



Exeter City Council

A meeting of **EXETER CITY COUNCIL** will be held at the **GUILDHALL, HIGH STREET, EXETER** on **TUESDAY 25 FEBRUARY 2025**, at 6.00 pm, at which you are hereby summoned to attend.

If you have an enquiry regarding any items on this agenda, please contact Mark Devin, Democratic Services Manager on 01392 265477.

The following business is proposed to be transacted:-

1 Public Questions

Details of questions should be notified to Democratic Services at least three working days prior to the meeting - by 10am on Thursday 20 February 2025. Further information and details about speaking at Council to be found here: [Public Speaking at Meetings](#).

2 Declarations of Interest

Councillors are reminded of the need to declare any disclosable pecuniary interests that relate to business on the agenda and which have not already been included in the register of interests, before any discussion takes place on the item. Unless the interest is sensitive, you must also disclose the nature of the interest. In accordance with the Council's Code of Conduct, you must then leave the room and must not participate in any further discussion of the item. Councillors requiring clarification should seek the advice of the Monitoring Officer prior to the day of the meeting.

3	To receive the Minutes of the Combined Strategic Scrutiny and Customer Focus Scrutiny Committee - 5 February 2025	Pages 5 - 8
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4	To receive Minute 7 of the Executive of 14 January 2025	9 - 10
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5 Budget 2025/26

To pass the following resolution:-	11 - 158
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RESOLVED:-

1) That the following, as submitted, be approved:

- (a) the Revenue estimates for 2025-2026;
- (b) the Capital programme for 2025-2026;
- (c) the Fees & Charges for 2025-2026;
- (d) the Treasury Management Strategy for 2025-2026;
- (e) the Prudential indicators for 2025-2026 (incorporating the Minimum Revenue Provision Statement); and
- (f) the Capital Strategy for 2025-2026

2) that it be noted that, at the meeting of the Executive on the 14 January 2025, the Council calculated the figure of 39,852, as its council tax base for the year 2025-2026 in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 made under Section 33(5) of the Local Government Finance Act 1992;

3) that the following amounts be now calculated by the Council for the year 2025-2026 in accordance with Sections 31A of the Local Government and Finance Act 1992:-

- (a) £125,161,660 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2)(a) to (f) of the Act;
- (b) £117,758,752 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3)(a) to (d) of the Act;
- (c) £7,402,908 being the amount by which the aggregate at (3)(a) above exceeds the aggregate at (3)(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its council tax requirement for the year;
- (d) £185.76 being the amount at (3)(c) above divided by the amount at 2 above, calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its council tax for the year;

(e) Valuation Bands

A	B	C	D
£123.84	£144.48	£165.12	£185.76
E	F	G	H
£227.04	£268.32	£309.60	£371.52

Being the amount given by multiplying the amount at (3)(d) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

(4) That it will be noted that, for the year 2025-2026, Devon County Council, the Office of the Police and Crime Commissioner for Devon and Cornwall and the Devon and Somerset Fire and Rescue Authority have stated the following amounts on precepts issued to the Council, in accordance with Section 83 of the Local Government Act 2003, for each of the categories of the dwellings shown below:-

Devon County Council

A	B	C	D
£xxx.xx	£xxx.xx	£x,xxx.xx	£x,xxx.xx
E	F	G	H
£x,xxx.xx	£x,xxx.xx	£x,xxx.xx	£x,xxx.xx

Office of the Police and Crime Commissioner for Devon and Cornwall

A	B	C	D
£192.13	£224.16	£256.18	£288.20
E	F	G	H
£352.24	£416.29	£480.33	£576.40

Devon and Somerset Fire and Rescue Authority

A	B	C	D
£69.79	£81.42	£93.05	£104.68
E	F	G	H
£127.94	£151.20	£174.47	£209.36

- (5) That, having calculated the aggregate in each case of the amounts at (3)(e) and (4) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby set the following amounts as the amounts of council tax for the year 2025-2026 for each of the categories of dwellings shown below:-

Valuation Bands

A	B	C	D
£x,xxx.xx	£x,xxx.xx	£x,xxx.xx	£x,xxx.xx
E	F	G	H
£x,xxx.xx	£x,xxx.xx	£x,xxx.xx	£x,xxx.xx

Standing Order 30

Members are asked to note that a recorded vote is required to approve the budget and to set the Council Tax in accordance with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014. Standing Order 30 refers.

		Pages
6	Overview of the General Fund Budget Q3 To consider the report of the Strategic Director Corporate Resources.	159 - 182
7	General Fund Capital Monitoring Q3	183 - 196
8	HRA Budget Monitoring Report Q3 To consider the report of the Strategic Director Corporate Resources.	197 - 214

Date: Monday 17 February 2025

Bindu Arjoon
Chief Executive

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COMBINED STRATEGIC SCRUTINY AND CUSTOMER FOCUS SCRUTINY COMMITTEES

5 February 2025

Present:

Councillor Josie Parkhouse (Chair)

Councillors Pole, Atkinson, Begley, Darling, Fullam, Haigh, Harding, Holland, Jobson, Knott, Miller-Boam, Mitchell, M, Palmer, Read, Rees, Rolstone, Snow and Williams, M

Apologies:

Councillors Ellis-Jones, Hughes, Hussain, Moore, Patrick and Wardle

Also present:

Chief Executive, Strategic Director for Corporate Resources and Democratic Services
Officer (LS)

In attendance:

Councillors Asvachin, Bialyk, Vizard, Williams, R., Wood and Wright

12 Appointment of Chair for the meeting

Councillor Parkhouse was appointed Chair of the meeting.

13 Minutes

The minutes of the meeting of the Combined Strategic Scrutiny and Customer Focus Scrutiny Committee held on 18 June 2024 were taken as read, approved and signed by the Chair as correct.

14 Declaration of Interests

There were no declarations of interest made by Members.

15 General Fund HRA Estimates 2025/26

The Strategic Director for Corporate Resources presented his report on the General Fund HRA Estimates 2025/26 making the following points:

- this report had been based on provisional figures but the final announcement had been received on 3 February therefore could be confirmed;
- the General Fund's Core Spending Power which Government used to assess levels of Revenue Support Grant, other grants, baseline Business Rates and Council Tax - provisional figures were the same as last year;
- National Insurance compensation was expected at £138,000, but the final figure was £184,000. However, costs were £750,000 higher for the coming year;
- core spending power assumed that council tax was raised by 2.99% being the maximum the Council can increase by; and
- there was a new manufacturers tax on packaging which in the first year Government would guarantee bringing £1.4million to the Council which would address the NI increase.

The Strategic Director responded to questions from Members in the following terms:

- the predicted shortfall as a result of NI was offset by EPR;
- the HRA element was additional but had a neutral impact on the general fund;
- the General Fund had a £2.4 million reduction instead of £3.5 million due to retaining the business rates pool, assumed at £900,000 income;
- £1.4million from new packaging tax was an estimate based on waste collection and disposal rates;
- Government would calculate and collect the new packaging tax and distribute in arrears in October and again six months later; and
- calculations would be built into the budget in future based on knowledge as with other fees and charges.

The Strategic Director continued to present his report making the following points:

- the pay bill stood at £30million;
- insurance had risen;
- it was intended to keep general inflation to zero with contracts to RPI or RPI+;
- utilities inflation was zero representing the best estimate of the Council's broker;
- short-term borrowing was sometimes required therefore assumptions were made taking this into account;
- the New Homes Bonus was included in core spending power; and
- the Revised MTFP reflected the reset which had been due in 2018 and it was hoped that there would be transitional arrangements in place.

The Strategic Director responded to questions from Members in the following terms:

- it was understood that Government would undertake a comprehensive spending review in autumn this year;
- there was a national financial challenge within local government;
- a Member Briefing had been given detailing options to achieve a balanced budget with some being straightforward and others more challenging;
- the consultation results had been received;
- there was a requirement to consult and to consider the results but that a balanced budget must be delivered;
- the best forum for consideration of the budget consultation would be at the budget full council;
- a percentage decrease across services was not requested as it had been following service reviews in 2022, rather what could be safely be reduced was presented;
- the budget consultation had taken place later in the year due to the restructure and to allow the Residents consultation to take place;
- in future the budget consultation could be undertaken early in the year; and
- individual proposals may need consultation before implementation.

The Strategic Director continued to present his report making the following points:

- strains on HRA were not unique to Exeter but the Council was limited by Government policy and statute;
- there were challenges in the repairs and maintenance budget some of which was due to staff looking to address all jobs when on site to ensure least number of visits which was challenging in the short term but would pay off in the long term; and
- The Appendix showed the reduction in the capital programme reflecting reality.

The Strategic Director responded to questions from Members in the following terms:

- the Council worked closely with Homes England;
- high interest rates made new developments difficult given the need to ensure that rent covered borrowing costs;
- the Council Models viability on social and affordable rent, neither are viable at the moment but grants were attracted and market rents had been the idea behind ECL which proved impossible; and
- a group of local authorities, including ECC, had issued a report on the extreme challenges and presented it to Government.

The Strategic Director continued to present his report making the following points:

- the Section 25 statement seen at section 8.18 of the report was based on a risk approach;
- the 'xxxx' on page 18 were due to Devon County Council and the other preceptors not having met to agree their budgets which would be done by 20 February; and
- The Police and Crime Panel had met and agreed precept increase of £13.70 being just under their limit of £14.

The Strategic Director responded to questions from Members in the following terms:

- business rates were based on the ability to generate growth;
- the grant had reduced significantly but more could be generated from business rates;
- Council tax was expected to rise year on year; and
- Exeter had one of the lowest council taxes in the country therefore did not benefit as much as other areas from a percentage increase.

16 **Capital Strategy 2025/26**

The Strategic Director for Corporate Resources presented his report on Capital Strategy 2025/26 stating that this set out the process for making capital decision and there had been no changes since the previous year.

There were no questions from Members.

17 **Treasury Management Strategy Report 2025/26**

The Strategic Director for Corporate Resources presented his report on the Treasury Management Strategy Report making the following points:

- There had been two changes since the last report, namely, the ESG Policy was cross-referenced and changes to Treasury Management practices;
- There were no changes to limits;
- It was unlikely that the Council would go outside ESG, only if a significant event occurred; and
- Reducing cash reserves was the preferred option to borrowing.

The Strategic Director Corporate Resources responded to questions from Members' making the following points:

- money had been withdrawn from Barclays;
- any borrowing would be from other Local Authorities in the first instance;
- £15 million would be kept available with easy access as there was no overdraft facility;

- the Council would lend for short fixed periods to other Local Authorities;
- money market funds would be utilised for instant access;
- details of where funds are could be found on page 64 of the agenda pack;
- the MTFP took into account future borrowing and was modelled and estimated across the four year period;
- Capital financing increased by an amount equal to the debt of assets;
- there were differences when the accounts were closed but different methods were used to take this into account; and
- there would be a new Asset Management Strategy in the next year.

18 **The Prudential Code for Capital Finance in Local Authorities (Incorporating the Annual Statement of Minimum Revenue Provision)**

The Strategic Director for Corporate Resources presented his report on The Prudential Code stating that this was a statutory report and there were three important strands:

- Capital Financing Requirement;
- Operational Boundary; and
- Authorised Limit.

The Strategic Director gave detail as below.

Capital Financing Requirement:

- there was much over which Members had no choice;
- most importantly the General Fund was included;
- HRA was included, but did not make a repayment of debt charge as it charged depreciation;
- Statutory payment of debt was included in the General Fund; and
- the debt burden for HRA's across the Country was now shared which meant going from zero to £57million but resulted in a £1.5million contribution to the Council's HRA.

Operational Boundary was the maximum the s151 Officer could borrow for capital purposes.

Authorised Limit was the Operational Boundary plus a small amount to allow for day-to-day cash flow. There were four choices in how to set the minimum revenue provision. A model of matching depreciation of asset for repayment of debt was used.

There were no questions from Members.

The meeting commenced at 5.30 pm and closed at 6.46 pm

Chair

EXECUTIVE

Tuesday 14 January 2025

Present:

Councillor Bialyk (Chair)

Councillors Wright, Asvachin, Foale, Vizard, Williams, R and Wood

Also present:

Councillor Jobson (as an opposition group Leader);

Councillor Moore (as an opposition group Leader); and

Councillor M. Mitchell (as an opposition group Leader).

Apologies:

Councillor Allcock

Also present:

Chief Executive, Strategic Director for Corporate Resources, Strategic Director of Operations, Head of Legal and Democratic Services & Monitoring Officer, Head of Service Operations and Democratic Services Manager

7

COUNCIL TAXBASE AND NNDR 1 2025/26

The Executive received the report which set out the 2025/26 Council Tax base in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. The report also sought approval to delegate the estimate of Business Rate Income (NNDR1) for the next financial year to the Strategic Director for Corporate Resources and Section 151 Officer.

Particular reference was made to:-

- the increase of 2.07% in Band D equivalent properties compared to the 2024/25, which was higher than expected, but reflected the increase in premium charged on second homes;
- the NNDR1 would be available from the 21st of January 2025 and delegated authority was being sought to approve the Council's NNDR1 return by 31 January 2025

During the debate, Members expressed the following views:-

- it was noted that £1.3 million was the surplus but it only retained £103,000, with the rest being passed to other authorities; and
- the 2.07% premium increase for second homes, may not retain itself at that level, how was that being accounted for?

Opposition group leaders raised the following points and questions:-

- could clarification be provided on central government's refunding of discounts and exemptions to Exeter or any other authority?

In response to questions raised, the Strategic Director for Corporate Resources advised that:-

- the Council had accounted for the potential reduction in second homes and there was a government list of exceptions to second homes, which included homes for sale, marketed to let, or were places provided by an employer;
- council tax support had its own line in the report appendix, and the discounts related to an amalgamation of relevant single person empty or disregarded properties; and
- the data used in the government formula, was aware of the Council's tax estimate, but there was no direct compensation.

The Leader enquired about potential loopholes in the second homes tax policy, such as indefinite marketing without accepting offers.

The Strategic Director for Corporate Resources advised that there was a 12-month limit on marketing for sale, with short term let and holiday homes being grey areas in tax regulations.

The Leader moved the recommendations, which were seconded by Councillor Wright, voted upon, and CARRIED unanimously.

RESOLVED that:-

- (1) in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by Exeter City Council as its tax base for the year 2025/26 shall be £39,852;
- (2) the Collection Fund Surplus of £1,305,121 be approved; and
- (3) the responsibility to approve the Council's NNDR1 return by 31 January 2025 be delegated to the Section 151 Officer.

REPORT TO EXECUTIVE

Date of Meeting: 4 February 2025

REPORT TO COUNCIL

Date of Meeting: 25 February 2025

Report of: Strategic Director of Corporate Resources

Title: General Fund / HRA Estimates and Capital Programme 2025/26

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 To propose the General Fund revenue estimates for 2025/26 and to recommend the Band D level of Council Tax for 2025/26. This report also includes the proposed Capital Programme for 2025/26 and future years, and the proposals in respect of the Housing Revenue Account for 2025/26.

2. Recommendations:

2.1 It is recommended that:

2.1.1 The Council's overall spending proposals in respect of its General Fund and HRA revenue are recommended to Council for approval.

2.1.2 Subject to the identification of sufficient capital receipts to finance the new General Fund Capital bids in respect of IT, recommend to Council the approval the General Fund and HRA Capital Programmes and delegate the final decision to the Director Finance, in consultation with the Leader and Chief Executive.

2.1.3 Members consider the budget assessment by the Section 151 Officer in 8.17 in agreeing the recommendations.

2.1.4 The General Fund minimum Balance be set at £3.100 million for 2025/26 and the HRA minimum Balance be set at £3.525 million for 2025/26.

2.1.5 The Council Tax for each Band be recommended to the Council as set out in section 8.20.3 subject to Devon County Council, OPCC Devon and Cornwall and the Devon and Somerset Fire Authority confirming their Band D levels respectively; and

2.1.6 When the actual Council Tax amounts for Devon County Council, Devon and Cornwall Police and Crime Commissioner and the Devon and Somerset Fire Authority are set then the revised council tax levels be submitted to Council on 25 February 2025 for approval.

3. Reasons for the recommendation:

3.1 To ensure that the Council is in a position to set a balanced budget and determine the Council Tax for the City of Exeter in line with the statutory timeframe.

4. What are the resource implications including non financial resources?

4.1 Section 8 of the report sets out the resource implications of the proposed budgets.

5. Section 151 Officer comments:

5.1 The proposed budget will achieve the requirement to maintain a minimum balance in excess of £3.020 million. This is based on the assumption that Council agrees the savings required.

5.2 The proposed capital programme aligns with the Medium-Term Financial Plan and the revenue implications have been built into both the General Fund and HRA budgets. Both the General Fund and HRA proposals reflect the challenging nature of the Council's finances. Only essential bids are being proposed and are unavoidable so the identification of resources to finance them is vital to ensure that further significant financial strain is not put on the Council.

5.4 The report also sets out the proposed HRA income and expenditure for 2025/26. There is a budgeted deficit of £0.561 million, which is in line with the HRA's medium Term Financial Plan.

5.5 It is important to remember that Council is legally responsible for setting a balanced budget each year and for taking action when there are adverse movements in the projected financial position during the year. Therefore, if a decision is taken to amend the budget in any way, then Council must identify how that will be funded.

5.6 The Government's proposal to reset Business Rates in 2025-26, will have a further detrimental impact on the financial position of the Council. This funding has been relied upon to balance the budget and even with transitional arrangements, it will significantly increase the further reductions required over the medium-term financial plan. It is not just the loss of business rates growth, but also the loss of income from the Business Rates Pool.

5.7 In order to maintain financial discipline and prepare for the reductions required, Council can no longer merely approve additional expenditure without identifying what will be cut to fund it. This is essential as Officers and Members prepare to identify ways to address the further gaps in funding over the life of the Medium-Term Financial Plan. Next year in particular requires £3.0 million of reductions to deliver a balanced budget.

6. What are the legal aspects?

6.1 As part of the budget and the Council Tax fixing process, the Council is required by the Local Government Finance Act 1992 to make various specific calculations and decisions:-

(a) it must calculate its budget requirement in accordance with Section 32 of the Act;

(b) it must calculate the City Council element of the Council Tax - first for Band D and then for all bands - in accordance with Sections 33 to 36;

(c) it must set the overall Council Tax for each band in accordance with Section 30.

7. Monitoring Officer's comments:

7.1 Legislation does not prescribe how much the minimum level of reserves should be. The section 151 officer is tasked with recommending the minimum level of reserves required as part of the budget setting process having regard to elements of risk in the Council's finances. Section 25 of the Local Government Act 2003 requires the section 151 officer to report on the adequacy of the Council's financial resource.

7.2 The Monitoring Officer's comments are intended to assist members of the Council in consideration of the complex legal background to their budgetary and Council Tax decisions and to set out the legal factors and requirements which Members of the City Council need to consider in reaching decisions on the budget and Council Tax.

7.3 In coming to a decision in relation to the revenue budget and the council tax, the City Council and Councillors have the following legal duties:

- a) To act in accordance with their statutory duties and responsibilities;
- b) To act reasonably; and
- c) To have careful regard to their fiduciary duty to its rate payers and Council taxpayers.

7.4 The City Council has a clear legal duty to set a balanced budget. A resolution not to set a Council tax would be unlawful. A resolution to set a Council tax which deliberately did not balance the budget would also be unlawful.

7.5 When reaching a decision, councillors have an obligation to act reasonably and in accordance with the principles set down in the Wednesbury case. This means that councillors are required to consider all relevant considerations and ignore any irrelevant considerations. Put simply, it would be unlawful for the Council to come to a view which is unreasonable in the sense that it is so irrational that no reasonable authority could have reached it.

7.6 The meaning of 'fiduciary duty' can be summarised as a duty to conduct administration in a business-like manner with reasonable care, skill, and caution and with due regard to the council's rate payers. When discharging their fiduciary duties councillors will need to consider the following:

- a) Prudent use of the council's resources, including the raising of income and the control of expenditure;
- b) Financial prudence both long and short term;
- c) Striking a fair balance between the interest of the council tax payers on the one hand and the community interest and adequate and efficient services on the other hand; and
- d) Acting in good faith with a view to complying with statutory duties and exercising its statutory powers for the benefit of the community.

7.7 The section 151 officer has given very clear advice in paragraphs 5. Members are obliged to have regard advice to this advice when making decisions about the Council's finances

7.8 Restriction on voting:

Members' attention is drawn to the provisions of S.106 of the Local Government Finance Act 1992 which applies to members where:

- (a) They are present at a meeting of full Council, the Executive or Committee and at the time of the meeting an amount of Council tax and has remained unpaid for at least 2 months; and
- (b) Any budget or Council tax calculation or recommendation or decision which might affect the making of any such calculation, is the subject of consideration at the meeting.

7.9 In these circumstances, any such members shall at the meeting and as soon as practical after its commencement disclose the fact that S.106 applies to them and shall not vote on any question concerning budget setting.

7.10 Failure to comply with these requirements is a criminal offence unless such member can prove that they did not know S.106 applied to them at the time of the meeting or that the matter in question was the subject of consideration at that meeting.

7.11 Members will also note the obligation imposed upon the section 151 Officer under section 25 of the Local Government Act 2003 concerning the robustness of the estimates made for the purposes of the calculation and on the adequacy of the financial reserves. This information is set out at paragraph 8.18.2 of this report. Member must have regard to this.

8. Report details:

8.1 Local Government Provisional Finance Settlement 2025-26

8.1.1 1-year Settlement

In terms of the settlement, the figures announced were for one year only. The underlying principle is that each Council will receive at least the same as last year and again Exeter has received the Funding Floor Grant totalling £0.290 million to ensure we reach the minimum allowed. In addition, the Council also received Recovery Grant of £0.271 million.

8.1.2 National Insurance Increases

The Government committed to fully funding directly employed Local Government staff in respect of the national insurance increases. The figure will not be known until the final settlement, but the methodology has been released. Early projections are that Exeter will receive around £138,000 against an actual increase of £669,000 for the General Fund and £91,000 for the HRA. This is woefully inadequate, and we will respond to the consultation highlighting this.

8.2 Business Rates

8.2.1 The Government have confirmed that the implementation of the Business Rates retention reform and the review of the formula that underpins it will not take intime for the 2025-26 Settlement. However, they have committed to resetting the Business Rates. The review is now expected to be implemented in 2026/27and will have a hugely detrimental impact on the Council as we are significantly above the business rates baseline.

8.3 Council Tax

8.3.1 The referendum threshold has remained this year at the higher of a less than 3% or £5 increase for District Councils. This is in line with the medium-term financial plan. As a result, Exeter's budget strategy for next year assumes that council tax will increase by 2.99%, which, along with the estimated surplus on the collection fund of £103,692 and increase in the taxbase will raise an extra £337,218.

8.4 Key Assumptions

8.4.1 An overall allowance of £0.662m has been set aside for inflation. The inflationary increases allowed in the budget are:

Pay Award	3.0%
Pay – Increments	0.5%
Electricity	0.0%
Gas	0.0%
Water	0.0%
Insurance	10.0% - 15.0%
Rates	2.5%
Motor Fuel	3.0%
General Inflation	0.0%
Income (excluding Car Parks)	3.0%

8.4.2 General inflation has again been held at zero; however, where there are contracts in place, inflation at around RPI has been added. Pay has been reduced to 3% although there is a risk that this again may be lower than the actual amount agreed.

8.4.3 Interest is based on the existing loans that have been taken out and the amounts available for investment. Future borrowing requirements are based on rates of around 3.5% and the Council will seek to internally finance borrowing until rates stabilise from the present highs of around 5.86%.

8.5 Further Issues to be Considered

8.5.1 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
- New Homes Bonus
- Future spending pressures and review of the medium-term financial planning process
- The level of reserves and balances

8.6 Equality Impact Assessment

8.6.1 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.

8.7 New Homes Bonus

8.7.1 The Government have again indicated that whilst New Homes Bonus will be payable again this year, like last year, the 2025/26 element of the allocation will be for one year only and there will be no payment in respect of the previous years. This gives an award of approximately £0.872 million for 2025/26. A new proposal to replace New Homes Bonus is again expected to be announced in the New Year.

8.7.2 To date the Council has received New Homes Bonus of £30.984 million over the period 2011/12 to 2025/26. It is proposed to use this year's allocation to support the revenue budget in its entirety:-

Year	Top Slice (revenue)	Community Projects	Major Projects /Debt Reduction	Projects	Revenue	Total
	£000's	£000's	£000's	£000's	£000's	£000's
2011/12	-	-	-	389	-	389
2012/13	120	361	601	241	-	1,323
2013/14	120	286	1,757	42	-	2,205
2014/15	120	286	2,372	-	-	2,778
2015/16	120	286	3,123	-	-	3,529
2016/17	159	150	2,000	923	1,000	4,232
2017/18	164	150	1,500	783	1,000	3,597
2018/19	164	150	1,150	127	1,000	2,591
2019/20	25	150	1,000	149	1,194	2,518
2020/21	25	189	802	374	1,100	2,490
2021/22	-	-	-	-	1,941	1,941
2022/23	-	-	-	-	1,362	1,362
2023/24					672	672
2024/25					485	485
2025/26					872	872
Total	1,017	2,008	14,305	3,028	10,626	30,984

8.8 Revised Medium Term Revenue Plan (Appendix 3)

8.8.1 An updated Medium Term Financial Plan (MTFP) is set out in Appendix 3. The MTFP indicates that further reductions are required from 2026/27 to 2028/29 to fully address the loss of income from Business Rates as a result of the reset. The reductions

required for future years total £5.737 million, of which proposals covering £1.287 million have been identified.

8.8.2 There are further uncertainties and factors that could affect the future financial position. These include potential costs arising from the review of service plans, the cost of any new statutory functions, the annual pay award and additional borrowing and revenue costs in respect of any new capital programme commitments.

8.8.3 The level of reductions required however, are such that members must focus on delivery. There needs to be a clear understanding of what the priorities of the Council are and a focus on ensuring that once our statutory services are funded, any available funds are allocated to deliver any non-statutory priorities.

8.9 Balances and Reserves

8.9.1 The Council's current policy is that the minimum level of the General Fund Balance will remain above £3.020 million. As the Council faces great uncertainty in the medium term over funding and is reliant on less secure forms of income such as car park income it is prudent to hold reserve levels at this level to offset sudden losses of income or unexpected expenditure. Section 8.17 below provides an assessment of the risk factors used to underpin the minimum level of reserves.

8.9.2 The latest estimated position of the General Fund Balance is that it will be £4.074 million as at 31 March 2026, equivalent to 18.6% of Exeter's net revenue budget. The Council's revised medium-term financial plan (Appendix 3) indicates that the General Fund Balance will reduce to £3.236 million by the end of 2028/29, if the proposed reductions are delivered. This is in line with the minimum level required.

8.9.3 The Council also has other reserves that have been earmarked for specific purposes. The Council's proposed revenue budget for 2024/25 includes a net transfer to earmarked reserves of £1.447 million (although this includes a large transfer in respect of the ring-fenced Guildhall Shopping Centre income. This is broken down as shown overleaf:-

Transfer to/(from) reserves:

	2025/26 £'000
Transfers to Reserves	
Devon Home Choice	28
Surplus Income from Guildhall Shopping Centre (ring-fenced)	629
Property Maintenance	334
Homelessness	577
Exeter Business against Crime	23
	1,591
Transfers from Reserves	
Vehicle Licensing	(20)
Net Zero Exeter	(208)
	(228)

8.9.4 Additionally, there is an earmarked reserve to control the impact of additional reliefs granted, and funded, by Government in respect of Business Rates. In order to provide consistency in the figures reported, these movements are shown in Business Rates income to allow Councillors to compare the impact on the Council's Business Rates funding to previous years.

