

EXETER CITY COUNCIL

**EXECUTIVE
5 FEBRUARY 2013**

**COUNCIL
26 FEBRUARY 2013**

GENERAL FUND REVENUE ESTIMATES AND CAPITAL PROGRAMME 2013/14

1. PURPOSE OF THE REPORT

- 1.1 To approve the General Fund revenue estimates for 2013/14 and to recommend the Band D level of Council Tax for 2013/14. This report also includes the proposed Capital Programme for 2013/14 and future years, and a note of the proposals in respect of the Housing Revenue Account.

2. BACKGROUND

- 2.1 At its meeting of 4 December 2012, the Executive approved a budget strategy based upon key assumptions including the likely level of available resources and identified spending pressures. This strategy, including the revised medium term financial plan, indicated that the Council needed to reduce its revenue budget by about £2.9 million over the next four years.
- 2.2 Next year will see significant changes affecting Council finances being introduced by Government. These include the following:
- Local Government Resources Review including Local Business Rate Retention
 - Pooling Arrangements for Business Rates
 - Welfare Reforms and localising support for Council Tax Benefit
 - Technical Reforms to Council Tax
- 2.3 The Government has now announced the final two-year local government finance settlement covering 2013/14 and 2014/15. For Exeter the guideline figures are as follows:
- Formula Funding 2013/14 £7,811,885 (decrease 5.4% against 2012/13 'adjusted' formula funding)

The final settlement now indicates that in overall cash terms 2013/14 formula funding will decrease by £445,922 against the 2012/13 'adjusted' formula funding amount of £8,257,807.

3. LOCAL GOVERNMENT RESOURCE REVIEW INCLUDING LOCALISATION OF BUSINESS RATES

- 3.1 The localisation of Business Rates is intended to provide incentives for local authorities to drive economic growth, as local authorities will be able to retain a share of any growth that is generated in Business Rates revenue in their areas, as opposed to the current system where all Business Rates revenues go to central Government for distribution.
- 3.2 Under the new proposals the overall level of funding to each authority from Central Government for 2013/14 reflects the amount which would have been receivable from Formula Grant (i.e. grant and share of redistributed business rates) had there been no change to the system.

3.3 This is achieved by first splitting the business rates collected in the following proportions:

50% - to Central Government

9% - to Devon County Council

1% - to the Fire Authority

40% - to be retained by Exeter City Council (the District's Business Rates Baseline)

3.4 Whilst there will be some local authorities that earn more in business rates than they used to receive from the current formula grant, there will be others who earn less. The Government takes account of this by introducing a system using "top-ups" and "tariffs". In overall terms however there is no new money for this finance system; it is a redistribution of the current monies allocated to Local Government but on a different basis.

3.5 Going forward however, the new system does allow local authorities to keep part of any increase in growth in their business rates base. The element of growth retained by each local authority has now been set at 50%. This will enable more business rates growth to be retained locally than was previously forecast.

4. POOLING ARRANGEMENTS FOR BUSINESS RATES

4.1 All the Devon Authorities have been jointly working together and have determined that based on early release of data it would be beneficial to form a Business Rates Pool for Devon. It is expected that pooling will offer the Devon authorities an opportunity to retain more of the business rates generated in their areas, due to the way in which the new process will operate. A proposal for a Devonwide Pool signed off by each relevant s151 officer and Chief Executive was submitted to Government by 9 November deadline.

4.2 The Government allowed local authorities a further chance to withdraw from pooling arrangements as long as a decision was made within 28 days of the draft report being published. The deadline of 15 January has now passed and the Council's section 151 officer (Assistant Director Finance) in consultation with the Leader has recommended that Exeter remains within the proposed Business Rates Pool for Devon.

4.3 The medium term financial plan has assumed an additional amount of £100,000 next year arising from pooling and localisation of business rates, increasing in subsequent years. At this stage this is a prudent forecast which will only become more certain in future months when the full impact of the new business rates scheme can be more accurately determined.

