainable budget that supports financial resilience is central to the ability of the Council to provide services for people and communities across the county. Setting the 2025/26 budget has been a complex exercise demanding difficult decisions and hard choices. The budget recognises the inflationary pressures that continue to be felt across the economy, local government and partners. Social care is particularly impacted by increases to the national living wage and the increase to National Insurance announced in the October 2024 Autumn Budget. The budget for 2025/26 will be set by the Council on 20 February 2025. It will be a balance between the resources available, the Council's priorities, and the requirement to provide best value services.

Devon has a population with increasing needs for care and support. The Council will continue to focus on meeting, as far as possible the needs of the young, old and most vulnerable. It will also continue to work closely with partners to help support the local economy, improve job prospects and housing opportunities for local people, respond to climate change, champion opportunities for our young people, and address the impacts of the rising cost of living. Devon has one of the biggest road networks in the country to maintain and has made repairing highways a priority.

The ability of the Council to remain financially sustainable in the medium term will depend on the changes that the Government makes to the local government finance system. Government is targeting money towards areas where measures of deprivation indicate there is greater assessed need and demand for services. As a largely rural area, the Council has lost resources in 2025/26 despite the higher cost of providing some services than those delivered by more urban authorities.

During the year ahead, the Council will continue to make savings by reducing costs, maximising the value of commissioned services and streamlining staff structures. However, it is inevitable that changes will have an impact on some of the vital services for which the Council is responsible. The Strategic Leadership Team remains wholly committed to advising and supporting the Council so that it can set a budget for 2025/26 that is in the best interests of the people of Devon.

Public Health and Communities

How the 2025/26 Budget has been built up

	2024/25 Adjusted Budget	Changes £'000	2025/26 Outturn Budget £'000
Communities	13,931	(860)	13,071
Public Health	0	0	0
Total	13,931	(860)	13,071

Reasons for changes in Revenue Budget	£'000
Inflation, National Living Wage, and other pressures	
Inflation and National Living wage	225
Safe Accommodation for victims of Domestic Violence	365
	<u>590</u>
Savings	
Alternative funding for Youth Service contract	(1,000)
Reduction in Library Contract	(200)
Service redesign	(50)
Reduction of Members' budgets	(180)
Reduction in Heritage Contract	(20)
	<u>(1,450)</u>
Total	(860)

Analysis of Total Expenditure for 2025/26

	Gross Expenditure £'000	Grant and Contribution Income £'000	External Income £'000	Internal Income £'000	Net Expenditure £'000
Communities	14,907	(300)	(338)	(1,198)	13,071
Public Health	48,601	(35,724)	0	(12,877)	0
Total	63,508	(36,024)	(338)	(14,075)	13,071

The following services (which are not included above) are wholly self-funded and do not directly impact on Council Tax.

	Gross Expenditure £'000	Grant and Contribution Income £'000	External Income £'000	Internal Income £'000	Net Expenditure £'000
Communities					
Active Devon	1,806	(1,518)	(11)	(277)	0
Refugee Resettlement	392	(392)	0	0	0
Total	2,198	(1,910)	(11)	(277)	0
Grand total	65,706	(37,934)	(349)	(14,352)	13,071

Communities

2024/25 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2025/26 Outturn Budget £'000	2025/26 Net Changes £'000
Commissioning Services For Communities					
829	Heritage Centre and Devon Records Office	829	(10)	819	(10)
7,125	Library and Information Service	7,197	(172)	7,025	(100)
2,100	Youth Services	1,205	(21)	1,184	(916)
10,054		9,231	(203)	9,028	(1,026)
1,481	Planning and Insight	2,446	(600)	1,846	365
Safer and Stronger Communities					
1,176	Commissioning / Grants	1,176	0	1,176	0
740	Community	1,754	(1,033)	721	(19)
480	Locality	300	0	300	(180)
2,396		3,230	(1,033)	2,197	(199)
13,931		14,907	(1,836)	13,071	(860)

Analysis of Changes:

£'000

Inflation, National Living Wage, and other pressures

Inflation and National Living wage	225
Safe Accommodation for victims of Domestic Violence	365
	<u>590</u>

Savings and Alternative funding

Alternative funding for Youth Service contract	(1,000)
Reduction in Library Contract	(200)
Service redesign	(50)
Reduction of Members' budgets	(180)
Reduction in Heritage Contract	(20)
	<u>(1,450)</u>

Total

(860)

Service Commentary

The Communities portfolio leads a range of commissioning and collaboration to develop services and support, helping people and organisations in communities to be better connected, resilient and safe.

This includes:

- Commissioning of Devon’s youth services, support to tackle interpersonal and gender-based violence and abuse and meeting the Authority's related statutory duties, and its library and heritage services;
- Community safety and coordination of work and partnerships to tackle serious violence and vulnerability; and statutory coordination to prevent extremism and radicalisation;
- Leading the authority's response to food insecurity and wider aspects of poverty;
- Community development and capacity building across the County and its links to the authority’s priorities;
- Work to support resettlement, migration and support to those seeking asylum;
- Through Active Devon, accessing and increasing physical activity across the County.

Increasingly the team's work has focussed on support around the emerging priorities of resettlement and migration, and in delivering the Government's Household Support Fund.

Service Statistics and Other Information

Service/ Activity	Unit of Measurement	2024/25	Change	2025/26
		Estimate		Estimate
Libraries				
Static Libraries & Mobile Libraries	No.	50	0	50
PCs available with public access	No.	187	(47)	140
Stock issues	No.	2,220,000	100,000	2,320,000
Membership	No.	120,000	5,000	125,000
Library Visits	No.	1,776,000	74,000	1,850,000
Library Events	No.	8,100	0	8,100
Youth Service				
Organisations supported	No.	85	(2)	83
Young people attending open sessions per qtr	No.	6,100	0	6,100
Young people prevented from permanent exclusion	No.	105	0	105
Heritage Service				
Searchroom visits	No.	2,400	0	2,400
Social Media followers	No.	3,950	150	4,100

Public Health

2024/25 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2025/26 Outturn Budget £'000	2025/26 Net Changes £'000
Public Health					
2,665	Children 5-19 Public Health Programmes	2,754	0	2,754	89
871	Comm Sfty, Violence Prvntn and Social Excl	374	0	374	(497)
71	Health At Work	75	0	75	4
187	Health Protection	199	0	199	12
10,055	Mandated 0-5 Children's Services	10,370	0	10,370	315
95	National Child Measurement Programme	101	0	101	6
650	NHS Health Check Programme	674	0	674	24
277	Obesity	178	0	178	(99)
590	Other Public Health	623	0	623	33
114	Physical Activity	120	0	120	6
350	Public Health Expert Advice	371	0	371	21
(31,989)	Public Health Income	0	(32,462)	(32,462)	(473)
339	Public Mental Health	411	(60)	351	12
7,208	Sexual Health	7,027	0	7,027	(181)
1,400	Smoking and Tobacco	2,361	(967)	1,394	(6)
5,535	Substance Misuse	8,484	(2,023)	6,461	926
1,582	Support Services	1,390	0	1,390	(192)
0		35,512	(35,512)	0	0
0	Public Health Nursing	13,089	(13,089)	0	0
0		48,601	(48,601)	0	0

Analysis of changes:

£'000

Inflation, National Living Wage and other pressures

Pay Inflation and National Living Wage	553
Sustainability of substance misuse - Grant not confirmed	438
Rough Sleeper Drug & Alcohol Treatment Grant - Grant not confirmed	416
Criminal Justice Interventions - Grant not confirmed	26
Health Check - Demand increase	21
Sexual Health (out of area) - Demand led	53
Various demand led activities	38
	1,545

Savings

Obesity contract - Revised arrangement	(111)
Sexual Health - Restructured contract	(252)
Realignment of Support Services	(192)
	(555)

Alternative sources of funding and additional income

Community Safety, Violence Prevention and Social Exclusion - Alternative funding	(500)
Smoke free generation - Additional income	(17)
Increase in PH grant and apprenticeship funding	(473)
	(990)

Total	0
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Service Commentary

Public Health is funded by means of a ringfenced grant to the Authority from the Department of Health and Social Care. The grant covers the whole cost of Public Health's work, with the vast majority going on the commissioning and delivery of public facing health services which the Local Authority has a statutory requirement to provide.

Service demand is starting to return to pre pandemic levels for key public health services such as health visitors and school nurses, sexual health services, for drug and alcohol services, and NHS health checks. Public Health must manage increase in demand against a backdrop of below inflation increases in the public health grant.

Central government has issued additional short-term ringfenced funding to public health to support delivery of the national drugs strategy, which is resulting in increasing numbers in treatment, and we are confident this funding will be extended for an additional year. Public Health has also received additional funding for the stop smoking services. However, a likelihood of a below inflation rise in the general Public Health ringfenced grant in future years, has necessitated a focus on the budget of safeguarding statutory public health services.

Key priorities will be to continue to utilise the additional short-term funding to continue to increase the numbers in treatment and improve outcomes within the substance misuse service. The additional smoking funding will enable us to increase support for existing smokers to quit and importantly work with partners to curb the rise in youth vaping. Public Health will continue to work with NHS partners to identify at risk individuals and enable early diagnosis and optimal treatment of key conditions such as cardiovascular disease and cancer to help reduce morbidity and excess mortality. An additional priority will be to ensure the available public health data and intelligence is utilised to inform future service development and provision across the Local Authority with a key emphasis on tackling health inequalities and improving health outcomes.

Service Statistics and Other Information

Service/ Activity	Unit of Measurement	2024/25 Estimate	Change	2025/26 Estimate
Opiate clients in treatment	Individuals	1,180	6	1,186
Non-opiate only clients in treatment	Individuals	193	39	232
Alcohol only clients in treatment	Individuals	715	17	732
Alcohol & non-opiate clients in treatment	Individuals	261	35	296
Genito-urinary medicine patients treated	Individuals	38,887	2,226	41,113
Contraception services accessed	Individuals	27,707	(213)	27,494

Performance and Partnerships

How the 2025/26 Budget has been built up

	2024/25 Adjusted Budget	Changes £'000	2025/26 Outturn Budget £'000
Economy, Enterprise and Skills	5,327	(218)	5,109
Performance and Policy	2,104	(33)	2,071
Total	7,431	(251)	7,180

Reasons for changes in Revenue Budget	£'000
Inflation, National Living Wage, and other pressures	121
Stakeholder Engagement Lead	75
	<hr/> 196
Savings	
Service redesign	(267)
Saving on IT licences	(50)
	<hr/> (317)
Alternative sources of funding and additional income	
Additional income from Combined County Authority	(80)
Additional income from external grant funding	(50)
	<hr/> (130)
Total	<hr/> (251)

Analysis of Total Expenditure for 2025/26

	Gross Expenditure £'000	Grant and Contribution Income £'000	External Income £'000	Internal Income £'000	Net Expenditure £'000
Economy, Enterprise and Skills	9,134	(380)	(2,783)	(862)	5,109
Performance and Policy	2,181	0	(49)	(61)	2,071
Total	11,315	(380)	(2,832)	(923)	7,180

The following services (which are not included above) are wholly self-funded and do not directly impact on Council Tax.

