

Division members report to Buckerell PC, 17th January 2024 - DCC

Cllr Phil Twiss

A belated Happy New Year to you, which I hope, will be a prosperous and healthy one for all of you, your families and friends. This month's Division members report focuses on the finances of Devon County Council ahead of target setting for the various service areas of the Council ahead of next month's Budget setting for 2024/24 in what is going to be an interesting year for everyone in Local and National Government.

Budget 2024/2025

Setting the DCC Budget for 2025/25 is like any year, a huge task for a large scale organisation. Over 79% of the nett revenue budget of £743.4million proposed for 2025/25 is spent on children's and adult service areas i.e. £588.5m with £154.8m for the others

Demand in these two areas in particular continues to surge, where DCC must legally provide them, often at very high costs, over and above ahead of what is termed called discretionary services such as routine roads maintenance (other than safety issues) of a 12,000 mile road network, bus service subsidies, climate change initiatives and much more.

	2023/24 Adjusted Base Budget £000	Inflation and National Living Wage £000			Other Growth and Pressures £000	Savings, Alternative Funding and Additional Income £000	2024/25 Target Budget £000	Net Change 2023/24 to 2024/25	
									%
Integrated Adult Social Care	340,245	29,887		20,025	(29,411)	360,746	20,501	6.0%	
Children and Young People's Futures	206,278	9,795		20,862	(9,150)	227,785	21,507	10.4%	
Public Health, Communities & Prosperity	21,678	533		289	(1,577)	20,923	(755)	-3.5%	
Corporate Services	49,755	2,160		1,361	(4,831)	48,445	(1,310)	-2.6%	
Climate Change, Environment & Transport	81,619	6,144		2,348	(4,629)	85,482	3,863	4.7%	
Totals	699,575	48,519		44,886	(49,598)	743,382	43,807	6.3%	

The 2023/24 Base Budget has been adjusted for permanent virements (budget transfers from other budget lines)

The funding for this comes from a wide range of Core funding income from the Government and Other Grants totalling around £236.4m, but the majority of the income is derived from Council tax and a share of Business rates.

This is set against a background inflationary cost of living pressures and huge challenges to Local Government in general. Social care provision is particularly impacted by increases to the national living wage, which at first glance a 30p per hour increase announced by the Government does not seem vast. However, it will

add an extra £25.7m to the DCC wage bill, which will need to come from further savings and efficiencies.

There is an above inflation proposed 10.4 per cent increase in the revenue budget for children's services with a 6 per cent rise in adult services and 4.7 per cent extra for climate change, environment and transport.

Reductions in other departmental spending means an overall rise of 6.3 per cent in the council's budget for next year within the total spend of over £743 million where Officers of the Council have worked closely with the DCC Cabinet to secure best value across Devon's operations and ensure continuing financial sustainability.

To set a balanced budget, savings, alternative funding and additional income of £49.6 million have been identified. Overall, there is additional funding of £43.8 million or 6.3% for services next year. It is not planned to support the proposed budget targets by using general reserve balances. This reflects a strategy of DCC 'living within its means' and to set service budgets that are affordable within anticipated income and funding totals for next year.

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