5. WELFARE REFORM INCLUDING LOCALISING SUPPORT FOR COUNCIL TAX

5.1 With the introduction of the Welfare Reform Bill, the Government plans that local authorities will no longer be responsible for the administration of Housing Benefit payments. Benefits payments will form part of the Universal Credit proposals amalgamating a number of welfare payments into one system administered directly by the Department for Works and Pensions (DWP). It is currently proposed to be introduced in October 2013 with a lengthy period of implementation and customers rolling into the system at different stages. This clearly brings with it uncertainties for customers, Council staff and financial uncertainty in understanding clearly the role the Council will play in the future. There is a risk in the calculations to be used by Government to reduce funding to reflect the stopping of this responsibility that the Council could be left disadvantaged.

5.2 As part of the Welfare Reform and linked with the Local Government Finance Act, the Government are Localising Support for Council Tax. This has been the subject to a separate report to Executive on 20 November 2012. The proposals are that the Council will become responsible for assisting those on low incomes to help meet their Council Tax liability, not

only in terms of administrating a scheme but actually setting the scheme details locally. The financial risks associated with this relate to how the Council will be financially reimbursed for the payments made under the scheme and the cost of administration. Under the current system, Council Tax Benefit payments are reimbursed directly to the Council based on actual cost. The new system will instead be based upon an annual allocation and not linked to actual costs thereby giving significant risk to local authorities on potential costs incurred. The Governments financial target of introducing this change is to reduce overall expenditure by 10%, thereby putting local authorities into a difficult position of having to reduce benefits/discounts to those on low incomes compared with the current scheme.

6. TECHNICAL REFORMS TO COUNCIL TAX

6.1 The Government is introducing a number of technical reforms to Council Tax from April 2013. The reforms give billing authorities more flexibility on some of the discounts that can be granted which will provide the opportunity to generate additional income. This flexibility relates to:

- Second Homes
- Empty Properties
- Properties undergoing or requiring structural works

6.2 The reforms were considered as part of a separate report to Executive on 20 November which considered the reforms in more detail. Following approval the reforms will raise an additional £374,000 in council tax revenue of which £33,000 will be directly attributable to the City Council.

7. KEY ASSUMPTIONS

7.1 In order to produce the Council's medium financial plan and annual revenue budget a number of factors have to be taken into consideration. Economic factors outside of our control such as inflation, interest rates, and economic growth etc. can have a huge impact upon the council's overall financial position. Consequently it is necessary to make a number of assumptions on such issues so that a meaningful financial plan can be produced.

7.2 With regard to inflation the following assumptions have been made with regard to the revenue budget for 2013/14:

• Pay Award	1.0%
• Pay – Increments	0.5%
• Electricity	8.0%
• Gas	20.0%
• Oil	12.0%
• Water	5.1%
• Insurance	3.0%
• Rates	2.0%
• Fuel	6.0%
• General Inflation	0.0% - see para 3.4 below
• Income (excluding car parks)	2.5%

7.3 As a means of finding efficiency savings many non-pay budgets will again not be fully increased for inflation. There will be some exceptions to this in particular where there are ongoing contractual arrangements in place and where the Council has to meet the full price increase e.g. insurance and fuel. Recently released figures show that the rate of Consumer Prices Index (CPI) inflation in the UK remained unchanged at 2.7% during December. Retail

Prices Index (RPI) inflation, which includes housing costs, edged up slightly to 3.1% during December, up from 3.0% in November.

7.4 With regard to interest rates the Bank of England has continued to put the base rate of interest on hold at only 0.5% since March 2009. Most analysts are predicting that interest are likely to remain at their historically low levels in the short term with perhaps only a modest increase towards the end of the next financial year. The low levels of interest rates affect the City Council in different ways. On the negative side the Council has to assume low investment returns on cash deposits. Conversely, on the positive side, the low interest rates currently prevailing means that the cost of short term borrowing remains low. This is particularly important to the City Council now that it has to make use of borrowing in order to fund a significant part of its capital programme.