	Gross Expenditure £'000	Grant and Contribution Income £'000	External Income £'000	Internal Income £'000	Net Expenditure £'000
Economy, Enterprise and Skills					
Decarbonising Heathfield	28	(28)	0	0	0
Digital Business Utilisation Service	60	(60)	0	0	0
Fast Followers Net Zero Living(Innovate)	37	(37)	0	0	0
Growth Hub	305	0	(305)	0	0
Learn Devon	3,113	(2,978)	0	(135)	0
The Digital Skills Service	226	(226)	0	0	0
Total	3,769	(3,329)	(305)	(135)	0
Grand total	15,084	(3,709)	(3,137)	(1,058)	7,180

Economy, Enterprise and Skills

2024/25 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2025/26 Outturn Budget £'000	2025/26 Net Changes £'000
Business Support and Innovation					
328	Business Growth Support	628	(377)	251	(77)
2,072	Trading Standards	4,434	(2,308)	2,126	54
2,400		5,062	(2,685)	2,377	(23)
Economic Infrastructure and Development					
1,329	Economic Development	1,496	(166)	1,330	1
160	Industrial Estates	234	(74)	160	0
1,489		1,730	(240)	1,490	1
Employment and Skills					
213	Labour Market Development	907	(810)	97	(116)
1,225	Post 16 Provision	1,435	(290)	1,145	(80)
1,438		2,342	(1,100)	1,242	(196)
5,327		9,134	(4,025)	5,109	(218)

Analysis of changes:	£'000
Inflation, National Living Wage and other pressures	79
	<u>79</u>
Savings	
Service redesign	(87)
Efficiency staffing saving on Post 16 provision	(80)
	<u>(167)</u>
Alternative sources of funding and additional income	
Additional income for staff from Combined County Authority activities	(80)
Additional income from external grant funding	(50)
	<u>(130)</u>
Total	(218)

Service Commentary

The service supports creating the conditions for productive, inclusive and sustainable growth across the Devon economy. It leads on delivering regulatory services through the Heart of the South West Trading Standards Service and on providing a strategic overview of the local economy and responding to economic shocks and opportunities. It works with a range of public and private sector partners and agencies and delivers a range of adult and young people skills programmes, supporting the Council's corporate parenting duty, including employment and careers advice to young people. The key priorities for the Service are:

- Delivering careers advice and guidance for young people and adults, including our statutory duties and supporting corporate parenting duty;
- Raising aspirations and opportunities for our young people through promoting apprenticeships, internships and work placements and delivering adult basic skills and community learning;
- Leading on developing and delivering economic evidence, priorities, strategy, and plans and responding to funding opportunities
- Working with partners to develop plans for local places including housing and regeneration rationalising the use of public assets and bringing forward key infrastructure and employment sites.
- Protecting communities and consumers, and supporting businesses by ensuring a safe, fair, responsible, sustainable, and competitive trading environment and encouraging business growth.

Service Statistics and Other Information

Service/ Activity	Unit of Measurement	2024/25	Change	2025/26
		Estimate		Estimate
Trading Standards (Shared Service)				
Number of businesses in Service area (ONS data)	No.	86,800	(300)	86,500
Programmed interventions at high priority premises	Percentage	100	0	100
Complaints and service requests	No.	16,000	(2,000)	14,000
Learn Devon				
Learn Devon - Enrolments	No.	6,000	0	6,000

Performance and Policy

2024/25				2025/26	2025/26
Adjusted		Gross	Gross	Outturn	Net
Budget		Expenditure	Income	Budget	Changes
£'000		£'000	£'000	£'000	£'000
2,026	Performance	2,026	(110)	1,916	(110)
78	Policy and Strategy	155	0	155	77
2,104		2,181	(110)	2,071	(33)

Analysis of changes:

£'000

Inflation, National Living Wage and other pressures

42

Stakeholder Engagement Lead

75

117

Savings

Savings on IT licences no longer required

(50)

Service redesign

(100)

(150)

Total

(33)

Service Commentary

The service leads on corporate performance and monitoring performance and improvement. It leads on developing partnerships and engaging with strategic partners to respond to national policy including devolution opportunities and the establishment of the Devon and Torbay Combined County Authority.

- Leading on implementing and reporting against the Council's Performance Framework, developing the Council's Corporate Plan, Annual Report and supporting the Council's improvement priorities
- Supporting and engaging with strategic partnerships locally, regionally, and nationally and contributing to policy development and consultations.
- Leading, facilitating and developing partnerships to respond to national policy and consultations, e.g. English Devolution White paper.
- Leading on the establishment of the Devon and Torbay Combined County Authority and Team Devon Joint Committee.

Corporate Services

How the 2025/26 Budget has been built up

	2024/25 Adjusted Budget £'000	Changes £'000	2025/26 Outturn Budget £'000
Chief Exec, Legal and Democratic Service	12,346	(171)	12,175
Finance and Public Value	15,229	198	15,427
People and Culture	7,169	(377)	6,792
Transformation and Business Services	19,965	1,104	21,069
Total	54,709	754	55,463

Reasons for changes in Revenue Budget	£'000
Inflation, National Living Wage, and other pressures	
Inflation and National Living Wage	1,251
Increase in Members Allowances	63
ICT Strategic Investment	1,684
Staffing to deliver priority service improvements	1,000
Various other demand led and contract pressures	75
	<u>4,073</u>
Savings	
Efficiencies from Coroners merged service	(261)
Reduction in unfunded pensions commitments	(200)
Review of contracts	(275)
Service redesign	(2,633)
	<u>(3,369)</u>
Alternative funding and additional income	
Reinstatement of recruitment income	100
Late payment interest charges	(50)
	<u>50</u>
Total	754

Analysis of Total Expenditure for 2025/26

	Gross Expenditure £'000	Grant and Contribution £'000	External Income £'000	Internal Income £'000	Net Expenditure £'000
Chief Exec, Legal and Democratic Service	18,625	(1,526)	(3,665)	(1,259)	12,175
Finance and Public Value	26,079	0	(5,053)	(5,599)	15,427
People and Culture	11,046	(27)	(2,621)	(1,606)	6,792
Transformation and Business Services	38,882	(9,135)	(3,994)	(4,684)	21,069
Total	94,632	(10,688)	(15,333)	(13,148)	55,463

The following services (which are not included above) are wholly self-funded and do not directly impact on Council Tax.

	Gross Expenditure £'000	Grant and Contribution £'000	External Income £'000	Internal Income £'000	Net Expenditure £'000
Finance and Public Value					
Devon Audit Partnership	2,051	0	(2,051)	0	0
Peninsular Pensions	5,971	0	(5,971)	0	0
Transformation and Business Services					
SCOMIS	4,027	0	(1,749)	(2,278)	0
Total	12,049	0	(9,771)	(2,278)	0
Grand total	106,681	(10,688)	(25,104)	(15,426)	55,463

The direct cost to the Council of commissioning services from SCOMIS is included within the Digital and Technology Service budget. For Devon Audit Partnership it is included in the Corporate Management and Commissioning budget.

Chief Executive, Legal and Democratic Services

2024/25				2025/26	2025/26
Adjusted		Gross	Gross	Outturn	Net
Budget		Expenditure	Income	Budget	Changes
£'000		£'000	£'000	£'000	£'000
Chief Exec, Legal and Democratic Servs					
2,184	Coroner Services	3,494	(1,511)	1,983	(201)
537	Corporate Management	559	(81)	478	(59)
2,068	Cost of Democracy	2,285	(192)	2,093	25
2,721	Customer and Information Services	2,906	(203)	2,703	(18)
0	Legal and Dem Services Management Team	351	0	351	351
4,969	Legal Services	6,389	(1,515)	4,874	(95)
166	Local Authority Subscriptions	172	(1)	171	5
772	Media, Marketing and Communications	982	(247)	735	(37)
(1,071)	Registration Services	1,487	(2,700)	(1,213)	(142)
12,346		18,625	(6,450)	12,175	(171)

Analysis of changes:

£'000

Inflation, National Living Wage and other pressures

Inflation and National Living Wage	247
Increase in Members Allowances	63
Staffing to deliver priority service improvements	240
Various other demand led and contract pressures	26
	<u>576</u>

Savings

Efficiencies from Coroner merged service	(261)
Review of contracts	(38)
Service redesign	(448)
	<u>(747)</u>

Total

(171)

Service Commentary

Chief Executive, Legal and Democratic Services provides all the Council's legal services, the Registration of Births, Deaths & Marriages, Her Majesty's Coroners Services for Devon, Torbay and Plymouth, Lord Lieutenant, Democratic and Elected Member Services, Scrutiny, Equality, Diversity, and Inclusion, External Communications, Marketing and Digital, Customer Complaints, Ombudsman, Insurance and Information Governance. The Directorate is responsible for the Council's constitution and the Member's Code of Conduct.

There are a number of pressures affecting the service, not least the increasing demands for legal support in respect of childcare and safeguarding adults, contract and procurement. The Directorate has had a number of services join this past 6 months and is currently in the process of re-structuring and realigning resources.