8.10 Revenue Estimates 2025/26

8.10.1 Subject to the reductions being agreed, Service Committee Expenditure for 2025/26 is £16,170,240, which is £580,540 lower than the current year.

8.10.2 Once agreed by Council, Appendix 4 setting out the proposed reductions and additional income will be added to the published budget book.

8.10.3 In addition, there are other items to consider, referred to as 'below the line' as they do not form part of the individual service controllable budgets. These include an estimate of £1,475,000 for net interest payments in respect of the overall cash balances, £2,702,000 towards repaying debt in respect of the Council's capital programme and transfers in respect of balances and reserves. The Council's total General Fund Expenditure budget requirement for 2025/26 is proposed at £21,900,360, an increase of £2,888,990 compared to 2024/25 as shown in Appendix 5.

8.10.4 Attached at Appendix 6 is a breakdown of the movements for each management unit taking out the amounts that have been removed or added, but that don't actually impact on the Council Tax. This is either because they have been transferred to / from another part of the budget or because there is a statutory override, which means that the costs are removed elsewhere in the budget.

8.11 Council Tax Budget Requirement 2025/26 (Appendix 7)

8.11.1 As stated above, the Government is setting the referendum trigger for District Councils at above £5 or 3%, whichever is higher. The budget has been set based on a 2.99% increase, although this is ultimately a Member decision. A 2.99% increase generates around £15,666 more for the Council than an increase of £5.

8.11.2 When all the Government Grant and Business Rates funding is taken into account the resultant net expenditure to be financed from council tax is £7,506,790 (indicated in Appendix 7), an increase of £337,220 compared to 2024/25.

8.11.3 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 next year, it is estimated that the collection fund will have a surplus of £103,692 (Exeter's share), which will be used to fund part of the expenditure to be financed from Council Tax.

8.11.4 After taking into account the surplus and the taxbase of 39,852, the proposed band D council tax for 2025/26 is £185.76, which means that the council tax would increase annually by £5.39 or 2.99%.

8.12 HOUSING REVENUE ACCOUNT (HRA) (APPENDIX 8 & 9)

8.12.1 Since April 2012, the Council's HRA is expected to be self-financing. Thus, all income collected locally from rents, service charges and other sources are kept at a local level to deliver housing services to tenants and to maintain the housing stock.

8.12.2 Since April 2012 each local authority had a limit on the amount of borrowing it could have for the purposes of the HRA, called the 'debt cap'. For Exeter City Council, the debt cap was £57,882,413.

The HRA debt cap was formally removed on 29 October 2018, as a result local authorities are now able to borrow for housebuilding in accordance with the Prudential Code.

8.12.3 In October 2017, the government announced its intention to set a long-term rent policy in respect of annual rent increases on both social rent and affordable rent properties of up to CPI plus 1% from 2020, for a period of 5 years.

The policy on rents for social housing came into effect from 1 April 2020. The Council is permitted to apply the policy of increasing rents by CPI plus 1%, the September 2024 CPI figure was 1.7% so the increase for 2025/26 is 2.7%.

For 2025/26 this will result in an average increase of £2.51 per week, over 52 weeks, per property.

8.12.4 The proposed budgets for 2025/26 indicate that a total of £561,070 will need to be taken out of the HRA Working Balance in order to meet the budgeted deficit. The impact on the HRA Working Balance is set out below.

Movement on HRA Working Balance	£
Estimated HRA Working Balance, as at 1/4/25	£4,105,947
Budgeted Deficit for 2025-26	(561,070)
Balance resolved to be retained (HRA contingency)	(3,525,000)
Total Forecast Balance Available, as at 31/3/26	£19,877

8.13 Capital Programme Resources (Appendix 10)

8.13.1 Historically, the annual capital programme was 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. Section 8.14.2 below sets out the current position, that without a robust, positive financial business case, the Council cannot afford to borrow any further than is already planned in the MTFP at this time.

8.13.2 The following capital resources are available for General Fund (£20.240m) and Housing (£23.004m) in 2025/26. The Capital Programme totals £41.876 million in respect of the General Fund and £16.344 million for the HRA. The borrowing requirement for the General Fund is £26.185 million and is £6.278 million for the HRA. Appendix 10 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 in the future.

8.14 General Fund Capital Programme (Appendix 11)

8.14.1 The proposed capital programme is set out in Appendix 11. The programme for 2025/26 totals £41.876 million. Other than £1.251 million for replacement vehicles under the fleet lease model, there are no new schemes being requested at this stage. The rest of the programme consists of schemes approved in 2024/25 or before, that have already been deferred to 2025/26 at the earliest. It is anticipated that the programme will increase substantially at year end when further schemes from the 2024/25 capital programme are deferred into the new year

8.14.2 As Members are aware, the costs of borrowing are prohibitive and the additional costs will simply require greater reductions in service provision, potentially in-year. The Council therefore needs to generate capital receipts and although there are some in the pipeline, the Council does not have sufficient at the moment to pay for these new schemes. These vehicles are unavoidable and therefore the need for capital receipts is even greater to ensure these costs do not fall on revenue.

8.15 Housing Revenue Account Capital Programme (Appendix 12)

8.15.1 For 2025/26, the HRA medium term financial plan provides for a capital programme of £16.344 million. This comprises capital investment of £14.731 million for improvements to the Council's existing housing stock and £1.613 million towards the provision of new council homes.

In terms of investment in existing stock, the proposed budgets for 2025/26 include the following:

- 185-bathroom replacements
- 135 whole property retrofit completions
- 285 heating upgrades – either boiler replacements or new heating installations
- 145 kitchen renewals
- 160 roof replacements
- 190 property window replacements

8.15.2 The HRA Capital Programme will be funded by:

HRA Capital Finance	£
Major Repairs Reserve	5,006,366
Revenue Contribution to Capital	1,000,000
Capital Receipts	4,060,109
Borrowing	6,278,000
Grants	0
Total HRA Capital Financing 2025/26	16,344,475

8.16 Consultation

8.16.1 The Council has undertaken a public consultation on priorities for investing and dis-investing to help inform the setting of the budget for 2025/26. The Consultation was undertaken by Enventure Research who also undertook the residents survey completed in September 2024 which informed members thinking on budget priorities. Both surveys were undertaken with Exeter City Council residents aged 16+ using a CATI methodology (Computer Aided Telephone Interviewing) with additional face-to-face on-street interviews carried out to balance quotas with hard-to-reach residents. Quotas were set to achieve a sample that was representative of the local population in terms of age group, gender, and area. 1,101 interviews on budget proposals were undertaken during November and December 2024.

8.16.2 Additionally the Council offered the same survey on its website to enable a wider audience of residents, visitors, and businesses to have their say. This was widely promoted and ran until 9 January 2025 resulting in 597 responses received.

8.16.3 The responses will be considered by members as part of the process of setting out proposals to deliver a balanced budget. The full results of the surveys will be published on the Council's website.

8.17 Risk Assessment

8.17.1 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. The main risks to the Council's financial position are as follows:

- Economic volatility, higher interest rates and inflation have added substantial costs to running services. The Council's funding has not kept pace with the scale of increases seen. The UK economy is relatively weak and this could impact on future funding agreements. Whilst price inflation has settled, it still exceeds the increase in the Council's available resources.
- The Governments review of the future funding formula for Local Government, including a business rates reset, coupled with the potential loss of New Homes Bonus, would add a further significant gap in funding over the Medium-Term

Financial Plan. The overall impact of both streams of funding stopping in the next four years has been built into the medium-term financial plan;

- The Council collects, for itself, one of the lowest amounts of Council Tax in the Country. Indeed, it collects, per head of population far less than other district Cities and prominent towns. Council Tax is considered a more secure form of income as it is backed by statute and has high collection rates. In order to deliver the services, the Council operates, it is overly reliant on less secure forms of income such as car park income to balance its budget. Indeed, the cost of providing our statutory functions with associated support services and legal liabilities is well over £20 million, far in excess of the Government's Core Spending Power assessment of £14.6 million that they believe Exeter requires to deliver services (see below for explanation);
- The Council has a range of statutory obligations, which do not form part of a standard district council and for which it therefore receives no funding from Government. These include responsibility for the River Exe and Canal, the Roman Wall, a host of historic listed buildings and a number of bridges. These add significant pressure to the budget and require significant maintenance, which will add further pressure;
- The Council has experienced significant volatility in a number of its income budgets in the last 12 months. Whilst these have been addressed in the production of this budget, it does demonstrate the risk of reliance on less secure income streams.

8.17.2 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 budget monitoring 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.

8.17.3 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.

8.18 Section 25 Statement Of The Robustness Of Estimates And Adequacy Of Reserves

8.18.1 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.

8.18.2 Robustness of Estimates

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. To assess the robustness of the estimates, the following have been considered:

- The strength of the medium-term financial planning process in operation including the identification of significant service pressures, both unavoidable and through policy decisions;
- The strength of the budget monitoring process in identifying weaknesses and pressures in the existing budgets;
- The use of an annual process of engagement with senior managers and members to test out the robustness of proposals;
- Finance staff providing advice throughout the process on robustness, including vacancy factors, increments, current demand, and income levels.

As the Section 151 Officer for this Council, I therefore consider that the budget estimates for 2025/26 that have been prepared are both robust and achievable.

8.18.3 Adequacy of Reserves and Balances

The Council's current policy is that the minimum level of the General Fund Balance will be £3.020 million. This equates to 13.8% of the net revenue budget, which is at the top end of what would normally be expected.

General Fund

The Council provides more Services than you would normally expect a District Council to provide. It also has some significant funding streams from fees and charges and historic commercial property leases that are fundamental to producing a balanced budget. These are reliant on a vibrant economy delivering the income required. An analysis of the Council's budget demonstrates that the cost of providing its statutory services, support services and payments to cover its legal liabilities (pension back funding and debt and interest payments) exceeds the amount provided for by Grant, Business Rates and Council Tax by around £6 million. Included in the above is the amount that the Council receives above the business rate baseline, which is another insecure form of funding. The Council is also reliant on fees and charges to meet its statutory obligations.

There are a range of risk factors that must be taken into account and the Section 151 Officer has taken a risk-based approach to assessing the level of reserves required. The framework for assessing the risks surrounding the budget needs to consider the following:

- Inflationary pressures;
- Planned savings measures;
- Reliance on income from fees & charges;
- Business Rates volatility;
- Insurance excesses;
- Risk of litigation (including Planning appeals);
- Volume variations on demand led services (e.g. Homelessness);
- Interest Rate variations.

Area of Risk	Explanation	Amount
Inflationary pressures	As set out above, the budget is based on a set of assumptions. In particular, the impact of the pay award is not known when budgets are set. As Local Government tries to stay ahead of the National Living Wage, pay awards have outstripped estimates over recent years. A 1% increase would add £300,000 to costs. Similarly, a 1% variation in inflation on premises, supplies, services & transport £320,000 to costs.	620,000
Planned savings	There is a risk that for a number of reasons some proposed savings will not be achieved or will be achieved later than planned. This is particularly true in respect of additional income targets. The Council has a good track record of delivering over 90% of planned savings. A 7.5% reduction would add £180,000 to costs	180,000
Income from fees & charges	The Council is reliant on significant income from fees & charges to balance the budget. In 2023/24 the Council has missed those targets by a cumulative £2 million. Whilst this is reflected in the budgets, a further 5% reduction would add £1.5 million to the budget	1,500,000
Business Rates volatility	The Council generates Business Rate income in excess of the Baseline to a value of around £3 million. A 5% reduction would cost the Council £150,000.	150,000
Insurance excesses	The Council does not budget for insurance excesses. The property insurance excess is £100,000 each claim and therefore 2 claims in a year would potentially cost £200,000	200,000
Risk of litigation	Planning appeals are expensive. It can cost the Council around £100,000 to defend an appeal.	100,000
Volume variations	Volume variations can impact on the Council's budget in services which are demand led. A cushion is therefore held to protect the financial position.	150,000
Interest Rates	A 0.5% variation in interest rates would cost the Council £200,000	200,000
		3,100,000

It is therefore proposed to increase minimum reserves to £3.1 million. The latest estimated position of the General Fund Balance is that it will be £4.074 million as at 31 March 2026, equivalent to 18.6% of Exeter's net revenue budget. The Council's revised medium-term financial plan (Appendix 3) indicates that the General Fund Balance will reduce to £3.236 million by the end of 2028/29, if the proposed reductions are delivered, although further savings of £5.737 million are required to deliver this.

HRA

The HRA manages 4,800 Council Homes on behalf of tenants. It currently has a policy of maintaining a minimum level of reserves at £3.525 million. Like the General Fund, there are a range of risk factors that must be taken into account and the Section 151 Officer has taken a risk-based approach to assessing the level of reserves required. The framework for assessing the risks surrounding the budget needs to consider the following:

- Inflationary pressures;

- Income volatility;
- Insurance excesses;
- Increased repairs & maintenance costs (particularly from voids);
- Interest Rate variations.

Area of Risk	Explanation	Amount
Inflationary pressures	The impact of the pay award is not known when budgets are set. As Local Government tries to stay ahead of the National Living Wage, pay awards have outstripped estimates over recent years. A 1% increase would add £40,000 to costs. Similarly, a 1% variation in inflation on premises, supplies, services & transport would add £140,000 to costs.	180,000
Income volatility	The HRA is reliant on Rental income to deliver its Services. These are in line with Government policy and the Council has very little room to address unexpected pressures. The Council makes provision for voids at 2.1%. An allowance of 1.5% is therefore held to protect against bad debt movements in year.	345,000
Insurance excess	The Council does not budget for insurance excesses. The property insurance excess is £100,000 each claim and therefore 5 claims in a year would potentially cost £500,000	500,000
Repairs & Maintenance	The Council holds a standard £500 per property in respect of unexpected repairs & maintenance	2,400,000
Interest Rate variations	A 0.5% variation in interest rates would cost the HRA £100,000 on the interest paid by the General Fund	100,000
		£3,525,000

It is therefore proposed to maintain minimum reserves at this level.

8.18.4 The Council's estimated General Fund revenue reserves are as follows: -

<u>Earmarked</u>	31/03/2024	31/03/2025	31/03/2026
	£'000	£'000	£'000
Total Earmarked Reserves*	11,909	6,248	7,695
<u>Non-Earmarked</u>			
General Fund Balance	5,882	4,057	4,074

* Excludes Business Rates earmarked reserve to cover the deficit on the Collection Fund.

8.19 Precepts

8.19.1 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 taxpayers in Exeter. The County Council,

Devon and Cornwall OPCC and Devon & Somerset Fire Authority will meet on the 20th February 31st January and 17th February respectively. The precepts will be tabled at the Council meeting for approval.

	2024/25	2025/26	Change
	£	£	£ %
Devon County Council	1,468.08	x,xxx.xx	xx.xx x.xx
DCC Adult Social Care	247.59	xxx.xx	xx.xx x.xx
OPCC Devon and Cornwall	274.50	xxx.xx	xx.xx x.xx
Devon and Somerset Fire Authority	99.68	xx.xx	x.xx x.xx
Total Precept	2,089.85p	x,xxx.xx	xx.xx x.xx

8.20 Final Position

8.20.1 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 2025/26 of £x,xxx.xx per Band D property.

8.20.2 This is an overall increase of £xxx.xx (x.xx%) on the amount of £2,270.22 levied for 2024/25.

8.20.3 The detailed figures are: -

Band	Exeter	DCC	Police	Fire	Total
	£	£	£	£	£
A	123.84	xxx.xx	xxx.xx	xx.xx	x,xxx.xx
B	144.48	xxx.xx	xxx.xx	xx.xx	x,xxx.xx
C	165.12	x,xxx.xx	xxx.xx	xx.xx	x,xxx.xx
D	185.76	x,xxx.xx	xxx.xx	xx.xx	x,xxx.xx
E	227.04	x,xxx.xx	xxx.xx	xx.xx	x,xxx.xx
F	268.32	x,xxx.xx	xxx.xx	xxx.xx	x,xxx.xx
G	309.60	x,xxx.xx	xxx.xx	xxx.xx	x,xxx.xx
H	371.52	x,xxx.xx	xxx.xx	xxx.xx	x,xxx.xx

9. How does the decision contribute to the Council's Corporate Plan?

9.1 The budget underpins the Corporate Plan by determining the amount of funds available to the Council to deliver its priorities.

10. What risks are there and how can they be reduced?

10.1 The key risks are set out in section 8.16 above.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation, and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies, and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage, and civil partnership status in coming to a decision.

11.4 Any proposals made that require an EQIA will need to address this prior to implementation.

12. Carbon Footprint (Environmental) Implications:

12.1 The report allocates resources and therefore does not in itself have carbon footprint implications. The impact of the Council's overall carbon footprint is reported separately.

13. Are there any other options?

13.1 Not applicable.

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Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

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FORMULA GRANT DECREASES - DEVON AUTHORITIES
(Provisional Settlement - does not include further announced funding)

Authority	Grant 2023/24 £m	Grant 2024/25 £m	Yearly Decrease %	Grant 2025/26 £m	Yearly Decrease %	Grant Decrease 2023/24 - 2025/26	
						£m	%
Devon	107.161	111.059	3.6%	113.346	2.1%	6.185	5.8%
Plymouth	72.080	75.578	4.9%	76.636	1.4%	4.556	6.3%
Torbay	41.467	43.187	4.1%	43.746	1.3%	2.279	5.5%
East Devon	3.027	3.137	3.6%	3.204	2.1%	0.177	5.8%
Exeter	4.847	5.092	5.1%	5.197	2.1%	0.350	7.2%
Mid Devon	2.394	2.472	3.3%	2.526	2.2%	0.132	5.5%
North Devon	3.336	3.455	3.6%	3.504	1.4%	0.168	5.0%
South Hams	2.138	2.210	3.4%	2.248	1.7%	0.110	5.1%
Teignbridge	3.766	3.896	3.5%	3.952	1.4%	0.186	4.9%
Torrige	2.780	2.868	3.2%	2.906	1.3%	0.126	4.5%
West Devon	1.798	1.853	3.1%	1.885	1.7%	0.087	4.8%

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REVENUE SPENDING POWER CHANGES - DEVON AUTHORITIES
(Provisional Settlement - does not include further announced funding)

Authority	Core Spending Power 2021/22 £m	Core Spending Power 2022/23 £m	Core Spending Power 2023/24 £m	Core Spending Power 2024/25 £m	Core Spending Power 2025/26 £m	Core Spending Power Change	
						£m	%
Devon	621.0	649.7	723.0	794.4	831.4	210.4	33.9%
Plymouth	221.0	232.1	254.4	277.7	299.6	78.6	35.6%
Torbay	133.5	140.2	157.3	172.4	184.0	50.5	37.8%
East Devon	15.5	15.3	16.4	17.5	17.5	2.0	12.9%
Exeter	13.2	13.1	13.9	14.9	14.9	1.7	13.1%
Mid Devon	10.2	10.2	11.0	11.7	11.7	1.5	14.7%
North Devon	11.8	12.3	13.1	13.9	13.9	2.1	17.8%
South Hams	10.4	10.7	11.5	12.4	12.4	2.0	19.2%
Teignbridge	14.5	14.4	15.6	16.7	16.7	2.2	15.2%
Torridge	8.1	8.1	8.7	9.3	9.6	1.5	18.5%
West Devon	7.5	7.8	8.4	9.1	9.1	1.6	21.3%

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MEDIUM TERM REVENUE PLAN (2021/22 - 2026/27)

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	
Resources						
Revenue Support Grant	1,975	1,384	1,652	1,685	1,719	
Business Rates Income	8,784	9,929	6,932	6,541	6,119	
CIL income	907	798	793	793	793	
New Homes Bonus	486	872	0	0	0	
EPR	0	1,410	1,000	1,000	1,000	
Council Tax	7,170	7,507	7,701	8,010	8,332	
Likely resources	19,322	21,900	18,078	18,029	17,963	
Expenditure						
Service expenditure						
Committee expenditure	23,498	18,570	17,041	14,821	13,958	
Net Interest	1,386	1,475	1,557	1,591	1,591	
Repayment of debt	1,726	2,702	2,803	2,630	2,739	
RCCO	198	89	0	0	0	
	26,808	22,836	21,401	19,042	18,288	
Other funding						
Contribution to/ (from) earmarked reserves	(5,661)	1,447	384	765	765	
Contribution to/ (from) balances - Other	(1,825)	17	(720)	(128)	10	
	(7,486)	1,464	(336)	637	775	
Further reductions required		0	(2,100)	(1,250)	(1,100)	(4,450)
Potential reductions identified		(2,400)	(887)	(400)	0	(1,287)
Total Net Budget	19,322	21,900	18,078	18,029	17,963	
						(5,737)

Opening General Fund Balance	5,882	4,057	4,074	3,354	3,226
Closing General Fund Balance	4,057	4,074	3,354	3,226	3,236
Balance as a percentage of budget	21.0%	18.6%	18.6%	17.9%	18.0%

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Proposed Reductions - 2025/26

Appendix to be published once budget is approved

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	2024/25 Budget	2025/26 Budget	Change
	£	£	£
Chief Executive	827,800	1,139,480	311,680
Operations	11,934,600	12,591,810	657,210
Corporate	(6,063,790)	(6,753,370)	(689,580)
People and Communities	6,719,430	6,401,250	(318,180)
Place	8,472,940	8,167,790	(305,150)
less Notional capital charges	(5,140,200)	(5,376,720)	(236,520)
<u>Service Committee Net Expenditure</u>	16,750,780	16,170,240	(580,540)
Net Interest	1,406,000	1,475,000	69,000
Revenue Contribution to Capital	0	88,760	88,760
Minimum Revenue Provision	1,831,020	2,702,000	870,980
<u>General Fund Expenditure</u>	19,987,800	20,436,000	448,200
Transfer To/(From) Working Balance	(1,313,430)	16,370	1,329,800
Transfer To/(From) Earmarked Reserves	337,000	1,447,780	1,110,780
<u>General Fund Net Expenditure</u>	19,011,370	21,900,150	2,888,780
Formula Grant	(6,291,000)	(5,931,000)	360,000
CIL income	(781,000)	(798,360)	(17,360)
Business Rates Growth	(4,283,880)	(5,382,000)	(1,098,120)
Extended Producer Responsibility	0	(1,410,000)	(1,410,000)
New Homes Bonus	(485,920)	(872,000)	(386,080)
Council Tax	(7,169,570)	(7,506,790)	(337,220)
	0	0	0
Working Balance	March 2025 4,057,560	March 2026 4,073,930	

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Appendix to be published once budget is approved

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EXETER CITY COUNCIL
2025/26 COUNCIL TAX - SUMMARY

	2024/25		2025/26	
Council Tax Base	39,045		39,852	
	Total Expenditure £	Band D Council Tax £	Total Expenditure £	Band D Council Tax £
General Fund Budget	7,169,560	183.62	7,506,790	188.37
Collection Fund (Council Tax) Surplus	(127,014)	(3.25)	(103,692)	(2.60)
TOTAL	7,042,546	180.37	7,403,098	185.76

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2025/26 HRA ESTIMATES

	2024/25 BUDGET £	2025/26 BUDGET £	CHANGE £
Management	8,218,470	8,414,530	196,060
Sundry Land Maintenance	664,060	641,700	(22,360)
Repair & Maintenance Programme	7,587,680	9,505,410	1,917,730
HRA SERVICE PROVISION EXPENDITURE	16,470,210	18,561,640	2,091,430
Revenue Contribution to Capital	2,500,000	1,000,000	(1,500,000)
Capital Charges	3,745,650	3,724,680	(20,970)
Net Interest	1,446,580	1,714,090	267,510
HRA EXPENDITURE	24,162,440	25,000,410	837,970
Dwelling Rents	(21,680,400)	(22,119,330)	(438,930)
Service Charges	(1,572,940)	(1,656,590)	(83,650)
Other	(700,740)	(663,420)	37,320
HRA NET EXPENDITURE	208,360	561,070	352,710
Transfer to / (from) HRA Working Balance	(208,360)	(561,070)	(352,710)
TOTAL NET HRA BUDGET	0	0	0

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MEDIUM TERM REVENUE PLAN - HOUSING REVENUE ACCOUNT (2024/25 - 2028/29)

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Resources				
Rents	21,229	21,229	21,654	22,304
Service Charges	1,573	1,573	1,657	1,678
Other	1,124	1,124	1,220	1,249
Inflation on income	-	605	700	721
Likely resources	23,926	24,530	25,230	25,951
Expenditure				
HRA expenditure base budget	17,772	16,612	18,663	18,487
Inflation on expenditure	-	209	143	146
Repairs & Maintenance Programme	-	1,806	(46)	(79)
Savings	-	-	(311)	-
Depreciation	3,746	3,725	3,725	3,725
Revenue Contribution to Capital Outlay	2,500	1,000	1,000	2,100
Net interest	1,471	1,739	1,787	1,837
	25,489	25,091	24,961	26,216
Other Funding				
Contribution to / (from) HRA Working Balance	(1,563)	(561)	269	(265)
Total Net budget	-	-	-	-
Opening HRA Working Balance	5,669	4,106	3,545	3,814
Closing HRA Working Balance	4,106	3,545	3,814	3,549

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GENERAL FUND AVAILABLE RESOURCES

GENERAL FUND	2024-25 £	2025-26 £	2026-27 £	2026-27 £	FUTURE YEARS £	TOTAL £
CAPITAL RESOURCES AVAILABLE						
Capital Receipts Brought Forward	851	0				851
GF Capital Receipts	1,300,613	7,000,000	0	0	0	8,300,613
Revenue Contributions to Capital Outlay	163,470	88,756	0	0	0	252,226
Disabled Facility Grant	1,580,390	800,000	800,000	800,000	800,000	4,780,390
Community Infrastructure Levy	1,077,389	7,626,024	166,904	0	0	8,870,317
Other - Grants/External Funding/Reserves/S106	1,258,730	4,725,210	767,380	0	0	6,751,320
Total Resources Available	5,381,443	20,239,990	1,734,284	800,000	800,000	28,955,717
GENERAL FUND CAPITAL PROGRAMME						
Capital Programme	12,197,590	41,875,860	7,436,660	3,330,430	1,263,910	66,104,450 0
Total General Fund	12,197,590	41,875,860	7,436,660	3,330,430	1,263,910	66,104,450
BORROWING REQUIREMENT:						
Spend in Year	12,197,590	41,875,860	7,436,660	3,330,430	1,263,910	66,104,450
Less Other Resources applied in Year	(4,079,979)	(13,239,990)	(1,734,284)	(800,000)	(800,000)	(20,654,253)
Less Capital Receipts applied	(652,506)	(2,451,180)	(2,643,820)	(1,905,000)	0	(7,652,506)
Borrowing Requirement	7,465,105	26,184,690	3,058,556	625,430	463,910	37,797,691
UNCOMMITTED CAPITAL RESOURCES:						
Capital Receipts Brought Forward	851	0	4,548,820	1,905,000	0	851
Capital Receipts Received in Year	1,300,613	7,000,000	0	0	0	8,300,613
Less Capital Receipts used to finance past debt	(648,958)	0	0	0	0	(648,958)
Less Capital Receipts applied in year	(652,506)	(2,451,180)	(2,643,820)	(1,905,000)	0	(7,652,506)
Capital Receipts available	0	4,548,820	1,905,000	0	0	0

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HRA AVAILABLE RESOURCES

HOUSING REVENUE ACCOUNT	2024-25 £	2025-26 £	2026-27 £	2027-28 £	2028-29 £	TOTAL £
CAPITAL RESOURCES AVAILABLE						
Usable Receipts Brought Forward						7,745,744
Major Repairs Reserve Brought Forward						12,455,749
Other HRA Sales	234,000	1,266,000				1,500,000
RTB sales	1,600,000	875,000				2,475,000
Major Repairs Reserve	3,724,680	3,724,680	3,724,680	3,724,680	3,724,680	18,623,400
Revenue Contributions to Capital	2,500,000	1,000,000	1,000,000	2,100,000	1,900,000	8,500,000
External contributions	1,812,405					1,812,405
Borrowing		6,278,000				6,278,000
Total In-Year Resources	9,871,085	13,143,680	4,724,680	5,824,680	5,624,680	59,390,298
CAPITAL PROGRAMME						
HRA Capital Programme	20,211,706	16,344,475	10,093,253	7,086,569	5,645,867	59,381,870
Total Housing Revenue Account	20,211,706	16,344,475	10,093,253	7,086,569	5,645,867	59,381,870
UNCOMMITTED CAPITAL RESOURCES:						
Usable Receipts Brought Forward	7,745,744	1,919,109	0	0	0	7,745,744
Major Repairs Reserve Brought Forward	12,455,749	7,941,763	6,660,077	1,291,504	29,615	12,455,749
Resources in Year	9,871,085	13,143,680	4,724,680	5,824,680	5,624,680	39,188,805
Less Estimated Spend	(20,211,706)	(16,344,475)	(10,093,253)	(7,086,569)	(5,645,867)	(59,381,870)
Uncommitted Capital Resources	9,860,872	6,660,077	1,291,504	29,615	8,428	8,428
WORKING BALANCE RESOURCES:						
Balance Brought Forward	5,669,065	4,105,948	3,544,878	3,813,879	3,549,399	5,669,065
HRA Balance Transfer - to/(from) Working Balance	(258,360)	(561,070)	269,001	(264,480)	416,144	(398,765)
Cumulative forecast under/(over)spend 2024-25	(1,304,757)					(1,304,757)
Balance Carried Forward	4,105,948	3,544,878	3,813,879	3,549,399	3,965,543	3,965,543
Balance Resolved to be Retained	(3,525,000)	(3,525,000)	(3,525,000)	(3,525,000)	(3,525,000)	(3,525,000)
Uncommitted HRA Working Balance (after balance resolved to be retained of £3.525m)	580,948	19,878	288,879	24,399	440,543	440,543
TOTAL AVAILABLE CAPITAL RESOURCES (after balance resolved to be retained of £3.525m)	10,441,820	6,679,955	1,580,383	54,014	448,971	448,971

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GENERAL FUND - CAPITAL PROGRAMME 2025/26 AND FUTURE YEARS							
SCHEMES	NEW BID	2025/26	2026/27	2027/28	Future Years	Financed by	What the scheme is trying to achieve
		£	£	£	£		
Operations							
Waste Infrastructure		250,000				Borrowing	
Improved recycling containers		50,000				Borrowing	
Depot Improvement Works		7,175,000				CIL	
Food Waste Collections		857,140				Grant	
Capitalised Staff Costs - Engineering / Property		150,000	150,000	150,000	150,000	Borrowing	To provide for the cost of certain Council employees, which will be directly involved in the construction or acquisition of assets and qualify as capital expenditure, including engineers and surveyors.