8. LOCAL GOVERNMENT FINANCE SETTLEMENT 2013/14

8.1 As indicated above the final settlement provides local authorities with their funding allocations for the next two years. The City Council's provisional formula funding settlement for 2013/14 is £7.812 million and this represents an overall cash decrease of £0.446 million (5.4%) compared to the current year 'adjusted' formula funding of £8.258 million.

8.2 Appendix 1 shows as a comparison the formula funding settlement figures for all Devon authorities covering the current spending review period up to 2013/14. The final settlement figures will be announced later this month but at this stage it is not expected that they will be significantly different from the provisional announcement. They appear to show that in comparison with most other Devon Districts the City Council has fared slightly better in percentage terms of formula funding reduced.

8.3 In the grant settlement the Government announced that councils will face an average cut of 1.7% based upon council's 'revenue spending power'. Revenue spending power" is a definition used by the Government, which encompasses an individual authority's:

- Council Tax Requirement;
- Formula Grant;
- New Homes Bonus
- Other Grants; and
- NHS funding for social care (not applicable for district councils).

Appendix 2 shows a comparison of Devon authorities using this definition of revenue spending power. Using this measure Exeter's revenue spending power has increased by 2.3% for 2013/14, which compares favourably both nationally and with the other Devon authorities. This is primarily due to this Council's success in generating additional New Homes Bonus funding.

9. MONITORING OF REVENUE SAVINGS – 2012/13

9.1 The revenue budget for the current financial year incorporated proposed savings of £1 million. These savings are monitored during the year as part of the stewardship process and the most recent revenue budget overview report to Executive in December indicated that the Council is on track to deliver those savings.

10. FURTHER ISSUES TO BE CONSIDERED

10.1 Before the Council can finalise its revenue budget for next year there are a number of issues that require further consideration as follows: -

- Equality Impact Assessment
- Central Government advice on the level of Council Tax
- New Homes Bonus
- Future spending pressures and review of the medium term financial planning process
- The level of reserves and balances

11. EQUALITY IMPACT ASSESSMENT

11.1 Equality Impact Assessments (EQIA) form part of the Council's decision making process and are a tool to help the Council identify what effect or possible effects its work may have on different groups of people. All local authorities have a legal responsibility to assess their policies and functions, and to set out how they will monitor any possible negative impact on equality target groups. The Council needs to consider the impact on equalities of all new and reviewed Council strategies, policies, projects, services or functions, budget decisions and restructures. By anticipating the consequences of its actions on equality groups the Council can make sure that, as far as possible, any negative consequences are eliminated, minimised or counterbalanced by other measures, and opportunities for promoting equality are maximised. As part of this process any revenue savings proposals are assessed for any potential equality issues and EQIA's are undertaken as appropriate with the results available on the council's web site. An EQIA has previously been undertaken for both the Council's senior management restructure and organisational review process.

12. COUNCIL TAX

12.1 On 8 October 2012, the Chancellor of the Exchequer announced an extra £450 million fund for local authorities who decide to freeze council tax next year. If they do, councils, police and fire authorities will stand to receive £225 million of funding in both financial years 2013/14 and 2014/15, equivalent to raising their 2012/13 council tax by one per cent.

12.2 As part of the Local Government Finance settlement the Secretary of State has also announced the council tax referendum principles he proposes to set. He has proposed that a two per cent referendum principle will apply for all local authorities, Police and Fire and Rescue Authorities. This means that if an authority wishes to raise their relevant basic amount of council tax in 2013/14 by more than two per cent, they will have to arrange for a referendum to give the local electorate the opportunity to approve or veto the increase. The result of a referendum will be binding. However importantly there are some exceptions to the 2 per cent excessiveness principle, covering shire district councils, Fire and Rescue Authorities and Police Authorities whose 2012/13 own Band D council tax is in the lower quartile for their category of authority. For these authorities a referendum need only be held where the increase in the relevant basic amount of council tax for 2013/14 is more than 2 per cent and there is a cash increase of more than £5 in the relevant basic amount.