Service Statistics and Other Information

	Unit of Measurement	2024/25 estimates	Change	2025/26 estimates
Coroner Service				
Deaths Reported	No.	2,457	(252)	2,205
Inquests opened	No.	363	10	373
Body Removals	No.	1,451	71	1,522
Post-mortems	No.	1,062	41	1,103
Registration Service				
Certificates Issued	No.	59,000	(6,960)	52,040
Ceremonies Performed	No.	5,572	88	5,660
Premises licences issued	No.	51	(5)	46

Finance and Public Value

2024/25 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2025/26 Outturn Budget £'000	2025/26 Net Changes £'000
Core Finance Services					
3,755	Accountancy Services	4,864	(1,617)	3,247	(508)
669	Corporate Management and Commissioning	1,799	(997)	802	133
2,819	Financial Systems, Processes and Compliance	4,186	(914)	3,272	453
1,701	Strategic Financial Planning	4,500	(2,652)	1,848	147
8,944		15,349	(6,180)	9,169	225
Other Finance Services					
130	Bank Charges	133	0	133	3
50	Council Tax Support Partnership	51	0	51	1
312	External Audit	367	0	367	55
4,678	Unfunded Pensions	7,620	(3,048)	4,572	(106)
5,170		8,171	(3,048)	5,123	(47)
1,115	Procurement	2,559	(1,424)	1,135	20
15,229		26,079	(10,652)	15,427	198

Analysis of changes:	£'000
Inflation, National Living Wage, and other pressures	
Inflation and National Living Wage	303
Increase in external audit fees	49
Staffing to deliver priority service improvements	760
	<u>1,112</u>
Savings	
Reduction in unfunded pensions commitments	(200)
Service Redesign	(664)
	<u>(864)</u>
Alternative funding and additional income	
Late payment interest charges	(50)
	<u>(50)</u>
Total	198

Service Commentary

Finance and Public Value provides a range of finance and procurement services. The combining of Finance and Procurement early in 2022 enables a greater focus towards achieving Best Value and closer working in these key service areas. The vision for the service is to be a Partner, an Enabler of Learning and to provide Stewardship.

Services are provided internally across the Authority and to external clients and partners. Devon Assurance Partnership is a joint service working in partnership with other Devon authorities and provides a comprehensive assurance service covering Internal Audit, Risk Management and Counter Fraud. Peninsula Pensions is a joint service with Somerset Council to provide pensions administration for employers & scheme members of the Local Government Pension Scheme. Client Financial Services team provide help and support to social care clients, and Court of Protection provide help and support to vulnerable clients in the management of their affairs. Our Investments Team provide treasury management services to the Authority and manage Pension Fund strategy and investments of over £6 billion. Procurement provides strategic procurement support across the Authority including collaborative initiatives such as the Southern Construction Framework and others.

During 2022 a procurement was undertaken to replace our core finance system. Implementation of the new Unit 4 Enterprise Resource Planning (ERP) system over the past eighteen months brings new opportunities to develop innovative new practice to drive greater efficiency and value for the Authority. 2025/26 is a key year to realise the benefits of the new system.

Service Statistics and Other Information

	Unit of Measurement	2024/25 estimates	Change	2025/26 estimates
Pensions Administration				
Completed cases (DCC Fund – all members)				
High Priority	No.	14,500	800	15,300
Medium Priority	No.	25,200	1,400	26,600
Low Priority	No.	6,200	300	6,500
Debt Management				
Debtors raised	No.	106,000	(1,000)	105,000
Debtors raised	£000	339,000	14,508	353,508
Payments				
Invoices paid	No.	416,000	(16,610)	399,390
Proportion paid using BACS	Percentage	99.9	0.0	99.9
Procurement				
Invitations to Tender issued	No.	250	(8)	242
Contract awarded	No.	405	(34)	371

Transformation and Business Services

2024/25		Gross	Gross	2025/26	2025/26
Adjusted		Expenditure	Income	Outturn	Net
Budget		£'000	£'000	Budget	Changes
£'000		£'000	£'000	£'000	£'000
7,319	Business Services	10,313	(2,611)	7,702	383
11,318	Digital Technology Service	14,566	(2,281)	12,285	967
	Estates				
1,054	Building Maintenance	1,057	(3)	1,054	0
2,498	Corporate Estates	2,981	(598)	2,383	(115)
(534)	County Farms Estate	882	(1,432)	(550)	(16)
2,650	Facilities Management	4,446	(1,803)	2,643	(7)
(4,340)	Private Finance Initiatives	4,637	(9,085)	(4,448)	(108)
1,328		14,003	(12,921)	1,082	(246)
19,965		38,882	(17,813)	21,069	1,104

Analysis of changes: **£'000**

Inflation, National Living Wage, and other pressures

Inflation and National Living Wage	558
ICT Strategic Investment	1,684
	<u>2,242</u>

Savings

Service redesign	(927)
Review of contracts	(211)
	<u>(1,138)</u>

Total **1,104**

Service Commentary

Transformation and Business Services supports the Council's change agenda and also ensures that critical services including IT, digital, business support and property are delivered to ensure the smooth running of the Council.

Operationally the Service is responsible for key support to frontline service delivery including Information and Communications Technology, Property Asset Strategy, Land and Property Management (including the County Farms Estate), Facilities Management, Business Support (both front line and back office), Digital Transformation, Cyber Security, Emergency Planning and Business Resilience.

Over the coming year the focus of work to improve and effect change in the Council aligned to the Council's Corporate Plan and the Council's Change and Improvement Priorities will continue and be enhanced through support within SEND, the property change programme and Children's Services improvement.

Aligned to the Council's risk register the management and mitigations relating to cyber security continue to be an area of significant focus and priority for the Council and more widely business resilience, alongside ensuring the delivery of the Council's property change programme to repurpose assets and ensuring a sustainable level of capital receipts are generated through property rationalisation.

Service Statistics and Other Information

	Unit of Measurement	2024/25 estimates	Change	2025/26 estimates
Property				
Owned or leased operational properties (excl farms)	No.	403	(23)	380
County Farms Estate				
No of Farms	No.	64	0	64
Total acreage	Acres	9,562	(9)	9,553
IT Infrastructure & Support				
Managed Devices	No.	6,353	15	6,368
Networked Sites	No.	173	(21)	152
Active User accounts (DCC IT systems)	No.	5,771	211	5,982
WiFi points	No.	275	14	289
Cases raised to IT Helpdesk by phone	No.	12,314	(1,691)	10,623
Cases raised to IT Helpdesk online	No.	32,826	(690)	32,136
Digital Services supported	No.	34	2	36
Mobile Data used	TB	45	6	51

People and Culture

2024/25				2025/26	2025/26
Adjusted		Gross	Gross	Outturn	Net
Budget		Expenditure	Income	Budget	Changes
£'000		£'000	£'000	£'000	£'000
People and Culture					
1,199	HR Helpline and Support Services	1,193	(8)	1,185	(14)
1,485	HR Operations	2,609	(1,094)	1,515	30
341	Management and Trade Unions	591	(244)	347	6
2,888	Organisational Development	2,598	(159)	2,439	(449)
87	Payroll Services	1,325	(1,359)	(34)	(121)
1,169	Recruitment and Retention	2,730	(1,390)	1,340	171
7,169		11,046	(4,254)	6,792	(377)

Analysis of changes:

£'000

Inflation, National Living Wage, and other pressures

Inflation and National Living Wage

143

143

Savings

Service redesign

(594)

Review of contracts

(26)

(620)

Alternative funding and additional income

Reduction in income streams

100

100

Total

(377)

Service Commentary

The focus of the People & Culture Directorate is our workforce – ensuring we are working well – both in terms of the performance of our work, but also that we are happy in our environment. At a practical level this includes how we recruit, retain, and develop staff with the right skills and experience to achieve the strategic purposes of the Authority, but also more from a cultural perspective in terms of our mindsets and how we behave towards each other. We aim to create a culture that supports and enables high performance, helping us to be a trusted, inclusive, and innovative council.

We have recently developed our first People Strategy (2023 – 25) which sets the overall direction for both the Directorate as well as the organisation from a workforce perspective. Delivery of its Action Plan and 6 themes (Voice, Recruitment, Learning, Wellbeing, Belonging and Reward) will be the key focus of the directorate.

Coupled with the delivery of the People Strategy, the drive to transform and change services continues to be acute. Balancing those demands for support from front line services, within the available financial envelope, remains a key pressure. There is a critical balance in resourcing activities within the Directorate to ensure delivery of both operational support to front line services – such as in relation to Health & Safety, managing absence, disciplinary and grievances, safe and effective recruitment, apprenticeships, learning & development, and payroll – alongside leading on more strategic and long-term projects, such as workforce planning and organisational wide development. The directorate will support the organisation in relation to redesign and enabling the Council to have the right people, in the right structures to deliver a stronger and more sustainable Council.

The financial challenges also mean there is an increased need to make the best use of the skills within our workforce alongside continuing to attract and retain good quality staff in a highly competitive market. There will also be other external developments that will impact on the workforce, such as employment related legislative changes, which will need to be identified and addressed. All of these demands will form challenges the directorate will need to meet over the coming year.

Service Statistics and Other Information

	Unit of Measurement	2024/25 estimates	Change	2025/26 estimates
DCC Headcount – contracted workforce excl schools	No.	5,150	20	5,170
Apprentices employed	No.	90	0	90
Payslips issued	No.	194,000	(10,000)	184,000
HR direct and operational/consultancy cases	No.	3,566	457	4,023
DBS checks processed	No.	24,000	(4,000)	20,000
Recruitment Adverts processed	No.	7,000	(2,000)	5,000
Employment contracts processed	No.	1,290	0	1,290
Temp bank workers processed	No.	500	(100)	400
Temp Bank workers placed	No.	400	0	400

Climate Change, Environment & Transport

How the 2025/26 Budget has been built up

	2024/25 Adjusted Budget £'000	Changes £'000	2025/26 Outturn Budget £'000
Highways and Infrastructure Development	29,658	125	29,783
Planning	3,062	57	3,119
Transport Operations, Environment Waste	52,033	2,668	54,701
Total	84,753	2,850	87,603

	Change £' 000
Reasons for changes in Revenue Budget	
Inflation, National Living Wage, and other pressures	
Inflation and National Living Wage	3,346
Preparation for new Highways term maintenance contract	150
Bus subsidies and National Travel Scheme	395
Environmental initiatives	137
Growth in Waste tonnages	620
Maintenance of biodiversity net gain	10
	<u>4,658</u>
Savings	
Service redesign	(1,000)
Street Lighting energy savings from additional dimming and rates reduction	(560)
Gritter maintenance savings from capital investment	(75)
Reduction in household waste recycling centres opening hours	(23)
	<u>(1,658)</u>
Alternative sources of funding and additional income	
Waste contract profit sharing	(150)
	<u>(150)</u>
Total	2,850

Analysis of Total Expenditure for 2025/26

	Gross Expenditure £'000	Grant and Contribution £'000	External Income £'000	Internal Income £'000	Net Expenditure £'000
Highways and Infrastructure Development	36,024	(117)	(4,116)	(2,008)	29,783
Planning	3,229	0	(103)	(7)	3,119
Transport Operations, Environment Waste	61,942	(1,182)	(5,141)	(918)	54,701
Total	101,195	(1,299)	(9,360)	(2,933)	87,603

The following services (which are not included above) are wholly self-funded and do not directly impact on Council Tax.