SCHEMES	NEW BID	2025/26	2026/27	2027/28	Future Years	Financed by	What the scheme is trying to achieve
		£	£	£	£		
Bowling Green Marshes Coastal Defence Scheme		200,000	217,870			Grant	To repair the coastal defences to retain the level of protection to the freshwater marshes. The scheme is entirely funded by the Environment Agency.
Parks Infrastructure		231,970				Borrowing	To ensure public safety in parks and open spaces. Works include resurfacing parking areas and repairs to steps, railings and gates.
Cemeteries & Churchyards infrastructure improvements		109,790				Borrowing	
Bank Repairs & Stabilisation to Watercourses		19,000				Borrowing	
Cricklepit Bridge		83,750				Grant	Full Repair (specification dependent upon PI Report findings) & redecoration. Last full paint coat was 15 years ago and is due for renewal
Trews Weir refurb		300,000	3,099,510			Grant / borrowing	Stabilise and refurbish damaged weir
District Street Lighting		796,140				Capital receipt	Complete stock replacement of aging lighting columns to drop-down type and to LED lamps over 5 year programme.
Piazza Terracina			158,560			Borrowing	Repaving and landscaping Terracina, with new service points to improve suitability for events. Could include spaces for street food and pop-up stalls similar to Guildhall. Potential income from stalls and events which would help to offset some of the costs
Ash Die Back Tree Replacement		147,910				Borrowing	Tree Removal & Replacement
Fleet Lease costs		1,251,280	2,329,910	2,066,520		Capital receipt	
Bromhams Farm Playing Fields		14,480				Borrowing	
Longbrook Street wall behind 30-38		5,000				Borrowing	
Farm Hill Retaining Walls (23 no.)		761,040				Borrowing	Stabilising works and other remedial actions (specification dependent upon PI Report findings)
Bonhay Rd/Andlaw House Footpath		69,810				Borrowing	Remedial works to replace existing gabion baskets or shore up existing gabion baskets - plus resurfacing of path with tarmac
St James' Weir & Ducks Marsh Meadow banks		75,000				Borrowing	Following the collapse of St James Weir, works are required to protect Council owned public open space from erosion and further loss. This cost is a likely maximum as other contributions will be sought.
Heavitree Paddling Pools		500,000				CIL	Redesign and rebuild paddling pools, add new splash pad and replace dated plant and plant room.
Play Areas		200,000	166,900			CIL / S106	Supply & Installation of new play equipment at multiple play areas across the city to replace old, end of life equipment. Cost includes 2 potential full redesigns where all equipment is old and the site could provide better play value and more accessible play in areas of multiple indices of deprivation (Lakeside Avenue & Chestnut Avenue)
Landfill Gas Extraction Systems		206,100				Borrowing	Significant upgrade or replacement of all three extraction systems.
Mincinglake Valley Park Reed Beds & Pipe Inlet		156,510				Borrowing	Re-lining of the lagoon to minimise leaks, coupled with design and construction of new debris screens to minimise blockage risks.
ECC Bridge repair programme		300,000	200,000			Borrowing	Due to number of required repairs identified in Principal Inspections, create new project for all bridge repairs
Oxford Road Car Park Retaining Wall		200,000				Grant	
Canal basin bridge refurbishment		50,000				Borrowing	
Outdoor Leisure Facilities - Newcourt		121,270				CIL / S106	To provide facilities at Newcourt
Riverside Walls at Quay		50,000				Borrowing	Underpinning or sheet piling existing Quay walls. Potential opportunity to deliver alongside Trews Weir
Leisure Complex - Build Project		650,000				Borrowing	Condition survey highest priorities
Civic Centre Air Conditioning Replacement		25,000				Borrowing	
Fire Risk Assessment Works		1,624,510				Borrowing	
Exmouth Buoy Store		212,720				Borrowing	
Guildhall MSCP		883,400				Borrowing	
John Lewis MSCP		357,760				Borrowing	
Princesshay 2 MSCP		424,400				Borrowing	
Leighton Terra & KW St MSCP		618,000				Borrowing	
City Wall		477,740				Borrowing	

SCHEMES	NEW BID	2025/26	2026/27	2027/28	Future Years	Financed by	What the scheme is trying to achieve
		£	£	£	£		
Backlog Maintenance		523,020				Borrowing	
BLRF - Exeter Canal Basin		591,240				Grant	
BLRF - Mary Arches Car Park		1,289,460				Grant	
BLRF - Belle Isle		663,940				Grant	
BLRF - Clifton Hill		225,000				Grant	
Green Space Depot Site (Belle Isle)		2,875,970				Grant / borrowing	
BLRF - Lower Wear Road		293,390				Borrowing	
Cathedral Green Display Cases		35,000				Revenue	
Leisure Property enhancements		1,000,000				Borrowing	
Commercial Property Ancillary Accommodation flat roof recovering		46,720				Borrowing	
TOTAL		27,148,460	6,322,750	2,216,520	150,000		
Corporate							
Wat Tyler House		272,270				Borrowing	
Commercial Properties - capital improvements to enable ongoing income (compliance with EPC legislation)		120,000				Borrowing	
Guildhall Shopping Centre Enhancements		10,866,630				Borrowing	
St Nicholas Priory Roof		88,120				Borrowing	
TOTAL		11,347,020	0	0	0		
People & Communities							
Annual Contribution to Strata		53,910	53,910	53,910	53,910	All Capital Receipts	
Datacentre Relocation		35,940					
NCSC Zero Trust		53,910					
IT Replacement Programme		10,000	10,000	10,000	10,000		
EUC model equipment (replacement laptops)		150,000	150,000	150,000	150,000	Grant	To meet the legal duty to pay grants to enable disabled people to remain in their homes.
Disabled Facility Grants		800,000	800,000	800,000	800,000		
TOTAL		1,103,760	1,013,910	1,013,910	1,013,910		
Place							
Riverside & RAMM Decarbonisation Projects		900,150				Borrowing	
Leisure Equipment replacement Programme		100,000	100,000	100,000	100,000	Capital Receipts	To ensure there is a pot available to replace equipment that is damaged or at the end of its useful life
Pinhoe Community Hub		1,276,470				CIL / Revenue	
TOTAL		2,276,620	100,000	100,000	100,000		
GENERAL FUND SERVICES TOTAL		41,875,860	7,436,660	3,330,430	1,263,910		

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HOUSING - CAPITAL PROGRAMME 2025/26 AND FUTURE YEARS

DESCRIPTION	2025-26	2026-27	2027-28	2028-29	Total
	£	£	£	£	£
INVESTMENT IN EXISTING STOCK					
Adaptations	360,000	360,000	360,000	360,000	1,440,000
Balcony Walkway Improvements	108,000	108,000	108,000	108,000	432,000
Bathroom Replacements (inc. Communal)	600,000	600,000	350,000	500,000	2,050,000
Boiler Replacement Programme & Central Heating	455,875	381,375	331,375	331,375	1,500,000
Common Area Footpath & Wall Improvements	97,000	125,000	92,000	92,000	406,000
Communal Area Improvements - New Flooring	40,614	17,178	12,936	25,662	96,390
Communal Door Entry System Instals - NEW	500,000	500,000	100,000	500,000	1,600,000
Fire Door Entry System Instals - NEW	150,000	0	0	0	150,000
Electrical Central Heating	10,000	10,000	10,000	10,000	40,000
Electrical Rewires - Communal	200,000	200,000	200,000	0	600,000
Electrical Rewires - Domestic	426,126	450,000	450,000	450,000	1,776,126
Energy retrofit	1,496,478	1,471,478	1,471,478	0	4,439,434
Fire Risk Assessment Works	1,210,000	1,235,000	835,000	383,000	3,663,000
Fire Safety Storage Facilities	109,462	109,462	0	0	218,924
Fire Alarm Systems Replacement - NEW	172,500	172,500	0	0	345,000
Kitchen Replacements (inc. Communal)	947,000	800,000	500,000	647,000	2,894,000
LAINGS Refurbishments	2,150,000	0	0	0	2,150,000
Lift Upgrades	350,000	80,000	80,000	80,000	590,000
Reroofing - Flats	670,250	319,900	430,500	403,550	1,824,200
Reroofing - Houses (outbuildings, chimney, gutters, downpipes, fascia)	930,000	930,000	600,000	600,000	3,060,000
Porch Canopies	94,200	94,200	81,600	81,600	351,600
Rennes House Structural Works	1,000,000	0	0	0	1,000,000
Structural Repairs	609,160	609,160	342,680	342,680	1,903,680
Window and Door Replacements	1,400,000	1,395,000	606,000	606,000	4,007,000
Plastering	125,000	125,000	125,000	125,000	500,000
Heating Abbeville & Hamlin - NEW	520,000	0	0	0	520,000
Sub total - Investment in Existing Stock	14,731,665	10,093,253	7,086,569	5,645,867	37,557,354
PROVISION OF NEW COUNCIL HOMES					
Council House Building Programme - Vaughan Road Phase A	1,612,810	0	0	0	1,612,810
Sub total - Investment in the Provision of New Homes	1,612,810	0	0	0	1,612,810
Total HRA Capital Programme	16,344,475	10,093,253	7,086,569	5,645,867	39,170,164

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REPORT TO EXECUTIVE

Date of Meeting: 4 February 2025

REPORT TO COUNCIL

Date of Meeting: 25 February 2025

Report of: Strategic Director Corporate Resources & S151 Officer

Title: Treasury Management Strategy Report 2025/26

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 To seek adoption by the Council of the Treasury Management Strategy Report, incorporating the Annual Investment Strategy 2025/26, and revised supporting Treasury Management Practices, as required under section 15(1)(a) of the Local Government Act 2003.

2. Recommendations:

2.1 That Executive recommend to Council the adoption of the Treasury Management Strategy and Treasury Management Practices and the delegations contained therein.

3. Reasons for the recommendation:

3.1 The Council has adopted the CIPFA Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes which require the Council to approve a Treasury Management Strategy before the start of each financial year. The Code of Practice was adopted in February 2012. The Code was updated in December 2021.

In addition, the Ministry of Housing, Communities and Local Government (MHCLG) Guidance on Local Authority Investments requires the Council to approve an investment strategy before the start of each financial year.

MHCLG and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments. Non-financial investments are covered in the Capital Strategy which is presented in a separate report to this Committee.

The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's Treasury Management Strategy.

4. What are the resource implications including non financial resources

4.1 Treasury Management is carried out by the Finance team of the Council, with advice procured from a specialist advisor. Prudent Treasury Management supports the Council's financial position by generating interest on investments / deposits and seeking to minimise the amount of interest paid on borrowing.

5. Section 151 Officer comments:

5.1 The Treasury Management Strategy sets the Council's strategy for both borrowing and lending money. It is critical therefore that members are familiar and comfortable with the range of institutions included within the Strategy. The Treasury Management Practices set the parameters for the day-to-day implementation of the strategy.

6. What are the legal aspects?

6.1 In February 2012 the Council adopted the updated *CIPFA Treasury Management in the Public Services: Code of Practice*, which requires the Council to approve a Treasury Management Strategy before the start of each financial year. Adoption of the Code is required by regulations made under the Local Government Act 2003

7. Monitoring Officer's comments:

7.1 This report raises no issues for the Monitoring Officer.

8. Report details:

8.1 This is a statutory Strategy recommended for adoption by full Council. The key issues to be considered are:

- Investments in the CCLA – LAMIT fund have been made and details of the dividend yield are included in paragraph 3.1 of Appendix A attached to this report.
- Section 4.4 sets the limits on the value of investments to be held by any one institution and the type of institution that can be used.
- The maximum limit to be lent to any one organisation in respect of Property Funds was approved in December 2017, the maximum to be lent to any one organisation for this type of investment is £10m.
- All other limits on the value of investments to be held by one institution remains at £5m (other than the UK Government and money market funds).
- Section 3 of Appendix A attached to this report, sets out the current levels of borrowing and investments, along with the estimated changes and the financial impact for the year on both the General Fund and HRA.
- Sections 5 and 6 set out the planned strategy for the year, which Council must be satisfied meets their objectives and is in line with the level of risk they are comfortable to take.

Appendix B attached to this report is updated Treasury Management Practices for approval which support the Strategy.

9. How does the decision contribute to the Council's Corporate Plan?

9.1 Treasury Management supports the Council in generating additional funds for investing in Services, whilst minimising the amount of interest paid on borrowings. It does not in itself contribute to the Council's Corporate Plan.

10. What risks are there and how can they be reduced?

10.1 The investment limits are designed to reduce risk as far as possible, however with any investments there is a risk of default. The Council minimises this risk by imposing limits on where cash can be invested based on credit ratings from the two main rating agencies and setting monetary and time limits on investments. Investments tend to be in immediate access accounts, or short term (less than three months).

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation, and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies, and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage, and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because the report is for information only.

12. Carbon Footprint (Environmental) Implications:

12.1 No direct carbon/environmental impacts arising from the recommendations.

13. Are there any other options?

13.1 No

Strategic Director, Corporate Resources & s151 Officer, David Hodgson

Author: Claire Hodgson, Finance Manager – Corporate

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

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EXETER CITY COUNCIL

TREASURY MANAGEMENT STRATEGY 2025/26

1. Introduction

- 1.1. The Council's Treasury Management Strategy (TMS) is based on the requirements of the MHCLG's Guidance on Local Government Investments ("the Guidance"), and CIPFA's Treasury Management Code and Prudential Codes as updated in December 2021. This Authority must have regard to these Codes of Practice when preparing the Treasury Management Strategy Statement including the Annual Investment Strategy, and also related reports during the financial year.

The revised Treasury Management Code requires all investments and investment income to be attributed to one of the following three purposes: -

Treasury management

Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

Service delivery

Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either related to the financial viability of the project in question or otherwise incidental to the primary purpose".

Commercial return

Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to an authority's financial capacity – i.e., that 'plausible losses' could be absorbed in budgets or reserves without unmanageable detriment to local services. An authority must not borrow to invest primarily for financial return.

2. Economic Context

The third quarter of 2024/25 (October to December) saw:

- GDP growth contracting by 0.1% m/m in October following no growth in the quarter ending September;
- The 3my rate of average earnings growth increase from 4.4% in September to 5.2% in October;
- CPI inflation increase to 2.6% in November;
- Core CPI inflation increase from 3.3% in October to 3.5% in November;
- The Bank of England cut interest rates from 5.0% to 4.75% in November and hold them steady in December.

- 10-year gilt yields starting October at 3.94% before finishing up at 4.57% at the end of December (peaking at 4.64%).

The Government's October budget outlined plans for a significant £41.5bn (1.2% of GDP) increase in taxes by 2029/30, with £25bn derived from a 1.2% rise in employers' national insurance contributions. The taxes are more than offset by a £47bn (1.4% of GDP) rise in current (day-to-day) spending by 2029/30 and a £24.6bn (0.7% of GDP) rise in public investment, with the latter being more than funded by a £32.5bn (1.0% of GDP) rise in public borrowing. The result is that the Budget loosens fiscal policy relative to the previous government's plans - although fiscal policy is still being tightened over the next five years – and that GDP growth is somewhat stronger over the coming years than had previously been forecasted. By way of comparison, the Bank of England forecasts four-quarter GDP growth to pick up to almost 1¾% through 2025 (previously forecast to be 0.9%) before falling back to just over 1% in 2026.

Interest rate forecasts

The Council has appointed MUFG Corporate Markets (formerly Link Group) as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives MUFG Corporate Markets forecast to December 2027.

Link Group Interest Rate View 11.11.24		Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
BANK RATE		4.75	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
3 month ave earnings		4.70	4.50	4.30	4.00	4.00	4.00	3.80	3.80	3.80	3.50	3.50	3.50	3.50
6 month ave earnings		4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
12 month ave earnings		4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
5 yr PWLB		5.00	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
10 yr PWLB		5.30	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
25 yr PWLB		5.60	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50
50 yr PWLB		5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.30

3. Current and Expected Treasury Portfolios

3.1. Investments

The Council's fixed term deposits held at 31 December 2024 were:

Property Funds

Amount	Investment	Dividend Yield as at Q2
£5,000,000	CCLA – LAMIT Property Fund	5.20%

Money Market Funds

Amount	Investment	Interest rate*
£7,000,000	Federated Investors	5.07%
£0	CCLA - The Public Sector Deposit Fund	5.08%
£4,000,000	Black Rock Asset Management	5.01%
£10,000,000	Aberdeen Standard Investments	5.06%
£21,000,000		

* Interest rate is variable (therefore rates quoted are an average to 31st December 2024)

3.2. Borrowings

The Council's long term borrowing is currently £163.680m (£91.436m General Fund and £72.244m HRA) and there is no short-term borrowing. Details of loans are set out below:

Principal Amount outstanding as at 31 December 2024	Lender	Interest rate	Loan type	Date of repayment
£56,884,000	PWLB maturity (HRA)	3.48%	Maturity	28/03/2062
£1,819,348	PWLB 25 year annuity	2.34%	Annuity	11/01/2044
£1,767,489	PWLB 25 year annuity	2.08%	Annuity	04/04/2044
£4,021,672	PWLB 30 year annuity	1.61%	Annuity	26/09/2049
£7,840,191	PWLB 35 year annuity	1.71%	Annuity	26/09/2054
£33,672,366	PWLB 50 year annuity	1.80%	Annuity	26/09/2069
£15,360,000	PWLB maturity (HRA)	1.31%	Maturity	14/04/2070
£42,314,696	PWLB 50 year annuity	1.78%	Annuity	24/12/2071

3.3. Expected changes

The current capital programme 2025/26 to 2027/28 indicates a further borrowing requirement of £29.393 million for the General Fund and £6.278 million for the HRA.

The decision of whether to take external long-term borrowing will be made in light of current and forecast interest rates and the decision is delegated to the Section 151 Officer and Leader of the Council.

3.4. Budget implications

The tables below show the expected interest payments on existing PWLB debt and fleet and other lease arrangements, and budgeted interest on balances for both General Fund and HRA for 2025/26.

If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will differ correspondingly.

General fund interest	2025/26 Estimate
Interest payable	£2,334,390
Total Interest receivable	(£1,439,000)
Less interest to HRA and other	£805,000
Net interest payable	£1,700,390
CCLA LAPF dividend	(£225,000)
Net interest after dividends	£1,475,390

HRA interest (including COB)	2025/26 Estimate
Interest payable	£2,543,940
Interest receivable	(£800,000)
Net interest payable	£1,743,940

The expected Minimum Revenue Provision for repayment of debt for 2025/26 is £2.702 million, which includes £63k in respect of leases under IFRS16.

4. Investment Strategy

- 4.1. The Council holds surplus funds, which represent income received in advance of expenditure plus balances and reserves held. Both the CIPFA Code and the MHCLG Guidance require the Council to invest its funds prudently, and to have regard to the **security** and **liquidity** of its investments before seeking the highest rate of return, or **yield**.
- 4.2. Council approved a Treasury Management Environmental, Social and Governance policy in December 2024 which includes consideration of ESG issues as part of its Treasury Management activity, provided that the key priorities of security, liquidity and yield are met.
- 4.3. Specified Investments

Specified investments are those expected to offer relatively high security and liquidity, and can be entered into with the minimum of formalities. The MHCLG Guidance defines specified investments as those:

- denominated in pounds sterling,
 - due to be repaid within 12 months of arrangement,
 - not defined as capital expenditure by legislation, and
 - invested with one of:
 - the UK Government,
 - a UK local authority, parish council or community council, or
 - a body or investment scheme of “high credit quality”.
- 4.4. The Council defines the following as being of “high credit quality” for making specified investments, subject to the monetary and time limits shown.

In-house investment	Monetary limit ¹	Time limit
UK owned banks and building societies holding short-term credit ratings no lower than F1+ and P-1	£4m each	12 months
Foreign owned banks that deal in sterling holding short-term credit ratings no lower than F1+ and P-1	£3m each	9 months
UK owned banks and building societies holding short-term credit ratings no lower than F1 and P-1	£3m each	6 months

Money market funds ² and similar pooled vehicles holding the highest possible credit ratings (AAA)	£10m each	3 months
Property Funds	£10m each	3 months
UK Central Government	no limit	12 months
UK Local Authorities ³		
Upper Tier	£5m each	12 months
Lower Tier	£5m each	12 months

¹ banks within the same group ownership are treated as one bank for limit purposes

² as defined in the Local Authorities (Capital Finance and Accounting) Regulations 2003

³ as defined in the Local Government Act 2003

- 4.5. The maximum that will be lent to any one organisation (other than the UK Government) will be £5 million, with the exception of Property Funds and Money Market Funds where the limit is £10m. For an individual bank, the limit is £4 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes.

4.6. Non specified Investments

No non specified investments will be made by the Council.

4.7. Foreign countries

Investments in foreign countries will be limited to those that hold a AAA or AA+ sovereign credit rating from all three major credit rating agencies, and to a maximum of £3 million per country. Only banks that are domiciled in the UK but are owned in another country will be used and need to meet the rating criteria of and will count against the limit for both countries. There is no limit on investments in the UK.

Liquidity management

The Council uses purpose-built cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a pessimistic basis, with receipts under-estimated and payments over-estimated to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments.

Limits on long-term investments are set by reference to the Council's medium term financial plan and cash flow forecast.

4.8. Credit ratings

The Council uses credit ratings from two main rating agencies Fitch Ratings Ltd and Moody's Investors Service to assess the risk of loss of investments. The lowest available credit rating will be used to determine credit quality.

Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an institution has its credit rating downgraded so that it fails to meet the above criteria then:

- no new investments will be made,
- any existing investments that can be recalled at no cost will be recalled, and
- full consideration will be given to the recall of any other existing investments

Where a credit rating agency announces that it is actively reviewing an organisation's credit ratings with a view to downgrading it so that it is likely to fall below the above criteria, then no further investments will be made until the outcome of the review is announced.

Sole reliance will not be placed on the use of this external service. In addition, this Council will also use market data and market information, as well as information on any external support for banks to help support its decision-making process.

4.9. Other information on the security of investments

Full regard will be given to other available information on the credit quality of banks and building societies, including credit default swap prices, financial statements and rating agency reports. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the above criteria.

4.10. Other information on the security of investments

Full regard will be given to other available information on the credit quality of banks and building societies, including credit default swap prices, financial statements and rating agency reports. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the above criteria.

4.11. Investment instruments

Investments may be made using any of the following instruments:

- interest paying bank accounts
- fixed term deposits
- call or notice deposits (where the Council can demand repayment)
- certificates of deposit
- treasury bills and gilts issued by the UK Government
- bonds issued by multilateral development banks
- shares in money market funds

5. Planned investment strategy for 2025/26 – In-House

5.1. The cash flow forecast will be used to divide surplus funds into three categories:

- Short-term – cash required to meet known cash outflows in the next month, plus a contingency to cover unexpected cash flows over the same period.
- Medium-term – cash required to manage the annual seasonal cash flow cycle, including amounts to cover forecast shortages, planned uses of reserves, and a longer-term contingency.
- Long-term – cash not required to meet cash flows, and used primarily to generate investment income.

5.2. The Council's in-house managed funds are based on the likely cash flow position.

Investments will be made to ensure that cash flow is protected and borrowing is minimised. In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Council will also consider investments for a longer period up to

12 months. These are funds which are not required for day-to-day cash management purposes.

- 5.3. The Council will seek to utilise money market funds (Aberdeen, Blackrock, Federated, and CCLA) and use short-dated deposits to ensure liquidity of assets for day-to-day cash flow. Although these are essentially cash, a monetary limit in line with the banks credit rating is retained on the accounts. The Council can also make use of the Government's Debt Management Office to ensure the highest possible security for cash. Additionally, the Council will hold a balance on its general account to cover any payments due. On occasion, to facilitate cash flow requirements, there may be in excess of £3 million in this account.

6. Borrowing Strategy

- 6.1. The Council's capital financing requirement (CFR, or underlying need to borrow) as at 31 March 2025 is expected to be £225.381 million and is forecast to rise to £240.957 million by March 2026 as capital expenditure is incurred.
- 6.2. The maximum expected long-term borrowing requirement for 2025/26 is:

	£m
Borrowed in prior years (GF)	90.988
Long term borrowing (HRA)	72.244
Not borrowed in previous years	62.479
Forecast increase in CFR	15.576
TOTAL	240.957

- 6.3. The Council is expected to be in an under-borrowed position as at 31 March 2025. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as borrowing costs remain elevated and to mitigate exposure to counterparty risk.