12.3 Exeter is identified as an authority that falls into the lower quartile and could therefore increase its council tax next year by up to £5 before a referendum would be triggered. The band D council tax for Exeter is currently £124.84 and an increase of £5 per year equates to an increase of 4.0%. An increase of £5 per annum will increase council tax revenue by £170,000.

12.4 The Budget Strategy presented to Executive in December had assumed that council tax would increase by 2%. However taking into account the revised referendum threshold and the Council's current low level of council tax it has now been assumed that a band D council tax for the City Council can increase by £5 per annum for 2013/14.

13. NEW HOMES BONUS

13.1 The New Homes Bonus is designed to create an effective fiscal incentive to encourage local authorities to facilitate housing growth. The scheme provides local authorities with a New Homes Bonus grant, equal to the national average for the council tax band on each additional property and paid for the following six years as an unringfenced grant. There is also an enhancement for affordable homes. Whereas previously DCLG has allocated additional funding for the scheme in 2011/12 and 2012/13, this is no longer the case from 2013/14 onwards with funding for the scheme being 'top-sliced' from mainstream grant funding.

13.2 To date the Council has received New Homes Bonus of £389,165 in 2011/12, £1,322,664 in 2012/13 and provisionally notified that it will receive a further £2.205 million in 2013/14. The Executive has recently approved a revised allocation that sets out how the New Homes Bonus funding should be used from 2013/14 onwards. Based upon this revision and using future estimates of New Homes Bonus funding the allocation is set out in the table below:-

Year	Top Slice £000's	Community Projects £000's	Major Infrastructure £000's	Unallocated £000's	Total £000's
2011/12	-	-	-	389	389
2012/13	120	361	601	241	1,323
2013/14	120	250	1,418	417	2,205
2014/15	120	250	1,937	547	2,854
2015/16	120	250	2,456	677	3,503
2016/17	120	250	2,975	806	4,151
2017/18	120	250	3,183	858	4,411
Total	720	1,611	12,570	3,935	18,836

14. FUTURE SPENDING PRESSURES AND REVIEW OF THE MEDIUM TERM FINANCIAL PLANNING PROCESS

14.1 The Council has a medium term financial strategy that forms an integral part of its formal financial planning processes. The key elements of this strategy form part of the overall Budget Strategy that is approved by Council each year. As a brief reminder the Medium Term Financial Strategy contains the following key points:

- It sets out a 5 year revenue financial plan (covering the period to 2016/17)
- It identifies the likely level of grant support from the government
- Sets out the likely level of future council tax increases
- Identifies future service cost variations
- Identifies level of future investment income and costs of borrowing
- Takes into account the revenue consequences of the Capital Programme
- Identifies the future amount of efficiency savings/cost reductions required for a balanced budget

- 14.2 An updated medium term financial plan (MTFP) covering the period 2012/13 to 2016/17 is attached in Appendix 3.
- 14.3 Although the Council is required to approve an annual revenue budget it does also need to take into account future spending pressures and the likely level of available resources covered by its medium term financial plan. The latest forecast MTFP currently indicates that in addition to the savings proposed for next year the Council will need to reduce its revenue budget by a further £727,000 in 2014/15, £836,000 in 2015/16 and by a further £885,000 in 2016/17. The result of all these reductions is **a cumulative reduction of £2.448 million over the following three years** as shown in the table below:-

Year	Required Savings £000
2014/15	727
2015/16	836
2016/17	885
Total	2,448

- 14.4 Looking to the longer term there are a number of uncertainties and factors that could affect the future financial position. These include: the amount of grant support from central government including localisation of business rates and the new pooling arrangements, the level of future years' pension contributions, potential costs arising from the review of service plans, the cost of any new statutory functions, and additional borrowing and revenue costs in respect of any new capital programme commitments. Any additional revenue costs that are not currently identified within the medium term financial plan will now have to be met from further savings.

