

Report to: Scrutiny Committee

Joint Scrutiny & Overview Committees

Date of Meeting 11th January 2024

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A



Draft Revenue and Capital Budgets 2024/25

Report summary:

This report presents the draft revenue and capital budgets for 2024/25 as adopted by Cabinet on the 3rd January 2024. The Scrutiny and Overview Committees are asked to consider that draft budget and make recommendations for Cabinet to consider on 31st January 2024 when making final budget proposals to recommend to Council.

The draft budget report and linked background paper presented to Cabinet are attached. Specific recommendations are sought from the Committees on the draft budget including the proposed Council Tax level for 2024/25. The proposed draft budget is currently balanced for both the General Fund and Housing Revenue Account.

Since the report to Cabinet was published the Local Government Finance Settlement has been announced giving individual authority settlement numbers, this has made no material overall difference to the monies we assumed we would receive so requires no amendments to the draft budget presented. As for the details there are pluses and minus on what we assumed and for completeness a comparison to the draft budget is given below. The main variation comes in our business rates baseline funding number, however as we estimate total business rates income (baseline and uplift) it means the balance lost in the Government assessment we will adjust in the uplift sum negating any reductions and using this funding line to balance our budget to that proposed in the report. This does however emphasis further the difference between what the Government believes we should be keeping in our business rates and the reality of what we receive.

Comparison between Draft Budget on Cabinet agenda and EDDC Finance Settlement 2024/25:

Income Stream	Draft Budget £000	Settlement £000	Difference (Adverse/Favourable) £000
New Homes Bonus	1,148	1,148	-
Rural Service Delivery Grant	265	265	-
Minimum Funding Guarantee Grant	1,550	1,665	115(F)
Service Grant	58	17	41(A)
Revenue Support Grant	278	277	1(A)
Business Rates Baseline Funding	3,733	3,449	284(A)
Business Rates Retention Uplift	5,077	5,288*	211(F)
Sum			0

* Adjusted income line to rebalance budget to that proposed in the report (effectively reducing assumed overall business rate income by £73k).

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

That the draft revenue and capital budgets for 2024/25 are considered by the Scrutiny and Overview Committees with recommendations on its approval or any amendments being made to Cabinet.

Reason for recommendation:

There is a requirement to set a balanced budget and to levy a Council Tax for 2024/25

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Portfolio(s) (check which apply):

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

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 because of the draft budget that will affect 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 to prepare robust budget proposals. Other specific areas of risk have been highlighted where appropriate within the report.

Links to background information Links contained in attached report

Link to [Council Plan](#)

Priorities (check which apply)

~~Better homes and communities for all~~

A greener East Devon

A resilient economy

Financial implications:

Details are contained in the report

Legal implications:

No legal observations are required