

Report to: Cabinet

Date of Meeting 1 February 2023

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A



Revenue and Capital Budgets 2023/24

Report summary:

Cabinet adopted draft Revenue and Capital Budgets for 2023/24 at its meeting on 4th January 2023. A joint meeting of the Overview and Scrutiny Committees reviewed those budgets on 11th and 12th January and the Housing Review Board considered the Housing Revenue Account budgets on 18th January.

Recommendations from those meetings are detailed in this report and the minutes are contained on the agenda. It is now for Cabinet to consider comments and recommendations and to make their recommendations to Council.

As part of the Prudential Code for Capital Finance in Local Authorities the Council is required to set prudential indicators as part of its budget setting process, these indicators are detailed in the Treasury Management Strategy 2023/24 – Minimum Revenue Provision Policy Statement and Annual Investment Strategy and are included on the Cabinet agenda. They reflect the proposals and details in this report.

Alongside the Treasury Management Strategy sits the Capital Strategy which is also contained on this agenda for adoption.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

It is recommended to Council

1. To propose the Net Expenditure Revenue General Fund Budget for 2023/24 of £21.597m (as given in the adopted draft budget presented to Cabinet on 4th January 2023).
2. A Council Tax increase is approved of £5 a year giving a Band D council tax of £161.78 a year for 2023/24.
3. That the Housing Revenue Account Estimates with a net surplus of £0.268m is approved with a 7% increase on Council dwelling rents and garages.
4. That the Net Capital Budget totalling £10.216m for 2023/24 is approved

Reason for recommendation:

There is a requirement for the Council to set a balanced budget for both the General Fund and Housing Revenue Account and to levy a Council Tax for 2023/24.

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Portfolio(s) (check which apply):

- Climate Action and Emergency Response
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Democracy, Transparency and Communications
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities
- Tourism, Sports, Leisure and Culture

Equalities impact Low Impact

An analysis of budget changes has not highlighted areas that give rise to any equality issues that need highlighting. There are no changes proposed from the current service provisions as a result of the draft budget that will effect individuals.

Climate change High Impact

The budget approval gives the Council the resources necessary to undertake its business which will significantly contribute to the carbon footprint of the Council. The Council is committed to reducing its carbon net emissions to zero by 2040 and resources have been factored into the budget to meet this priority

Risk: Medium Risk; Risks have been considered in preparing the budgets and the financial implications have been assessed at the point of preparation. Various budget assumptions have been made including the treatment of inflation and interest rates; estimates on the level and timing of capital receipts; the treatment of demand led pressures; the treatment of planned efficiency savings/productivity gains; levels of income; financial risks inherent in any new arrangements; capital developments; the availability of funds to deal with major contingencies and the need for any provisions. In each of these areas the Council's financial standing, management and track record have been considered in order to prepare robust budget proposals. Other specific areas of risk were highlighted within 2023/24 budget report to Cabinet on 4th January 2023.

Links to background information

[Draft Budget Book 2023/24](#)

Link to [Council Plan](#)

Priorities (check which apply)

- Better homes and communities for all
- A greener East Devon
- A resilient economy

1. Introduction.

- 1.1 The Cabinet adopted draft revenue and capital budgets on the 4th January 2023.
- 1.2 The budgets, associated service implications and Service Plans were then considered by:
- A joint meeting of the Overview and Scrutiny Committees on 11th and 12th January.
 - The Housing Review Board considered the Housing Revenue Account (HRA) budgets at its meeting on 18th January.
 - Comment were also invited from the business community to the Council's draft budget proposals. No direct feedback has been received at time of report writing.
- 1.3 This report follows on from the draft Revenue and Capital Budgets 2023/24 report presented to Cabinet on the 4th January; this gave significant narrative on the budget proposals including the details presented in the budget book. For reference:
- The budget report can be found here, [Draft Revenue and Capital Budgets 2023-24.pdf \(eastdevon.gov.uk\)](#)
 - the draft budget book here, [Budget Book 2023/24](#) , and
 - the Service Plans here, [Our service plans 2023/24](#)

2. Update and Summary of recommendations to Cabinet.

- 2.1 The minutes of the joint meeting of the Overview and Scrutiny Committees on 11th and 12th January and the Housing Review Board meeting of 18th January are contained on this agenda.
- 2.2 The draft budget for the General Fund, Housing Revenue Account and Capital Programme were recommended by these Committees as those adopted by Cabinet on 4th January with no amendments.
- 2.3 The LED Monitoring Forum have also met since the draft budget was adopted and considered the Service Contract Payment request from LED for 2023/24. The minutes from that meeting are contained on this agenda. The Forum recommend to Cabinet to approve the Service Payment contained in draft budget of £1.372m, acknowledging the higher sum requested from LED of £1.498m. The Forum have requested that senior officers work with LED to monitor their financial position and present further details to the Forum as the year progresses. The Forum also considered a report on Exmouth Pavilion and requested an urgent report is prepared for Cabinet to consider necessary repairs to the buildings. This is likely to require members to consider a capital budget request, this will now fall outside the budget process and be presented as a separate consideration at a future meeting.

The report covering the LED Service Contract Payment presented to the Forum was a restricted report (Part B) and members can access this through modern.gov if they wish.

- 2.4 The Strata Joint Executive (JEC) met on 17th January with minutes to be presented to Council at its February. This meeting recommended to each of the partner Councils the Service Payment for Strata for 2023/24 along with the projected savings amounts, these sums for EDDC were already factored and presented in the draft budget. A capital budget contribution from EDDC is also requested of £146k, although the final sum was unknown at the stage of budget preparation a sum in line with this was assumed in the associated revenue implications. This increases the Capital Programme from the sum presented in the draft budget of £10.070m to £10.216m.

The report covering the Strata Business Plan for 2023/24 presented to JEC was a restricted report (Part B) and members can access this through modern.gov if they wish.

3. Council's Balances and Reserves

- 3.1 Details are contained in the draft Revenue and Capital Budgets 2023/24 report presented to Cabinet on the 4th January. The Financial Monitoring Report contained on this agenda is in line with the position outlined to members in that budget report.

4. The Prudential Code for Capital Finance in Local Authorities

- 4.1 The Prudential Code for Capital Finance in Local Authorities gives the requirement to report on a series of prudential indicators, which are designed to support and record local decision making. These indicators are required to be part of the Council's budget setting process and show the overall effect on various financing and borrowing strategies that the Council plans to adopt over the next three financial years. These indicators will be monitored and reported and when necessary updated to reflect any changes in policy.
- 4.2 This Council's prudential indicators are contained in the Treasury Management Strategy 2023/24 – Minimum Revenue Provision Policy Statement and Annual Investment Strategy included on the agenda and reflect the proposals and details in this report.
- 4.3 Alongside the Treasury Management Strategy sits a requirement under the Prudential Code for the Council to adopt a Capital Strategy, this is also contained on this agenda for Members consideration.

Financial implications:

Details are included in the report

Legal implications:

The requirements for budget setting and council tax are set out in statute and regulations which the finance team take account of in the preparation of the report. The duties of the Council's Section 151 Officer include the requirement to make recommendations to ensure that the Council maintains an adequate level of reserves, when considered alongside the risks the Council faces and the general economic outlook