15. BALANCES AND RESERVES

- 15.1 The Council's current policy is such that the minimum level of the General Fund Balance will now be £2 million. This is considered a sufficient level taking into account the potential level of financial risk facing the Council in the medium term. The latest estimated position of the General Fund Balance is that it will be £3.476 million as at 31 March 2013, equivalent to 25.3% of Exeter's net revenue budget. The Council's revised medium-term financial plan (Appendix 3) indicates that the General Fund Balance will be reduced to the minimum recommended level of £2 million by the end of 2016/17.
- 15.2 The Council also has other reserves that have been earmarked for specific purposes. The Council's proposed revenue budget for 2013/14 includes a net transfer to earmarked reserves of £2,443,000. This is broken down as shown below:-

Transfer (from)/ to reserves:

	£
New Homes Bonus	2,205,000
Restructuring	<u>238,000</u>
	2,443,000

16. ASSET IMPROVEMENT AND MAINTENANCE (AIM)

- 16.1 The General Fund budget for 2013/14 includes an overall allowance of £1,420,120 for AIM expenditure in order to maintain and service the Council's non-housing properties. Of this amount £1,316,120 will be allocated to meet on-going revenue commitments and £104,000 for high priority service requirements.

17. REVENUE ESTIMATES 2013/14 (APPENDIX 4)

- 17.1 In total, Service Committee Expenditure for 2013/14 is £11,786,320 which is £1,790,630 less than the current year. A summarised breakdown of this decrease is shown below: -

	£000's
Service Committee Expenditure 2012/13	13,580
Net Inflation Allocation	272
Increase in service costs	124
Revenue Savings	<u>(2,190)</u>
Service Committee Expenditure 2013/14	11,786

- 17.2 In addition there are other items to take into account referred to as 'below the line' as they do not form part of the individual service controllable budgets. These include an estimate of £140,000 for net borrowing in respect of the overall cash balances, £1,358,000 towards meeting the borrowing costs of the Council's capital programme, and new homes bonus grant and transfers in respect of balances and reserves. The Council's total General Fund Expenditure budget requirement for 2013/14 is planned to be £13,522,406, a decrease of £234,746 (1.7%) compared to 2012/13.

18. COUNCIL TAX BUDGET REQUIREMENT 2013/14 (APPENDIX 5)

- 18.1 When all the Government Grant funding is taken into account the resultant net expenditure to be financed from council tax is £4,391,189 (as indicated in Appendix 4), a decrease of £365,403 (7.7%) compared to 2012/13. The reason for the decrease is due to the replacement of council tax benefit by the new localised council tax support scheme.
- 18.2 Each year the Council must estimate the likely surplus or deficit position on its Collection Fund and any such amounts must be taken into account when determining the band D Council Tax amount for 2013/14. For next year it is estimated that the collection fund will break even resulting in neither a surplus or deficit position.
- 18.3 As indicated above it is proposed that the net expenditure to be funded by council tax for 2013/14 is £4,391,189. When the tax base of 33,820 divides this amount, the proposed band D council tax for 2013/14 will be £129.84, which means that the council tax will increase annually by £5.

19. HOUSING REVENUE ACCOUNT (HRA)

- 19.1 In April 2012 the Government introduced self-financing to the Housing Revenue Account following the end of the subsidy system. Self-financing is intended to put all local authority landlords in the position where they can support their own stock from their own income. Thus all income collected locally from rents, service charges and other sources will be kept at a local level to deliver housing services to tenants and to maintain housing stock.
- 19.2 The main features of self-financing are:
- The HRA continues to be framed by the Local Government and Housing Act 1989, which covers the detailed operation of the HRA; the structure and ring-fenced nature of the account therefore remain in place.

- The Government have set a Council Housing Borrowing Limit for each local authority (the cap). The cap is calculated as the authority's one-off debt settlement payment plus the debt associated with new build schemes built under contract with the Homes and Communities Agency. This equates to a debt cap of £57.882m for the Council and currently prevents the HRA from taking on any additional borrowing.
- Local authorities are expected to maintain a long term business plan for housing for financial and service planning, monitoring progress and managing risk.