Against this background and the risks within the economic forecast, caution will be adopted with the 2025/26 treasury operations. The Section 151 Officer will monitor interest rates in financial markets and adopt a pragmatic approach to any change in circumstances.

- 6.4. To reduce risk and minimise cost on the General Fund, it has been decided to defer borrowing where possible, however some targeted long term borrowing may be undertaken in 2025/26, where the costs will be offset against future income streams.
- 6.5. In addition, the Council may borrow for short periods of time (normally up to two years) to cover cash flow shortages.
- 6.6. If borrowing is required advice will be sought from the treasury management advisors in order that the most cost effective form of borrowing can be secured.
- 6.7. Sources of borrowing

The approved sources of long-term and short-term borrowing will be:

- Public Works Loan Board
- any institution approved for investments above
- any other bank or building society on the Financial Services Authority list.

6.8. Debt instruments

Loans will be arranged by one of the following debt instruments:

- fixed term loans at fixed or variable rates of interest
- lender's option borrower's option (LOBO) loans.

As an alternative to borrowing loans, the Council may also finance capital expenditure and incur long-term liabilities by means of:

- leases
- Private Finance Initiative.

6.9. Borrowing strategy to be followed

With high levels of uncertainty and short-term interest rates currently lower than long-term rates, it continues to be more cost effective in the short-term to not borrow and reduce the level of investments held instead, or to borrow short-term loans. However, with long-term rates not forecast to reduce in the near future, any such short-term savings will need to be balanced against potential longer-term costs.

If required, the council may arrange forward starting loans during 2025/26, where the interest rate is fixed in advance, but the cash is received in a later period.

7. Policy on Use of Financial Derivatives

- 7.1. Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans).
- 7.2. The Localism Bill 2011 includes a general power competence that removes the uncertain legal position over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). The latest CIPFA Code requires authorities to clearly detail their policy on the use of derivatives in the annual strategy.
- 7.3. The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 7.4. Derivative counterparties

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

- 7.5. In reality, whilst the Council is required to include the above policy, the only type of transaction that might be used is the forward deal, which means the Council agrees to borrow funds at a set price for a set period, in advance of the date the loan is actually taken. This is done to ensure the availability of funds at the time that they are needed.

8. Treasury Management Prudential Indicators

- 8.1. The Council sets each year, in February, prudential indicators for Treasury Management, to ensure that proper control of borrowing and investing is maintained. These indicators have been updated to reflect the requirements in the 2021 Code and can be found in the Council's budget book.
- 8.2. To support the risk management of the capital financing requirement a graphical indication of the Council's borrowing liability and actual loans as a whole and for the General Fund and HRA is shown in Appendix C to this report.

9. Other Matters

The revised MHCLG Investment Guidance also requires the Council to approve the following matters each year as part of the investment strategy:

9.1. Investment consultants

The Council uses MUFG Corporate Markets as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers. The services received include:

- advice and guidance on relevant policies, strategies and reports,
- advice on investment decisions,
- notification of credit ratings and changes,
- other information on credit quality,
- advice on debt management decisions,
- accounting advice,
- reports on treasury performance,
- forecasts of interest rates, and
- training courses.

The quality of the advisory service is monitored by the Strategic Director Corporate Resources.

9.2. Training

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. A knowledge and skills register for officers and members involved in the treasury management function should be maintained.

Furthermore, the Code states that they expect “all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making.

The scale and nature of this will depend on the size and complexity of the organisation’s treasury management needs. Organisations should consider how to assess whether treasury management staff and board/ council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

As a minimum, authorities should carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and board/council members.
- Require treasury management officers and board/council members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the organisation).
- Have regular communication with officers and board/council members, encouraging them to highlight training needs on an ongoing basis.”

In further support of the revised training requirements, CIPFA’s Better Governance Forum and Treasury Management Network have produced a ‘self-assessment by members responsible for the scrutiny of treasury management’, which is available from the CIPFA website to download.

The Strategic Director Corporate Resources covers treasury management as part of the induction process. The needs of the Council’s members and treasury management staff for training in investment management are assessed annually as part of the appraisal process, and additionally when the responsibilities of individual members of staff change. Staff regularly attend training courses, seminars and conferences provided by MUFG Corporate Markets and CIPFA.

A formal record of the training received by officers central to the Treasury function will be maintained by the Section 151 Office. Similarly, a formal record of the treasury management/capital finance training received by members will also be maintained by the Section 151 Office .

9.3. Investment of money borrowed in advance of need

The Council may, from time to time, borrow in advance of spending need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council’s overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit. The maximum periods between borrowing and expenditure is expected to be two years, although the Council does not link particular loans with particular items of expenditure.

9.4. The Treasury Management Role of the Section 151 Office

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and knowledge and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe (say 20+ years)
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices (as attached in Appendix B) which specifically deal with how non treasury investments will be carried out and managed, to include the following
 - Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;

- Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;
- Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;
- Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;
- Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.

10. Investment Reports

10.1. The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

a. Prudential and treasury indicators and treasury strategy (in budget book) - The first, and most important report is forward looking and covers:

- the capital plans, (including prudential indicators);
- a Minimum Revenue Provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
- an Annual Investment Strategy, (the parameters on how investments are to be managed).

b. A mid-year treasury management report – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.

c. An annual treasury report – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

d. Quarterly Treasury Management updates – reports on progress and performance are not required to be reported to full Council and are included in the Scrutiny Bulletin.

Scrutiny

The above reports a) to c) are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Executive Committee.

Quarterly reports

In addition to the three major reports detailed above quarterly reports are not required to be reported to Full Council so are circulated in the Councillors' Information Bulletin.

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TREASURY MANAGEMENT PRACTICES

The Treasury Management Practices (TMP's), set out below, prescribe the manner in which the Council will seek to achieve its Treasury Management policies and objectives.

TMP 1 RISK MANAGEMENT

General Statement

This organisation regards a key objective of its treasury management and other investment activities to be the security of the principal sums it invests. Accordingly, it will ensure that robust due diligence procedures cover all external investment including investment properties.

The responsible officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in TMP 6 Reporting Requirements and Management Information Arrangements. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in the schedule to this document.

The Council have adopted a Risk Management Policy, whereby a systematic framework and process for managing risk is maintained. The Council's Risk Register is reviewed annually and will encompass any risks associated with Treasury Management activities.

1.1 Credit and Counter-party Risk Management

Credit and counter-party risk is the risk of failure by a counterparty to meet its contractual obligations to the organisation under an investment, borrowing, capital project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or revenue resources.

This organisation regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with which funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP 4 Approved Instruments Methods and Techniques. It also recognises the need to maintain a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements. The policy on use of credit risk analysis is set out in the Treasury Management Strategy and Annual Investment Strategy.

1.1.1. Policy on environmental, social and governance (ESG) considerations

The Council approved a policy on Environmental, Social and Governance investment considerations in December 2024.

1.2 Liquidity Risk Management

This is the risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the organisation's objectives will be thereby compromised.

The Council will ensure it has adequate, though not excessive, cash resources, borrowing arrangements or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its objectives.

This organisation will only **borrow in advance of need** where there is a clear business case for doing so and will only do so for the following reasons: -

- to fund the current capital programme
- to finance future debt maturities, or
- to ensure an adequate level of short-term investments to provide liquidity for the organisation.

1.2.1. Amounts of approved minimum cash balances and short-term investments

The Treasury Management team shall seek to minimise the balance held in the Council's main bank accounts at the close of each working day. Borrowing or lending shall be arranged in order to achieve this aim.

1.2.2. Details of:

- a. Standby facilities:-
There is the facility to transfer any unexpected surplus funds to a treasury call account which is available from the Council's main bank. The balance on this account is instantly accessible if the general bank account becomes overdrawn.
- b. Bank overdraft arrangements:-
The Council has no agreed overdraft facility within its current banking services contract. Any unauthorised overdraft would be charged at 22.5% over base rate.
- c. Short-term borrowing facilities:-
The Council accesses temporary loans through approved brokers on the London money market.
- d. Insurance/guarantee facilities:-
There are no specific insurance or guarantee facilities as the above arrangements are regarded as being adequate to cover all unforeseen occurrences.
- e. Special payments:-
Advance notice is required to be given to the officer responsible for treasury management for all special payments above £100,000.

1.3 Interest Rate Risk Management

The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.

The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs or securing its interest revenues, in accordance with TMP 6 Reporting Requirements and Management Information Arrangements.

It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be

the subject to the consideration and, if required, approval of any policy or budgetary implications.

1.4 Exchange Rate Risk Management

The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.

The Council will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

1.5 Inflation Risk Management

The organisation will keep under review the sensitivity of its treasury assets and liabilities to inflation and will seek to manage the risk accordingly in the context of the whole organisation's inflation exposures.

1.6 Refinancing Risk Management

The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the organisation for those refinancing, both capital and revenue, and/or that the terms are inconsistent with prevailing market conditions at the time.

The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the money so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable as can reasonably be achieved in the light of market conditions prevailing at the time.

The Council will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective and will avoid over-reliance on any one source of funding if this might jeopardise achievement of the above.

1.6.1. Debt/Other Capital Financing, Maturity Profiling, Policies and Practices

The Council will establish through its Prudential and Treasury Indicators the amount of debt maturing in any year/period.

Any debt rescheduling will be considered when the difference between the refinancing rate and the redemption rate is most advantageous, and the situation will be regularly monitored. The reasons for any rescheduling to take place will include:

- a) the generation of cash savings at minimum risk;
- b) to reduce the average interest rate;
- c) to amend the maturity profile and / or the balance of volatility of the debt portfolio.

Any rescheduling will be reported to the Council in the half year update or year-end report.

1.6.2. Projected Capital Investment Requirements

A three-year plan for capital expenditure will be prepared for the Council. This capital plan will be used to prepare a three-year revenue budget for all forms of financing charges.

In addition, the annual Capital Strategy report will give a longer-term view.

The definition of capital expenditure and long-term liabilities used in the Code will follow recommended accounting practice as per the Code of Practice on Local Authority Accounting.

1.6.3. Policy on Affordability and Revenue Consequences of Capital Financing

In considering the affordability of its capital plans, the Council will consider all the resources currently available/estimated for the future together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the next three years and the impact these will have on council tax and housing rent levels.

It will also consider affordability in the longer term beyond this three-year period and assess the risks and rewards of significant investments to ensure the long-term financial sustainability of the authority.

1.7 Legal and Regulatory Risk Management

The risk that the organisation itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.

The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP 1, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the organisation, particularly with regard to duty of care and fees charged.

The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and will seek to minimise the risk of these impacting adversely on the organisation.

1.7.1 Monitoring Officer

The Monitoring Officer is the Head of Service - Legal and Democratic Services; the duty of this officer is to ensure that the treasury management activities of the Council are lawful.

1.7.2 Chief Finance Officer

The s.151 Officer is the Strategic Director Corporate Resources; the duty of this officer is to ensure that the financial affairs of the Council are conducted in a prudent manner and to make a report to the Council if there are concerns as to the financial prudence of its actions or its expected financial position.

1.8 Operational risk, including fraud, error and corruption

The risk that an organisation fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk commonly referred to as operational risk.

The Council will ensure that it has identified the circumstances that may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

The Council will therefore: -

- a) Seek to ensure an adequate division of responsibilities and maintenance at all times of an adequate level of internal check which minimises such risks.
- b) Fully document all its treasury management activities so that there can be no confusion as to what proper procedures are.
- c) Staff will not be allowed to take up treasury management activities until they have had proper training in procedures and are then subject to an adequate and appropriate level of supervision.
- d) Records will be maintained of all treasury management transactions so that there is a full audit trail and evidence of the appropriate checks being carried out.

1.8.1. Details of Systems and Procedures to be followed

The Scheme of Delegation to Officers sets out the delegation of duties to officers.

All loans and investments are negotiated by the responsible officer or authorised persons.

Loan procedures are defined in the Council's Financial Regulations.

Procedures

- The Council uses Commercial Banking Online (CBO) provided by Lloyds Bank for its electronic banking. Transactions are input by Finance Technicians and authorised by accountants. CBO access rights are arranged by Administrators who are not involved in input or authorisation of transactions.
- CHAPS payments are input by one of the Finance Technicians and authorised by an accountant. CHAPS authorisation will not be requested from the same individual that originally requested the payment.

Investment and borrowing transactions

- A record of all loans and investments is maintained each year.
- A written acknowledgement of each deal is sent promptly to the lending or borrowing institution where transactions are done directly with the organisation.
- Written confirmation is received and checked against the dealer's records for the transaction.
- All transactions placed through brokers are confirmed by a broker note showing details of the loan arranged. Written confirmation is received and checked against the dealer's records for the transaction. Any discrepancies are immediately reported to officer responsible for treasury management for resolution.

Regularity and security

- Lending is only made to institutions on the Approved List of Counterparties.
- A cash flow spreadsheet is updated to include all details of payments and repayments.
- All loans raised and repayments made go directly to and from the bank account of approved counterparties.
- Counterparty limits are set for every institution that the Council invests with.
- Brokers have a list of named officials authorised to agree deals.
- There is a separation of duties in the section between dealers and the checking and authorisation of all deals.
- The Council's bank holds a list of Council officials who are authorised signatories for treasury management transactions.

- Payments can only be authorised by an authorised signatory, the list of signatories having previously been agreed with the current provider of our banking services.
- There is adequate insurance cover for employees involved in loans management and accounting.

Checks

- The bank reconciliation is carried out daily from the bank statement to the financial ledger by a Finance Technician.
- The finance system balances are proved to the balance sheet ledger codes at the end of each month and at the financial year end by a Finance Officer.
- A debt charge/investment income listing is produced every quarter and at year end when a review is undertaken against the budget for interest earnings and debt costs.
- We have complied with the requirements of the Code of Practice on Local Authority Accounting and will account for the fund as Fair Value through Profit or Loss. As a result, all gains and losses and interest (accrued and received) will be taken to the Comprehensive Income and Expenditure Statement.

1.9 Price Risk Management

The risk that, through adverse market fluctuations in the value of the principal sums an organisation borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.

This organisation will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

TMP 2 PERFORMANCE MEASUREMENT

2.1 Evaluation and Review of Treasury Management Decisions

The Council has a number of approaches to evaluating treasury management decisions.

2.1.1 Reviews with our treasury management consultants

The treasury management team holds reviews with our consultants on an ad hoc basis to review the performance of the investment and debt portfolios.

2.1.2 Review reports on treasury management

An Annual Treasury Report is submitted to the Council each year after the close of the financial year. This report contains the following: -

- a. Total external debt (gross external borrowing plus other long-term liabilities such as finance leases) and average interest rates at the beginning and close of the financial year compared to the Capital Financing Requirement (CFR)
- b. Borrowing strategy for the year compared to actual strategy
- c. Details of any decisions to either to defer borrowing or to borrow in advance
- d. Comment on the level of internal borrowing throughout the year
- e. Assumptions about interest rates
- f. Investment strategy for the year compared to actual strategy
- g. Explanations for any variances between original borrowing and investment strategies and actual
- h. Details of any debt rescheduling done in the year
- i. Actual borrowing and investment rates available through the year
- j. Identify any investments where specific risks have materialised during the year and report on any financial consequences of that risk; together with details of any remedial action taken. Any short-term borrowing costs incurred to remediate any liquidity problems
- k. Details of any review of long-term investments held by the authority undertaken in the year in accordance with the Annual Investment Strategy
- l. Compliance with Prudential and Treasury Indicators.

In addition a half yearly report is submitted to Council each year to provide updates on the above, and quarterly reports are included in Scrutiny bulletins.

TMP 3 DECISION-MAKING AND ANALYSIS

3.1 Funding, Borrowing, Lending, and New Instruments/Techniques:

3.1.1 Records to be kept

The Treasury Management team retain the following records: -

- Daily cash balance forecasts
- Money market rates obtained from brokers
- Dealing slips for all money market transactions
- Brokers' confirmations for investment and temporary borrowing transactions
- PWLB loan confirmations
- PWLB debt portfolio schedules.
- Certificates for market loans, local bonds and other loans
- Contract notes received from fund manager(s)
- Fund manager(s) valuation statements.

3.1.2 Procedures to be followed

- Cash flow analysis
- Debt and investment maturity analysis
- Ledger reconciliation
- Review of opportunities for debt restructuring
- Review of borrowing requirement to finance capital expenditure (and other forms of financing where those offer value for money)
- Performance information (e.g., monitoring of actuals against budget for debt charges, interest earned, debt management etc).

3.1.3 Issues to be addressed.

3.1.3.1. In respect of treasury management decisions the Council will:

- a) Above all be clear about the nature and extent of the risks to which the Council may become exposed
- b) Be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained
- c) Be content that the documentation is adequate both to deliver the Council's objectives and protect the Council's interests
- d) Ensure that third parties are judged satisfactory in the context of the Council's creditworthiness policies, and that limits have not been exceeded
- e) Be content that the terms of any transactions have been fully checked against the market and have been found to be competitive.

3.1.3.2 In respect of borrowing and other funding decisions, the Council will:

- a) consider the ongoing revenue liabilities created, and the implications for the organisation's future plans and budgets to ensure that its capital plans and investment plans are affordable, proportionate to the Council's overall financial capacity, and are within prudent and sustainable levels. This evaluation will be carried out in detail for three budget years ahead.
- b) Less detailed evaluation will also be carried out over a longer period of at least 10 years to ensure that plans continue to be affordable, proportionate, prudent and sustainable in the longer term.
- c) not borrow to invest primarily for financial return.
- d) not borrow earlier than required to meet cash flow needs unless there is a clear business case for doing so.
- e) not borrow unless it is to finance the current capital programme or to fund future debt maturities, or to ensure an adequate level of short-term investments to provide liquidity for the Council.
- f) increase its CFR and borrowing solely for purposes directly and primarily related to the functions of the authority and where any financial returns are either related to the financial viability of the project in question or otherwise incidental to the primary purpose.
- g) undertake an annual review of any investments in commercial (debt for yield) schemes with a view to identify whether such assets should be sold to provide resources to finance capital expenditure plans or refinance maturing debt.
- h) evaluate the economic and market factors that might influence the manner and timing of any decision to fund.
- i) consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and private partnerships.
- j) consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use and, if relevant, the opportunities for foreign currency funding.
- k) ensure that treasury management decisions are made in accordance with good professional practice.

3.1.3.3 In respect of investment decisions, the Council will:

- a) Consider the optimum period, in the light of cash flow availability and prevailing market conditions;
- b) Consider the alternative investment products and techniques available, especially the implications of using any which may expose the Council to changes in the value of its capital;
- c) ensure that any long-term treasury investment is supported by a business case.

TMP 4 APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

4.1 Approved Activities of the Treasury Management Operation

- borrowing;
- lending;
- debt repayment and rescheduling;
- consideration, approval and use of new financial instruments and treasury management techniques;
- managing the underlying risk associated with the Council's capital financing and surplus funds activities;
- managing cash flow;
- banking activities;
- the use of external fund managers (other than Pension Fund)
- leasing.

4.2 Approved Instruments for Investments

These are set out in the Annual Investment Strategy within the Treasury Management Strategy.

4.3 Approved Techniques

- Forward dealing
- LOBOs – lenders option, borrower's option borrowing instrument
- The use of structured products such as callable deposits

4.4 Approved Methods and Sources of Raising Capital Finance

Finance will only be raised in accordance with the Local Government Act 2003, and within this limit the Council has a number of approved methods and sources of raising capital finance. These are:

On Balance Sheet	Fixed	Variable
PWLB	●	●
Municipal bond agency	●	●
UK Infrastructure Bank	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Stock issues	●	●
Local temporary	●	●
Local Bonds	●	
Local authority bills	●	●
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Leasing (not operating leases)	●	●
Deferred Purchase	●	●

Other Methods of Financing

- Government and EC Capital Grants
- Lottery monies
- PFI/PPP
- Operating leases

Borrowing will only be done in Sterling. All forms of funding will be considered dependent on the prevailing economic climate, regulations and local considerations. The responsible officer has delegated powers in accordance with Financial Regulations, Standing Orders, the Scheme of Delegation to Officers Policy and the Treasury Management Strategy to take the most appropriate form of borrowing from the approved sources.

4.5 Investment Limits

The Annual Investment Strategy sets out the limits and the guidelines for use of each type of investment instrument.

4.6 Borrowing Limits

See the Treasury Management Strategy Statement and Prudential and Treasury Indicators.

TMP 5 ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS

5.1 Allocation of responsibilities

(i) Full Council

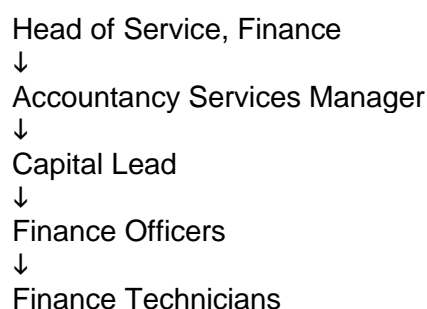
- receiving and reviewing reports on treasury management policies, practices and activities
- approval of annual Treasury Management Strategy, including the Annual Investment Strategy
- approval of the prudential indicators including the annual statement of minimum revenue provision
- approval of Capital Strategy
- approval of amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices
- budget consideration and approval
- approval of the division of responsibilities
- receiving and reviewing regular monitoring reports and acting on recommendations

5.2 Principles and Practices Concerning Segregation of Duties

The following duties must be undertaken by separate officers:

Dealing	Negotiation and approval of deal
	Reconciliation of cash control account
	Bank reconciliation
Accounting Entry	Processing of accounting entry
Authorisation / Payment of Deal	Input onto system
	Approval and payment

5.3 Treasury Management Organisation Chart



5.4 Statement of the treasury management duties and responsibilities

5.4.1. The responsible officer

The responsible officer is the person charged with professional responsibility for the treasury management function and in this Council is the Strategic Director Corporate Resources, the S151 officer. This person will carry out the following duties: -

- a) recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- b) submitting regular treasury management policy reports
- c) submitting budgets and budget variations
- d) receiving and reviewing management information reports
- e) reviewing the performance of the treasury management function
- f) ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- g) ensuring the adequacy of internal audit, and liaising with external audit
- h) recommending the appointment of external service providers.
- i) The responsible officer has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments.
- j) The responsible officer may delegate his power to borrow and invest to members of his staff. The Capital Lead and Finance Technicians must conduct all dealing transactions, or staff authorised by the responsible officer to act as temporary cover for leave/sickness. All transactions must be authorised by at least two authorised signatories.
- k) The responsible officer will ensure that treasury management policy is adhered to, and if not will bring the matter to the attention of elected members as soon as possible.
- l) Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the responsible officer to be satisfied, by reference to the Council's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Council's Financial Regulations
- m) It is also the responsibility of the responsible officer to ensure that the Council complies with the requirements of The UK Money Markets Code (formerly known as the Non-Investment Products Code) for principals and broking firms in the wholesale markets.

5.4.2. The Treasury Management Team

The responsibilities of the team will include: -

- a) execution of transactions
- b) adherence to agreed policies and practices on a day-to-day basis
- c) maintaining relationships with counterparties and external service providers
- d) monitoring performance on a day-to-day basis
- e) submitting management information reports to the responsible officer
- f) identifying and recommending opportunities for improved practices

5.4.3. The Head of the Paid Service – the Chief Executive

The responsibilities of this post will be: -

- a) Ensuring that the system is specified and implemented
- b) Ensuring that the responsible officer reports regularly to full Council on treasury policy, activity and performance.

5.4.4. The Monitoring Officer – Head of Service - Legal and Democratic Services

The responsibilities of this post will be: -

- a) Ensuring compliance by the responsible officer with the treasury management policy statement and treasury management practices and that they comply with the law.
- b) Being satisfied that any proposal to vary treasury policy or practice complies with law or any code of practice.
- c) Giving advice to the responsible officer when advice is sought.

5.4.5. Internal Audit

The responsibilities of Internal Audit will be: -

- a) Reviewing compliance with approved policy and treasury management practices.
- b) Reviewing division of duties and operational practice.
- c) Assessing value for money from treasury activities.
- d) Undertaking probity audit of treasury function.

5.5 Absence Cover Arrangements

Cover for the Capital Lead is provided by one of the other Accounting Leads. The Treasury Management team is made up of four Finance Technicians who arrange the rota between them and can cover for leave and sickness for each other.

5.6 Dealing Limits

There are no dealing limits for individual posts

5.7 List of Approved Brokers

A list of approved brokers is maintained within the Treasury Team and a record of all transactions recorded against them. See TMP 11.1.2. It is this Council's policy to rotate business between brokers.

5.8 Direct Dealing Practices

The Council will consider dealing directly with counterparties if it is appropriate and the Council believes that better terms will be available. At present deals with other Local Authorities and banks are arranged through brokers. There are certain types of accounts and facilities, however, where direct dealing is required, as follows:-

- Business Reserve Accounts:
- Call Accounts:
- Money Market Funds.

5.9 Arrangements Concerning the Management of Third-Party Funds.

The Council holds a number of trust funds. The cash in respect of these funds is held in the Council's bank account but transactions are separately coded. Interest is given on credit balances at the average rate for internal balances for the year.

TMP 6 REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS

6.1 Annual programme of reporting

- a) Annual reporting requirements before the start of the year: -
 - review of the organisation's approved clauses, treasury management policy statement and practices
 - **Treasury Management Strategy report** on proposed treasury management activities for the year comprising of the Treasury Management Strategy Statement and Annual Investment Strategy
 - **Minimum Revenue Provision Policy Statement** included in the Prudential Indicators report
 - **Capital Strategy** to cover the following: -
 - i. give a long-term view of the capital programme and treasury management implications thereof beyond the three-year time horizon for detailed planning.
 - ii. an overview of treasury and non-treasury investments to highlight the risks and returns involved in each and the balance, (proportionality), between both types of investments.
 - iii. The authorities risk appetite and specific policies and arrangements for non-treasury investments
 - iv. Schedule of any non-treasury investments
- b) Mid-year review
- c) Quarterly monitoring
- d) Annual review report after the end of the year

6.2 Annual Treasury Management Strategy Statement

1. The Treasury Management Strategy Statement sets out the specific expected treasury activities for the forthcoming financial year. This strategy will be submitted to the Executive and then to the full Council for approval before the commencement of each financial year.
2. The formulation of the annual Treasury Management Strategy Statement involves determining the appropriate borrowing and investment decisions in the light of the anticipated movement in both fixed and shorter-term variable interest rates. For instance, this Council may decide to postpone borrowing if fixed interest rates are expected to fall or borrow early if fixed interest rates are expected to rise.
3. The Treasury Management Strategy Statement is concerned with the following elements:
 - a) Prudential and Treasury Indicators
 - b) current Treasury portfolio position
 - c) borrowing requirement
 - d) prospects for interest rates
 - e) borrowing strategy
 - f) policy on borrowing in advance of need
 - g) debt rescheduling
 - h) investment strategy
 - i) creditworthiness policy
 - j) policy on the use of external service providers

k) the Minimum Revenue Provision strategy

4. The Treasury Management Strategy Statement will establish the expected move in interest rates against alternatives (using all available information such as published interest rate forecasts where applicable) and highlight sensitivities to different scenarios.