	Gross Expenditure £'000	Grant and Contribution £'000	External Income £'000	Internal Income £'000	Net Expenditure £'000
Highways and Infrastructure Development					
Highways Permit Scheme	1,733	0	(1,733)	0	0
LEVI Capability Funding	38	(38)	0	0	0
On Street Parking	8,952	(96)	(8,856)	0	0
Transport Operations, Environment Waste					
AONB Blackdown Hills	250	(236)	0	(14)	0
AONB North Devon	218	(200)	0	(18)	0
Devon Maritime Forum	36	(3)	(3)	(30)	0
Exe Estuary Partnership	42	(25)	(6)	(11)	0
Other Countryside Projects	708	(708)	0	0	0
NHS Patient Transport Advice Service	4,496	0	(4,496)	0	0
Transport Co-ordination Service	8,255	(6,427)	(1,810)	(18)	0
Total	24,728	(7,733)	(16,904)	(91)	0
Grand total	125,923	(9,032)	(26,264)	(3,024)	87,603

Highways and Infrastructure Development

2024/25 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2025/26 Outturn Budget £'000	2025/26 Net Changes £'000
Highway Maintenance					
6,535	Cyclic Maintenance	6,878	0	6,878	343
5,225	Highway Lighting	4,688	0	4,688	(537)
750	Maintenance of Public Rights of Way	785	(35)	750	0
46	Other Highway Services	166	(120)	46	0
358	Retaining Walls and Bridges	376	0	376	18
4,414	Routine Maintenance	4,639	0	4,639	225
5,388	Safety Reaction	5,662	0	5,662	274
3,202	Winter and Emergencies	3,290	0	3,290	88
25,918		26,484	(155)	26,329	411
4,605	Highway Network Management	8,354	(4,162)	4,192	(413)
30,523		34,838	(4,317)	30,521	(2)
251	Highways Development Management	1,164	(892)	272	21
Infrastructure Development					
196	Compliance Surveys - School Buildings	196	0	196	0
(1,395)	Engineering and Design Group	(232)	(1,057)	(1,289)	106
83	Schools Estates Work	83	0	83	0
(1,116)		47	(1,057)	(1,010)	106
29,658		36,049	(6,266)	29,783	125

Analysis of Changes: **£'000**

Inflation, National Living Wage, and other pressures

Inflation and National Living Wage	1,350
Preparation for new Highways term maintenance contract	150
Maintenance of biodiversity net gain	10
	1,510

Savings

Service redesign	(750)
Street Lighting energy savings from rate reduction and additional dimming	(560)
Gritter maintenance savings from capital investment	(75)
	(1,385)

Total **125**

Service Commentary

The Highways and Infrastructure Development service includes Highways and Traffic Management, Highways Development Management and the Engineering Design Group.

The purpose of the Highways and Traffic Management Service is to safely connect people in Devon to the people and places that matter to them and to enable people, communities and business to thrive. The service is driving efficiency in the way it works, through managing demand and enabling community self help.

The service adopts asset management principles to identify priority needs and to focus the available funding on reducing whole life maintenance costs, for example by delivering preventative maintenance rather than repairing roads on a worst first basis. The main road network is being maintained in a good condition; however, parts of the minor road network are in poor condition. Such roads will be kept safe by repairing safety defects in accordance with adopted policy.

The service continually reviews its approach to maintenance and adopts new technology and innovation from across the sector and shares learning and experience with peers. The reduction of carbon emissions from maintenance operations is a key objective for the service.

The service works in a collaborative way with its contractors, communities, and individuals, which is enabling Devon to maximise Government capital funding. Service discipline on spending enables the service to respond to in year changes and pressures due, for example, to extreme weather events.

The Highways Development Management Team comment on behalf of the highway authority to planning applications. These range from small access alterations, new supermarkets, through to sites of several hundred houses in locations across Devon. Additionally they consider potential Local Plan allocations and deal with pre application enquires as well as liaising and then managing the adoption process through legal agreements.

The purpose of the Engineering Design Group is to deliver the Authority's Capital Programme. The Service provides technical engineering consultancy services. The Group is the Authority's intelligent client for the procurement of construction contracts and is focussed on driving efficiency and providing a flexible and responsive service to meet the needs of the Authority.

Service Statistics and Other Information

Service/Activity	Unit of Measurement	2024/25	Change	2025/26
		Estimate		Estimate
Size of Network	Km	12,990	11	13,001
Bridges	No.	3,345	10	3,355
Structural retaining walls (>1.35m height)	No.	1,827	0	1,827
Structural retaining walls (>1.35m height)	Km	125	0	125
Street lights total	No.	80,205	0	80,205
Street lights converted to LED	No.	69,000	1,776	70,776
Street lights operated by Central Management System	No.	25,601	32,934	58,535
Rights of way	Km	5,017	4	5,021
Length of road salted	Km	2,690	10	2,700
Illuminated road markings and signs	No.	10,511	20	10,531
Gullies emptied	No.	156,661	0	156,661
Total grass area cut	m ²	7.78	0.02	7.80
		million	million	million

Transport Operations, Environment and Waste

2024/25 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2025/26 Outturn Budget £'000	2025/26 Net Changes £'000
Environment Service					
887	Environment Policy	1,246	(306)	940	53
946	Flood Risk and Surface Water Management	1,115	(46)	1,069	123
805	Projects and Partnerships	809	(12)	797	(8)
2,638		3,170	(364)	2,806	168
Public and Community Transport					
1,534	Fleet Services	1,688	(154)	1,534	0
7,648	National Concessionary Travel Scheme	8,013	(15)	7,998	350
5,340	Public Transport Support	7,275	(1,051)	6,224	884
1,821	Transport Co-Ordination Service	2,760	(859)	1,901	80
16,343		19,736	(2,079)	17,657	1,314
Waste Disposal and Recycling					
17,948	Disposal of Statutory Waste	23,347	(4,270)	19,077	1,129
510	Landfill Tax on Disposal	510	0	510	0
223	Other Site Related Costs	225	(2)	223	0
7,706	Recycling Centres	8,160	(300)	7,860	154
5,397	Recycling Credits	5,532	0	5,532	135
1,087	Waste Management	855	0	855	(232)
181	Waste Minimisation Activities	407	(226)	181	0
33,052		39,036	(4,798)	34,238	1,186
52,033		61,942	(7,241)	54,701	2,668

Analysis of changes:	£'000
Inflation, National Living Wage, and other pressures	
Inflation and National Living Wage	1,939
Bus subsidies and National Travel Scheme	395
Environmental initiatives	137
Growth in Waste tonnages	620
	<u>3,091</u>
Savings	
Service redesign	(250)
Reduction in household waste recycling centres opening hours	(23)
	<u>(273)</u>
Alternative sources of funding and additional income	
Waste contract profit sharing	(150)
	<u>(150)</u>
Total	2,668

Service Commentary

The Transport Operations, Environment and Waste group of services covers the Transport Coordination Service (TCS), Environmental Policy, Flood Risk Management, Climate Change, Waste Disposal and Recycling.

TCS covers all aspects of passenger transport including subsidised local bus services, the national bus pass, community transport, fleet management and transport services to provide access for education, social care and the NHS. The coming year sees opportunities with an increase in funding from government to enhance the bus service in the county, but it also sees risks due to the slow recovery in patronage and revenue for bus companies following the pandemic.

The Environment Team is leading the climate change agenda where we are working with a number of stakeholders as well as progressing our own range of initiatives. There are also areas of additional responsibility including Bio Diversity Net Gain, the management of Historical Records and around Sustainable Drainage which will impact on the teams work in 2025/26

The Waste Management service is responsible for the disposal of local authority collected waste. The service supports and enables waste prevention activity, manages waste contracts for recycling, treatment, and disposal, provides new waste infrastructure and manages redundant landfill sites. The service works with Waste Collection Authorities to join up waste collection and waste disposal where possible. Only around 2% of Devon's total household waste is now disposed of at landfill sites.

Waste tonnage is extremely volatile and sensitive to both economic and demographic factors and needs to be closely monitored, as fluctuations in tonnages could have a significant impact on the budget. The service will be impacted by ongoing changes in 2025/26, including the separation of waste containing Persistent Organic Pollutants and the introduction of extended producer responsibility for packaging.

Service Statistics and Other Information

Service/Activity	Unit of Measurement	2024/25 Estimate	Change	2025/26 Estimate
Transport Operations				
Local bus services contracts	No.	129	20	149
Ring and Ride community transport schemes	No. of schemes	15	0	15
Community buses	No.	5	(1)	4
Fare car supported taxi schemes	No. of schemes	6	(4)	2
Environment				
Sustainable drainage consultations for major development	No.	530	0	530
Land drainage consents	No.	150	10	160
Historic records updated	No. updated	7,000	(1,400)	5,600
Waste				
Municipal waste disposal to landfill	Tonnes	5,000	0	5,000
Municipal waste recycled (excl. soil & rubble)	Tonnes	190,000	5,000	195,000
Trade Waste - rechargeable income	Tonnes	10,000	0	10,000
Municipal waste sent for energy recovery	Tonnes	155,000	10,000	165,000
Recycling, reusing and composting	Percentage	54.0	0.5	54.5
Recycling centres provided	No.	19	0	19
Landfill sites after care	No.	58	0	58

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Planning

2024/25 Adjusted Budget £'000		Gross Expenditure £'000	Gross Income £'000	2025/26 Outturn Budget £'000	2025/26 Net Changes £'000
Planning and Transportation					
442	Development Management	534	(83)	451	9
2,620	Planning and Transportation	2,695	(27)	2,668	48
3,062		3,229	(110)	3,119	57

Analysis of changes:	£'000
Inflation, National Living Wage, and other pressures	
Inflation and National Living Wage	57
	<u>57</u>
Total	57

Service Commentary

The Planning group of services covers the planning, transport planning, road safety and schools place planning teams.

The planning team fulfils the Minerals and Waste planning authority function of the Council with responsibility for determining planning applications relating to minerals and waste development and applications for its own use including schools and transport schemes. The team support District Council Local Plan processes, providing policy and technical advice relating to the County's interests and developing infrastructure delivery plans.

The transport planning team fulfils the County's local transport authority role and is responsible for producing the Local Transport Plan and associated transport strategies. The team manages the transport capital programme and has a client role, commissioning teams to deliver schemes. The team also develops business cases for larger infrastructure projects to support bids for Government and other external funding.

The road safety team has a statutory role to monitor collisions on Devon's road network and take steps to reduce and prevent accidents from occurring.