19.3 Rent convergence with the housing association sector is expected to be achieved by 2015/16, in accordance with the Government's social rent policy. Rents in respect of council dwellings have therefore been calculated by applying an annual inflationary increase of 3.1% plus a convergence factor to reflect the number of years to rental convergence. It is anticipated that the average annual rent increase for 2013/14 will be 6%, which is £4.05 per week over 52 weeks.

19.4 In April 2012 the Government raised the cap on Right to Buy (RTB) discounts to £75,000 and confirmed that receipts from the additional sales this would generate need to be used to fund replacement stock on a one-for-one basis. Each local housing authority is able to retain the additional RTB receipts, providing it can demonstrate that it has spent a sufficient amount on replacement homes within 3 years and have entered into an agreement with the Department for Communities and Local Government for the provision of replacement homes. Exeter City Council entered into an agreement with DCLG on 27 June 2012 and is therefore able to retain the additional RTB receipts for local reinvestment

20. CAPITAL PROGRAMME RESOURCES (APPENDIX 6)

20.1 In previous years the annual capital programme has been financed from Government allocated grants together with money from the Council's own capital receipts and capital reserves. However the funding from these sources has now reduced and as a result the Council has to use borrowing instead to fund a significant part of its proposed capital programme. This also has an ongoing impact on the Council's revenue budget. The Council must ensure that any borrowing decisions remain affordable and to this end, has to adopt a number of prudential indicators, which are set out in the Prudential Code for Capital Finance in Local Authorities developed by CIPFA. A separate report to this meeting of the Executive sets out the Council's Prudential Indicators for approval by members.

20.2 The available capital resources for General Fund and Housing for 2013/14 are £10.645 million. An estimated spend of £2.236 million is required in respect of the General Fund and £9.090 million for the HRA. The total spend on capital will be £11.326 million of which £1.946 million will have to be funded from borrowing. Appendix 6 sets out the forecast use of the resources available for the General Fund and the Housing Revenue Account and the likely amounts of borrowing that will be necessary to fund the capital programme.

21. GENERAL FUND CAPITAL PROGRAMME (APPENDIX 7)

21.1 The proposed capital programme is set out in Appendix 7. The new / previously approved schemes total £3.194 million in 2013/14. The capital programme has been set out in line with the Council's current purposes, in order to demonstrate how the Council's capital priorities help to contribute towards their achievement. Although a number of schemes contribute to the achievement of more than one purpose, they have been placed under the objective to which it is considered the scheme contributes the most.

22. HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME (APPENDIX 9)

22.1 For 2013/14 the medium term financial strategy provides for a HRA capital programme of £9.090 million. This is funded from:

- Major Repairs Allowance £2.605 million
- Revenue Contributions to Capital £5.959 million
- Capital Receipts £0.526 million

23. RISK ASSESSMENT

23.1 It has already been mentioned above in this report that our financial forecasts are based on a number of assumptions including the level of inflation, interest rates, income levels, support from the Government and general prevailing economic conditions. In addition there are a number of uncertainties that could affect the financial position either now or in the future. These include the level of future years' pension contributions, potential costs arising from the review of service plans, and the cost of any new statutory functions.

23.2 Although the Council faces risks from the assumptions and uncertainties outlined above these have been mitigated by the following:

- Adopting a prudent approach to financial forecasting which involves obtaining information from external professional sources
- Continuous monitoring and review of the key factors together with regular reports to Members on any key issues
- Regular stewardship meetings with budget managers to ensure that budget pressures are identified at the earliest opportunity
- The adoption of robust financial management arrangements including option appraisal, risk assessment and financial monitoring
- Retaining a prudent level of reserves and balances

23.3 As part of the general budget-setting process the Council needs to also consider the risks inherent in the budgets set and the adequacy of the measures put in place to manage the potential risks.