6.3 The Annual Investment Strategy Statement

The Treasury Management Strategy Statement includes the Annual Investment Strategy which will set out the following: -

- a) The Council's risk appetite in respect of security, liquidity and optimum performance
- b) The definition of high credit quality to determine what are specified investments as distinct from non-specified investments
- c) Which specified and non-specified instruments the Council will use
- d) The Council's policy on the use of credit ratings and other credit risk analysis techniques to determine creditworthy counterparties for its approved lending list
- e) Which credit rating agencies the Council will use
- f) How the Council will deal with changes in ratings, rating watches and rating outlooks
- g) Limits of value and time for individual counterparties and groups
- h) Country limits
- i) Maximum value and maximum periods for which funds may be prudently invested
- j) Levels of cash balances and investments over the same time period (as a minimum) as the authority's capital investment plans and how the use of internal borrowing and borrowing in advance will influence those levels
- k) Interest rate outlook
- l) Budget for investment earnings
- m) A review of the holding of longer-term investments

6.4 The Annual Minimum Revenue Provision Statement

This statement included in the Prudential Indicator report will set out how the Council will make revenue provision for repayment of its borrowing using the four options for so doing and will be submitted at the same time as the Annual Treasury Management Strategy Statement.

6.5 Policy on Prudential and Treasury Indicators

1. The Council approves before the beginning of each financial year a number of treasury limits which are set through Prudential and Treasury Indicators.
2. The responsible officer is responsible for incorporating these limits into the Prudential Indicator report, and for ensuring compliance with the limits. Should it prove necessary to amend these limits, the responsible officer shall submit the changes for approval to the full Council.

6.6 Quarterly and mid-year reviews

The Council will review its treasury management activities and strategy on a quarterly and six monthly basis. The mid-year review will go to Full Council. This review will consider the following: -

- a) activities undertaken
- b) variations (if any) from agreed policies/practices
- c) interim performance report
- d) regular monitoring
- e) variances in investment income and borrowing costs compared with budget
- f) monitoring of treasury management and prudential indicators

The quarterly reviews will monitor the treasury management and prudential indicators as part of the authority's general revenue and capital monitoring. These are included in the Scrutiny bulletins.

6.7 Annual Review Report on Treasury Management Activity

An annual report will be presented to the Executive and then to the full Council at the earliest practicable meeting after the end of the financial year, but in any case, by the end of September. This report will include the following: -

- a) transactions executed and their revenue effects
- b) report on risk implications of decisions taken and transactions executed
- c) compliance report on agreed policies and practices, and on statutory/regulatory requirements
- d) performance report
- e) report on compliance with CIPFA Code recommendations, approved policies and practices, the member approved treasury management strategy and on statutory / regulatory requirements
- f) monitoring of treasury management indicators

6.8 Publication of Treasury Management Reports

All of the reports above will be made available to the public on the Council website.

TMP 7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

7.1 Statutory/Regulatory Requirements

The accounts are drawn up in accordance with the Code of Practice on Local Authority Accounting in Great Britain that is recognised by statute as representing proper accounting practices. The Council has also adopted in full the principles set out in CIPFA's 'Treasury Management in the Public Services - Code of Practice' (the 'CIPFA Code'), together with those of its specific recommendations that are relevant to this Council's treasury management activities.

7.2 Sample Budgets / Accounts / Prudential and Treasury Indicators

The Head of Service, Finance will prepare a three-year medium term financial plan with Prudential and Treasury Indicators for treasury management which will incorporate the budget for the forthcoming year and provisional estimates for the following two years. This will bring together all the costs involved in running the function, together with associated income. The Head of Service, Finance will exercise effective controls over this budget and monitoring of performance against Prudential and Treasury Indicators and will report upon and recommend any changes required in accordance with TMP 6.

All treasury management transactions are recorded in the Council's finance system. Money market interest received is reconciled monthly, and PWLB repayments are reconciled quarterly.

7.3 List of Information Requirements of External Auditors

- Reconciliation of loans outstanding in the financial ledger to treasury management records
- Maturity analysis of loans outstanding
- Supporting evidence for any new long-term loans taken out in the year
- Reconciliation of loan interest, discounts received, and premiums paid to financial ledger by loan type
- Calculation of loans fund interest and debt management expenses
- Details of interest rates applied to internal investments
- Calculation of interest on working balances
- Interest accrual calculation
- Analysis of any deferred charges
- Calculation of loans fund creditors and debtors
- Annual Treasury Report
- Treasury Management Strategy Statement
- Prudential and Treasury Indicators
- Review of observance of limits set by Prudential and Treasury Indicators
- Calculation of the Minimum Revenue Provision

7.4 Budget Monitoring Report

Budget monitoring reports are produced for Executive and Full Council. The report is intended to highlight any variances between budgets and spend in order that the Council can assess its financial position. Details of treasury management activities are included within this report.

TMP 8 CASH AND CASH FLOW MANAGEMENT

8.1 Arrangements for Preparing/Submitting Cash Flow Statements

Cash flow projections are prepared annually and updated daily. The annual cash flow projections are prepared from the previous years' cash flow records, adjusted for known changes in levels of income and expenditure and also changes in payments and receipts dates. These details are supplemented on an ongoing basis by information received of new or revised amounts to be paid or received as and when they are known.

A debt liability benchmark will be created and monitored on a quarterly basis to inform a long-term view of liquidity requirements.

8.2 Bank Statements Procedures

The Council receives daily bank statements from its bank. All amounts on the statement are checked to source data from Payroll, Creditors etc. A formal bank reconciliation is undertaken on a daily basis by a Finance Technician.

TMP 9 MONEY LAUNDERING

9.1 Proceeds of Crime Act 2002

Money laundering has the objective of concealing the origin of money generated through criminal activity. Legislation has given a higher profile to the need to report suspicions of money laundering. The Proceeds of Crime Act (POCA) 2002 established the main offences relating to money laundering. In summary, these are:

- concealing, disguising, converting, transferring or removing criminal property from England and Wales, from Scotland or from Northern Ireland
- being concerned in an arrangement which a person knows, or suspects facilitates the acquisition, retention, use or control of criminal property
- acquiring, using or possessing criminal property.

These apply to all persons in the UK in a personal and professional capacity. Any person involved in any known or suspected money-laundering activity in the UK risks a criminal conviction. Other offences under the POCA include:

- failure to disclose money-laundering offences
- tipping off a suspect, either directly or indirectly
- doing something that might prejudice an investigation – for example, falsifying a document.

9.2 The Terrorism Act 2000

This act made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism or resulting from acts of terrorism. All individuals and businesses in the UK have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for, terrorism or its laundering, where it relates to information that comes to them in the course of their business or employment.

9.3 The Money Laundering Regulations 2012, 2015 and 2017

Organisations pursuing relevant business (especially those in the financial services industry regulated by the FCA) are required to do the following: -

- identify and assess the risks of money laundering and terrorist financing
- have policies, controls and procedures to mitigate and manage effectively the risks of money laundering and terrorist financing identified through the risk assessments
- appoint a nominated officer
- implement internal reporting procedures
- train relevant staff in the subject
- obtain, verify and maintain evidence and records of the identity of new clients and transactions undertaken
- report their suspicions.

9.4 Local authorities

Public service organisations and their staff are subject to the full provisions of the Terrorism Act 2000 and subsequent Terrorism Acts and may commit most of the principal offences under the POCA but are not legally obliged to apply the provisions of the Money Laundering Regulations 2012, 2015 and 2017. However, as responsible public bodies, they should employ policies and procedures which reflect the essence of the UK's anti-terrorist financing, and anti-money laundering, regimes. Accordingly, this Council will do the following: -

- a) evaluate the prospect of laundered monies being handled by them
- b) determine the appropriate safeguards to be put in place
- c) require every person engaged in treasury management to make themselves aware of their personal and legal responsibilities for money laundering awareness
- d) make all its staff aware of their responsibilities under POCA
- e) appoint a member of staff to whom they can report any suspicions. The Money Laundering Reporting Officer is the Head of Service, Finance, or their nominated deputy.
- f) in order to ensure compliance is appropriately managed, this Council will require senior management to give appropriate oversight, analysis and assessment of the risks of clients and work/product types, systems for monitoring compliance with procedures and methods of communicating procedures and other information to personnel.
- g) The officer responsible for the creation and monitoring the implementation of a corporate anti money laundering policy and procedures is the Money Laundering Reporting Officer and it shall be a requirement that all services and departments implement this corporate policy and procedures.

9.5 Procedures for Establishing Identity / Authenticity of Lenders

It is not a requirement under POCA for local authorities to require identification from every person or organisation it deals with. However, in respect of treasury management transactions, there is a need for due diligence, and this will be effected by following the procedures below.

All loans are obtained from the PWLB, other local authorities or from authorised institutions under the Financial Services and Markets Act 2000. This register can be accessed through the FCA website on www.fca.gov.uk.

When repaying loans, the procedures in 9.6 will be followed to check the bank details of the recipient.

9.6 Methodologies for Identifying Deposit Takers

In the course of its Treasury activities, the Council will only lend money to or invest with those counterparties that are on its approved lending list. These will be local authorities, the PWLB, Bank of England and authorised deposit takers under the Financial Services and Markets Act 2000. The FCA register can be accessed through their website on www.fca.gov.uk.

All transactions will be carried out by BACS or CHAPS for making deposits or repaying loans.

TMP 10 STAFF TRAINING AND QUALIFICATIONS

This organisation recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The responsible officer will recommend and implement the necessary arrangements, including the specification of the expertise, knowledge and skills required by each role or member of staff.

The responsible officer will ensure that Council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

All treasury management staff should receive appropriate training relevant to the requirements of their duties at the appropriate time. The Council operates a Professional Development Review system which identifies the training requirements of individual members of staff engaged on treasury related activities.

Additionally, training may also be provided on the job, and it will be the responsibility of the Head of Service, Finance to ensure that all staff under his / her authority receive the level of training appropriate to their duties. This will also apply to those staff who from time-to-time cover for absences from the treasury management team. Detailed procedure notes are maintained.

10.1 Details of Approved Training Courses

Treasury management staff and members will go on courses provided by our treasury management consultants, CIPFA, money brokers etc.

10.2 Records of Training Received by Treasury Staff

The Head of Service, Finance will maintain records on all staff and the training they receive.

10.3 Statement of Professional Practice (SOPP)

1. Where the Chief Financial Officer is a member of CIPFA, there is a professional need for the CFO to be seen to be committed to professional responsibilities through both personal compliance and by ensuring that relevant staff are appropriately trained.
2. Other staff involved in treasury management activities who are members of CIPFA must also comply with the SOPP.

10.4 Member training records

Records will be kept of all training in treasury management provided to members.

10.5 Members charged with governance

Members charged with diligence also have a personal responsibility to ensure that they have the appropriate skills and training for their role.

TMP 11 USE OF EXTERNAL SERVICE PROVIDERS

11.1 Details of Contracts with Service Providers, Including Bankers, Brokers, Consultants, Advisers

ECC will employ the services of other organisations to assist it in the field of treasury management. In particular, it will use external consultants to provide specialist advice in this ever more complex area. However, it will ensure that it fully understands what services are being provided and that they meet the needs of this organisation, especially in terms of being objective and free from conflicts of interest.

It will also ensure that the skills of the in-house treasury management team are maintained to a high enough level whereby they can provide appropriate challenge to external advice and can avoid undue reliance on such advice.

Treasury management staff and their senior management will therefore be required to allocate appropriate levels of time to using the following sources of information so that they are able to develop suitable levels of understanding to carry out their duties, especially in challenge and avoiding undue reliance.

- The quality financial press
- Market data
- Information on government support for banks and
- The credit ratings of that government support

11.1.1 Banking Services

- a) Name of supplier of service is Lloyds Bank.
- b) Regulatory status – banking institution authorised to undertake banking activities by the FCA
- c) The Contract commenced 2024 and runs for 7 years with the option to extend for 3 further years.
- d) Cost of service is variable depending on schedule of tariffs and volumes

11.1.2 Money-Broking Services

The Council will use money brokers for temporary borrowing and investment and long-term borrowing. It will seek to give an even spread of business amongst the approved brokers.

Name of brokers: Tradition (UK) Ltd and Martin Brokers

11.1.3 Consultants'/Advisers' Services

Treasury Consultancy Services

The Council will seek to take expert advice on interest rate forecasts, annual treasury management strategy, timing for borrowing and lending, debt rescheduling, use of various borrowing and investment instruments, how to select credit worthy counterparties to put on its approved lending list etc.

- a) Name of supplier of service is MUFG Corporate Markets (formerly Link Group, Treasury solutions).
- b) Regulatory status: investment adviser authorised by the FCA

- c) Contract commenced 1st January 2024 and runs for three years with an option to extend for a further two years.

11.1.4 Credit Rating Agency

The Council receives a credit rating service through its treasury management consultants, the costs of which is included in the consultant's annual fee.

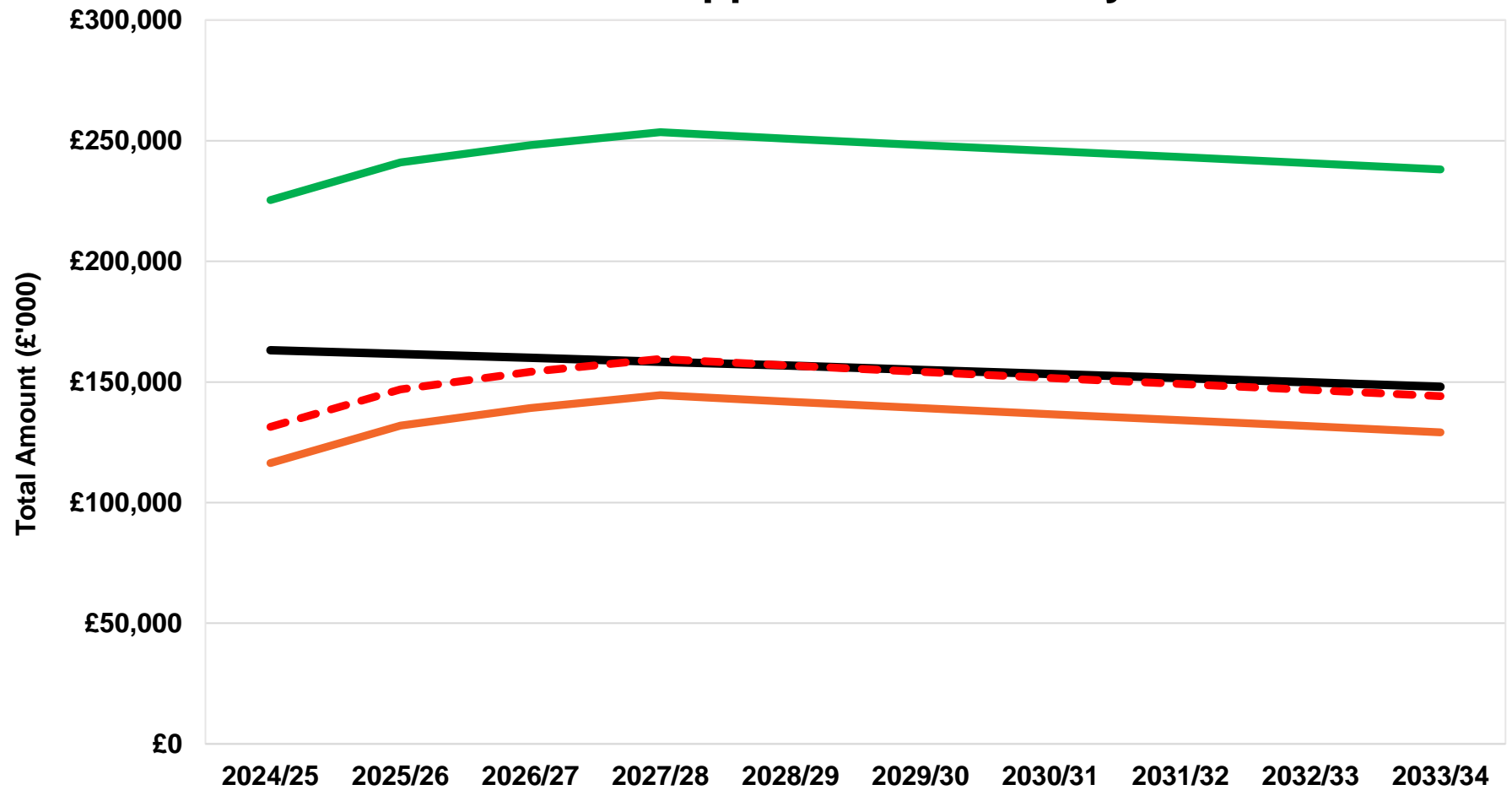
TMP 12 CORPORATE GOVERNANCE

12.1.1 List of Documents to be Made Available for Public Inspection

- a. The Council is committed to the principle of openness and transparency in its treasury management function and in all its functions.
- b. It has adopted the CIPFA Code of Practice on Treasury Management and implemented key recommendations on developing Treasury Management Practices, formulating a Treasury Management Policy Statement and implementing the other principles of the Code.
- c. The following documents are available for public inspection: -
 - Treasury Management Strategy Statement (including the Annual Investment Strategy)
 - Prudential Indicators (including the Minimum Revenue provision policy statement)
 - Annual Treasury Review Report
 - Treasury Management monitoring reports (e.g. half yearly, quarterly)
 - Annual accounts and financial instruments disclosure notes
 - Annual budget
 - Capital Programme
 - Capital Strategy
 - Minutes of Council / Executive / committee meetings
 - Schedule of all external funds managed by the Council on behalf of others and the basis of attributing interest earned and costs of these investments.

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Appendix C - Liability Benchmark



— Existing Loan Debt Outstanding

— Loans CFR

— Net Loans Requirement (forecast net loan debt)

- - Liability Benchmark (Gross Loans Requirement)

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REPORT TO EXECUTIVE

Date of Meeting: 4 February 2025

REPORT TO COUNCIL

Date of Meeting: 25 February 2025

Report of: Strategic Director – Corporate Resources & s151 Officer

Title: The Prudential Code for Capital Finance in Local Authorities (Incorporating the Annual Statement of Minimum Revenue Provision)

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 To set out the proposed 2025/26 Prudential Indicators for capital finance for adoption by the Council and set the annual statement of Minimum Revenue Provision (MRP).

2. Recommendations:

2.1 That Executive recommends that Council approves the adoption of:

- 1) the Prudential Indicators set out in Appendices A-C; and
- 2) the Annual Statement of Minimum Revenue Provision for the Council

3. Reasons for the recommendation:

3.1 With effect from 1 April 2004, the Government abolished the capital finance legislation in Part 4 of the Local Government and Housing Act 1989 and the Local Authorities (Capital Finance) Regulations 1997 (Statutory Instrument 1997/319) and replaced it with a new prudential system based on self-regulation. This means that Councils are free to borrow for capital investment where the borrowing is affordable.

The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended require Full Council to approve an Annual Statement of Minimum Revenue Provision which is the amount set aside from revenue for the repayment of debt principal relating to the General Fund only. The Housing Revenue Account remains exempt from making MRP although it can make voluntary set asides if it wishes.

The Prudential Indicators / MRP report will be incorporated within the Budget Book for approval at the full Council meeting as per the statutory requirement.

4. What are the resource implications including non financial resources?

4.1 The financial resources required are set out in the body of this report.

5. Section 151 Officer comments:

5.1 These indicators reflect the impact on the revenue accounts of capital expenditure in both the General Fund and Housing as well as the impact across the Council as a whole. Members should pay particular attention to the Capital Financing Requirement (our underlying need to borrow), the Operational Boundary and the Authorised Limit (the maximum we can legally borrow).

6. What are the legal aspects?

6.1 With effect from 1 April 2004, the Government abolished the capital finance legislation in Part 4 of the Local Government and Housing Act 1989 and the Local Authorities (Capital Finance) Regulations 1997 (Statutory Instrument 1997/319) and replaced it with a new prudential system based on self-regulation. More detailed information is set out in paragraph 3 above.

7. Monitoring Officer's comments:

7.1 This report raises no issues for the Monitoring Officer.

8. Report details:

8.1 The Prudential Code requires authorities to look at capital expenditure and investment plans in the light of overall organisational strategy and resources and ensure that decisions are being made with sufficient regard to the long-term financing implications and potential risks to the authority. Effective financial planning, option appraisal, risk management and governance processes are essential in achieving a prudential approach to capital expenditure, investment, and debt.

The Authority's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

This Authority has to have regard to the CIPFA Prudential and Treasury Management Codes of Practice as updated in 2021 when preparing this report and the Treasury Management Strategy Statement which includes the Annual Investment Strategy.

8.2 Key issues to consider

Appendix C summarises the Prudential Code indicators for the Council and of particular importance are:

- The Capital Financing Requirement - demonstrates the amount that the Council has an underlying need to borrow, regardless of whether that amount has actually been borrowed.
- The Operational Boundary - this sets the amount of borrowing that the Council intends to keep within over the period covered by the indicators.
- The Authorised Limit - the maximum that the Section 151 Officer is allowed to borrow to cover the Operational Boundary and day to day cash flow needs. The Council is not allowed to exceed this amount of borrowing without first authorising an increase to the limit.

8.3 Lifting of the HRA Borrowing Cap

Since April 2012, each local authority had a limit on the amount of borrowing it could have for the purposes of the HRA, called the 'debt cap'. For Exeter City Council, the debt cap was £57,882,413.

The HRA debt cap was formally removed on 29 October 2018, as a result local authorities are now able to borrow for housebuilding in accordance with the Prudential Code.

The HRA have borrowed an additional £15.3m for the development of new sites since the debt cap was lifted. Further sites are being identified for the development of new council housing in order to make use of this new flexibility and to contribute to local housing delivery and further investigations by officers for further new sites are ongoing. However, given the current borrowing costs and pressures on the HRA budget there is no provision in the current MTFP for new housing other than Vaughan Road Phase A.

8.4 Capital Financing Requirement

Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2025/26 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The implementation of International Financial Reporting Standard 16 has resulted in more leases constituting capital expenditure. These assets will be accounted for in the same way as if they had been acquired and will increase the Capital Financing Requirement. It is important that the Council does not enter into any unauthorised leases or this may result in breaching the authorised limit.

The Strategic Director – Corporate Resources and s151 Officer reports that the Council complied with this Prudential Indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

8.5 ANNUAL STATEMENT OF MINIMUM REVENUE PROVISION

The Regulations require that "a local authority shall determine for the current financial year an amount of minimum revenue provision which it considers to be prudent".

Minimum Revenue Provision (MRP) is an amount set aside from revenue to meet the repayment of debt principal. It is in effect a replacement for depreciation that you would normally expect to see within a Company's Accounts. Under the old Regulations this was 4% of principal outstanding for the General Fund and no requirement to set aside MRP in the Housing Revenue Account. In local government accounting depreciation is charged and then reversed out so it does not affect the level of Council Tax, however MRP is charged to the General Fund and therefore does affect levels of Council Tax.

The Secretary of State for Communities and Local Government has issued guidance under section 21(1A) of the Local Government Act 2003. This states that "the broad aim

of prudent provision is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of the grant."

The guidance notes detail five options which the Secretary of State considers prudent. These are described in section 10 below:

- a) Regulatory Method;
- b) Capital Financing Requirement Method;
- c) Asset Life (Equal Instalment) Method;
- d) Asset Life (Annuity) Method; and
- e) Depreciation Method

8.6 Key issue to consider

Section 8.7 sets out the proposed policy for MRP, which matches the amount set aside against the useful life of the assets. The only exception to this is the writing off of historic debt which is being undertaken over 50 years.

8.7 MRP OPTIONS

Regulatory Method

MRP is equal to the amount determined in accordance with the former regulations 28 and 29 of the 2003 Regulations as if they had not been revoked. In effect this is 4% of the debt principal outstanding.

Capital Financing Requirement Method

MRP is equal to 4% of the non-housing Capital Financing Requirement, which is a Prudential Indicator.

Asset Life (Equal Instalment) Method

Where capital expenditure on an asset is financed wholly or partly by borrowing then MRP is determined by reference to the life of the asset and an equal amount charged in each year.

Asset Life (Annuity) Method

MRP is the principal element for the year of the annuity required to repay over the asset life the amount of capital expenditure financed by borrowing.

Depreciation Method

MRP is equal to the provision required in accordance with depreciation accounting in respect of the asset, including any amount of impairment chargeable to the Income and Expenditure Account. As standard depreciation rules are used where an asset is part financed by loan, e.g. 50% loan, 50% Capital Receipt, then the full 100% depreciation charge on the asset is required to be charged as MRP. MRP is required to be charged annually until the cumulative amount of the provision is equal to the original expenditure

financed by borrowing. Should the asset be disposed of then the charge needs to continue as if the asset had not been disposed of unless the debt is repaid.

8.8 MINIMUM REVENUE PROVISION POLICY 2025/26

The Council's MRP policy is to match borrowing against specific capital investment and adopt either the Asset Life (Equal Instalment) or the Asset Life (Annuity) method for MRP. In this way the funding for the asset will be paid off over the useful life of that asset. This will ensure that loans are repaid over the asset life thus freeing financial resources for investment in other schemes or in asset renewal. They are also simple to operate and gives certainty in each year as to the level of charge for principal.

The other advantage is that it makes business cases and scheme appraisals easier to compile. As a general rule the Council will seek to borrow over the same period of the asset life up to a maximum of 50 years in line with the Regulations. The total capital financing requirement at the end of 2024/25 is likely to be approximately £225.381 million. The MRP for 2025/26 will be calculated based on the capital financing requirement at the end of 2024/25 using the varying periods of repayment. The MRP charge for 2025/26 will be approximately £2.702 million (including £63k in respect of leases under IFRS 16). For the avoidance of doubt, it is proposed to use both options from 2016/17 onwards, depending on the asset being financed. However, unless there is a good reason, for not doing so, all borrowing will adopt the Asset Life (Annuity) method.

8.9 MRP Overpayments

A change introduced by the revised MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision (VRP) or overpayments, can, if needed, be reclaimed in future years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. There are currently no VRP overpayments available to be used.

8.10 Capital Financing Requirement

Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2025/26 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

Where the authority has acquired assets under leases, an MRP charge will be made for the amount by which the liabilities recognised for rents due over the remaining terms of the leases have been reduced by payments of rent in the financial year. The overall impact of this policy is that the annual charge against the General Fund balance for leases will be the rents payable for each financial year.

The Strategic Director – Corporate Resources and s151 Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

9. How does the decision contribute to the Council's Corporate Plan?

9.1 The Capital Programme contributes to all of the key purposes, as set out in the Corporate Plan.

10. What risks are there and how can they be reduced?

10.1 Areas of budgetary risk are highlighted to committee as part of the quarterly budget monitoring updates.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation, and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies, and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage, and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because the report is for information only

12. Carbon Footprint (Environmental) Implications:

12.1 No direct carbon/environmental impacts arising from the recommendations.

13. Are there any other options?

13.1 No

Strategic Director Corporate Resources & S151 Officer, David Hodgson

Author: Claire Hodgson – Finance Manager – Corporate

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

Contact for enquires:
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General Fund Prudential Indicator Calculations

The purpose of the prudential indicators is to demonstrate that the Council's financial plans meet the statutory requirement to be affordable, prudent and sustainable.

General Fund Capital Expenditure

The prudential indicator for capital expenditure should be based upon a capital programme that takes into account the Council's asset management and capital investment strategies.

Director	2023/24 Actual £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Operations	2,251	7,517	27,148	6,323	2,216
Corporate	175	245	11,347	0	0
People & Communities	2,261	2,735	1,104	1,014	1,014
Place	888	1,294	2,277	100	100
Total General Fund Capital Expenditure	5,575	11,791	41,876	7,437	3,330

General Fund Financing costs

The figures for the actual financing costs will be taken from the Council's financial statements using the definition of financing costs specified in the Prudential Code. Estimates for the current and future years should be calculated in a manner consistent with this definition.