The schools place planning team produces an Education Infrastructure Plan which identifies future primary, secondary and special educational needs and disability needs across the County. This work supports the District Council Local Plan processes. The team also support the Primary and Secondary school admissions process and the legislative and statutory changes including new schools, enlargement and closures.

Service Statistics and Other Information

Service/Activity	Unit of Measurement	2024/25	Change	2025/26
		Estimate		Estimate
County Matter applications	No.	25	0	25
County Council development applications	No.	30	(10)	20

Grants Paid to External Organisations

2024/25 £'000	2025/26 £'000
Service and Grant Title	
Transport Operations and Environment	
58 Protected Landscapes (East, South and Tamar)	66
40 Dorset & East Devon World Heritage site (Jurassic Coast)	40
25 Cornwall & West Devon Mining Landscape World Heritage site	26
26 South West Energy & Environment group	26
6 Wembury Centre	6
3 Tamar Estuaries consultative forum	3
1 Teign Estuary Partnership	1
20 Devon Wildlife Trust Nature Improvement Area Project	20
40 Devon & Cornwall Rail Partnership	40
248 Community bodies - Transport Ring & Ride	248
467	476
Services for Communities	
500 Citizens Advice Bureau	500
62 Devon Communities Together	62
562	562
Public Health	
10 Contribution to NHSE - Mental Health Treatment Requirements	0
10	0
Highways and Infrastructure Development	
9 Meldon Viaduct	10
9	10
1,048 TOTAL	1,048

Staffing Data 2025/26

	2024/25	Changes	2025/26		Total
	Adjusted Total FTEs		FTEs	Revenue Funded FTEs	
Communities	51	1	18	34	52
Public Health	269	(22)	0	247	247
Public Health and Communities	320	(21)	18	281	299
Economy, Enterprise and Skills	181	27	78	130	208
Performance and Policy	45	0	44	1	45
Performance and Partnerships	226	27	122	131	253
Chief Exec, Legal and Democratic Service	214	14	222	6	228
Finance and Public Value	407	(21)	247	139	386
People and Culture	249	(9)	201	39	240
Transformation and Business Services	518	(9)	446	63	509
Corporate Services	1,388	(25)	1,116	247	1,363
Highways and Infrastructure Development	395	7	400	2	402
Planning	63	(1)	62	0	62
Transport Operations, Environment Waste	134	(3)	102	29	131
Climate Change, Environment and Transport	592	3	564	31	595
Total	2,526	(16)	1,820	690	2,510

Explanation of Movements**Communities and Citizens Engagement**

Externally funded - Active Devon restructure	1
	<hr/>
	1

Performance and Partnerships

Externally funded - Learn Devon restructure	4
Careers South West - TUPE	30
Externally funded - various projects	(3)
Economy Service- Service redesign	(4)
	<hr/>
	27

Public Health

Externally funded - realignment of activities	4
Externally funded - Nursing review of need	(26)
	<hr/>
	(22)

Chief Executive, Legal, and Democratic Services

Service redesign	(6)
Legal Services restructure	20
	<hr/>
	14

Finance and Public Value

Service redesign	(14)
Staff to deliver priority service improvements	8
Future Finance project staff	(15)
	<hr/>
	(21)

People and Culture

Service redesign	(9)
	<hr/>
	(9)

Transformation and Business Services

Service redesign	(9)
	<hr/>
	(9)

Highways and Infrastructure Development

Highways Licensing posts	5
Third Party Defect Officers	2
	<hr/>
	7

Planning

Externally funded project staff	(1)
	<hr/>
	(1)

Transport Operations, Environment and Waste

Service redesign	(5)
Environment Officers - externally funded	2
	<hr/>
	(3)

Total	(16)
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Capital Programme

Appendix A

Increases and Decreases to the Capital Programme

Corporate Infrastructure & Regulatory Service areas, only

	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total
Corporate Funding - Additions						
Fleet Vehicle purchases	769	0	0	0	0	769
Winter Maintenance Vehicle Purchases	550	0	0	0	0	550
Operating Model ICT Replacement and Renewal	400	1,270	1,746	1,412	1,554	6,382
County Farms Estate Enhancement Programme	450	0	0	0	0	450
Subtotal: Corporate Funding - Additions	2,169	1,270	1,746	1,412	1,554	8,151
Corporate Funding - Additions via flexible use of Capital Receipts						
Service Redesign - All Services	3,000	0	0	0	0	3,000
Subtotal: Corporate Funding - Additions via flexible use of Capital Receipts	3,000	0	0	0	0	3,000
Corporate Funding - Replaced by External Funding						
A361 North Devon Link Road	(836)	0	0	0	0	(836)
Subtotal: Corporate Funding - Replaced by External Funding	(836)	0	0	0	0	(836)
Corporate Funding - Reduction						
A361 North Devon Link Road	(2,863)	0	0	0	0	(2,863)
Tavistock Household Waste Recycling Centre	(4,210)	(601)	0	0	0	(4,811)
Subtotal: Corporate Funding - Reduction	(7,073)	(601)	0	0	0	(7,674)
Corporately funded - Reprofiting						
Plymouth & South Devon Freeport - Spine Road Extension Phase 1B	(7,959)	3,979	3,980	0	0	0
Destination Exmouth Levelling Up Fund	(250)	250	0	0	0	0
Flood Prevention Works	(65)	65	0	0	0	0
Subtotal: Corporately funded - Reprofiting	(8,274)	4,294	3,980	0	0	0
Total Increase (Reduction) to Corporate Capital Programme	(11,014)	4,963	5,726	1,412	1,554	2,641
Total Introduction of (or changes to) Externally funded projects - CIRS only	3,102	25,090	17,804	8,684	67,045	121,725
Total Increase (Decrease) to Capital Programme	(7,912)	30,053	23,530	10,096	68,599	124,366
Financed by:						
	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
Borrowing	(13,941)	4,963	5,726	1,412	1,554	(286)
Capital Receipts	2,927	0	0	0	0	2,927
External Funding	3,102	25,090	17,804	8,684	67,045	121,725
Total Capital Financing	(7,912)	30,053	23,530	10,096	68,599	124,366

Introduction of (or changes to) Externally Funded Projects

Project	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total
External Funding - Grants						
<i>Climate Change, Environment & Transport</i>						
<i>Highways, Infrastructure, Development & Waste</i>						
Local Transport Capital Funding Highways Maintenance and Pothole Fund	25,186	8,294	8,294	8,294	61,117	111,185
Local Transport Capital Funding Integrated Transport Block	0	0	0	0	3,628	3,628
<i>Highways, Infrastructure, Development & Waste - Schools</i>						
DDA projects (contingency)	200	0	0	0	0	200
Estimate Capital Maintenance - SCA Grant	(2,600)	0	0	0	600	(2,000)
Appledore Community Primary School Replace heaters	69	0	0	0	0	69
Bradley Barton Primary/Nursery Replacement windows	104	0	0	0	0	104
Chudleigh C of E Community Primary Fit doors	51	0	0	0	0	51
Decoy Primary School Bell Tower and pitched roof	96	0	0	0	0	96
Ellen Tinkham School Replace doors/frames	16	0	0	0	0	16
Exeter Road Primary School Fire Compartmentation Work	79	0	0	0	0	79
Exminster Community Primary Flat Roof replacements and guttering	82	0	0	0	0	82
Halberton Primary Doors, fascias, gable end wall, CO Detection	31	0	0	0	0	31
Landscore Primary School Roofing Work	769	0	0	0	0	769
Marland School Fire compartmentation Work	98	0	0	0	0	98
MUMIS (contingency)	180	0	0	0	0	180
Schools capital maintenance (contingency)	644	0	0	0	0	644
Seaton Primary School Flue, heating panels, distrib. Boards	40	0	0	0	0	40
The Grove Primary School Replacement HWS Heater	30	0	0	0	0	30
The Lampard School Fire Compartmentation Work	92	0	0	0	0	92
Tiverton High School Fire Doors, flooring, smoke seals	150	0	0	0	0	150
Two Moors Primary Blks 02 & 03 remedial work	24	0	0	0	0	24
West Exe Nursery School Replacement Windows/doors	78	0	0	0	0	78

<i>Planning, Transportation & Environment</i>						
A382 Live Labs Carbon Negative Project	(1,000)	1,000	0	0	0	0
Safer Roads Fund A361 Knowle to Mullacott Cross	(1,800)	(500)	1,960	340	0	0
<i>Planning, Transportation & Environment - Schools</i>						
Confirmed Basic Need Allocation	(4,516)	2,451	3,000	0	0	935
Braunton Academy - Additional Accommodation	(800)	0	0	0	0	(800)
Dawlish College - replace ROSLA block	(500)	500	0	0	0	0
Exmouth Community College Expansion	(467)	167	0	0	0	(300)
Willand School - Studio	230	50	0	0	0	280
<i>Planning, Transportation & Environment - SEND</i>						
SEND Places (new build and expansion)	(9,513)	4,068	4,500	0	0	(945)
Exeter College - SEND improvements	1,000	4,100	0	0	0	5,100
Mill Water School - Extension	300	0	0	0	0	300
River Dart Academy - Dartington School site development	(506)	506	0	0	0	0
<i>CIRS External Funding - Grants</i>	7,847	20,636	17,754	8,634	65,345	120,216
External Funding - Contributions						
<i>Climate Change, Environment & Transport</i>						
<i>Planning, Transportation & Environment</i>						
A361 North Devon Link Road	(831)	831	0	0	0	0
<i>CIRS External Funding - Contributions</i>	(831)	831	0	0	0	0
External Funding - S106 Contributions						
<i>Climate Change, Environment & Transport</i>						
<i>Planning, Transportation & Environment</i>						
A361 North Devon Link Road	(1,446)	482	50	50	1,700	836
<i>Childrens & Strategic Schools Expansion</i>						
Exeter Creative Free School Contribution	(1,146)	1,146	0	0	0	0
Ivybridge College -Additional Accommodation	(1,000)	1,000	0	0	0	0
Pilton Community College - Additional Accommodation	(591)	591	0	0	0	0
Uffculme School Specialised Classrooms and Improvements	110	404	0	0	0	514
Willand School - Studio	159	0	0	0	0	159
<i>CIRS External Funding - S106 Contributions</i>	(3,914)	3,623	50	50	1,700	1,509
Total Introduction of (or changes to) Externally funded projects	3,102	25,090	17,804	8,684	67,045	121,725

Appendix B

The following table details the medium term capital programme for this service and how that programme is being funded

Public Health and Communities

Total Approval (includes prior years) Public Health & Communities £'000 Capital Expenditure:	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000
Commissioning Services For Communities					
N/A Youth service minor capital works	27	27	0	0	0
Commissioning Services For Communities Total	27	27	0	0	0
Public Health, Communities & Prosperity Total	27	27	0	0	0
Financed by:					
Borrowing - Internal/External	27	27	0	0	0
Total Financing	27	27	0	0	0

* Financing through borrowing will be by internal borrowing where feasible but may require use of external borrowing instead depending on availability of cash resources through treasury management

This table does not show expenditure on capital projects currently programmed in financial year 2024/25 which may be deferred to 2025/26 or future years.

