

**CORPORATE INFRASTRUCTURE AND REGULATORY SERVICES SCRUTINY
COMMITTEE**

30 January 2025

Present:-

Councillors F Letch MBE (Chair), C Slade (Vice-Chair), Y Atkinson, J Berry, R Chesterton, A Dewhirst, J Hodgson, M Squires and J Trail BEM

Apologies:-

Councillors J Brook, R Radford, D Sellis and J Wilton-Love

Members attending in accordance with Standing Order 25

Councillors T Adams, R Croad, A Davis, R Gilbert, S Hughes, J McInnes, S Randall-Johnson, A Saywell, P Twiss.

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Declarations of Interest

No declarations were received, over and above the other registrable interests of Councillors of Devon County Council, arising from membership of City, Town or Parish Councils and other Local Authorities.

[A list of county councillors who are also district, borough, city, parish or town councillors](#)

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Public Participation

In accordance with the Council's Public Participation Rules, the Committee received and acknowledged oral representations made by Ms Elliott on a matter to be considered by the Committee that day, namely library provision budget proposals and the benefits of retaining this funding particularly in deprived areas given the wider range of service provided by this to these communities.

The Chairman responded, thanking Ms Elliott for her attendance and presentations which would be taken into account by the Committee during its subsequent deliberations.

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Budget 2025/26 and Capital Programme for 2025/26 to 2029/30

(In accordance with Standing Order 25, Councillors Adams, Croad, Davis, Gilbert, Hughes, Randall-Johnson and Saywell attended and spoke to this item at the invitation of the Committee).

The Committee noted that the proposed budget for the 2025/26 financial year were scrutinised by individual Scrutiny Committees.

The Chairs of the Children's Scrutiny Committee and the Health and Adult Care Scrutiny Committee presented an overview of resolutions to the Corporate Infrastructure and Regulatory Services Committee. This Committee also considered the draft budget proposals within its own remit, providing an opportunity for Scrutiny Members to comment on proposals for the County Council's Budget in its entirety. The resulting resolutions from Scrutiny would be reported to Cabinet and Council.

There was an opportunity for individual Scrutiny Committees to have an initial overview of the budget proposals and examine them to identify any specific issues or areas of interest that might be considered at the Corporate Infrastructure and Regulatory Services Committee for incorporation into any recommendations to Cabinet and Council.

The Committee then considered the joint Report of the Director of Finance and Public Value, the Chief Executive, Director of Public Health, Communities and Prosperity and Director of Climate Change, Environment and Transport (DFP/25/04), on the provisional financial settlement made by Government and the spending targets set by Cabinet for each service area which included inflation, commitments and any savings. The Report also detailed the proposed medium-term capital programme for the Services and how it was funded.

The Cabinet, at its meeting of 8 January 2025, had set Revenue Budget targets for 2025/26. That Report had presented the proposed service budget targets for 2025/26 totalling £784.1 million, a net increase of £44 million or 5.9% compared to the 2024/25 adjusted budget.

The preparation of the Budget for 2025/26 recognised that inflationary pressures continued to be felt across the economy, local government and partners. Social care was particularly impacted by increases to the national living wage and the increases to National Insurance. The Ministry of Housing Communities and Local Government was due to provide additional funding towards national insurance costs for local authorities own employees but details are yet to be confirmed. Within the Target Budgets for services it was proposed to allow for £14.2 million for inflationary pressures. The Target Budgets for services reflected an estimated inflationary pressure of £17.7 million due to National Living Wage impacts.

To enable the Council to set a balanced budget, savings, alternative funding and additional income of £21.7 million has been identified. Overall, there was additional funding of £44 million or 5.9% for services next year.

It was not currently planned to support the proposed budget targets by using general reserve balances, reflecting a strategy of 'living within our means'.

The Capital Programme for 2025/26 to 2029/30 would be presented to Cabinet at the February 2025 Budget meeting.

The new Government's first Autumn Statement was published on 30 October 2024 and the Local Government Finance Policy Statement was published on 28 November 2024. Of particular importance was the Government's plans to repurpose existing funding, for the extra costs of delivering services in rural areas, to support a change in funding distribution based on deprivation as a proxy for need. This resulted in the discontinuation of the Rural Services Delivery Grant (RSDG) funding of £110 million, of which the Council received £10.124 million in 2024/25.

Details of the Provisional Local Government Finance Settlement 2025/26 were published on 18 December 2024, which provided a one year settlement only. The Final Settlement would follow in early February.

For Devon, the core spending power was set to increase by 4.66% and the Government assumed the Council would implement the full allowed increase in Council Tax up to the referendum threshold of 5%.

The proposed service revenue budget targets for the 2025/26 financial year were set out in the table below.