24. STATEMENT OF THE ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES

24.1 There is a requirement under Section 25 of the Local Government Act 2003 that requires the chief finance officer of a local authority to formally report to its members on the robustness of the estimates and the adequacy of its reserves when it is considering its budget and council tax.

24.2 I have already outlined above in this report the key assumptions that have been made in the budget proposals for next year including an assessment of the risks and mitigating factors. As the chief finance officer for this Council I therefore consider that the budget estimates for 2013/14 that have been prepared are both robust and achievable.

24.3 The Council's current policy is such that the minimum level of the General Fund Balance will be £2 million. This is considered a sufficient level taking into account the potential level of financial risk facing the Council in the medium term. The latest estimated position of the

General Fund Balance is that it will be £3.476 million as at 31 March 2013, equivalent to 23.1% of Exeter's net revenue budget. The Council's current medium-term financial plan indicates that the General Fund Balance will be reduced to the minimum recommended level of £2 million by the end of 2016/17.

24.4 The Council's financial strategy recognises the need to maintain a General Fund Balance to provide stability for both medium and longer term planning and to provide a contingency against unforeseen events. In setting this minimum amount of £2 million the following have been taken into account: -

- The size of the authority
- The volatility of some income and expenditure budgets
- The risks faced by the Council with regard to funding unforeseen events
- The financial risks inherent in partnerships, outsourcing deals and as accountable body for external funding

24.5 The Council's estimated revenue Reserves are as follows: -

	31/03/2012 £'000	31/03/2013 £'000	31/03/2014 £'000
<u>Earmarked</u>			
Total Earmarked Reserves	1,892	2,658	4,731
<u>Non-Earmarked</u>			
General Fund Balance	4,285	3,476	3,476

25. PRECEPTS

25.1 Devon County Council, the Office of the Police and Crime Commissioner Devon and Cornwall (OPCC Devon and Cornwall) and the Devon and Somerset Fire Authority will all precept separately upon the council tax payers in Exeter. The County Council, OPCC Devon and Cornwall and Fire Authority will meet on the 21st, 8th and 18th February respectively. The recommendations are:

	2012/13	2013/14	Change	
	£	£	£	%
Devon County Council	1,116.36	x,xxx.xx	xx.xx	x.xx
OPCC Devon and Cornwall	159.73	xxx.xx	x.xx	x.xx
Devon and Somerset Fire Authority	73.92	xx.xx	x.xx	x.xx
Total Precept	1,350.01	x,xxx.xx	xx.xx	x.xx

26. FINAL POSITION

- 26.1 Based upon the recommendations above the aggregate requirements of Exeter City Council, Devon County Council, OPCC Devon and Cornwall and the Devon and Somerset Fire Authority will result in a council tax for the City of Exeter for 2013/14 of £x,xxx.xx per Band D property.
- 26.2 This is an overall increase of £xx.xx (x.xx%) on the amount of £1,474.85 levied for 2012/13.
- 26.3 The detailed figures are: -

Band	Exeter £	DCC £	Police £	Fire £	Total £
A	86.56				
B	100.99				
C	115.41				
D	129.84				
E	158.69				
F	187.55				
G	216.40				
H	259.68				

27. RECOMMENDATIONS

It is recommended that:

- 27.1 the Council's overall spending proposals in respect of both its revenue and capital budgets are approved;
- 27.2 the council tax for each Band be recommended to the Council as set out in section 26.3, subject to Devon County Council, OPCC Devon and Cornwall and the Devon and Somerset Fire Authority confirming their Band D levels respectively;
- 27.3 when the actual council tax amounts for Devon County Council, Devon and Cornwall Police Authority, and the Devon and Somerset Fire Authority are set then the revised council tax levels be submitted to Council on 26 February 2013 for approval;
- 27.4 Members note the Statement given by the chief finance officer as required under Section 25 of the Local Government Act 2003.

ASSISTANT DIRECTOR FINANCE

Local Government (Access to Information) Act 1985 (as amended)

Background papers used in compiling this report:

None