Description	2023/24 Actual £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Interest payable with respect to short term borrowing	1,574	1,006	1,315	1,310	1,260
Interest payable under 'irredeemable' long term liabilities	1,848	1,829	1,824	1,811	1,795
Interest and investment income	(2,885)	(1,929)	(1,664)	(1,564)	(1,464)
Replacement for Minimum Revenue Provision (England and Wales)	2,465	2,426	2,702	2,803	2,630
Voluntary contribution to financing costs in respect of short-life assets	97	(700)	0	0	0
Total General Fund Financing Costs	3,099	2,632	4,177	4,360	4,221

General Fund Estimates of the ratio of financing costs to net revenue stream

The net revenue stream is the estimate of the amounts to be met from government grants and local taxpayers. An important theme of the Code is transparency. For this reason the authority's calculation of the net revenue stream should be consistent with the figure that can be identified in the Income and Expenditure Account for 'Net Operating Expenditure'.

Description	2023/24 Actual £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Financing costs	3,099	2,632	4,177	4,360	4,221
Net revenue stream	16,001	17,884	19,681	16,444	16,885
Ratio of financing costs to net revenue stream %	19.4%	14.7%	21.2%	26.5%	25.0%

General Fund Capital Financing Requirement

The Capital Financing Requirement will reflect the Council's underlying need to finance capital expenditure.

Actual General Fund Capital Financing Requirement at 31 March 2024

	£'000
Property, Plant and Equipment	190,873
Investment Properties	71,516
Heritage Assets	22,743
Intangible Assets / Other Long term Assets	3,758
Revaluation Reserve	(85,780)
Capital Adjustment Account	(54,545)
General Fund Capital Financing Requirement 31 March 2024	148,565

Estimated General Fund Capital Financing Requirement at 31 March 2025

Estimate of General Fund Capital Financing Requirement 31 March 2024	148,565
Estimate of change in Property, Plant and Equipment	11,791
Estimate of change in Investment Properties	0
Estimate of change in Intangible Assets / Other Long term Assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	(8,967)
Estimate of General Fund Capital Financing Requirement 31 March 2025	151,389

Estimated General Fund Capital Financing Requirement at 31 March 2026

Estimate of General Fund Capital Financing Requirement 31 March 2025	151,389
Estimate of change in Property, Plant and Equipment	41,876
Estimate of change in Investment Properties	0
Estimate of change in Intangible Assets / Other Long term Assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	(32,578)
Estimate of General Fund Capital Financing Requirement 31 March 2026	160,687

Estimated General Fund Capital Financing Requirement at 31 March 2027

Estimate of General Fund Capital Financing Requirement 31 March 2026	160,687
Estimate of change in Property, Plant and Equipment	7,437
Estimate of change in Investment Properties	0
Estimate of change in Intangible Assets / Other Long term Assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	(241)
Estimate of General Fund Capital Financing Requirement 31 March 2027	167,883

Estimated General Fund Capital Financing Requirement at 31 March 2028

Estimate of General Fund Capital Financing Requirement 31 March 2027	167,883
Estimate of change in Property, Plant and Equipment	3,330
Estimate of change in Investment Properties	0
Estimate of change in Intangible Assets / Other Long term Assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	2,040
Estimate of General Fund Capital Financing Requirement 31 March 2028	173,253

APPENDIX B

HRA Prudential Indicator Calculations

Local authorities that have a Housing Revenue Account (HRA) are required to prepare separate calculations for their HRA and non-HRA elements.

HRA Capital Expenditure

The prudential indicator for capital expenditure should be based upon a capital programme that takes into account the Council's asset management and capital investment strategies.

Description	2023/24 Actual £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
INVESTING IN EXISTING STOCK	10,292	14,939	14,731	10,093	7,087
PROVISION OF NEW COUNCIL HOMES	13,513	7,736	1,613	0	0
Total HRA Capital Expenditure	23,805	22,675	16,344	10,093	7,087

HRA Financing costs

Description	2023/24 Actual £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Interest payable with respect to short term borrowing	0	0	0	0	0
Interest payable under 'irredeemable' long term liabilities	2,181	2,181	2,544	2,544	2,544
Interest and investment income	(1,520)	(909)	(788)	(783)	(734)
Voluntary Revenue Provision (England and Wales)	0	0	0	0	0
Voluntary contribution to financing costs in respect of short-life assets	0	0	0	0	0
Total HRA Financing Costs	661	1,272	1,756	1,761	1,810

HRA Estimates of the ratio of financing costs to net revenue stream

For the Housing Revenue Account the net revenue stream, for the purposes of the Code, is the amount to be met from rent income.

Description	2023/24 Actual £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Financing costs	661	1,272	1,756	1,761	1,810
Net revenue stream	20,696	21,239	21,876	22,532	23,208
Ratio of financing costs to net revenue stream %	3.2	6.0	8.0	7.8	7.8
Negative for a debt free authority	%	%	%	%	%

HRA Capital Financing Requirement

The Capital Financing Requirement will reflect the Council's underlying need to finance capital expenditure.

Actual HRA Capital Financing Requirement at 31 March 2024

Description	£'000
Property, Plant and Equipment	314,009
Investment Properties	0
Intangible Assets / Other Long term Assets	0
Revaluation Reserve	75,015
Capital Adjustment Account	(315,032)
Actual HRA Capital Financing Requirement 31 March 2024	73,992

Estimated HRA Capital Financing Requirement at 31 March 2025

Estimate of HRA Capital Financing Requirement 31 March 2024	73,992
Estimate of change in Property, Plant and Equipment	22,675
Estimate of change in Investment Properties	0
Estimate of change in Intangible Assets / Other Long term Assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	(16,397)
Estimate of HRA Capital Financing Requirement 31 March 2025	80,270

Estimated HRA Capital Financing Requirement at 31 March 2026

Estimate of HRA Capital Financing Requirement 31 March 2025	80,270
Estimate of change in Property, Plant and Equipment	16,344
Estimate of change in Investment Properties	0
Estimate of change in Intangible Assets / Other Long term Assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	(16,344)
Estimate of HRA Capital Financing Requirement 31 March 2026	80,270

Estimated HRA Capital Financing Requirement at 31 March 2027

Estimate of HRA Capital Financing Requirement 31 March 2026	80,270
Estimate of change in Property, Plant and Equipment	10,093
Estimate of change in Investment Properties	0
Estimate of change in Intangible Assets / Other Long term Assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	(10,093)
Estimate of HRA Capital Financing Requirement 31 March 2027	80,270

Estimated HRA Capital Financing Requirement at 31 March 2028

Estimate of HRA Capital Financing Requirement 31 March 2027	80,270
Estimate of change in Property, Plant and Equipment	7,087
Estimate of change in Investment Properties	0
Estimate of change in Intangible Assets / Other Long term Assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	(7,087)
Estimate of HRA Capital Financing Requirement 31 March 2028	80,270

Limit on indebtedness

The HRA borrowing cap was limited to £57,882k, but the cap was formally removed on 29 October 2018 so Local Authorities can now borrow for housebuilding.

Prudential Indicator CalculationsPRUDENTIAL INDICATORS OF AFFORDABILITYTotal Actual / Estimates of Capital Expenditure

The prudential indicator for capital expenditure should be based upon a capital programme that takes into account the Council's asset management and capital investment strategies.

Description	2023/24 Actual £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Total General Fund Capital Expenditure	5,575	11,791	41,876	7,437	3,330
Total HRA Capital Expenditure	23,805	22,675	16,344	10,093	7,087
Total Actual / Estimates of Capital Expenditure	29,380	34,466	58,220	17,530	10,417

Total Actual / Estimates of Financing Costs

Description	2023/24 Actual £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Total General Fund Financing Costs	3,099	2,632	4,177	4,360	4,221
Total HRA Financing Costs	661	1,272	1,756	1,761	1,810
Total Actual / Estimates of Financing Costs	3,760	3,904	5,933	6,121	6,031

Actual / Estimates of Ratio of Financing Costs to Net Revenue Stream

The net revenue stream is the estimate of the amounts to be met from government grants and local taxpayers, and for the Housing Revenue Account, is the estimate of the amounts to be met from rent income.

Description	2023/24 Actual £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
General Fund Ratio of Financing Costs to Net Revenue Stream	0.2	0.1	0.2	0.3	0.2
HRA Ratio of Financing Costs to Net Revenue Stream	3.2	6.0	8.0	7.8	7.8

Prudential Indicator Calculations

The estimates of financing costs include current commitments and the proposals in this budget report.

Actual / Estimates of Capital Financing Requirement

The Capital Financing Requirement will reflect the Council's underlying need to finance capital expenditure.

Description	2023/24 Actual £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
General Fund Capital Financing Requirement	148,565	151,389	160,687	167,883	173,253
HRA Capital Financing Requirement	73,992	80,270	80,270	80,270	80,270
Total Actual / Estimates of Capital Financing Requirement	222,557	231,659	240,957	248,153	253,523

Authorised Limit

In England and Wales the prudential indicator for the Authorised Limit for external debt for the current year is the statutory limit determined under Section 3 (1) of the Local Government Act 2003: 'A local authority shall determine and keep under review how much money it can afford to borrow'

The Authorised Limit should not be set so high that it would never in any possible circumstances be breached. It should reflect a level of borrowing which, while not desired, could be afforded but may not be sustainable. The Authorised Limit must therefore be set to establish the outer boundary of the Council's borrowing, based on a realistic assessment of the risks.

Description	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Borrowing	305,000	305,000	305,000
Other long term liabilities	7,000	7,000	7,000
Authorised Limit	312,000	312,000	312,000

Prudential Indicator Calculations**Operational Boundary**

The Operational Boundary is the focus of day-to-day treasury management activity within the authority. It is a means by which the authority manages its external debt to ensure that it remains within the self-imposed Authorised Limit. The Operational Boundary may be breached temporarily on occasions due to variations in cashflow. However, a sustained or regular trend above the Operational Boundary would be significant and should lead to further investigation.

Description	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Borrowing	285,000	285,000	285,000
Other long term liabilities	5,000	5,000	5,000
Operational Boundary	290,000	290,000	290,000

The Authorised Limit and the Operational Boundary have been increased to include capacity to enable the establishment of a HRA development programme following removal of the debt cap.

Actual External Debt

The prudential indicator for actual external debt will not be directly comparable to the authorised limit and operational boundary, since the actual external debt will reflect the actual position at one point in time.

Description	2023/24 Actual £'000	To be repaid	
		within 12 months	after 12 months
Actual borrowing as at 31 March 2023	165,155	1,564	163,591
Actual long term liabilities as at 31 March 2023	3,227	870	2,357
Actual External Debt as at 31 March 2023	168,382	2,434	165,948

Prudential Indicator Calculations
PRUDENTIAL INDICATORS OF PRUDENCE

Gross Debt and Capital Financing Requirement

The Code makes it necessary, if a financial strategy is to be prudent, that it is one in which in the medium term gross debt is only used for capital purposes. In the Code this requirement is to be demonstrated through a comparison of gross debt with the Capital Financing Requirement.

Description	£'000
Total Capital Financing Requirement at 31 March 2024	222,557

2024/25 Estimated Change in Capital Financing Requirement	
Capital expenditure	34,466
Application of useable capital receipts	(7,452)
Application of capital grants/contributions	(21,714)
The replacement for MRP	(2,426)
Additional voluntary contributions	700
Total Estimated Change in Capital Financing Requirement 2024/25	3,574

2025/26 Estimated Change in Capital Financing Requirement	
Capital expenditure	58,220
Application of useable capital receipts	(3,573)
Application of capital grants/contributions	(36,369)
The replacement for MRP	(2,702)
Additional voluntary contributions	0
Total Estimated Change in Capital Financing Requirement 2025/26	15,576

Prudential Indicator Calculations

2026/27 Estimated Change in Capital Financing Requirement	
Capital expenditure	17,530
Application of useable capital receipts	(2,630)
Application of capital grants/contributions	(4,900)
The replacement for MRP	(2,803)
Additional voluntary contributions	0
Total Estimated Change in Capital Financing Requirement 2026/27	7,197

Capital Financing Requirement:	
Opening Balance 2023/24	222,557
Estimated Closing Balance 2026/27	248,904
This is an increase over the three years of	26,347

Operational Boundaries to Exposure to Interest Rate Risks

Interest rate risk management is a top priority for local authority management. The setting of upper limits has the effect of setting ranges within which the Council will limit its exposure to both fixed and variable interest rate movements.

Description	2024/25 £'000	2025/26 £'000	2026/27 £'000
Total projected interest payable on borrowing	5,683	5,665	5,599
Total projected interest receivable on investments	(2,452)	(2,347)	(2,198)
Net Interest	3,231	3,318	3,401

Description	Upper Limit
Upper limit - fixed rates = 100%	100%
Upper limit - variable rates = 20%	20%

This means that the Chief Finance Officer will manage fixed interest rate exposure within the range 0% to 100% and variable interest rate exposure within the range 0% to 20%

Prudential Indicator Calculations

Operational Boundary to the Exposure Inherent in the Maturity Structure of Borrowings

This indicator is designed to be a control over the Council having a large concentration of fixed rate debt needing to be replaced at times of uncertainty over interest rates. The indicator is, in effect, a limit on longer term interest rate exposure and is set for the forthcoming year.

The analysis of borrowing by maturity used in the Code uses the same periods as that required in the local authority SORP.

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate.

Period	Upper Limit	Lower Limit	Estimated debt maturity %		
			2024/25	2025/26	2026/27
Under 12 months	100%	0%		5%	5%
12 months and within 24 months	20%	0%			
24 months and within 5 years	20%	0%			
5 years and within 10 years	20%	0%			
10 years and above	100%	0%	100%	95%	95%

Investments

Description	At 31/3/2024 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Long-term investments	5,462	5,000	5,000	5,000
Short-term investments	5,067	10,000	10,000	10,000
Cash and cash equivalents	22,690	33,000	25,000	20,000
Total Investments	33,219	48,000	40,000	35,000

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REPORT TO EXECUTIVE

Date of Meeting: 4 February 2025

REPORT TO COUNCIL

Date of Meeting: 25 February 2025

Report of: Strategic Director Corporate Resources & S151 Officer

Title: Capital Strategy 2025-26

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 To approve the Capital Strategy.

2. Recommendations:

2.1 It is recommended that Council approve the Capital Strategy as set out in Appendix A.

3. Reasons for the recommendation:

3.1 The aim of the capital strategy is to ensure all elected members fully understand the long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

4. What are the resource implications including non financial resources.

4.1 The financial resources required are set out in the body of this report.

5. Section 151 Officer comments:

5.1 There are no significant changes to the strategy this year. A lack of capital receipts means the Council is reliant on borrowing to fund additional schemes, which will have a negative impact on the already financially challenged position of both the General Fund and HRA. As such, neither is in a position to take on further schemes without a fundamental improvement in interest rates or additional capital resources being realised.

6. What are the legal aspects?

6.1 The capital expenditure system is framed by the Local Government and Housing Act 1989 and the Local Government Act 2003. The CIPFA Prudential Code for Capital Finance in Local Authorities (Prudential Code) and the Treasury management in the Public Services Code of Practice and Cross-Sectoral Guidance notes (the Treasury Management Code) were updated in December 2021. The Codes set out the obligation

on all local authorities to prepare a Capital Strategy report and the requirements of the report. The proposed Capital Strategy for Exeter City Council for 2025-2026 is set out at Appendix A.

7. Monitoring Officer's comments:

7.1 This report raises no issues for the Monitoring Officer.

8. Report details:

8.1 The Capital Strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset.

The proposed Capital Strategy is attached at Appendix A.

9. How does the decision contribute to the Council's Corporate Plan?

9.1 The Capital Strategy contributes to all of the key purposes, as set out in the Corporate Plan.

10. What risks are there and how can they be reduced?

10.1 Areas of budgetary risk are highlighted to committee as part of the quarterly budget monitoring updates.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation, and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies, and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage, and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because the report is for information only

12. Carbon Footprint (Environmental) Implications:

12.1 No direct carbon/environmental impacts arising from the recommendations.

13. Are there any other options?

13.1 No

Strategic Director Corporate Resources & s151 Officer, David Hodgson

Author: Claire Hodgson, Finance Manager – Corporate

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

Contact for enquires:
Democratic Services (Committees)
Room 4.36
01392 265275

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APPENDIX A

EXETER CITY COUNCIL CAPITAL STRATEGY 2025/26

1. Introduction

- 1.1. This Capital Strategy sets out how, when the City Council considers often competing demands for investments, it takes account of stewardship, value for money, prudence, sustainability and affordability in a long-term context, and gives due consideration to both risk and reward and impact on the achievement of the Council's priority outcomes. It is part of the Council's integrated operational, revenue, capital and balance sheet planning.
- 1.2. As local authorities become increasingly complex and diverse, it is vital that Councillors and Senior Officers are fully informed about the long-term context in which investment decisions are made and about all the financial and operational risks to which the authority is exposed. With local authorities having increasingly wide powers around commercialisation and being part of group arrangements or combined authorities, it is increasingly important for Councils to take into account the residual risks and liabilities all around them.
- 1.3. This Capital Strategy covers both the General Fund and the Housing Revenue Account, supporting service provision and linking with the Council's Corporate Plan and Medium Term Financial Strategy. It provides a framework for the development of the three-year capital programme.

2. Purpose and Aims

The Prudential Code for Capital Finance in Local Authorities (the Prudential Code) and the Treasury management in the Public Services Code of Practice and Cross-Sectoral Guidance notes (the Treasury Management Code) were updated by CIPFA in December 2021. The 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy report which will provide the following:

- A high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- An overview of how the associated risk is managed
- The implications for future financial sustainability

The aim of the strategy is to ensure that all the Authority's elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.

- 2.1. The purpose of this Capital Strategy is to help achieve the Council's five strategic priorities set out in the Corporate Plan 2022-2026:
 - a. Prosperous local economy
 - b. Healthy and active city
 - c. Housing and building great neighbourhoods and communities
 - d. Net zero carbon city
 - e. Thriving culture and heritage

These priorities contribute to the Exeter Vision 2040:

"By the time they are an adult, a child born in Exeter today will live in a city that is inclusive, healthy and sustainable – a city where the opportunities and benefits of prosperity are shared and all citizens are able to participate fully in the city's economic, social, cultural and civic life."

3. What is Capital Expenditure?

- 3.1. An understanding of what constitutes capital expenditure is fundamental to realising the benefits that an authority can obtain under the Prudential framework. Unless expenditure qualifies as capital it will normally fall outside the scope of the framework and be charged to revenue in the period that the expenditure is incurred. If expenditure meets the definition of capital, there may be opportunities to finance the outlay from capital receipts or by spreading the cost over future years' revenues.

There are three ways in which expenditure can qualify as capital under the framework:-

- The expenditure results in the acquisition, construction or enhancement of fixed assets (tangible and intangible) in accordance with 'proper practices'.
- The expenditure meets one of the definitions specified in regulations made under the 2003 Local Government Act.
- The Secretary of State makes a direction that the expenditure can be treated as capital expenditure.

4. Approach to Capital Investment

- 4.1. The Council's approach to capital investment is fundamental to the Council's financial planning processes. It aims to ensure that:

- Capital expenditure contributes to the achievement of the Council's strategic plan.
- An affordable and sustainable capital programme is delivered.
- Use of resources and value for money is maximised.
- A clear framework for making capital expenditure decisions is provided.
- A corporate approach to generating capital resources is established.
- Access to sufficient long term assets to provide services are acquired and retained.
- Invest to save initiatives to make efficiencies within the Council's revenue budget are encouraged.
- An appraisal and prioritisation process for new schemes is robust.

5. Governance Arrangements

5.1. Capital Programme Approvals

The Authority's constitution and financial regulations govern the capital programme as set out below:

- All capital expenditure must be carried out in accordance with the financial regulations and the Council's Constitution.
- The expenditure must comply with the statutory definition of capital purposes as defined within this document and wider financial standards.
- The Capital Programme approved by Full Council as part of the Council's annual budget report sets the capital funding availability for the Council, the prioritisation of funding and the schemes receiving entry into the Capital Programme.
- Officers are not authorised to commit expenditure without prior formal approval as set out in the financial regulations.
- Each scheme must be under the control of a responsible person / project manager.
- Any agreements (such as section 106) which contractually commit to procure capital schemes will need to follow the same approval process as other capital expenditure before it can be formally incorporated into the capital programme.

Full Council:

- Approves the capital programme as part of the Annual Budget Report within the strategic boundaries set by the Council.
- Approves capital schemes into the approved capital programme to enable commencement of delivery and schemes to start to incur expenditure.

6. Funding Streams

Exeter City Council's Capital Programme is funded from a mix of sources including:

- **Prudential Borrowing** – The introduction of the Prudential Code in 2004 allowed the Council to undertake unsupported borrowing. This borrowing is subject to the requirements of the Prudential Code for Capital Expenditure for Local Authorities. The Council must ensure that unsupported borrowing is affordable, prudent and cost effective. This funding can also be used as an option to front fund development to stimulate growth. This has provided the Council with the flexibility to raise capital funding as demand and business need have dictated. This type of borrowing has revenue implications for the Council in the form of financing costs. An authority must not borrow to invest primarily for financial return.
- **External Grants** – such as disabled facilities grant funding.
- **Section 106, Community Infrastructure Levy (CIL) and External Contributions** – Elements of the capital programme are funded by contributions from private sector developers and partners.
- **Revenue Funding** – The Council can use revenue resources to fund capital projects on a direct basis and this funding avenue has been used in the past. However, pressures on the Council's revenue budget has reduced options in this area and therefore the preference is for Invest to Save options to be adopted where feasible.

- **Capital Receipts** – The Council is able to generate capital receipts through the sale of surplus assets such as land and buildings. The Council seeks to maximise the level of these resources which will be available to support the Council's plans.

International Financial Reporting Standard (IFRS) 16 – Leases

From 1 April 2024 IFRS 16 replaced the previous lease accounting standard as the method to account for leases in the Council's annual accounts.

The main impact was to remove the traditional distinction between finance leases and operating leases. Now all leased-in agreements result in a 'Right of Use' asset on the Balance Sheet and a corresponding debt (lease liability) in the Council's accounts. Leases for items of low value and leases that expire on or before 31 March 2025 are exempt from the new arrangements. The de minimis limit for IFRS 16 has been set at £10,000, in line with the Council's capital expenditure de minimis.

Future leases in (unless exempt) will constitute capital expenditure, and assets will be accounted for in the same way as if they had been acquired.

Capital Programme and Minimum Revenue Provision

The size of the Capital Programme will be influenced by funding sources and financing costs. The main limiting factor on the Council's ability to undertake capital investment is whether the revenue resource is available to support in full the implications of capital expenditure, both borrowing costs and running costs, after allowing for any support provided by central government, now mainly through capital grants.

The Council is required to set aside a Minimum Revenue Provision (MRP) in respect of capital expenditure previously financed by borrowing. The Annual Statement of Minimum Revenue Provision is set out in the Prudential Code for Capital Finance report. To reduce risk and minimise costs in light of elevated interest rates, it has been decided to defer borrowing where possible, or where necessary borrow for shorter periods with the intention of re-financing when rates are more favourable. However some targeted long term borrowing may be undertaken in 2025-26, where the costs will be offset against future income streams.

Revenue Implications

The revenue implications of capital investment must always be considered in investment decisions and prioritisation of projects. These include costs and savings implications.

Costs to consider include:

- Cost of borrowing (including Minimum Revenue Provision)
- Loss of investment income if reserves or useable capital receipts are used
- Running costs associated with the asset.

Savings, including benefits, to identify in the proposal include:

- Any positive impact of investment and economic growth on the Council's council tax base and business rates income
- Capital projects that generate income, revenue savings or efficiencies.

7. Stewardship of Assets

The Council's Asset Management Plan sets out the condition of its assets and the arrangements for managing these effectively. The Council's Corporate Property Strategy enhances these arrangements, including increasing the awareness that efficient use of

property is an important element of maximising the value obtained from the Council's overall resources.

An extensive stock condition survey has been carried out on the majority of the Council's assets. This underpins the capital programme and has been updated to include the impact of our leisure portfolio of assets. As noted above however, the impact of rising costs and interest rates have caused the full capital programme to become unaffordable in the short-term and therefore the programme has been reduced to prioritise those assets which are considered highest risk. The other works have been removed from the approved capital programme pending a review of the portfolio.

8. Service Objectives

The option appraisal of proposed capital schemes overseen considers, amongst other factors, the following:

- How the proposal help achieve the objectives and priorities set out in the Council's Corporate Plan 2022-2026.
- How the proposal will help achieve objectives set out in Service Plans.
- The service improvements and other anticipated benefits expected to be delivered from the investment.

9. Monitoring

- Capital budget holders are responsible for providing quarterly forecasts to the Finance Team. Any slippage, acceleration, underspends or overspends on schemes is identified as soon as possible.
- All forecasts are collated by the Finance Team and reported to the Executive and Council on a quarterly basis.

STRATEGIC DIRECTOR – CORPORATE RESOURCES & S151 OFFICER
JANUARY 2025

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FEES AND CHARGES

2025 - 2026



Fees & Charges for 2025 - 26

A PLANNING SERVICES

Fee	VAT @ 20%	Total	VAT CODE
£ p	£ p	£ p	

1 - SCALE OF CHARGES AND FEES FOR PLANNING AND ADVERTISEMENT APPLICATIONS

The fees collectable are statutory and determined by Central Government.

