

DEVON COUNTY COUNCIL BUDGET CONSULTATION 2025/26 WITH DEVON'S REPRESENTATIVES OF THE VOLUNTARY, COMMUNITY and SOCIAL ENTERPRISE SECTOR, TRADE UNIONS AND BUSINESS COMMUNITY

1.0 Recommendation: that the contents of the report and the representations of the consultees be noted.

2.0 Introduction

2.1 The Leader of the Council, Group Leaders and other Members and officers met with the representatives of the Business Community, the Voluntary, Community and Social Enterprise Sector, and Trade Unions. This was to discuss the County Council's budget for 2025/26 in line with statutory requirements and previous good practice.

3.0 Budget Consultation with Devon Districts

3.1 The Leader of the Council attended five meetings during November and December 2024. The meetings were attended by a total of approximately 90 local representatives.

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

- Co-working with District/Borough Councils
- Inclusion of SEND students in mainstream schools
- Council Tax for second homes
- Availability of future funding initiatives for housing for young and vulnerable people
- Youth services and work undertaken within the community
- Broadband throughout the county
- Devon and Torbay Devolution deal

4.0 Budget Presentation

4.1 A representative from the Office of the Director of Finance and Public Value gave a presentation on the 2025/2026 budget at each of the three consultative meetings.

4.2 The presentation first highlighted that the finances of the new Combined County Authority were excluded from this budget consultation and also any proposals resulting from the White Paper on English Devolution, published in December 2024 were also not part of the budget consultation.

4.3 Since 2013/14, funding provided to Devon County Council through the Revenue Support Grant had fallen from £135 million in 2013/14 to around £500,000 in 2019/20, staying at that level since in real terms, only increasing in line with inflation.

- 4.4 The number of full-time equivalent staff employed by Devon County Council reduced from just over 6,600 in 2010/11 to just over 3,800 in 2017/18. There have been increases since 2017/18, due to service delivery changes where contracted staff have moved in-house to just over 5,260 in 2022/23 and has broadly stayed at this level into 2025/26 (just over 5,280). The number of full-time equivalent staff employed is expected to reduce in the medium term.
- 4.5 The County Fund balance, representing money held by the Authority for emergency situations, was estimated to sit at £16,036,000 as of 31 March 2024. The total earmarked revenue reserves are predicted to be £75,116,000 on 31 March 2025, down from £100,817,000 last year.
- 4.6 The National Living Wage will increase by 6.7%, creating additional cost pressure to the County Council of £17.7 million. The Government announced an additional £12million for Social Care, and new Children's Social Care Prevention Grant of £1.6 million offset by ending Rural Services Delivery Grant, previously £10.1 million and Service Grant of £0.7 million
- 4.7 The presentation outlined the County Council's currently projected budget targets – an overall increase of 5.9% or just under £44 million plus an analysis of changes for each service area, including an increase of 8.2% for Integrated Adult Social Care; an increase of 5.5% for Children and Young People's Services; an increase of 3.4% for Climate Change, Environment and Transport; a reduction of 6.2% for Public Health, Communities and Prosperity; and an increase of 1.4% for Corporate Services. The final Local Government Finance Settlement will be announced in February, allowing the Local Authority to finalise its budget.

5.0 Representatives of the Business Community: 16 January 2025

- 5.1 Representatives at this meeting included John Varley (*Clinton Devon*), Richard Church (*Exeter College*), Richard May (*Plymouth and South Devon Freeport*), Stuart Elford (*Devon and Plymouth Chamber of Commerce*), David Hynd, (*Heart of the South West Growth Hub*), Mike Matthews (*Lineal*), Louise Adam (*North Devon Plus*), Chris Snow (*Deputy Lord Lieutenant*), Fiona Rew (*National Farmers Union*), Charles Courtenay (*Michelmores*)
- 5.2 Issues and questions raised by the group and discussed with County Council representatives included:
- Concerns about the reduction of the Rural Service Delivery Grant
 - A recognition that the business community would welcome more engagement and conversations with the local authority.
 - The importance of apprenticeships in the county to drive the local skills base
 - Appreciation that a collective voice across the sector could help with lobbying for future Government funding
 - A cross border approach to develop the pool of talent in the south west

6.0 Representatives of the Voluntary, Community and Social Enterprise Sector: 16 January 2025

6.1 Representatives at this meeting included Diana Crump (*Devon, Plymouth, and Torbay VCSE (Voluntary, Community and Social Enterprise Assembly)*), Nora Corkery (*Devon Communities Together*), Graham Fice, (*Action East Devon*), Edwina Bradshaw (*Citizens Advice Bureau*), Karen Holdsworth (*Devon Faith and Belief Forum*), Diane King, (*Living Options*), Fiona Carden (*Colab*), Dinah Cox (*Devon Community Foundation*), Marie Gould (*North Devon Voluntary Service*), Vincent Wilson (*Torbay, Plymouth and Devon VCSE Assembly*), Andy Moreman (*Young Devon*), Tom Coulthard (*YOYC*)

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

- Understanding the impact on services and residents resulting from budget cuts, particularly the possible impact on other parts of the system.
- The role of the County Council in youth services. VOYC offered assistance with ideas of delivery of services.
- Ongoing commitment to adult services and promotion of independence in conjunction with the voluntary sector. Challenges noted with a change of demographic in over 85 year olds.
- Recognition of pressures relating to National Insurance contributions. The issue has been lodged with the Government as a issue of concern for those within the voluntary sector.
- Importance of working in collaboration to provide efficient and effective services
- Offer of assistance from Citizens Advice Bureau to be engaged regarding any changes to services.

7.0 Representatives of the Trade Unions: 20 January 2025

7.1 Representatives at this meeting were Darienne Flemington (*UNISON*), Matthew Dyer (*UNISON*), Roberto Francheschini (*Unison, retired*) Camilla Simpson (*NEU*), Rebecca Whitwood (*UNITE*)

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

- The provision within the budget for staff salary increases. The numbers of agency staff will be reducing.
- Disappointment in the reduction in budget for 'Libraries Unlimited' and the desire to keep libraries open across the county.
- Still awaiting detail linking to the NHS local agreements.
- Concern about late notification of nil funding through the Rural Grant without an alternative offered.
- Concerns that some officers are struggling with cost of living expenditure.
- As part of the People's Strategy, one of the main points is to develop staff from within the organisation, in order to help reduce reliance on agency staff.
- Concern for potential job losses, in particular within the adult social care sector.
- Redundancies could be financed through sale of assets. Local Government legislation allows for capital receipts to fund transformation and severance costs.
- Importance of stability through Education/Adult and Social care provision.