

Axminster Division Member Report 3rd March 2021

In what has been a very difficult past year due to the Pandemic there is finally genuine cause for hope that we are emerging from it with the roll out and escalation of the COVID-19 vaccination programme, a reduction of daily cases, hospital and Community deaths and a cautious roadmap in lifting lockdown restrictions, where we can look forward with optimism towards a good summer for us and our Families and Friends, as well as the recovery of our Economy.

This report focuses on just two items which I hope will be of interest to members.

The Government budget has many positives items in it. Not least the continuation of support individuals and businesses on what is sure to be a long road back to recovery. Devon County Council has to set its own budget and below are some key extracts from the 2020/21, 169-page budget document.

DCC Budget

Financial targets are set for all the areas of activity that are undertaken by the County Council. Day-to-day expenditure and income are referred to as revenue and investment in assets is referred to as capital.

Elected members approve all budgets of the Authority and throughout the year monitoring of expenditure and income is undertaken to ensure that spending remains under control.

The funding for the budget currently comes from several sources including Council Tax, business rates and government grants, fees and charges.

The 2021/22 Budget is set in the context of the ongoing Covid-19 global pandemic. The virus has had a devastating impact on public health, social care, the NHS and the economy. The national response has cost billions of pounds and has seen national debt rise to over £2 trillion; levels not seen since the last world war.

In November the Chancellor announced a Government Spending Review (SR2020); it had been hoped that it would be a multi-year spending review, but this was not the case. The one-year spending review was followed in December with a one-year provisional settlement. Whilst not a generous settlement, it is better than it might have been in the current economic climate and has allowed the authority to set a balanced budget with only modest savings being required.

Whilst not a generous settlement, it is better than it might have been in the current economic climate and has allowed the authority to set a balanced budget with only modest savings being required. On the 4th February 2021, the Secretary of State for the Ministry for Housing, Communities and Local Government, Rt. Hon. Robert Jenrick MP, made a written statement to Parliament on the Final Local Government Finance Settlement 2021/22.

(The 2021/22 local government finance settlement is for one year only and is based on the Spending Round 2020 (SR20). The Final Settlement is £103.2 million. The main points are set out below:

- Council Tax – As previously announced at Spending Round 2020, the council tax referendum limit will be 2% for local authorities with social care authorities allowed a 3% social care precept. The settlement confirmed districts will be allowed to apply the higher of the referendum limit or £5; **The 2021/22 Band D Council Tax is increased by 4.99% to £1511.28 per household**

- Business Rates Retention – The business rates multiplier has been frozen for 2021/22 resulting in the three elements of the Business Rates Retention system (Baseline Need, NNDR Baseline and Tariff/Top Up amounts) remaining at 2020/21 levels;

- Revenue Support Grant – Has been increased by 0.55%;
- Social Care Funding – Originally announced at SR20, there has been an increase to the Social Care Support Grant of £300 million nationally. This has been allocated based on Adult Social Care relative need (£60 millions) and the ability to raise resources through the social care precept (£240 millions). There has been no change to the Improved Better Care Fund Grant;

- Rural Services Delivery Grant – There has been an increase of £4 million nationally, from £81 million in 2020/21, to £85 million in 2021/22; with the methodology for distribution remaining unchanged from 2020/21;

- Covid-19 Funding – In SR20, £2.2 billion of funding was announced to support local government in 2021/22, alongside support for local tax income and the spreading of deficits

The Settlement for the authority is:

	£'000
Revenue Support Grant	549
Business Rates Central Government Top Up	80,654
New Homes Bonus	2,486
Rural Services Delivery Grant	7,823
Social Care Support Grant SR20	3,149
Social Care Support Grant SR19	20,160
Improved Better Care Fund	28,271
Covid-19 Funding	14,823
Council Tax Support Grant	6,358