Table 1 – Service Target Budgets 2025/26

	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%

The Committee were reminded that its consideration of the draft Corporate Infrastructure and Regulatory Services budget was just part of the process of

setting the Council's budget which, following this meeting, would culminate in the Cabinet meeting on 14 February 2025 formulating a budget for consideration by the Council on 20 February 2025.

Cabinet Members commented on their individual service directorates.

The Chief Executive, Director of Finance & Public Value and Heads of Service commented on the likely implications of the 2025/26 target for individual service areas, confirming that the overall approach had been to set service budgets that were affordable within anticipated income and funding totals, striking a balance between the reality of the financial challenges facing the Council and providing sustainable support services against the increasing demands of front-line services and operational demands. In order to deliver budget targets across services, budget reductions were required in respect of Public Health, Communities and Prosperity, as well as Performance and Partnerships.

The Leadership Group commentary in the Report referred to its commitment to supporting the Council to set a sustainable, financially resilient budget that was in the best interests of the people of Devon, despite complex and difficult decisions. It recognised the inflationary pressures and particular impact on social care of increases to the national living wage and National Insurance. As Devon's population had increasing needs for care and support, the Council continued to focus on the needs of the young, old and most vulnerable. Devon's large road network requiring highways repairs was also a priority. Its rurality presented greater costs across some services than more urban authorities.

The Report also contained the detailed budget proposals for Corporate Infrastructure and Regulatory Services, prepared in line with the targets referred to above, reflecting the different pressures and influences faced by services.

Under the Equality Act 2010, the Council had 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. Where relevant, Impact Assessments were carried out to consider how best to meet this duty, which included mitigating against the negative impact of service reductions.

The Report before the Committee referred to the Budget 2025/26 Impact Assessment, circulated prior to the meeting, giving an overview of the Impact Assessments for all service areas, available at: [Budget Impact Assessment 2025-26](#) for the attention of Members, so they were aware of the Equality Impact Assessments undertaken as part of the budget's preparation, that any risk assessments and projections were adequate and the evidence supported the assumptions made in the formulation of the budget. Also bearing in mind that the preparation of Impact Assessments was a dynamic process and that individual assessments for

specific proposals may need to be updated with time, Members of the Council must have full regard to and consider the impact of any proposals in relation to equalities prior to making any decisions and any identified significant risks and mitigating action required.

Specific issues and observations arising from the current budget proposals raised at the meeting included the following:

- Whole Council approach and budget implications of the continued High Needs Block and SEND deficit, being worked through with the Government's Dedicated Schools Grant Safety Valve Programme.
- The Council's took a different approach to setting its budget for 2025/26, this was a one Council approach and was well received by directorates. Service redesign measures across the Council were required to improve resilience and achieve best value, this had included the success of grow your own trainee initiatives.
- The impact of the removal of the Rural Services Delivery Grant as announced by government in November 2024, resulting in £10.124 million reduction to the Council.
- Public Health, Communities and Prosperity - Members had received a public participation representation (agenda item above) in relation to the library service and its wider role particularly in areas of deprivation. Members also expressed concern at the proposal to reduce Members' Locality Budgets from £8000 per year to £5000 per year, emphasising its specific targeted support to local communities. The important work of both the youth service and in addressing domestic abuse was recognised.
- Performance and Partnerships - this included additional income anticipated from the Combined County Authority and Universal Support programme, external grant funding, as well as reductions required.
- Corporate Services - land and property sales, including strategies for retaining and investing in accommodation on the County farms estate.
- Climate Change, Environment and Transport - the impact of climate change and the need to increase highways and drainage investment in particular, as well as flood risk and surface water management. The potential to further household waste reduction management to mitigate expected pressures. The savings and success of reduction of street lighting energy rates and dimming was welcomed by Members.

It was **MOVED** by Councillor Slade, **SECONDED** by Councillor Trail, and

RESOLVED that the provisional financial settlement and its impact on spending targets and on the proposed budget for 2025/26 and the issues and/or observations set out above be drawn to the attention of the Cabinet meeting on 14 February 2025, the Corporate, Infrastructure and Regulatory Services Scrutiny Committee specifically:-

(a) Welcomed and supported:-

(i) The overall increase in the budget of 5.9%, specifically the 8.2% increase in the budget for Integrated Adult Social Care and the 5.5% increase in the Children and Young People's Futures Budget. Scrutiny was pleased to see recognition of growth and demand in the system. Scrutiny welcomes the uplift in National Minimum Allowance for foster carers, investment in Special Guardianship or adoption arrangements, improvements to the Regional Adoption Agency service, and Early Help and the £1.5 million investment in Deprivation of Liberty Safeguards;

(ii) Recognised:

- a. The efforts and work of the Council and staff to develop a clear and comprehensive draft 2025/2026 budget;
- b. The work and efforts of Integrated Adult Social staff to deliver the 2024/2025 service budget to be within 1% of the target budget at month 8 highlighting the importance of maintaining strategic continuity, and welcomes this continued effort into 2025/2026;
- c. The efforts of Devon County Council staff to deliver transformation, support the most vulnerable people and provide essential services;
- d. The Council's focus and prioritisation of the Dedicated Schools Grant High Needs Block and work with Government on Devon's Special Educational Needs and Disabilities Safety Valve;
- e. The welcoming of the recommendations of the Fostering Task Group and implementation within the 2025/2026 Budget;

(iii) The service improvements within Directorates, including:

- a. The efforts of Devon County Council staff to improve outcomes for young people and achieve budget reductions in Independent Post 18 placements;
- b. Working holistically to secure network efficiency within Home to School Transport;
- c. The opening of 64 Support Base places for children and young people with Special Educational Needs and Disabilities and the resultant budget reductions;
- d. The introduction of block contracting with Independent Schools and the resultant budget reductions;
- e. The investment, improvements and delivery of Targeted Early Help, including the opportunities this provided to support the recruitment and retention of staff.
- f. The savings achieved from a reduction in energy rates and further dimming of street lighting;

(iv) The work started with partners to develop ways of highlighting the complexity of delivering equitable services across both the rural and urban population of Devon, taking account of the multiple indices of deprivation that exist;

(b) Recorded its concern for:-

(i) The potential impact of the National Insurance threshold changes on the care workforce, and the cost of implementing those changes, potentially exposing weaknesses within the care market;

(ii) The lateness of Government confirmation of the Public Health Grant for 2025/2026, the relatively low level of funding Devon received per head of the population and the Government's inconsistent prioritisation of prevention;

(iii) The realism of achieving the savings outlined across the budget, particularly:

- a. The £1.7m agency staff cost savings, considering that the regional agency pay cap had not yet been agreed;
- b. The £14.7 million transfer to the DSG Deficit in light of the cost pressures arising from clearing the backlog, and the increasing number of applications for Education, Health and Care Plan assessments however, recognising the work of the Council with Government to improve the financial position;

(iv) The Core Spending Power increase, excluding Council Tax, at 2.05% being the lowest of the 21 County Councils in England, before Council Tax;

(v) On the future funding of the youth service and any reduction in the number of youth service staff;

(c) Requested Cabinet to:-

(i) Work with partners to seek assurance that the process to apply for Free School Meals was user-friendly and promoted to families across Devon as one of the keys to supporting additional funding into the County, welcoming an approach to auto-enrolment;

(ii) Work with partners, including the Department for Work and Pensions to be assured that people were able to access the benefits they were entitled to, and supported the Council to have greater assurance about potential links to Devon's strategy and funding;

(iii) Work with other comparable Authorities to build a case for Devon to support and enhance Government understanding of the needs of Devon's population, highlighting the patterns of health inequality, deprivation, rural poverty, social mobility and the costs of delivering services within a large rural County. For Devon this included the relatively low levels of funding per head of the population the Council receives including in Education, Public Health, Transport costs, the impact of the removal of the Rural Services Delivery Grant and challenges within the Special Educational Needs and Disabilities budget, with the aim of achieving fairer funding;

(iv) Recognise the increasing and aging population in Devon and the increase in a Dementia diagnosis, work with partners, including the NHS, to develop Dementia friendly communities and promote the importance of people planning for their futures which dovetails with local care partnerships to support sustainable budget delivery into future years for both the Council and its partners;

(v) Recognise the increase in complexity of working age adults with eligible care needs, work with partners, including the NHS, to support and enable working age adults and the market to plan and for future needs that helps people in Devon to live as independently as possible for longer;

(vi) Lobby Government to increase the funding the Council received to support Young Asylum Seekers;

(vii) Support and work with Overview and Scrutiny in 2025/26 on the following:

- a. The interconnectedness of the range of national reforms including to Children's Social Care and from integrated approaches to prevention: for example preventing violence to women and girls, and early years;
- b. Consideration and policy development to implement the National Government Reforms to Children's Social Care;
- c. Consideration with all Members on the ethics of Artificial Intelligence and its future use;

(viii) Following the final Local Government settlement, if further money was available, consider further investment in:

- a. Early Help and intervention services to continue to support and build the Council's enhanced early help offer;
- b. Increase the Members' Locality Budgets to £8,000 per year;
- c. Increase the budget allocated to waste minimisation activity and work with Districts to improve recycling rates to support the rationalisation of the types of recycling collections across Devon;
- d. Invest further in flood prevention and highway drainage; and
- e. Maintain investment in the accommodation on the County Farms estate to ensure it is of a sufficient standard.

***DENOTES DELEGATED MATTER WITH POWER TO ACT**

The Meeting started at 9.30 am and finished at 12.38 pm