

Devon County Council March Report

2026-2027 Budget

February and March have marked a significant moment for Devon. After months of scrutiny, debate and difficult decisions, the County Council has now agreed its 2026–27 budget. This is our first full budget of the new administration, and it sets a clear direction: stabilising essential services, repairing what has been neglected, and investing in the foundations that keep Devon moving. As you'd expect from a budget of over £2 billion, it has taken a long time to get to this point.

£19 Million Extra for Devon's Roads

The headline for many residents will rightly be highways.

This year's budget includes an additional £15 million investment in Devon's roads, alongside a commitment to maintain £10 million per year in additional funding over the following five years. This is a major shift in approach. For too long, highways funding has been reactive and insufficient, leading to a cycle of patching rather than repairing.

The extra funding will allow us to move beyond emergency pothole filling and begin tackling structural deterioration in a more strategic way. That means more resurfacing, more preventative maintenance, and more drainage work to stop water destroying road foundations in the first place.

After one of the worst winters on record for storm damage, this investment is both timely and essential. While it will not fix every problem overnight, it represents a serious and sustained commitment to improving the condition of Devon's roads.

At the same time, an extra £4 million of revenue funding will allow us to fix the potholes that we have now, as well as addressing the regular issue of blocked culverts, grips and buddle holes in quicker order.

Protecting Frontline Services

Despite the continued unfairness of national funding arrangements, we have delivered a balanced budget that protects frontline services.

Adult social care remains the largest area of council spending, accounting for nearly half of the total budget. Demand continues to rise, particularly as Devon has one of the oldest populations in the country. This budget provides stability while work continues to modernise services in a way that protects dignity and independence.

Children's services and SEND provision also remain a priority. While financial pressures are significant, we are committed to improving outcomes and ensuring that vulnerable children receive the support they need.

There was also significant national news on Special Educational Needs and Disabilities funding. The Government has confirmed it will write off around 90 per cent of councils' historic High Needs deficits, including Devon's, which will equate to approximately £200 million. It is important to be clear that this deficit did not arise from local overspending. Councils have a statutory duty to support children with SEND, and when national funding failed to keep pace with rising demand, local authorities were required to meet those costs regardless. In effect, councils have been carrying debt on behalf of central government in order to protect children and families. This decision is therefore the Government repaying money that should have been properly funded in the first place. I welcome both the write off and the stated commitment to put SEND funding onto a sustainable national footing so that councils are not placed in this position again.

Importantly, our budget is built around long-term sustainability, with a renewed focus on rebuilding reserves after years of erosion.

Libraries, Communities and Local Investment

There is additional funding to strengthen library services and develop them as resilient community hubs, particularly in rural areas. Libraries are so important for our communities, they are warm spaces, digital access points, advice centres and meeting places. In the National Year of Reading, this investment sends an important signal about literacy and opportunity. As the consultation has only just closed, we will have to wait until later in the spring to hear what residents want the library services to look like in the future, however what is clear is that communities want these spaces protected. Message received, loud and clear.

Locality budgets are set to continue and expand in the new financial year, with the allocation opening in April. Each councillor will now have £10,000 to allocate to community projects, up from £8k last year. These funds may be modest in the context of the overall council budget, but their impact at parish level can be transformational. From supporting defibrillators to funding youth activities or small infrastructure improvements, locality funding remains one of the most direct ways to strengthen community life.

LGR

At the same time, we continue to face uncertainty around Local Government Reorganisation and future national funding reforms. Large rural counties like Devon are still disadvantaged by the current funding formula. We will continue pressing for a fairer settlement that reflects the real cost of delivering services across a geographically large and dispersed county.

Two Labour-run councils up country have openly said that they will not be cooperating with the government on LGR. In the face of cancelled and then un-cancelled elections in Exeter and 29 other areas, it's looking more and more of a possibility that the government are about to U-turn on LGR.

Looking Ahead

The coming months will be about delivery. Highways teams will move from winter emergency response into planned recovery and resurfacing programmes. Drainage work will be critical to ensuring that new road surfaces last. Parish councils can continue to support this work by reporting issues promptly and sharing reference numbers where follow-up is required. This budget does not solve every challenge facing Devon. The financial climate remains extremely difficult. But it does mark a turning point. It demonstrates that even in constrained circumstances, we can choose to invest in the essentials, protect communities, and begin repairing the foundations.