Performance & Partnerships

Total Approval (includes prior years) Performance & Partnerships £'000 Capital Expenditure:		2025/26	2026/27	2027/28	2028/29	2029/30
		£'000	£'000	£'000	£'000	£'000
Economy, Enterprise and Skills						
577	Mullacott - Industrial estate road	235	0	0	0	0
Economy, Enterprise and Skills Total		235	0	0	0	0
Performance & Partnerships Total		235	0	0	0	0
Financed by:						
	Borrowing - Internal/External*	235	0	0	0	0
Total Financing		235	0	0	0	0

* Financing through borrowing will be by internal borrowing where feasible but may require use of external borrowing instead depending on availability of cash resources through treasury management

This table does not show expenditure on capital projects currently programmed in financial year 2024/25 which may be deferred to 2025/26 or future years.

Transformation & Resources

Total Approval (includes prior years) Transformation & Resources £'000 Capital Expenditure:	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000
N/A Building Maintenance	675	675	0	0	0
N/A County Farms Estate Enhancement Programme	900	0	0	0	0
N/A Operating Model ICT Replacement and Renewal	2,425	1,470	1,746	1,412	1,554
N/A Property Enabling Budget	113	113	0	0	0
N/A Replace and Upgrade Corporate Estate	450	450	0	0	0
3,000 Service Redesign - All Services	3,000	0	0	0	0
Transformation & Resources Total	7,563	2,708	1,746	1,412	1,554
Financed by:					
Borrowing - Internal/External*	4,563	2,708	1,746	1,412	1,554
Flexible Use of Capital Receipts	3,000	0	0	0	0
Total Financing	7,563	2,708	1,746	1,412	1,554

* Financing through borrowing will be by internal borrowing where feasible but may require use of external borrowing instead depending on availability of cash resources through treasury management

This table does not show expenditure on capital projects currently programmed in financial year 2024/25 which may be deferred to 2025/26 or future years.

Climate Change, Environment & Transport

Total Approval
(includes prior
years)

Climate Change, Environment & Transport £'000 Capital Expenditure:	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000
Highways, Infrastructure Development and Waste					
Schools Maintenance and Improvements					
Committed Works					
N/A DDA projects (contingency)	200	0	0	0	0
N/A MUMIS (contingency)	180	0	0	0	0
N/A Schools Capital Maintenance (contingency)	644	0	0	0	0
Planned Works					
69 Appledore Community Primary School Replace heaters	69	0	0	0	0
104 Bradley Barton Primary/Nursery Replacement windows	104	0	0	0	0
51 Chudleigh C of E Community Primary Fit doors	51	0	0	0	0
96 Decoy Primary School Bell Tower and pitched roof	96	0	0	0	0
16 Ellen Tinkham School Replace doors/frames	16	0	0	0	0
79 Exeter Road Primary School Fire Compartmentation Work	79	0	0	0	0
82 Exminster Community Primary Flat Roof replacements and guttering	82	0	0	0	0
30 The Grove Primary School Replacement HWS Heater	30	0	0	0	0
31 Halberton Primary Doors, fascias, gable end wall, CO Detection	31	0	0	0	0
92 The Lampard School Fire Compartmentation Work	92	0	0	0	0
828 Landscore Primary School Roofing Work	769	0	0	0	0
98 Marland School Fire compartmentation Work	98	0	0	0	0
40 Seaton Primary School Flue, heating panels, distrib. Boards	40	0	0	0	0
150 Tiverton High School Fire Doors, flooring, smoke seals	150	0	0	0	0
24 Two Moors Primary Blks 02 & 03 remedial work	24	0	0	0	0
78 West Exe Nursery School Replacement Windows/doors	78	0	0	0	0
N/A Estimate Capital Maintenance - SCA Grant	0	2,100	1,600	1,100	600
Schools Maintenance and Improvements Total	2,833	2,100	1,600	1,100	600

Waste

1,000 Tavistock Household Waste Recycling Centre	261	349	0	0	0
N/A Waste Recycling Centre - Capital works	165	165	0	0	0
Waste Total	426	514	0	0	0

Highways

N/A Local Transport Capital Funding Highways Maintenance and Pothole Fund	78,009	61,117	61,117	61,117	61,117
1,500 A379 Bridge Road DfT Major Road Network	375	0	0	0	0
N/A Fleet Vehicle purchases	769	0	0	0	0
500 Green Light Fund (GLF) Traffic signals	130	0	0	0	0
140 Traffic Signal Obsolescence Grant (TSOG)	55	0	0	0	0
N/A Winter Maintenance Vehicle Purchases	550	0	0	0	0
Highways Total	79,888	61,117	61,117	61,117	61,117
Highways, Infrastructure Development and Waste Total	83,147	63,731	62,717	62,217	61,717

Planning, Transportation and Environment

Major Infrastructure Schemes

64,767 A361 North Devon Link Road	473	1,364	100	100	1,700
3,682 A382 Live Labs Carbon Negative Project	660	1,000	0	0	0
1,440 Active Travel Fund Mallison Bridge, Exeter	850	0	0	0	0
600 Connecting the Culm Blueprint Delivery 23-27	205	190	0	0	0
25 Cranbrook to Exeter Multi Use Path	25	0	0	0	0
17,518 Destination Exmouth Levelling Up Fund	10,635	250	0	0	0
N/A Local Transport Capital Funding Integrated Transport Block	3,733	3,628	3,628	3,628	3,628
725 Longbridge junction traffic signal changes	315	0	0	0	0
140 Pedestrian, Cycle & Vehicle Upgrades Beacon Lane	100	0	0	0	0
8,607 Plymouth & South Devon Freeport - Spine Road Extension Phase 1B	310	3,979	3,980	0	0
10,540 Plymouth & South Devon Freeport - A38 Cycle & Pedestrian Bridge	6,020	0	0	0	0
5,040 Safer Roads Fund A361 Knowle to Mullacott Cross	0	1,800	2,300	340	0
48,608 South West Exeter Housing Infrastructure Fund	15,506	0	0	0	0
4,623 Tiverton Eastern Urban Extension Phase 1	5	0	0	0	0
636 Tiverton Blundells Road Traffic Calming	10	0	0	0	0
14,950 West Devon Transport Hub Levelling Up Fund	8,562	0	0	0	0
Major Infrastructure Schemes Total	47,409	12,211	10,008	4,068	5,328

Environment

7,067 Local Electric Vehicle Infrastructure (LEVI)	2,652	4,069	0	0	0
6,952 Flood & Coastal Innovation & Resilience Programme Phase 2	1,341	422	0	0	0
N/A Flood Prevention Works	548	325	0	0	0
Environment Total	4,541	4,816	0	0	0

Childrens & Strategic Schools Expansion

N/A Advanced Design Fees	200	0	0	0	0
N/A Confirmed Basic Need Allocation	1,163	5,781	8,530	0	0
1,800 Cranbrook Education Campus (Academy) - New build - Phase 1	600	0	0	0	0
1,132 Dawlish College - replace ROSLA block	0	500	0	0	0
1,146 Exeter Creative Free School Contribution	0	1,146	0	0	0
4,148 Exmouth Community College Expansion	0	167	0	0	0
2,511 Ivybridge College -Additional Accommodation	500	1,251	0	0	0
347 Loddiswell Primary - Single classroom extension	7	0	0	0	0
966 Pilton Community College - Additional Accommodation	0	591	0	0	0
514 Uffculme School Specialised Classrooms and Improvements	110	404	0	0	0
551 Willand School - Studio	389	50	0	0	0
Childrens & Strategic Schools Expansion Total	2,969	9,890	8,530	0	0

SEND Programme

5,200 Exeter College - SEND improvements	1,000	4,100	0	0	0
3,200 Petroc College - SEND improvements	2,700	0	0	0	0
1,500 The Alexander Centre - Tavistock	1,318	0	0	0	0
9,832 Mill Water School - Extension	415	0	0	0	0
750 River Dart Academy - Dartington School site development	0	506	0	0	0
N/A SEND Places (new build and expansion)	807	4,068	4,500	0	0
SEND Programme Total	6,240	8,674	4,500	0	0

Planning, Transportation & Environment Total	61,159	35,591	23,038	4,068	5,328
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Climate Change, Environment & Transport Total	144,306	99,322	85,755	66,285	67,045
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Financed by:

Borrowing - External (Freeport)	6,330	3,979	3,980	0	0
Borrowing - Internal/External*	4,063	1,089	0	0	0
External Funding - Contributions	8,877	831	0	0	0
External Funding - Grants	123,708	89,498	81,675	66,185	65,345
External Funding - S106	1,328	3,925	100	100	1,700
Total Financing	144,306	99,322	85,755	66,285	67,045

* Financing through borrowing will be by internal borrowing where feasible but may require use of external borrowing instead depending on availability of cash resources through treasury management

This table does not show expenditure on capital projects currently programmed in financial year 2024/25 which may be deferred to 2025/26 or future years.

Capital - Risk Assessment

Risks to the capital programme and mitigations are set out below, using the following Risk Matrix

LIKELIHOOD	6	12	18	24	30
	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	IMPACT				

Risk Title:	Inherent Score	Current (Mitigated) Score	Mitigations
Capital Scheme costs are higher than estimated	Impact: 4 Likelihood: 5 20 – High	Impact: 2 Likelihood: 4 8 – Low	<ul style="list-style-type: none"> • Early engagement of expert advice and qualified professionals. • Works which may be susceptible to seasonal variations are programmed during less volatile seasons wherever possible. • Projects and the economic climate monitored on a regular basis, and contingency built into major schemes to lessen the overall impact. • Legal team are engaged early to draft contracts with default terms clearly communicated and understood to mitigate risk of litigation. • Project boards set up for Major Schemes to try to identify synergies early. • Capital Programme may be slowed, paused or schemes halted to mitigate financial impact.
Risk Description Due to: <ul style="list-style-type: none"> • Inaccurate or overly optimistic original estimates. • Unexpected events causing increased costs, either inside or outside of our control, as well as additional supply chain, resource and transportation costs. • Economic factors such as inflation and interest rates. • Default event by either party resulting in litigation. • Agreed changes to original scheme scope. • Scheme costs may increase, resulting in: <ul style="list-style-type: none"> ○ Unexpected gap to be financed ○ Default fines ○ Reduction in funds available to other schemes ○ Increased internal borrowing or requirement to externally borrow. 			

