

Report to: Cabinet

Date of Meeting 4 February 2026

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A



## Revenue and Capital Budgets 2026/27

### **Report summary:**

Cabinet initially adopted the draft Revenue and Capital Budgets for 2026/27 at its meeting on 7<sup>th</sup> January 2026. A joint meeting of the Overview and Scrutiny Committees reviewed draft Directorate Plans and the draft budget on 14<sup>th</sup> January, and the Housing Review Board considered the Housing Revenue Account budget on 22<sup>nd</sup> January.

The Overview and Scrutiny Committees recommended the approval of the Directorate Plans as presented and the draft 2026/27 budget with no amendments to the main budget, but a further recommendation on the inclusion of special item bids totalling £302,500. These have now been added to the draft budget in line with those recommendations. The Housing Review Board recommended no amendment to the draft Housing Revenue Account budget.

It is now for Cabinet to make their recommendations to Council.

### **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 2026/27 of £28.096m (including £302,500 additional special item bids identified in 2.2 of this report) requiring £1.174m to be met from the MTFP Risk Reserve.
2. A Council Tax increase is approved of £5.14 a year giving a Band D council tax of £176.92 a year for 2026/27.
3. That the Housing Revenue Account Estimates with a net budget of nil (total expenditure met by income) is approved with a 4.8% increase on Council dwellings rents.
4. That the Net Capital Budget totalling £16.779m for 2026/27 is approved

#### **That Cabinet**

5. Approve the Directorate Plans, link provided in 1.3 of the report.

## **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 set a Council Tax for 2026/27.

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Portfolio(s) (check which apply):

- Assets and Economy
- Communications and Democracy
- Council, Corporate and External Engagement
- Culture, Leisure, Sport and Tourism
- Environment - Nature and Climate
- Environment - Operational
- Finance
- Place, Infrastructure and Strategic Planning
- Sustainable Homes and Communities

### **Equalities impact** Low Impact

An analysis of budget changes has not highlighted areas that give rise to any equality issues that need highlighting. Any specific service changes will be supported with a report to Cabinet accompanied by an Equality Impact Assessment

### **Climate change** Medium Impact

The budget approval gives the Council the resources necessary to undertake its business which will 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 including key actions identified in the Directorate Service Plans.

**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**

#### **Link to Council Plan**

Priorities (check which apply)

- A supported and engaged community
- Carbon neutrality and ecological recovery
- Resilient economy that supports local business
- Financially secure and improving quality of service

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## 1. Introduction.

- 1.1 The Cabinet adopted draft revenue and capital budgets on the 7<sup>th</sup> January 2026.
- 1.2 The budgets, associated service implications and Directorate Plans were then considered by a joint meeting of the Overview and Scrutiny Committees on 14<sup>th</sup> January. The Housing Review Board considered the Housing Revenue Account (HRA) budget on 22<sup>nd</sup> January. Comment was also invited from the business community to the Council's draft budget proposals; no specific feedback was received in relation to the budget for members to consider at time of report writing.
- 1.3 This report follows on from the draft Revenue and Capital Budgets 2026/27 report presented to Cabinet on the 7<sup>th</sup> 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, [Budget Report presented to Cabinet - Item 12 on agenda](#)
  - the draft budget book here, [Budget Book 2026/27](#),
  - the Directorate Plans in the Scrutiny and Overview Agenda for 14<sup>th</sup> January 2026, [Directorate Plans - Item 8 on agenda](#)

## 2. Summary of recommendations to Cabinet.

- 2.1 The minutes of the joint meeting of the Overview and Scrutiny Committees and the Housing Review Board meeting are contained on this agenda.
- 2.2 The draft budget for the General Fund, Housing Revenue Account and Capital Programme was recommended by these Committees as those adopted by Cabinet with no proposed amendments to the main budget. However, both the Overview Committee and Scrutiny Committee recommended the inclusion of further expenditure of £302,500 to be met from the MTFP Risk Reserve. The items recommended to be included were:
  - A budget of £20,000 for Play Park consolidation study - to cover costs to investigate/review all 80+ play sites for legal requirements/consolidation and view on future maintenance/capital cost.
  - A budget of £37,500 to continue delivery on the Cultural Strategy (previously funded from UKSPF).
  - A budget of £30,000 to continue delivery on the Tourism Strategy (previously funded from UKSPF).
  - A budget for £60,000 to continue the funding of the CVS service by Devon Communities Together for another year (previously funded from UKSPF). Also, a further request to add to this of £3,000 to be on the Devon Connect platform.
  - A budget of £118,000 to meet StreetScene staffing pressures. Broken down as £59,000 Operations – ongoing growth demand from new developments,

population growth and climate change, and £59,000 Operations Management – additional deputy Operations Manager.

- A budget of £34,000 has been requested for an additional operations post for West End specific growth associated with population increase and house building.

2.3 These items have now been included within the budget and reflected in the recommendations of this report. The additional £302,500 can be met from Reserves, but as outlined in the budget report this does add to the financial gap going forward and will require additional savings to be found in future years.

2.4 It is proposed the draft 2026/27 budget as originally adopted by Cabinet, with the inclusion of the special item bids listed in 2.2 above, are recommended to Council with the key elements being:

- A General Fund Net Expenditure Budget of £28.906m with a £5.14 a year increase in Council Tax giving a Band D council tax of £176.92 a year. This includes the fees and charges schedules that formed part of the budget process.
- A Housing Revenue Account net budget of nil (total expenditure met by income) with a 4.8% increase on Council dwellings rents.
- A Net Capital Budget totalling £16.779m.

2.5 It is proposed that Directorate Plans (prepared with Portfolio Holders), now that they have been considered by the Overview and Scrutiny Committees and recommended for approval, are adopted by Cabinet.

### **3. Council's Balances and Reserves**

3.1 Details are contained in the draft Revenue and Capital Budgets 2026/27 report presented to Cabinet.

### **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 2026/27 – Minimum Revenue Provision Policy Statement and Annual Investment Strategy reflect the proposals and details in this report.

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4.3 Alongside the Treasury Management Strategy sits a requirement under the Prudential Code for the Council to adopt a Capital Strategy.

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**Financial implications:**

Details are contained in the report

**Legal implications:**

The Council is legally required to set a balanced budget