

Budget 2008 Briefing

The county council's budget relies on funding from a mix of Government grants, Council Tax and income from fees & charges. The Government grants typically pay for around 60% of the budget, Council Tax for 28% and fees & charges for 12%.

Devon is set to receive a provisional Formula Grant -- the Revenue Support Grant plus the county's share of the Business Rate -- of £145.6 million, an increase of 7.5 per cent. This grant is of particular concern because it has to help pay for all the non-schools services we provide to people in Devon such as social care, roads and public transport, waste disposal, street lighting and libraries. The other main source of Government funding is the Dedicated Schools Grant, which is ring-fenced by the Government for spending on schools only: this grant increases overall by just under £13.1m, or 3.9 per cent. The proposed increase in Formula Grant is higher than in previous years, and above the national average. Unfortunately, the same cannot be said for the Dedicated Schools Grant.

Devon's overall comparative position has hardly changed from 2007/08, with grant per head of £656 being some £48 per head less than the average for English shire counties (equivalent to £36 million in funding for local services if Devon received the average level of grant).

The Government's proposed grant settlement for Devon allows limited scope to tackle the substantial pressures upon Devon's budget from:

- Older people requiring help at home or residential accommodation;
- The increasing costs of looked-after children;
- The investment needed to meet the additional costs of European Landfill Directives, consequent recycling targets and waste management and treatment initiatives.

The Government expects Council Tax increases to be below 5%, and has threatened to cap the budgets of Councils seeking unreasonably large Council Tax increases.

Although details of the provisional grant allocation for 2008/09 have been received, the final budget figure cannot yet be established. There are still uncertainties around the final grant settlement, the collectable tax base and Council Tax Collection Fund surplus from previous years. These figures will not be known until towards the end of this month. The final Dedicated Schools Grant figure will not be announced until May, so budgets have to be based on projections of what the final figure is likely to be.

In the meantime, the Council's Executive has allocated the projected Dedicated Schools Grant (£349 million) to the Devon schools' budget for 2008/9 and set the following spending targets for each of the Council's directorates:

- Children & Young People's Services: £100.4 million
- Adult & Community Services: £164.2 million
- Environment, Economy & Culture: £104.1 million
- Chief Executive's: £15.2 million.
- Personnel & Performance: £6.0 million.
- Finance, IT & Trading: £10.5 million.

Children & Young People's Services include social care support for children and families, the county youth service and education activities not met by the Dedicated Schools Grant.

Adult & Community Services include social care for adults and community education.

Environment, Economy & Culture includes roads, public transport, waste disposal, economic development and cultural facilities such as libraries.

Chief Executive's includes trading standards, animal welfare and the registration service for births, marriages and deaths, as well as legal services, public consultation and communications.

Personnel & Performance is responsible for the human resources policies and strategy, the customer service centre and the overall strategy for organisational improvement within the County Council.

Finance, IT & Trading is responsible for managing the authority's finances, purchasing and its IT systems.

Directorates have been instructed to report to the Executive's budget meeting on February 5 with details as to how these targets will impact upon performance and to recommend any additional efficiency savings that can be delivered in 2008/09.

Source: Devon County Council, January 23, 2008