2 - PUBLICATIONS

Conservation Area Character Appraisals*

- Central (only available as a paper copy)
- Southernhay (only available as a paper copy)
- Heavitree (FREE to download from the website)
- Cowick Street (FREE to download from the website)
- Alphington (FREE to download from the website)
- Exwick (FREE to download from the website)
- Longbrook (FREE to download from the website)
- Midway Terrace and Ide Lane (FREE to download from the website)
- Riverside (FREE to download from the website)
- St David's (FREE to download from the website)
- Princes Square (FREE to download from the website)

*Available on CD for £2 each

Development Plan Documents

- Core Strategy (adopted February 2012)
- Exeter Local Plan First Review (with Proposals Map and City Centre Insert)

Supplementary Planning Documents

- Public Open Space
- Audit of Outdoor Recreational Facilities
- Neighbourhood Maps
- Neighbourhood Maps (Colour)
- Neighbourhood Maps (Black & White)
- Implementing Open Space Standards
- Houses in Multiple Occupation
- Student Accommodation Supplementary Planning Guidance
- Residential Extensions (Black & White)
- Residential Extensions (Colour)
- Trees in Relation to Development
- Planning Obligations
- Affordable Housing
- Draft Affordable Housing (2012)
- Residential Design Guide
- Streatham Campus Masterplan (Black & White)
- Streatham Campus Masterplan (Colour)
- Supplementary Planning Guidance
- Archaeology and Development

Exeter Local Plan First Review

* half price for residents and students

Local Plan Maps

- Proposals
- City Centre Inset

Exeter Employment Study (2007)

- Black & White
- Colour

Exeter Fringe Landscape Sensitivity & Capacity Study (2007)

- Black & White
- Colour (A3)

Monkerton & Hill Barton Masterplan (2010)

- Black & White
- Colour (A3)

Newcourt Masterplan (2010)

- Black & White
- Colour (A3)

South West Masterplan (2012)

- Black & White
- Colour (A3)

3 - SECTION 106 (S106) AGREEMENT MONITORING FEES

Each agreement will incur the following:

- Registration of agreement
- PLUS - per clause in the agreement (S106, UU, VAR etc) and multiplied by the number of years monitoring required per clause:
- Physical Clause
- Financial/occupancy clause

664.35	-	664.35	9
123.60	-	123.60	9
36.05	-	36.05	9

Planning publications are available for download for free from the Exeter City Council website. If a printed copy is required an agreed charge (max £25 inc VAT) will apply

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Fees & Charges for 2025 - 26

	Fee	VAT @ 20%	Total	VAT CODE
4 - ADMINISTRATION FEES				
Manually setting up Householder Planning application	83.33	16.67	100.00	3
Creating and sending a customised online payment link to pay for planning application or services	83.33	16.67	100.00	3
Manually setting up any other planning application	83.33	16.67	100.00	3
	+ 10% of planning fee			
Scanning/Digitization of any planning documents of 1 to 25 pages	41.67	8.33	50.00	3
Manually smart saving documents to planning applications (1-5 documents of no more than collect	16.67	3.33	20.00	3
Microfiche search of archived planning documents - 1- 10 pages	33.33	6.67	40.00	3
Microfiche search of archived planning documents - 11 - 20 pages	50.00	10.00	60.00	3
Microfiche search of archived planning documents - 21 - 30 pages	66.67	13.33	80.00	3
Returned invalid applications	25 per cent of planning fee retained			
Printing Charges for paper print out of maps or planning documents for consultation purposes:				
A0 size (841mm x 1189mm)	4.17	0.83	5.00	3
A1 size (841mm x 594mm)	2.50	0.50	3.00	3
A2 size (420mm x 594mm)	1.67	0.33	2.00	3
A3 size (297mm x 420mm) Black & white	0.33	0.07	0.40	3
A3 size (297mm x 420mm) Colour	0.83	0.17	1.00	3
A4 size (297mm x 210mm) Black & white	0.42	0.08	0.50	3
A4 size (297mm x 210mm) Colour	0.67	0.13	0.80	3
Service Charge for planning applications submitted directly to Exeter City Council, excluding applications which do not attract a planning fee and those with a fee below £75	64.37	12.88	77.25	3
Confirmation that no planning enforcement action will be taken or enforcement notice withdrawn	103.00	20.60	123.60	3

B BUILDING CONTROL

Copy of Building Regulation Notices

No charge as information available under EIR

1 - Schedule 1 - Standard charges for one or more Dwellings [Houses up to 300m² and flats up to three storeys]

(a) Full Plans

1 Dwelling	1,100.00	220.00	1,320.00	3
2 Dwellings	1,441.67	288.33	1,730.00	3
3 Dwellings	1,791.67	358.33	2,150.00	3
4 Dwellings	2,125.00	425.00	2,550.00	3
5 Dwellings	2,416.67	483.33	2,900.00	3
6 Dwellings	2,733.33	546.67	3,280.00	3
7 Dwellings	3,008.33	601.67	3,610.00	3
8 Dwellings	3,308.33	661.67	3,970.00	3
9 Dwellings	3,625.00	725.00	4,350.00	3
10 Dwellings	3,908.33	781.67	4,690.00	3

(b) Building Notice

1 Dwelling	1,325.00	265.00	1,590.00	3
2 Dwellings	1,741.67	348.33	2,090.00	3
3 Dwellings	2,141.67	428.33	2,570.00	3
4 Dwellings	2,541.67	508.33	3,050.00	3
5 Dwellings	2,900.00	580.00	3,480.00	3
6 Dwellings	3,250.00	650.00	3,900.00	3
7 Dwellings	3,625.00	725.00	4,350.00	3
8 Dwellings	3,966.67	793.33	4,760.00	3
9 Dwellings	4,325.00	865.00	5,190.00	3
10 Dwellings	4,675.00	935.00	5,610.00	3

(c) RG Charge

1 Dwelling	1,590.00	-	1,590.00	9
2 Dwellings	2,090.00	-	2,090.00	9
3 Dwellings	2,570.00	-	2,570.00	9
4 Dwellings	3,050.00	-	3,050.00	9
5 Dwellings	3,480.00	-	3,480.00	9
6 Dwellings	3,900.00	-	3,900.00	9
7 Dwellings	4,350.00	-	4,350.00	9
8 Dwellings	4,760.00	-	4,760.00	9
9 Dwellings	5,190.00	-	5,190.00	9
10 Dwellings	5,610.00	-	5,610.00	9

Fees & Charges for 2025 - 26

2 - Schedule 2 - Standard charges for work in connection with dwellings

(a) Full Plans

Type of Work

Replacement Glazing in dwellings - Single Unit	91.67	18.33	110.00	3
Replacement Glazing in dwellings - Multiple Units	116.67	23.33	140.00	3
Domestic Electrical Installations [CP serves BS 7671 certificate]	91.67	18.33	110.00	3
Extensions or Loft Conversions - Not exceeding 10m ²	525.00	105.00	630.00	3
Extensions or Loft Conversions - 10m ² to 40m ²	733.33	146.67	880.00	3
Extensions or Loft Conversions - 40m ² to 60m ²	983.33	196.67	1,180.00	3
Conversion of attached garage to domestic habitable room	525.00	105.00	630.00	3
Garages, carports or similar - [not exempt] less than 40m ²	216.67	43.33	260.00	3
Re-roofing of existing dwellings	216.67	43.33	260.00	3

(b) Building Notice

Type of Work

Replacement Glazing in dwellings - Single Unit	91.67	18.33	110.00	3
Replacement Glazing in dwellings - Multiple Units	116.67	23.33	140.00	3
Domestic Electrical Installations [CP serves BS 7671 certificate]	91.67	18.33	110.00	3
Extensions or Loft Conversions - Not exceeding 10m ²	616.67	123.33	740.00	3
Extensions or Loft Conversions - 10m ² to 40m ²	883.33	176.67	1,060.00	3
Extensions or Loft Conversions - 40m ² to 60m ²	1,191.67	238.33	1,430.00	3
Conversion of attached garage to domestic habitable room	633.33	126.67	760.00	3
Garages, carports or similar - [not exempt] less than 40m ²	266.67	53.33	320.00	3
Re-roofing of existing dwellings	216.67	43.33	260.00	3

(c) RG Charge

Type of Work

Replacement Glazing in dwellings - Single Unit	110.00	-	110.00	9
Replacement Glazing in dwellings - Multiple Units	140.00	-	140.00	9
Domestic Electrical Installations [CP serves BS 7671 certificate]	110.00	-	110.00	9
Extensions or Loft Conversions - Not exceeding 10m ²	740.00	-	740.00	9
Extensions or Loft Conversions - 10m ² to 40m ²	1,060.00	-	1,060.00	9
Extensions or Loft Conversions - 40m ² to 60m ²	1,430.00	-	1,430.00	9
Conversion of attached garage to domestic habitable room	760.00	-	760.00	9
Garages, carports or similar - [not exempt] less than 40m ²	320.00	-	320.00	9
Re-roofing of existing dwellings	260.00	-	260.00	9

3 - Schedule 3 - Standard charges for work to which Schedules 1 and 2 do not apply.

(a) Full Plans

Estimate of cost

Under £2,000	191.67	38.33	230.00	3
£2,000 - £5,000	300.00	60.00	360.00	3
£5,001- £10,000	358.33	71.67	430.00	3
£10,001 - £25,000	575.00	115.00	690.00	3
£25,001 - £50,000	941.67	188.33	1,130.00	3
£50,001- £75,000	1,308.33	261.67	1,570.00	3
£75,000 - £100,000	1,666.67	333.33	2,000.00	3

For dwellings above 10, or work in excess of £100,000 please contact Building Control on 01392 265218

(b) Building Notice

Estimate of cost

Under £2,000	216.67	43.33	260.00	3
£2,000 - £5,000	341.67	68.33	410.00	3
£5,001- £10,000	441.67	88.33	530.00	3
£10,001 - £25,000	691.67	138.33	830.00	3
£25,001 - £50,000	1,350.00	270.00	1,620.00	3
£50,001- £75,000	1,883.33	376.67	2,260.00	3
£75,000 - £100,000	2,000.00	400.00	2,400.00	3

For dwellings above 10, or work in excess of £100,000 please contact Building Control on 01392 265218

Note - The BUILDING NOTICE option is not available for buildings subject to The Regulatory Reform [Fire Safety] Order 2005

(c) RG Charge

Estimate of cost

Under £2,000	260.00	-	260.00	9
£2,000 - £5,000	410.00	-	410.00	9
£5,001- £10,000	530.00	-	530.00	9
£10,001 - £25,000	830.00	-	830.00	9
£25,001 - £50,000	1,620.00	-	1,620.00	9
£50,001- £75,000	2,260.00	-	2,260.00	9
£75,000 - £100,000	2,400.00	-	2,400.00	9

For dwellings above 10, or work in excess of £100,000 please contact Building Control on 01392 265218

Fees & Charges for 2025 - 26

	Fee	VAT @ 20%	Total	VAT CODE
C LOCAL LAND CHARGES				
- LLC1 Enquires	25.90	-	25.90	9
- Con29 Enquiries	74.08	14.82	88.90	3
- Extra Question (Optional Enquiries Part Two)	4.75	0.95	5.70	3
- Extra Question (Optional Enquiries Q22) (set by Devon CC)	7.79	1.56	9.35	3
- Extra Parcel LLC1 only	4.55	-	4.55	9
- Extra Parcel Con29	4.75	0.95	5.70	3
- Each Additional Enquiry (Solicitors own)	11.67	2.33	14.00	3
- Personal Searches		No Charge		
D UNDERGROUND PASSAGES				
Adult	9.00	-	9.00	8
Child (5-16)	6.00	-	6.00	8
Senior/Student	7.00	-	7.00	8
Family (2 adults and up to 3 children)	25.00	-	25.00	8
Adult group	7.50	-	7.50	8
Child group	5.00	-	5.00	8
Concession group	6.00	-	6.00	8
* Admission fees may be subject to discounting during quiet periods to encourage visitors to, and residents of, Exeter.				
E RED COAT GUIDED GROUP TOURS				
Adult	7.00	-	7.00	8
Child (5-16)	5.00	-	5.00	8
F CAR PARKS				
Charges apply 7 days a week 8am-10pm including Bank Holidays (Topsham car parks 9am-6pm) unless otherwise stated				
NB: Car Parks Fees & Charges are not normally reviewed at this time. Prices will come in later in year.				
Penalty Charge Notices				
Charge for higher rate contravention (<i>reduced by 50% if paid within 14 days</i>)	70.00	-	70.00	9
Charge for lower rate contravention (<i>reduced by 50% if paid within 14 days</i>)	50.00	-	50.00	9
<i>These rates are laid down by guidance accompanying the Traffic Management Act, and therefore may be subject to change.</i>				
Debt Collection (Bailiff Fees) over and above PCN	90.00	-	90.00	9
G CANAL AND PORT OF EXETER				
* With effect from 1st April 2023				
Calculated lengths include Bumpkins, Bowsprits, Spars and other extensions fixed or rigged fore and/or aft of the vessel at the mooring				
Cost may be amended for operational reasons by the Port Manager				
1 Mooring on Bight				
i Commercial/ Qualifying Vessel (per day or part day)	90.00	-	90.00	7
ii Recreational vessels under 40 ft (per day or part day)	18.33	3.67	22.00	3
iii Recreational vessels over 40 ft (per day or part day)	23.33	4.67	28.00	3
2 Mooring Licence or Storage Ashore (per metre per month or part month)				
i Basin or Canal (including Turf)	15.00	3.00	18.00	3
ii Topsham Quay hardstand, including trailers (booking deposit required - minimum period of stay applies)	18.33	3.67	22.00	3
iii Topsham Quay alongside (by arrangement)	18.33	3.67	22.00	3
iv Multihull Vessels		Plus 25%		as applicable
v Vessels Stored Ashore		After 12 months an additional 25% per quarter		as applicable
vi Boat restoration projects (storage on hardstanding)	18.75	3.75	22.50	as applicable
vi Boat restoration projects (storage on hardstanding)		Plus 25% and 12 month upfront payment		as applicable
vii Commercial vessel		By negotiation		as applicable
viii Vessels exceeding maximum overnight permitted stay		By negotiation		as applicable
3 Locking In or Out at Turf (including Masting/Demasting)				
Mon to Fri (exc Public holidays) 08:00:15:00				
For access and passage outside these times contact the Operations Manager				
No fee for recreational vessels available on designated Convoy dates				
i Recreational Vessel additional single lock in or out (during season)	37.50	7.50	45.00	3
i Recreational Vessel out of hours (by arrangement)	100.00	20.00	120.00	3
ii Commercial Vessel Weekday	185.00	-	185.00	7
iii Cancellation or postponed booking (less than 1 day prior to event)	37.50	7.50	45.00	3
4 One Way Passage Along Canal (Single Hull Vessels)				
Mon to Fri (exc Public holidays) 08:00:15:00				
For access and passage outside these times contact the Operations Manager				
No fee for recreational vessels available on designated Convoy dates				
i Recreational Vessel Weekday	62.50	12.50	75.00	3
ii Commercial Vessel Weekday	190.00	-	190.00	7
iii Cancellation of booking (less than 3 days prior to event)	37.50	7.50	45.00	3
iv Planned event organised with Canal Office	31.25	6.25	37.50	3

Fees & Charges for 2025 - 26

	Fee	VAT @ 20%	Total	VAT CODE
5 Winter Season Storage Offer as Part of Designated Convoy				
Five months paid in advance includes Locking & Transit with convoy rate - per i metre	75.00	15.00	90.00	3
6 Visiting Vessels' Mooring and Berths per day or part				
Mooring alongside per day (max. 4 weeks in any year)				
i Turf weekdays (min period 2 days) per day inclusive of Locking	31.25	6.25	37.50	3
ii Turf 'weekend' (in Friday/out Monday) inclusive of Locking	75.00	15.00	90.00	3
iii Topsham Quay per day	21.67	4.33	26.00	3
iv Commercial vessel per day	By negotiation		as applicable	
7 Passenger Vessels and/or boats for hire within the Port, Canal or Basin				
Landing passengers (per passenger/ occupant per one way passage)	0.80	-	0.80	7
Pontoons per metre per month	18.00	-	18.00	7
Contracted Use of the Waterway	By negotiation			
8 Dues on Qualifying Vessels (HMRC Notice 744c) whilst withdrawn from commercial use				
i Canal or Canal Basin - mooring afloat (per metre per month/part month)	15.00	-	15.00	7
ii Topsham Quay - mooring afloat (per metre per month/part month)	18.35	-	18.35	7
9 Services				
i Electricity, Water & Waste Disposal	At cost plus 20%			
10 Cranage				
Lifting in or out				
i Cranage assistance fee (not including contractor cranage costs)	50.00	10.00	60.00	3
ii Lifting over Topsham Quay per metre plus cranage fee	4.37	0.88	5.25	3
Hire of cradles per boat per month or part (cradle or legs on keel boats iii compulsory)	43.75	8.75	52.50	3
iv Provision of Appointed Person	At cost			
v Third party craning administration charge	25.00	5.00	30.00	3
11 Storage and Labour				
i Storage of masts ashore (per period up to 6 months)	45.83	9.17	55.00	3
ii Assistance / Supervision (where not included in other charges)	At cost			
iii Labour per half hour	45.83	9.17	55.00	3
iv Labour per half hour with use of boat (2 staff)	166.67	33.33	200.00	3
12 Administration Charges				
i Change of ownership of a boat within the Canal	25.00	5.00	30.00	3
ii General administration charges (per half hour)	25.00	5.00	30.00	
13 Hire of Unifloat per day (or part thereof)				
i Hire of concrete Walcon pontoon per day (or part thereof) plus delivery	11.67	2.33	14.00	3
ii Hire of Unifloat pontoon per day (or part thereof)	112.50	22.50	135.00	3
iii Storage of equipment, containers and cradles per metre per month	15.00	3.00	18.00	3
14 Licensing of Commercial Craft and Boat Operators per annum				
i Commercial Craft	37.50	7.50	45.00	3
ii Operators (initial)	100.00	20.00	120.00	3
iii Operators (Renewal)	37.50	7.50	45.00	3
15 Topsham Ferry per crossing				
i Per person (under 5 yrs old free)	2.00	-	2.00	7
ii Bicycles	1.50	-	1.50	7
iii Water taxi to other vessels (at Ferry Operative's discretion)	7.00	-	7.00	7
16 Exeter Port Authority Marine Services				
i Deep water mooring service - includes lifting and inspection of mooring block	140.00	28.00	168.00	3
ii Service mooring to connection with ground chain (does not include inspection of ground cha	140.00	28.00	168.00	3
iii Drying mooring service	50.00	10.00	60.00	3
iv Winterise mooring (including storage)	35.00	7.00	42.00	3
v General Labour per staff member per half hour	45.00	9.00	54.00	3
vi Hire of commercial boat with helm and crew per half day (4 hours maximum)	900.00	180.00	1,080.00	3
vii Hire of commercial boat and crew per day (8 hours maximum)	1,800.00	360.00	2,160.00	3
viii Telehandler with driver per hour	165.00	33.00	198.00	3
ix Telehandler with driver per day	By Negotiation			
x All other commercial work	By Negotiation			
17 Exeter Port Authority Training Courses				
i Powerboat Level 2 courses	370.80	-	370.80	8
ii RYA Level 2 - Powerboat Handling Direct Assessment Course	226.60	-	226.60	8
iii Advanced Powerboat course	412.00	-	412.00	8

Fees & Charges for 2025 - 26

		Fee	VAT @ 20%	Total	VAT CODE
H MUSEUM					
(1) RAMM					
	- Admission to Museum	Voluntary donation - suggested £5			
	- Free activities, talks, tours, special events, workshops, special exhibitions etc	Pay what you think			
	- Charged for activities, talks, tours, special events, workshops, special exhibitions etc	Prices vary - all are published on RAMM's website: www.rammuseum.org.uk			
	- School visits	A programme of various learning activities is available throughout the year for schools and other groups - see the RAMM website for details: www.rammuseum.org.uk/learning			
	(i) Self led	Voluntary donation - booking essential via website: http://www.rammuseum.org.uk/learning			
	(ii) Volunteer led	From £3 per child for a 10.00 am to 2.00 pm visit comprising 5 x 30 minutes of led activities / handling / tour. Minimum charge £72			
(2) Hire Charges					
(a) Spaces available for hire:					
	(i) Corporate and private hire available, including wedding receptions	Contact Jacqui Channon on 01392 265384 / jacqui.channon@exeter.gov.uk for further information and a quote.			
	(ii) When available Meeting Room A / B can be booked for schools to leave their bags and have lunch (rooms have a minimum 3 hour booking and a maximum capacity of 62 children)	Contact Museum Reception on 01392 265858 / museum.reception@exeter.gov.uk for further information and a quote			
(b) Commission on sales in galleries when RAMM is acting as an intermediary		40% of gross sales + VAT			3
(c) Booked lectures and tours					
	- Lecture by Museum Specialist, minimum per hour (additional research and travel beyond 30 minutes will incur extra charges)	111.55	-	111.55	8
	- RAMM gallery tour by Museum Specialist for up to 12 people, minimum per hour (additional research will incur extra charges)	104.50	-	104.50	8
	- Collections Study Centre tour by Museum Specialist for up to 8 people, minimum per hour (additional research will incur extra charges)	125.35	-	125.35	8
	- Other behind the scenes access led by Museum Specialist for up to 12 people, minimum per hour (additional research will incur extra charges)	208.90	-	208.90	8
	- Specialist collections research/advice, charge applies to enquiries beyond 30 minutes (charged at minimum per half hour, any travel will incur extra charges)	34.85	-	34.85	8 or 3
	- Age-friendly/dementia-friendly object-handling/creative session led by trained facilitator (any art materials provided and travel will incur extra charges). Contact ruth.gidley@exeter.gov.uk for further information.	160.65	-	160.65	8
(d) Conservation					
	- Conservation laboratory space hire per hour	5.96	1.19	7.15	3
	- Conservation workshop space hire per hour	4.46	0.89	5.35	3
	- Conservation work, per hour	58.04	11.61	69.65	3
	- Conservation work, (35 hours plus) per day	353.21	70.64	423.85	3
	- Conservation mountmaking, per hour	46.87	9.38	56.25	3
	- Minimum x-ray charge	213.21	42.64	255.85	3
(e) Archaeological archives - Per box					
		On application. Contact thomas.cadbury@exeter.gov.uk for further information and a quote.			3
(f) Object Loan					
		On application. Contact holly.carter-chappell@exeter.gov.uk for further information and a quote.			3
(3) Photographic Charges					
	NOTE: By visiting ' prints.rammuseum.org.uk ' you can buy framed or unframed decorative prints and canvas prints, from a selection of RAMM images. To use RAMM images in publications and as prints see the selection available on https://www.bridgemanimages.com				
	25% discount for existing images available to students, and Devon registered publishers/press and registered charities. Location photography is available on application and will be charged on an individual basis.				
(a) Digital Images					
	(i) New high quality digital image	259.62	51.93	311.55	3
	- Postage & packaging costs may also apply	As necessary			3
(4) Reproduction Charges					
	Medium Resolution				
	Selected works of art that are no longer in copyright will be periodically available for free download at 300 dpi when printed at A5 ('Medium resolution'). The Creative Commons CC0 tool will be applied to these images and RAMM has waived all of its rights to the work worldwide under copyright law, including all related and neighbouring rights. For more information please see RAMM's Open Access Strategy.				

Fees & Charges for 2025 - 26

	Fee	VAT @ 20%	Total	VAT CODE
High Resolution				
For images that are larger than 300dpi when printed at A5 ('High resolution') the following fees and charges are applicable. Contact holly.carter-chappell@exeter.gov.uk for further information and a quote.				
(a) Magazine and Journal Use				
Print and/or digital. Use inside a single magazine or journal. Single language only. Print run of 1,500. 5 years.	61.29	12.26	73.55	3
(b) Book Use				
Print and/or digital / eBook, including for use in on-line academic databases. Single use inside book. Any size. Academic, trade or self-published book. Single language only. Single territory for trade; global for academic. Print run of 1,500. 5 years	61.29	12.26	73.55	3
(c) Television/Film				
(i) Facilities fee, minimum per half day	Contact Nicki McCaskie on nicki.mccaskie@exeter.gov.uk for a quote.			3
(ii) Still photographs reproduced/broadcast within a single TV programme, film etc.				
- Transmission (includes +1, 30 days on demand, internet streaming):				
UK	52.25	10.45	62.70	3
UK & Europe	63.92	12.78	76.70	3
World	92.83	18.57	111.40	3
- 1 year, up to 3 transmissions, (includes +1, on demand, internet streaming):				
UK	75.46	15.09	90.55	3
UK & Europe	98.71	19.74	118.45	3
World	127.71	25.54	153.25	3
- 3 years, up to 8 transmissions, (includes +1, on demand, internet streaming):				
UK	116.12	23.23	139.35	3
UK & Europe	174.08	34.82	208.90	3
World	232.08	46.42	278.50	3
- 5 years unlimited transmissions, (includes catchup, on demand, internet streaming):				
UK	203.08	40.62	243.70	3
UK & Europe	261.25	52.25	313.50	3
World	377.33	75.47	452.80	3
- 10 years unlimited transmissions, (includes catchup, on demand, internet streaming):				
UK	261.25	52.25	313.50	3
UK & Europe	319.29	63.86	383.15	3
World	435.33	87.07	522.40	3
(iii) Filming	Price on application - email museum.reception@exeter.gov.uk			3
(g) Exhibition/Display usage				
NOTE: For each additional venue add 25% of cost.				
(i) Exhibition/Display - Single Venue				
- Printed, up to A4, up to 6 months	70.92	14.18	85.10	3
- Printed, over A4, up to 6 months	88.58	17.72	106.30	3
- Digital, up to 6 months	70.92	14.18	85.10	3
- Marketing, up to 6 months usage	68.37	13.68	82.05	3
(ii) Exhibition/Display - Single Venue				
- Printed, up to A4, up to 1 year	162.87	32.58	195.45	3
- Printed, over A4, up to 1 year	203.37	40.68	244.05	3
- Digital, up to 1 year	162.87	32.58	195.45	3
- Marketing, up to 1 years usage	113.42	22.68	136.10	3
(iii) Display - Permanent, up to 10 years	452.67	90.53	543.20	3
Reproduction projects not mentioned can be requested and will be considered on an individual basis.				

Reproduction projects not mentioned can be requested and will be considered on an individual basis.