<p>Risk Title:</p> <p>External funding resources are not received</p>	<p>Inherent Score</p> <p>Impact: 3 Likelihood 4 12 – Medium</p>	<p>Current (Mitigated) Score</p> <p>Impact: 2 Likelihood: 3 6 – Low</p>	<p>Mitigations</p> <ul style="list-style-type: none"> • The level of internal borrowing required to finance the capital programme is monitored, and in accordance with borrowing limits.
<p>Risk Description</p> <p>Due to:</p> <ul style="list-style-type: none"> • Expectations around future funding based on prior year funding and current economic climate. • Lack of signed agreements from central government and other bodies. • Changes to central government priority/policy determining where funds are directed or the funds available to bid for. • The expected levels of funding may not be achieved, resulting in a shortfall for the delivery of planned works or schemes. 			<ul style="list-style-type: none"> • The availability of cash resources to support internal borrowing is monitored. • Capital programme is reprioritised, or capital projects reengineered, paused, or deferred. • External funding balances are monitored bi-monthly, including capital receipts. • Triggers are monitored for S106 and CIL payments. • Bi-monthly monitoring of the capital programme including review by Director of Finance and Public Value
<p>Risk Title:</p> <p>Capital Programme is not delivered as planned</p>	<p>Inherent Score</p> <p>Impact: 3 Likelihood 6 18 – High</p>	<p>Current (Mitigated) Score</p> <p>Impact: 3 Likelihood: 4 12 – Medium</p>	<p>Mitigations</p> <ul style="list-style-type: none"> • Development of a Medium Term Capital Programme (MTCP) that can realistically be delivered to the time scales agreed.
<p>Risk Description</p> <p>Delays and longer-term delivery dates, particularly for Major Schemes with multiple funding and partners, due to:</p> <ul style="list-style-type: none"> • Time taken to achieve planning consent, public consultation, environmental factors. • Availability of resource / specialist contractors. • Design reengineering. • Contractual variations. • Seasonal variations. 			<ul style="list-style-type: none"> • Mitigate delays by bringing forward the planned start dates of future projects in the MTCP. • The Capital Programme Group provides challenge and oversight. • Regular review by Director of Finance and Public Value. • Projects are monitored at a service level and board level.

<p>Risk Title:</p> <p>Capital Receipts arising later or lower than forecast</p>	<p>Inherent Score</p> <p>Impact: 4 Likelihood 4 16 – High</p>	<p>Current (Mitigated) Score</p> <p>Impact: 3 Likelihood: 4 12 – Medium</p>	<p>Mitigations</p> <ul style="list-style-type: none"> Alternative funding sources, for example internal or external borrowing may be sought. Capital schemes may be deferred if receipts are generated later than forecast or for a reduced sum. Proceeds from the sale of assets are closely monitored. Governance over disposal of surplus assets through the Property Change Programme reporting to the Land and Property Committee.
<p>Risk Description</p> <p>Forecast capital receipts are estimated by officers and advisors based on local market conditions. Receipts may be lower than expected or not realised, including due to:</p> <ul style="list-style-type: none"> Sale not taking place. Limited supply of assets for sale. Market conditions and economic climate. Lasting economic impact of COVID-19 and the cost-of-living crisis. <p>Resulting in a need to reprioritise schemes.</p>			
<p>Risk Title:</p> <p>Risk of government funding to other geographical areas</p>	<p>Inherent Score</p> <p>Impact: 3 Likelihood 4 12 – Medium</p>	<p>Current (Mitigated) Score</p> <p>Impact: 2 Likelihood: 4 8 – Low</p>	<p>Mitigations</p> <ul style="list-style-type: none"> Projects and the economic climate monitored on a regular basis. Contingency built into major schemes to lessen the overall impact.
<p>Risk Description</p> <p>Central government priority or policy determines where funds are directed or funds available to bid for may result in a reduction in funding for the South West or less opportunity overall to bid for funding.</p>			<ul style="list-style-type: none"> The level of internal borrowing required to finance the capital programme is monitored, and in accordance with borrowing limits. External funding balances are monitored monthly, including capital receipts. Triggers are monitored for S106 and CIL payments. Bi-monthly monitoring of the capital programme including review by the Director of Finance and Public Value. Monitoring by individual project and programme groups.

Risk Title:	Inherent Score	Current (Mitigated) Score	Mitigations
Capital Project aborted due to external forces	Impact: 3 Likelihood 4 12 – Medium	Impact: 2 Likelihood: 3 6 – Low	<ul style="list-style-type: none"> • Alternatives will be investigated to ensure service needs are met by meeting capital objectives, whilst minimising a risk that abortive capital costs impact the revenue budget.
<p>Risk Description</p> <p>Should funding be revoked or an alternative solution be preferred, a capital project may be aborted which results in costs to date becoming revenue in nature.</p> <p>A project may also be aborted as a result of a change in legislation for the service, for example requiring an alternative delivery method, or if an alternative solution is preferred.</p>			<ul style="list-style-type: none"> • If it is not possible to avoid aborting the project, the normal revenue mitigations of in year savings and use of earmarked reserves and balances, may be used. • Process reengineering or pausing a project whilst alternative funding sources are identified are possible mitigations allowable under the Local Government Code of Practice. • Regular monitoring by Director of Finance and Public Value. • Monitoring by individual project and programme groups.

Public Health and Communities - Risk Assessment

Service	Budget 2025/26 £'000	Risk and Impact	Mitigation
Libraries	7,000	As with other services heavily reliant on staff, building based offers and technology, the current inflationary costs are placing significant pressures on budget and sustainable delivery. As a result, the Authority and its commissioned service will need to review the number of books/resources it can purchase, the number of staff and its opening hours, the numbers of buildings it maintains in order that the offer is sustainable and fit for purpose.	<p>Work closely with providers to reduce costs and drive efficiency. Where changes are required consider current user numbers and wider impact. Where appropriate, continue successful promotions and increased use of electronic and online services.</p> <p>Conduct a review of opening hours across the 50 libraries.</p>

Performance and Partnership - Risk Assessment

Service	Budget 2025/26 £'000	Risk and Impact	Mitigation
Budget Reductions (incl. Policy Changes)	447	Reductions are becoming harder to achieve. Some are reliant on externally funded In order to achieve budget reductions, polices are continually being reviewed using a more risk based approach. This may lead to an increase in the risk of challenge or failure.	The priority is to maintain statutory compliance. A rigorous programme with risk assessment has been developed and will be continually monitored during 2025/26 with particular emphasis on high risk or new strategies. Continuous efforts to influence and negotiate with partners will be maintained.

Corporate Service – Risk Assessment

Service	Budget 2025/26 £000	Risk and Impact	Mitigation
All Corporate Services	55,463 (net)	Where the Council insource or offboard staff, this will require significant back-office support including Business Support, ICT, Procurement, Estates, HR, Legal and Finance. Along with responsibility for linked assets which transfer such as buildings, this combines to put pressure on all budget lines.	Work closely with frontline service heads to ensure Corporate Services develop and evolve to meet the changing needs of the Council, capturing cost and resource requirements, and identifying funding.
ICT	12,285 (net)	The threat of Cyber Security is a growing risk globally, and the Council must ensure its staff and Members have sufficient skills to operate technology in a secure way to protect the data assets of the Authority.	A refreshed and regular training programme for all staff and members is being rolled out. Enhanced security monitoring implemented during 2024 and business continuity planning enhanced.
Property and Estates	14,003 (gross)	Buildings and land may not be maintained or improved	Budget reduction is profiled against the property change programme – where fewer properties/assets require less investment to ensure retained assets are maintained and compliant.
All Transformation and Business Services	43,250 (gross)	Inflationary increase in cost of contracts across services leading to unsustainable budgetary requirements	Re-negotiation of contracts to reduce costs, identifying contracts that can be ceased or the specification reduced.

Coroners Service	3,494 (net)	There is a risk of unavoidable additional costs in medical (pathology), analysts, funeral directors, and mortuary facility fees. The service is demand driven and the Council do not have control over the number or complexity of inquests.	Continue to work closely with colleagues across the region conducting ongoing reviews of commissioning processes and joint working arrangements with a view to curtailing expenditure and producing additional efficiencies in this respect.
Legal Services and Equality, Diversity, and Inclusion	6,499 (net)	<p>Demands for legal support to Children's, Adults and Services place increasing pressure on the service leading to potential for cases being delayed, negative outcomes for vulnerable people and cases being outsourced to the private sector to supplement capacity.</p> <p>Increasing workloads and unplanned demands for legal and EDI support in relation to Litigation, particularly SEN, and Procurement, resulting in the need to outsource legal work to the private sector to relieve capacity as well as affecting team resilience and leading to delays in the provision of legal support.</p> <p>In addition to this the service have struggled in recruitment and retention of staff</p>	Engagement with service heads to monitor the activity drivers, implementing an Improvement Plan to support and compliment the Children's Services Improvement Plan, interim use of locum lawyers to end outsourcing of cases and seeking to recruit additional staff to progress increased caseloads.

