

Main updates across DCC

Budgets - You will probably have seen the media coverage now about this. The projected £40m overspend for this financial year has been brought down to £6m... but that has been achieved through having to make savings on existing budgets this year and postponing long term projects in IT and recruitment etc. However the Children's Services Budget continues to overspend and every possible effort is being made to contain and reverse the overspend but it is not easy.

Nonetheless, we should be able to balance the books for this financial year... the challenge is going to be next year. At the moment we are looking at a projected budget gap of £60m, which on top of the £15m planned savings identified in the Medium Term Financial Strategy, means that we are looking at overall projected savings of £75m.

Unlike a lot of central government institutions, local government has to balance our budget every financial year by law. If we do overspend, then that has to be covered from reserves or some other external income stream. If we can't, we have to issue what is called a Section 114 notice which, in effect, means the local authority becomes bankrupt.

Needless to say, a bankrupt council cannot help anyone. The £75m savings can be achieved but it will mean deep and painful cuts as the Council Leader has already outlined.

This is not a problem that is unique to Devon. It is a national issue, from speaking to colleagues across the country their budget problems are similar, and many actually are worse! Cornwall's budget deficit for next year is £62million (they are smaller than Devon), Plymouth is facing similar problems. Further afield, Norfolk County Council has a £60m budget gap for this year. Kent's is £70m.

Inflation has been the main driver for a lot of these cost pressures, with some sectors such as Highways actually experiencing hyperinflation. I hope that we will have much more clarity after the Autumn Statement and when the Local Government Finance Settlement comes through.

Non Budget Matters

- **Cost of Living Help** – Devon has received a further £5m funding to help households weather the rising costs of living, with help to pay for food, energy and other essential items. More information about this is online here - [Councils to receive additional funds to help support households with rising food and energy costs - News \(devon.gov.uk\)](#)
- **Support for Children during school holidays** – Free holiday activities with hot meals are now available for children during the Christmas 2022 holidays. All children are eligible to register, although priority places will be given to children aged five to 16 years old (or four-year-olds, if in reception), who are eligible for and receiving benefit-related free school meals and their families. More information available online here - [HAF providers – Christmas 2022 – Education and Families \(devon.gov.uk\)](#)
- **Devon Electric Vehicle Charging Strategy** – A public consultation is being held on the draft Devon Electric Vehicle Charging Strategy. This consultation aims to find out your views on the draft strategy and its recommendations. Information about the Strategy can be found online here - [Devon Electric Vehicle Charging Strategy - Have Your Say](#)
- **Recruitment of Chief Executive** – Shortlisting for the Chief Executive position has now taken place with 4 candidates going forward to final rounds and interviews on the 23rd and 24th November. All four are good, strong candidates and I am looking forward to seeing how they do over the next phases of interviews and assessments. All being well we will appoint on the 24th with a start date for March/April next year.

So in summary, very busy times at DCC but if there are any other local matters you'd like me to look into please let me know and I will follow them up.

Best regards,
Andrew