	2020/21 Adjusted Budget *	Inflation & Pressures	Savings & additional Income	2021/22 Budget	Net change	
	£000	£000	£000	£000	£000	%
Adult Care & Health	260,757	26,235	(4,557)	282,435	21,678	8.3%
Children's Services	146,869	13,787	(2,389)	158,267	11,398	7.8%
Community Health, Environment & Prosperity	39,792	1,039	(958)	39,873	81	0.2%
Corporate Services	37,566	4,436	(1,615)	40,387	2,821	7.5%
Highways, Infrastructure Development & Waste	57,827	1,804	(2,111)	57,520	(307)	-0.5%
	542,811	47,301	(11,630)	578,482	35,671	6.6%

There is a significant level of uncertainty around the authority's sources of funding after 2021/22, including a new Comprehensive Spending Review (how much Government funding will be available to local government), the fairer funding review (how that Government funding will be shared between different types of authority) and changes to the share of business rates retained locally. There is also the uncertainty of the impact of leaving the EU will have on the wider economy and public sector funding.

In addition, the authority needs to have sufficient reserves and balances to offset the cash spent on the significant projected deficit on the High Needs block for Dedicated Schools Grant.

Food poverty support for Families over Easter and HOLIDAY ACTIVITIES AND FOOD Programme

The DCC holiday food voucher scheme is a way of providing funds to ensure families of children who are eligible for free school meals during term time are able to purchase food over the holidays; to replace the meals a child would have received during a school day.

Devon's level of food insecurity has risen over the past 12 months, with rates of over 20% in Mid Devon, North Devon, and Teignbridge. The scheme will mean almost 16,000 food vouchers will be distributed to those families in need and that qualify.

The offer over the Easter period will be similar to that provided at Christmas and through the recent half term week. The main form of support will be through vouchers (£15 per week per child) which can be redeemed at a range of supermarkets. For families not able to access a supermarket (online or in person) a food parcel will be available.

The voucher scheme will continue to work alongside District Council COVID Hardship Funds, enabling a package of support (e.g. power, travel, advice services) to be awarded to applicants in tandem with food.

Additional funds remain available via the Early Help system so that families in need can be provided with other support alongside food.

The COVID Winter Grant scheme run by Citizens Advice is also continuing, providing households with a grant to help towards energy costs. This helps clients who are facing a choice between heating and eating, this money is designed to cover the 'heating' element for a short period of time.

Devon Community Foundation have also been commissioned to map organisations providing food across Devon and help to build networks of support in each area, ensuring that food and associated needs are coordinated.

HOLIDAY ACTIVITIES AND FOOD (HAF) Programme

In November 2020 the Government announced a significant expansion of its tried and tested *Holiday Activities and Food (HAF) programme*. In areas of high deprivation this programme has provided healthy food and enriching activities during the summer holidays to children who receive benefits-related free school meals (FSM). It offered valuable support to families on lower incomes, giving them the opportunity to access rewarding activities alongside healthy meals over the school holidays.

For 2021 the programme has been expanded to reach all Local Authority areas and will cover the Easter, Summer and Christmas holiday period. As a result, Devon County Council has recently been allocated a substantial grant of up to £1,793,720 to develop, co-ordinate and deliver the programme which will offer:

- An activity and Food programme for children aged 5 -16 years who are eligible for Free School Meals; with the aim of making it a universal offer where possible.
- The programme will offer inclusive and accessible provision (for example, SEND, young carers, etc).
- The offer will consist of at least 4 hours, for 4 days a week, per child for 4 weeks in the summer, and for one week in Easter and Christmas holidays.

Devon County Council is keen to work with a wide range of partners to maximise resources and opportunities in the development of a county-wide HAF programme. We aim to do this by publicising what's already on offer, upscaling provision where needed and offering support to develop new provision where gaps have been identified.

The Easter programme will focus on the areas of Devon listed below (top 30% deprivation indices) which is approximately 3,000 children. The intention is to roll it out over the whole county for all 16,000 children who wish to attend over the Summer holidays and Christmas period.