Climate Change, Environment and Transport - Risk Assessment

Service	Budget 2025/26 £'000	Risk and Impact	Mitigation
Highways Maintenance term maintenance contract	17,500	The budget has been set to take account of expected inflationary increases. However, further increases during the year could impact the level of expenditure and / works delivery.	The inflation allocation included in the budget is based on information received from the Department for Transport. Close working with the term maintenance contractor may allow the mitigation of some additional pressures encountered.
Winter Maintenance and Emergencies	3,290	Winter maintenance and other emergencies which are typically weather related, cannot be predicted. There is a risk of overspend in the event of severe weather conditions. Proportions of this budget are based on a mild winter. Therefore, more inclement weather is likely to lead to this budget being exceeded.	There is limited scope for management action as the bulk of the costs tend to fall in the latter part of the financial year thus precluding funding by deferral of planned maintenance work. The Authority policy is to respond appropriately to such events and wherever possible divert resources from other works in order to mitigate some of the costs. Scenario modelling is undertaken to assess any potential overspend.
Safety Defect Repairs	Approx. 5,600	This continues to be a volatile service area. Prolonged adverse weather conditions significantly affect the level of safety defects needing attention. Significant under investment has reduced the resilience of the network and left it more susceptible to bad weather and changes in patterns of use.	Works are closely monitored during the year and safety related works are prioritised over cyclic cleaning activities. Focusing on early capital funded interventions has helped mitigate future revenue expenditure as far as possible.
Highways Services Income from	3,000	The Authority is legally entitled to levy charges for a variety of Highways services. These services are completely demand led and are therefore susceptible to variations in economic factors. A	There is limited scope for direct management action to significantly influence the demand for Highways services. However, income levels are monitored

Fees and Charges		variation in demand of +/- 10% could result in a budgetary impact of £300,000.	during the year and, where possible, mitigating actions are taken in other areas of the budget.
Waste Management	33,200	<p>Waste tonnage levels and growth rates are volatile and difficult to predict as they are subject to a range of influences outside the control of the Authority, such as the wider economic climate and more working from home. Similarly, the extent to which contractors will meet recycling targets is uncertain. These risks may result in the budget being over or under provided. A variation in tonnages of +/- 1% could result in a financial variation of approximately £300,000.</p> <p>Extended Producer Responsibility for packaging has guaranteed funding from Government for 2025/26 but there is no certainty around levels of funding in future years.</p>	<p>Current budgets reflect recent trends in waste volumes. Other than undertaking work to influence behaviours there is limited scope for management to alleviate financial pressures should tonnage increase. Tonnage levels are closely monitored. More cost-effective ways of disposing of waste are continually explored.</p> <p>The Devon Resource & Waste Strategy generally aligns with the Government direction of travel including all District/Borough/City Councils either already collecting food waste or starting to roll it out. Arrangements are being put in place to manage POPS waste and work is still ongoing to understand and evaluate the impact of this and the new requirements at the Energy Recovery facilities. Devon has responded to numerous consultations on Government policy such that the impact on Local Authorities is understood by Government.</p>
Public & Community Transport	17,600	<p>Patronage levels on local bus services have remained at around 80% of the pre COVID-19 levels and have been further impacted by reliability of services. This is largely affecting the commercial market which accounts for around 80% of the network.</p> <p>With the recovery plateauing this puts additional pressure on bus companies and could lead to further commercial withdrawals. The Authority will then be under pressure to reinstate services with</p>	<p>Government has maintained additional financial support through a grant called Bus Service Improvement Plan Plus (BSIP+) through to March 2025. . A new package of funding has been announced for 2025/26.</p> <p>The Authority is implementing improvements though the original successful application of its Bus Service Improvement bid. The funding is being used to improve bus access on the Highway network, and</p>

		<p>a financially supported local bus contract. This is at a time of severe financial pressures for the local authority.</p> <p>Linked with high transport inflation tender prices continue to increase putting pressure on the Public Transport budget.</p> <p>Central Government grants continue to 31 March 2025. This fund is currently used to reinstate surrendered commercial bus services, cover high inflation costs on existing contracts and the increased costs through contract surrenders. It also supports the loss of fare revenue through lower patronage.</p> <p>The Authority also supports the voluntary and community transport sector where conventional buses are not sustainable.</p> <p>Any reductions to service will have an impact on Devon communities as 19% of Devon residents have no access to a car.</p>	<p>through promotional activity designed to help improve the viability of the network.</p> <p>The Authority is linked in with national associations lobbying Central Government for longer term sustainable funding.</p> <p>If any reductions in the supported local bus network is required a full consultation must be undertaken on any reduced frequency of services. This is a lengthy process taking nine months to complete and implement the changes.</p>
Flood Risk Management – Surface water	800 (excludes capital prog.)	<p>The Authority is the Lead Local Flood Authority (LLFA) as defined by the Flood and Water Management Act and the Flood Risk Regulations. Consequently, there would be costs associated with statutory requirements in the event of a major incident.</p> <p>Implementation of the Flood and Water Management Act Schedule 3 is expected in 2024, the full details of this are not known, and there could be additional costs incurred.</p>	<p>The Authority has processes in place to undertake the required duty should there be a significant flood incident. However, funding over and above this budget might need to be identified.</p>

<p>School Place Planning (capital funding/home to school transport revenue)</p>		<p>The introduction of Community Infrastructure Levy adopted in three Local Planning Authorities has created further uncertainty on securing development contributions towards education infrastructure. Failure to provide appropriate schools places locally will have knock on implications for the Home to School Transport budget.</p> <p>The number of learners who require an Education, Care and Health Plan continues to rise with a proportion of these learners requiring a specialist placement, Devon has secured two new free schools to support sufficiency challenges but these are being delayed and potentially at risk following a review of the Free School programme with limited capital grant from National Government. Failure to provide appropriate schools places locally will have knock on implications for the Home to School Transport budget and the High Needs Block within the Dedicated Schools Grant</p> <p>Several schools have been identified at risk of flooding including Tipton St John and Kenton.</p>	<p>Devon continues to make representation to Local Planning Authorities to request education be treated as Section 106 item following the Government review of CIL, these are being fed into Local Plan discussions.</p> <p>Working through SEND Transformation and Partnership Boards, continue to press for Free Schools delivery, realising central Government investment estimated at £20m+ capital expenditure.</p> <p>Continued delivery of additional SEN Places across the county.</p> <p>Evidence based assessment of investment of limited SEN capital funding to increase local capacity in particular, in Maintained Special Schools.</p> <p>Detailed assessment of schools impacted to be undertaken to ensure safety of school users and/or priorities for mitigation are identified.</p> <p>Tipton St John school, Kenton Primary and River Dart Academy have been prioritised in the schools re-building programme.</p>
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Abbreviations

Abbreviations used within the budget for all Scrutiny Reports:

ADASS	Association of Directors of Adult Social Services
AMHP	Approved Mental Health Professional
AONB	Area of Outstanding Nature Beauty
ASW RAA	Adopt South West Regional Adoption Agency
BACS	Bankers automated clearing services (electronic processing of financial transactions)
BCF	Better Care Fund - formerly known as the Integration Transformation Fund, a national arrangement to pool existing NHS and Local Government funding starting in April 2015.
BDUK	Broadband delivery UK
Blk	Block
CCLA	Churches, Charities and Local Authorities
CFR	Capital Financing Requirement
CIL	Community Infrastructure Levy
CIPFA	The Chartered Institute of Public Finance & Accountancy
CO	Carbon Monoxide
C of E	Church of England
CPG	Capital Programme Group
CQC	Care Quality Commission
CVS	Council of Voluntary Services
CYP	Children and Young People
DAF	Devon Assessment Framework
DAP	Devon Audit Partnership
DC	District Council
DCC	Devon County Council
DDA	Disability Discrimination Act
DEFRA	Department for Environmental Food & Rural Affairs
DFC	Devolved Formula Capital
DfE	Department for Education
DFG	Disabled Facilities Grant
DfT	Department for Transport
DLUHC	Department for Levelling Up, Housing and Communities now called Ministry of Housing, Communities and Local Government
DoLS	Deprivation of Liberty Safeguards
DPLS	Devon Personalised Learning Service
DPT	Devon Partnership NHS Trust
DSG	Dedicated Schools Grant
DYS	Devon Youth Services
EH4MH	Early Help 4 Mental Health
EHCP	Education & Health Care Plans
ENIC	Employer National Insurance Contributions
ERDF	European Regional Development Fund
ESFA	Education and Skills Funding Agency
ESPL	Exeter Science Park Ltd
EU	European Union
FF&E	Fixtures, Fittings & Equipment
FFP	Future Finance Project
FTE	Full Time Equivalent
HIF	Housing Infrastructure Fund
HIV	Human Immunodeficiency Virus
HMRC	His Majesty's Revenue & Customs
HNB	High Needs Budget
HR	Human Resources
HRMS	Human Resources Management System
iBCF	Improved Better Care Fund - Additional grant funding to supplement the Better Care Fund
ICB	Integrated Care Board

ICT	Information & Communications Technology
IID	Investing in Devon funds
ILACS	Inspection of Local Authority Children's Services
INTERREG	European Territorial Cooperation
IVC	In Vessel Composting
LAG	Local Action Group
LEP	Local Enterprise Partnership
LGA	Local Government Association
LEVI	Local Electric Vehicle Infrastructure
LMC	Local Medical Committee
LPS	Liberty Protection Safeguards
LTP	Local Transport Plan
MH	Mental Health
MHCLG	Ministry of Housing, Communities and Local Government formerly known as Department for Levelling Up, Housing and Communities
MRP	Minimum Revenue Provision
MTCP	Medium Term Capital Programme
MTFP	Medium Term Financial Plan
MUGA	Multi Use Games Area
MUMIS	Major Unforeseen Maintenance Indemnity Scheme
NDLR	North Devon Link Road
NEWDCCG	Northern, Eastern and Western Devon Clinical Commissioning Group
NFF	National Funding Formula
NHS	National Health Service
NHSE	National Health Service England
NLW	National Living Wage
NPIF	National Productivity Investment Fund
NPV	Net Present Value
OP&D	Older People & Disability
OSP	On Street Parking Account
OT	Occupational Therapist
PFI	Private Finance Initiative
PH	Public Health
PHN	Public Health Nursing
PPE	Personal Protective Equipment
PSPB	Priority School Building Project
PTE	Part Time Equivalent (15 hours)
PWLB	Public Works Loans Board
R&R	Ring and Ride
REACH	Reducing Exploitation and Absence from Care or Home
ROSLA	Raising of School Leaving Age
ROVICs	Rehabilitation Officers for Visually Impaired Children services
RD&E	Royal Devon & Exeter Hospital
RPA	Rural Payments Agency
RSG	Revenue Support Grant
S106	Funding from developers resulting from planning obligations authorised by section 106 of the Town and Country Planning Act 1990
SCA	School Condition Allocation
SCF	Southern Construction Framework
SCOMIS	Schools Management Information Service
SEND	Special Education Needs and Disability
SGO	Special Guardianship Order
SPF	Shared Prosperity Fund
SRO	Senior Responsible Officer
SR21	Spending Review 2021
STP	Sustainable Transformation Programme
TB	Terabytes
TBC	To be confirmed
TCS	Transport Coordination Services
TIDE	Atlantic Network for Developing Historical Maritime Tourism
TUPE	Transfer of Undertakings (Protection of Employment)
UASC	Unaccompanied Asylum Seeking Children
UK	United Kingdom
VELP	Vehicle Equipment Loan Pool
VfM	Value for Money
WEG	Water Environment Grant