

Devon County Council Monthly Report January 2023

Cllr Sara Randall Johnson

Budget 2023/2024

Cabinet approved the draft target budget for the next financial year this morning.

In previous years, Cabinet has agreed target budgets for services in December, based on financial planning forecasts constructed in advance of the provisional settlement. However, this year, there has been much more uncertainty in terms of central government funding to local government, combined with the most challenging budget round that the Authority has faced in recent decades. It has therefore been prudent to defer setting service budget targets until January, after the announcement of the provisional settlement.

On 19th December 2022, the Rt Hon Michael Gove, Secretary of State for Levelling Up, Housing and Communities, released a written Ministerial statement to Parliament setting out the provisional local government finance settlement for 2023/24 financial year.

The settlement is in line with the Spending Review 2021 and updated for the announcements made in the Autumn Statement of 17th November 2022.

Budget targets for the 2023/24 financial year are set out in the table at paragraph 3.8, reflecting a net increase in service budgets of £66.2 million, which is a 10.5% increase.

National Living Wage was announced in the Autumn Statement as increasing by 9.7 percent from April 2023. This is expected to add £22.5 million of budget pressures across the Authority's budgets.

3.8. The proposed service revenue budget targets for the 2023/24 financial year are set out in the table below.

	2022/23 Adjusted Base Budget £000	Inflation and National Living Wage £000	Other Pressures £000	Savings, alternative funding and additional income £000	2023/24 Target Budget £000	Net change £000	
Integrated Adult Social Care	311,968	29,535	29,999	(32,200)	339,302	27,334	8.8%
Childrens and Young Peoples Futures	176,205	9,585	32,376	(9,563)	208,603	32,398	18.4%
Public Health, Communities & Prosperity	20,308	874	617	(404)	21,395	1,087	5.4%
Corporate Services	42,213	4,470	623	(2,458)	44,848	2,635	6.2%
Climate Change, Environment & Transport	79,117	7,037	214	(4,468)	81,900	2,783	3.5%
Service budgets total	629,811	51,501	63,829	(49,093)	696,048	66,237	10.5%

2022/23 Base budget adjusted for permanent virements

	£000
New Homes bonus	(883)
Rural Services Delivery Grant	(7,823)
Social Care Grant	(54,015)
Improved Better Care Fund	(29,127)
Adult social care Market Sustainability and Improvement Fund	(8,373)
Adult Social Care Discharge Fund	(4,084)
Services Grant	(3,987)
Other grants	(108,292)