Fees & Charges for 2025 - 26

	Fee	VAT @ 20%	Total	VAT CODE
(h) Large print runs and all other uses				
(i) One Country, One Language				
- Inside up to 1/2 page - Black and White	74.67	14.93	89.60	3
- Colour	133.54	26.71	160.25	3
- Inside full page - Black and White	100.67	20.13	120.80	3
- Colour	200.33	40.07	240.40	3
- Cover - Black and White	134.17	26.83	161.00	3
- Colour	267.21	53.44	320.65	3
(ii) Single Continent, One Language				
- Inside up to 1/2 page - Black and White	70.42	14.08	84.50	3
- Colour	140.21	28.04	168.25	3
- Inside full page - Black and White	105.67	21.13	126.80	3
- Colour	213.54	42.71	256.25	3
- Cover - Black and White	210.29	42.06	252.35	3
- Colour	280.50	56.10	336.60	3
(iii) Single Continent, Multi Language				
- Inside up to 1/2 page - Black and White	73.96	14.79	88.75	3
- Colour	147.29	29.46	176.75	3
- Inside full page - Black and White	110.54	22.11	132.65	3
- Colour	220.79	44.16	264.95	3
- Cover - Black and White	147.96	29.59	177.55	3
- Colour	294.50	58.90	353.40	3
(iv) World, One Language				
- Inside up to 1/2 page - Black and White	76.12	15.23	91.35	3
- Colour	167.46	33.49	200.95	3
- Inside full page - Black and White	114.00	22.80	136.80	3
- Colour	251.25	50.25	301.50	3
- Cover - Black and White	152.08	30.42	182.50	3
- Colour	334.96	66.99	401.95	3
(v) World, Multi Language				
- Inside up to 1/2 page - Black and White	85.58	17.12	102.70	3
- Colour	202.08	40.42	242.50	3
- Inside full page - Black and White	128.42	25.68	154.10	3
- Colour	303.04	60.61	363.65	3
- Cover - Black and White	171.17	34.23	205.40	3
- Colour	404.04	80.81	484.85	3
All other uses - price on application.				3
On application. Contact holly.carter-chappell@exeter.gov.uk for further information and a quote.				3

I SPORTS AND LEISURE CENTRES

We operate a discount structure for club bookings based on the number of bookings over an 8 week period as follows:

Tier	Hours per Week
1	2.5
2	6
3	9

1	<u>ADMISSION CHARGE</u>				
	- Adult	1.37	0.28	1.65	3
	- Under 18's	0.92	0.18	1.10	3
2	<u>ISCA CENTRE for bowls and bridge (Casual public use)</u>				
	Bowls Per Person				
	- 1 hour	5.95	-	5.95	9
	- 1½ hours	7.40	-	7.40	9
	- 2 hours	8.90	-	8.90	9
	- 2½ hours	10.40	-	10.40	9
	- 3 hours	11.90	-	11.90	9
3	<u>EXETER ARENA</u>				
	(1) Arena Hire (Hourly)				
	- Schools Weekdays (before 6pm)	56.80	-	56.80	9
	- General Hire	93.60	-	93.60	9
	(2) Stadium Hire				
	Half Day	368.80	-	368.80	9
	Whole Day - Weekends/Bank Holidays	1,035.00	-	1,035.00	9
	(3) Casual Use (including changing/shower use)				
	(a) Adult	4.90	-	4.90	9
	(b) Under 18's	2.70	-	2.70	9
	(4) Soccer Pitch Hire (per match)				
	- Adult	77.85	-	77.85	9
	- Under 18's	44.90	-	44.90	9
	Floodlights - charged per hour				
	Competition - 100%	19.83	3.97	23.80	3
	Training - 40%	14.42	2.88	17.30	3

Fees & Charges for 2025 - 26

		Fee	VAT @ 20%	Total	VAT CODE
	Equipment Hire				
	Small Equipment	6.04	1.21	7.25	3
	Large Equipment	18.87	3.78	22.65	3
	(5) Photo-Finish Cabin	23.87	4.78	28.65	3
	(6) Physio room hire per month	322.21	64.44	386.65	3
4	<u>NORTHBROOK SWIMMING POOL</u>				
	(1) Main Pool Hire (per hour)				
	Swimming Pool Hire per hour	53.55	-	53.55	9
	(2) Casual Swims				
	- Adult Swim per Session	5.35	-	5.35	9
	- Under 18's per Session	3.80	-	3.80	9
5	<u>RIVERSIDE LEISURE CENTRE</u>				
	(1) Swimming Pools				
	(a) Adult Swim per session	5.35	-	5.35	9
	(b) Under 18's-per session	3.80	-	3.80	9
	(d) Hire of Pool (per hour)				
	- Occasional club/Voluntary Group	110.90	-	110.90	9
	- Regular club/Voluntary Group	110.90	-	110.90	9
	- Early morning club training per lane	21.65	-	21.65	9
	- Lifeguard	16.20	-	16.20	9
	(e) Learning pool	75.70	-	75.70	9
	(2) Fitness				
	- Adult per session	9.50	-	9.50	9
	- Under 18's per session	5.95	-	5.95	9
	- Group exercise class	8.15	-	8.15	9
	(3) Health Suite				
	- Sauna/Steam/Jacuzzi/Swim	11.29	2.26	13.55	3
	(4) Squash (per court per 45 mins)				
	- Peak	10.35	-	10.35	9
	(5) Main Hall				
	(a) half hall per hour session (5-a-side, volleyball etc)	45.40	-	45.40	9
	(b) full hall per hour session (basketball etc)	88.70	-	88.70	9
	(5) Badminton (per hour session)	15.85	-	15.85	9
	(6) Treatment room hire				
	Per month	360.50	72.10	432.60	3
	Per hour - initial start-up	18.04	3.61	21.65	3
6	<u>WONFORD SPORTS CENTRE</u>				
	(1) Main Hall (per hour session)	45.40	-	45.40	9
	(volleyball, basketball, 5-a-side etc)				
	(2) Badminton (per hour session)	14.80	-	14.80	9
	(3) Outdoor Floodlit Area (per hour session)				
	- Peak	41.65	-	41.65	9
	(4) Fitness				
	- Adult per session	9.50	-	9.50	9
	- Under 18's per session	5.95	-	5.95	9
	- Group exercise class	8.15	-	8.15	9
7	<u>ST SIDWELLS POINT</u>				
	(1) Swimming Pools				
	(a) Adult Swim per session	5.35	-	5.35	9
	(b) Under 18's / senior citizen per session	3.80	-	3.80	9
	(d) Hire of Pool (per hour)				
	- Occasional club/Voluntary Group	129.80	-	129.80	9
	- Regular club/Voluntary Group	129.80	-	129.80	9
	- Early morning club training per lane	21.65	-	21.65	9
	- Learning Pool	86.50	-	86.50	9
	- Lifeguard	16.20	-	16.20	9
	(2) Fitness				
	- Adult per session	9.50	-	9.50	9
	- Under 18's per session	5.95	-	5.95	9
	- Group exercise class	8.15	-	8.15	9
	(3) SPA - no treatment				
	- Sauna/Jacuzzi etc	19.83	3.97	23.80	3
	(4) SPA - treatment				
	- A full list of treatments is available at the Spa/on our website				
	(6) Treatment room hire - per month	360.50	72.10	432.60	3

Fees & Charges for 2025 - 26

	Fee	VAT @ 20%	Total	VAT CODE
J <u>PARKS AND RECREATION GROUNDS</u>				
(1) Soccer and Rugby				
(a) Standard charge (single game)	116.45	-	116.45	9
(b) Full Seasonal Licence				
- Adult Pitch (With Changing Room Hire)*	1,289.95	-	1,289.95	8
- Adult Pitch (No Changing Room Hire)*	851.55	-	851.55	8
- Junior Pitch (11v11) U13s-U16s*	638.05	-	638.05	8
- Intermediate Pitch (9v9) U11s-U12s	282.60	-	282.60	8
- Mini Pitch (7v7) - U9s-U10s	255.05	-	255.05	8
* Includes Goal Posts				
(c) Half Season (17 games a season - alternate weekends)	773.55	-	773.55	8
(d) Practice Areas				
- marked pitch (Season)	1,289.95	-	1,289.95	8
- unmarked area (Season)	257.50	-	257.50	8
- Single Sessions (marked pitch or unmarked area)	125.85	-	125.85	9
(e) Cancellation (Admin Charge)	10% of original fee			3
(2) Tennis				
Tennis is free on City Council courts, on the understanding that players restrict games to one hour in total if others are waiting to play. The Council retains the right to restrict the free use of the courts on occasions, and to allocate courts for use by others. Fees are charged for organised use.				
(a) Organised use (eg educational establishments) (Per Court, Per Hour)	13.00	-	13.00	9
(b) Events and organised use	Negotiable			3
(3) Bowls				
(a) Per Player, Per Hour				
- X-Card Holder	4.45	-	4.45	9
- Non X-Card Holder	8.80	-	8.80	9
- Under 16s	2.20	-	2.20	9
(b) Full Season				
Adult				
- X-Card Holder	90.45	-	90.45	9
- Non X-Card Holder	100.50	-	100.50	9
Under 16s				
- X-Card Holder	45.20	-	45.20	9
- Non X-Card Holder	50.25	-	50.25	9
Three, Two and One Month Memberships are also available at 3/5, 2/5 and 1/5 of the prices above				
(c) Season charge payable by clubs operating from bowling greens	537.00	-	537.00	8
(4) Croquet				
(a) Per Player, Per Hour (Incl. Equipment Hire)				
- X-Card Holder	4.40	-	4.40	9
- Non X-Card Holder	8.80	-	8.80	9
- Under 16s	2.20	-	2.20	9
(b) Season				
Adult				
- X-Card Holder	90.45	-	90.45	9
- Non X-Card Holder	100.50	-	100.50	9
Under 16s				
- X-Card Holder	45.20	-	45.20	9
- Non X-Card Holder	50.35	-	50.35	9
(c) Season charge payable by clubs operating from croquet lawns	469.10	-	469.10	9
(5) Petanque				
Annual charge payable by clubs operating from petanque terrain	113.30	-	113.30	9
(6) Allotments				
Charges are payable in September, or on commencement of the tenancy. Tenancies commencing after 1 April are charged at 50%				
From 1st September 2025 (agreed in 2024 consultation)				
Allotment letting fee - payable on initial letting	12.25	-	12.25	9
Site Key deposit	10.46	2.09	12.55	3
(a) Normal fee per 25sq. metres (approx. 1 rod)	12.10	-	12.10	9
(b) Senior Citizen per 25 sq. Metres (first 250 sq. mtrs only)	7.60	-	7.60	9
applies only to existing tenants eligible before Sept 2014				
(c) Sites without water	10.30	-	10.30	9
(d) Senior Citizen per 25 sq. Metres (first 250 sq. mtrs only)	6.65	-	6.65	9
Partnership arrangements with Allotment Associations	By negotiation			As applicable

Fees & Charges for 2025 - 26

	Fee	VAT @ 20%	Total	VAT CODE
(7) Events				
Fees are calculated to cover costs incurred in managing events on Council land. Other terms and conditions will apply eg: specific insurance cover, waste removal				
Fees for long running events by negotiation				
Commercial events				
Large circus/funfair (more than 200 seated/5 rides)				
Set-up fee	391.42	78.28	469.70	8 or 3
Rate per day	530.46	106.09	636.55	8 or 3
Small circus/funfair (less than 200 seated/5 rides)				
Set-up fee	257.50	51.50	309.00	8 or 3
Rate per day	349.75	69.95	419.70	8 or 3
Major event (in excess of 1000 persons attending)				
Set-up fee	454.92	90.98	545.90	8 or 3
Rate per day	622.29	124.46	746.75	8 or 3
Minor event (less than 1000 persons attending)				
Set-up fee	180.25	36.05	216.30	8 or 3
Rate per day	244.62	48.93	293.55	8 or 3
Events organised by charities, community groups and "Not for profit" organisations	By Negotiation			8 or 3
Commercial use of open space (pitch fees) dependant upon location	By Negotiation			8 or 3
K CEMETERIES				
(1) Purchase Fees for the Exclusive Right of Burial				
Purchase of burial rights for 30 years, extendable thereafter				
Extension of Rights per 10 years	480.00	-	480.00	9
Children's Grave Extension of Rights per 10 years				
- Adult Lawn Grave (Exwick BH/Topsham)	1,439.00	-	1,439.00	9
- Children's Section	720.00	-	720.00	9
- Single depth graves double width (Higher)	2,398.00	-	2,398.00	9
(2) Interment Fees				
(a) Any person whose age at time of death was 18 years or more:				
Depth not exceeding 2.4 metres (8 ft approx)	1,439.00	-	1,439.00	9
(b) Cremated remains:				
Interment of child's ashes	FOC			
Buried in a grave or special section	240.00	-	240.00	9
Scattering ashes	180.00	-	180.00	9
(3) Grant of right to erect a memorial				
Lawn memorial	504.00	-	504.00	9
Vases	180.00	-	180.00	9
Cremation Tablets	240.00	-	240.00	9
Additional Inscriptions	121.00	-	121.00	9
Child's headstone	85.00	-	85.00	9
NB: Before any memorial is erected on a grave, the exclusive right of burial must be purchased				
(4) Gardens of remembrance				
Higher cemetery				
Scattering & Central plaque	205.00	-	205.00	9
Extension small garden	720.00	-	720.00	9
Extension Large Garden	1,439.00	-	1,439.00	9
Exwick cemetery				
Extension small garden	720.00	-	720.00	9
Extension Large Garden	1,439.00	-	1,439.00	9
Topsham cemetery				
Ashes section	840.00	-	840.00	9
(5) Memorials other than on a grave				
Memorial bench with plaque 10yr lease	2,573.33	514.67	3,088.00	3
Plaque on existing bench - 10 yr lease	386.67	77.33	464.00	3
(6) Search of burials registers (except in the case of funeral directors and solicitors making arrangements in respect of a recent death (including location of grave on site)				
Maximum Charge	184.25	36.85	221.10	3 or 9
Certified copy of an entry in burial registers				
(7) Transfer of Exclusive Rights of Burial				
Transfer of rights	56.67	11.33	68.00	3
L PUBLIC CONVENIENCES				
Radar Keys	5.96	1.19	7.15	3
M WASTE OPERATIONS SERVICES				
Please contact the Waste Operations Department on 01392 265010 to arrange these services				
(1) Trade Refuse and Recycling collections, Hazardous and Clinical Waste				
Collections of trade refuse, trade recycling, hazardous waste (including refrigeration equipment) and clinical waste are available. Please contact 01392 265010 for charges.				

Fees & Charges for 2025 - 26

	Fee	VAT @ 20%	Total	VAT CODE
(2) Bulky items				
We collect a limited number of bulky items from Domestic premises for a standard charge				
For collection of more than four items, larger quantities of bulky or loose items, or collections from business premises, an hourly charge will be made				
Standard charge for items presented at boundary of property or in front garden or drive				
One bulky item or up to four sacks of domestic waste	14.50	-	14.50	9
Per additional item	14.50	-	14.50	9
Hourly rate for collection (minimum charge - 1 hour)				
from any premises	135.00	-	135.00	9
Surcharge for disposal of DIY-type waste - to be added to the above items where applicable (CONFIRMATION OF FEES AWAITED FROM DCC - PLEASE CHECK ON WEBSITE)				
Roofing felt (per bag/roll)	5.80	-	5.80	9
Insulation materials (per Sheet/bag)	5.80	-	5.80	9
Shower screen (per item)	5.80	-	5.80	9
Bath or shower tray (plastic, fibreglass or composite) per single item	5.80	-	5.80	9
Single plastic door or door frame , with or without glass	5.80	-	5.80	9
Single plastic door or door frame , with or without glass, plus frame	5.80	-	5.80	9
Double plastic door or door frame, with or without glass	5.80	-	5.80	9
Plasterboard, including plaster and gypsum related products (per sheet/bag)	6.80	-	6.80	9
Tyres (commercial vehicle tyres not accepted) - per tyre	5.80	-	5.80	9
Plastic guttering/pipes/facia etc (up to 5 lengths/pieces)	5.80	-	5.80	9
Soil & Rubble - per sacks (max 3 sacks per booking)	3.60	-	3.60	9
(3) Garden Waste				
Hire of 240l brown wheelie bin for year	58.50	-	58.50	9
Additional 240l bins at same address	47.00	-	47.00	9
Hire of 140l brown wheelie bin for year	47.00	-	47.00	9
Additional 140l bins at same address	32.50	-	32.50	9
Biodegradable sacks - each	3.20	-	3.20	9
(4) Clear bags for domestic recycling	3.20	-	3.20	9
(5) Domestic Refuse containers				
The following charges will be applied for the supply and delivery of domestic refuse bins				
Replacement or change of ONE container:				
140 litre wheeled grey (residual) bin	40.00	-	40.00	9
180 litre wheeled grey (residual) bin	47.00	-	47.00	9
240 litre wheeled grey (residual) bin	53.00	-	53.00	9
Seagull-deterrent sack (new chargeable item)	12.50	-	12.50	9
Replacement or change of shared containers for communal bin stores:				
360 litre wheeled grey (residual) bin	105.00	-	105.00	9
1100 litre grey (residual) wheeled bin	412.00	-	412.00	9
770 litre green (recycling) wheeled bin	237.00	-	237.00	9
1100 litre green (recycling) wheeled bin	270.00	-	270.00	9
Delivery charge for downsizing bins	12.50	-	12.50	9
Delivery charge for green bin being left on the Highway	12.50	-	12.50	9
Replacement or changed containers may have been previously used but will be cleaned before delivery.				
(6) Mechanical Sweeper				
Maximum per hour (may vary depending on size of machine used)		On application		3
(8) Clearing After Events				
Charge per hour (litter picking)		On application		3

Fees & Charges for 2025 - 26

	Fee	VAT @ 20%	Total	VAT CODE
N <u>PEST CONTROL</u>				
(1) <u>Rat Control</u>				
Domestic premises, non domestic premises and rented accommodation - standard treatment (Per hour or part)	61.67	12.33	74.00	3
Out of hours (per hour or part)	94.17	18.83	113.00	3
(2) <u>Mouse Control</u>				
Domestic premises, non domestic premises and rented accommodation - standard treatment (Per hour or part)	61.67	12.33	74.00	3
Out of hours (per hour or part)	94.17	18.83	113.00	3
(3) <u>Insect Control</u>				
Wasps - during standard hours	61.67	12.33	74.00	3
- out of hours	94.17	18.83	113.00	3
Bed Bugs - during standard hours (one room)	116.67	23.33	140.00	3
- out of hours (one room)	171.67	34.33	206.00	3
- additional rooms - per room	70.83	14.17	85.00	3
Fleas - One room	94.17	18.83	113.00	3
- additional rooms - per room	34.17	6.83	41.00	3
- out of hours (one room)	171.67	34.33	206.00	3
Cockroaches - One room	125.00	25.00	150.00	3
- additional rooms - per room	77.50	15.50	93.00	3
- out of hours (one room)	125.00	25.00	150.00	3
Other Insects - during standard hours				
- minimum charge	94.17	18.83	113.00	3
(price on application for each treatment or treatment out of hours)				
(4) <u>Survey and Advice Visits</u>				
Survey and Advice Visits to premises	23.33	4.67	28.00	3
(this charge will be deducted from the final cost of the treatment if a treatment is undertaken)				
50% charge during office hours for survey and advice visits and the destruction of public health pests i.e. mice, fleas, bedbugs and wasps where householder/tenant is on Income Support, Income Based Job Seeker's Allowance, Income Related Employment and Support Allowance and Guaranteed Pension Credit				
Annual contracts for pest control at the discretion of the Head of Environmental Health and Waste				
* Charges are normally on a payment before treatment basis. Where an account is rendered, an additional charge of £20.00 is levied (inc VAT).				
Charges may be waived by the Head of Environmental Health and Waste for public health reasons.				
P <u>DOG KENNELLING</u>				
(1) <u>Returning Dog to Owner</u>				
a) Immediate Return Transport Costs	37.75	7.55	45.30	3
Plus Statutory Additional Charge (Environmental Protection Stray Dogs Regulations 1992)	27.30	-	27.30	9
b) Kennelling Costs (Per Day or Part Day in Addition to Above) to a Maximum of 7 Days				
Actual cost will be recharged, so may be subject to change. Charges are currently:				
1 day or night in kennels	94.42	18.88	113.30	3
2 nights in kennels	115.00	23.00	138.00	3
3 nights in kennels	133.92	26.78	160.70	3
4 nights in kennels	152.79	30.56	183.35	3
5 nights in kennels	171.67	34.33	206.00	3
6 nights in kennels	192.25	38.45	230.70	3
7 nights in kennels	212.88	42.58	255.45	3
(2) <u>Other Charges</u>				
a) Administration Charge for invoice rather than cash or card	27.04	5.41	32.45	3
b) Any necessary veterinary care		At cost		As applicable

Fees & Charges for 2025 - 26

	Fee	VAT @ 20%	Total	VAT CODE
Q HOME CALL				
Householders (per week)	5.42	1.08	6.50	3 or 7
Replacement for lost or damaged pendant	48.92	9.78	58.70	3 or 7
Contract monitoring, Lone Worker Support & Ad Hoc Installations		By Negotiation		3
R CCTV				
Production of CCTV data to third parties in connection with litigation (not Subject Access Requests)	250.00	50.00	300.00	3
S MISCELLANEOUS				
(1) Surrender of unfit foodstuffs				
per hour or part	108.33	21.67	130.00	3
Regular inspections - Annual terms to be agreed				
(2) Food Export Licence				
(Per hour or part)				
Plus analysts fee	115.00	-	115.00	9
(3) Water Sampling and Private Water Supplies				
Statutory charges:				
Sampling Visit Fee plus analysis	108.33	21.67	130.00	3
Private Water Supply Risk Assessment	241.67	48.33	290.00	3
Private Water Supply Investigation Costs	108.33	21.67	130.00	3
Private Water Supply Granting an Authorisation	108.33	21.67	130.00	3
(4) Food Hygiene Courses				
Level 2 Award in Food Safety in Catering	62.00	-	62.00	8
Level 2 Award in Food Safety in Catering elearning	21.00	-	21.00	8
Level 3 Award in Food Safety in Catering	330.00	-	330.00	8
Level 3 Award in Food Safety in Catering elearning	130.00	-	130.00	8
Level 4 Award in Food Safety in Catering	570.00	-	570.00	8
Level 3 Award in Food Safety Supervision in Retail	330.00	-	330.00	8
Level 2 Award in Healthier Foods and Special Diets	62.00	-	62.00	8
Food Safety Awareness Session	26.00	-	26.00	8
Other Courses	175.00	-	175.00	8
Safer Food Better Business Pack (include diary)	21.00	-	21.00	8
Safer Food Better Business 12 month Diary Refill	10.50	-	10.50	8
(5) Statements				
Factual Statements for Civil Proceedings	171.67	34.33	206.00	3
(6) Health & Safety Courses				
Level 2 Award in Health & Safety	62.00	-	62.00	8
Level 4 Award in Health and Safety	570.00	-	570.00	8
Level 3 Award in Risk Assessment	230.00	-	230.00	8
Principals in Manual Handling	52.00	-	52.00	8
Health and Safety Awareness Session	26.00	-	26.00	8
(7) Environmental Awareness Course	62.00	-	62.00	8
(8) Environmental Management Course	570.00	-	570.00	8
Fees for other courses to be at the discretion of the Environmental Health and Licensing Manager.				
Where an account is rendered, an additional charge of £20.00 is levied (inc VAT).				
(9) Disposal of motor car	87.50	17.50	105.00	3
(10) Environmental Health Property / Land Search	51.67	10.33	62.00	3
T LICENSING FEES - GENERAL				
A NON RETURNABLE ADMINISTRATION FEE OF £50 INCLUDING VAT AT THE CURRENT RATE IS PAYABLE WITH ALL NEW APPLICATIONS (INCLUDES KNOWLEDGE TEST)				
(1) Hackney carriage				
Vehicle Licence	430.00	-	430.00	9
(Incl Plate & Survey Charge)				
(2) Hackney Carriage				
Driver's Licence and Identity card - 1 year	140.00	-	140.00	9
Driver's Licence and Identity card - 3 year	320.00	-	320.00	9
(3) Private Hire Operators Licence				
per annum	175.00	-	175.00	9
5 year licence	670.00	-	670.00	9
(4) Private Hire Vehicle Licence				
(Incl. Plate)	335.00	-	335.00	9
(5) Private Hire Drivers				
Driver's Licence and Identity card - 1 year	140.00	-	140.00	9
Driver's Licence and Identity card - 3 year	320.00	-	320.00	9
(6) Vehicle Licences and Plate - Transfer Fees	75.00	-	75.00	9
(7) Additional Knowledge Test	47.50	9.50	57.00	3
(8) Miscellaneous fees				
Replacement plate	38.00	-	38.00	9
Missed appointments	47.50	9.50	57.00	3

Fees & Charges for 2025 - 26

		Fee	VAT @ 20%	Total	VAT CODE
(9) Consents to Street Trade					
For up to 3 months - Part A		412.00	-	412.00	9
For up to 3 months - Part B		412.00	-	412.00	9
For up to 6 months - Part A		412.00	-	412.00	9
For up to 6 months - Part B		824.00	-	824.00	9
For up to 9 months - Part A		412.00	-	412.00	9
For up to 9 months - Part B		1,236.00	-	1,236.00	9
For up to 12 months - Part A		412.00	-	412.00	9
For up to 12 months - Part B		1,648.00	-	1,648.00	9
Additional Vehicle added to consent (annual fee)		412.00	-	412.00	9
Animal Welfare					
(10) Animal Boarding Establishment Licence					
(a) New, 1 & 2 star Licence (inclusive of vets fees)	Part A	550.00	-	550.00	9
	Part B	225.00	-	225.00	9
(b) 3, 4 and 5 star Licence (inclusive of vets fees)	Part A	550.00	-	550.00	9
	Part B	225.00	-	225.00	9
(11) Pet Animals Licence					
(a) New, 1 and 2 star Licence (inclusive of vets fees)	Part A	550.00	-	550.00	9
	Part B	225.00	-	225.00	9
(b) 3, 4 and 5 star Licence (inclusive of vets fees)	Part A	550.00	-	550.00	9
	Part B	225.00	-	225.00	9
(12) Riding Establishments Licence					
(a) New, 1 and 2 star Licence (inclusive of vets fees)	Part A	850.00	-	850.00	9
	Part B	425.00	-	425.00	9
(b) 3, 4 and 5 star Licence (inclusive of vets fees)	Part A	850.00	-	850.00	9
	Part B	310.00	-	310.00	9
Per horse in excess of 10		16.50	-	16.50	9
(13) Dog Breeding Establishments Licence					
(a) New, 1 and 2 star Licence (inclusive of vets fees)	Part A	550.00	-	550.00	9
	Part B	225.00	-	225.00	9
(b) 3, 4 and 5 star Licence (inclusive of vets fees)	Part A	550.00	-	550.00	9
	Part B	225.00	-	225.00	9
(14) Dangerous Wild Animals Act					
Licence Fee (inclusive of vets fees)	Part A	550.00	-	550.00	9
	Part B	225.00	-	225.00	9
(15) Dog Day Care Centres					
(a) New, 1 and 2 star Licence (inclusive of vets fees)	Part A	550.00	-	550.00	9
	Part B	225.00	-	225.00	9
(b) 3, 4 and 5 star Licence (inclusive of vets fees)	Part A	550.00	-	550.00	9
	Part B	225.00	-	225.00	9
Per dog in excess of 10		4.00	-	4.00	9
Per dog in excess of 20		5.00	-	5.00	9
(16) Sex Establishments Licence					
Licence Fee	Part A	3,700.00	-	3,700.00	9
	Part B	925.00	-	925.00	9
(17) Small Lotteries					
Statutory Charges					
(a) Registration		40.00	-	40.00	9
(b) Renewal		20.00	-	20.00	9
(18) Gambling Act 2005 - Statutory charges:					
(i) Bingo					
- Provisional statement		2,745.00	-	2,745.00	9
- New premises following provisional statement		1,060.00	-	1,060.00	9
- New premises without provisional statement		3,215.00	-	3,215.00	9
- Annual fee - First year only following fast track conversion		590.00	-	590.00	9
- Annual fee - other than above		765.00	-	765.00	9
- Variation		1,380.00	-	1,380.00	9
- Transfer		945.00	-	945.00	9
- Reinstatement		945.00	-	945.00	9
(ii) Adult Gaming Centre					
- Provisional statement		1,530.00	-	1,530.00	9
- New premises following provisional statement		1,178.00	-	1,178.00	9
- New premises without provisional statement		2,000.00	-	2,000.00	9
- Annual fee - First year only following fast track conversion		590.00	-	590.00	9
- Annual fee - other than above		765.00	-	765.00	9
- Variation		765.00	-	765.00	9
- Transfer		945.00	-	945.00	9
- Reinstatement		945.00	-	945.00	9

Fees & Charges for 2025 - 26

	Fee	VAT @ 20%	Total	VAT CODE
(iii) Family Entertainment Centre				
- Provisional statement	765.00	-	765.00	9
- New premises following provisional statement	1,120.00	-	1,120.00	9
- New premises without provisional statement	1,768.00	-	1,768.00	9
- Annual fee - First year only following fast track conversion	415.00	-	415.00	9
- Annual fee - other than above	590.00	-	590.00	9
- Variation	790.00	-	790.00	9
- Transfer	765.00	-	765.00	9
- Reinstatement	765.00	-	765.00	9
(iv) Betting Track				
- Provisional statement	710.00	-	710.00	9
- New premises following provisional statement	2,060.00	-	2,060.00	9
- New premises without provisional statement	2,060.00	-	2,060.00	9
- Annual fee - other than above	736.00	-	736.00	9
- Variation	1,000.00	-	1,000.00	9
- Transfer	710.00	-	710.00	9
- Reinstatement	710.00	-	710.00	9
(v) Betting Other				
- Provisional statement	2,142.00	-	2,142.00	9
- New premises following provisional statement	1,200.00	-	1,200.00	9
- New premises without provisional statement	3,000.00	-	3,000.00	9
- Annual fee - other than above	600.00	-	600.00	9
- Variation	1,075.00	-	1,075.00	9
- Transfer	860.00	-	860.00	9
- Reinstatement	860.00	-	860.00	9
(vi) Miscellaneous Premises Licence Fees:				
- Change of circumstances (statutory charge)	50.00	-	50.00	9
- Copy of Licence	27.50	-	27.50	9
(vii) Unlicensed FEC permits				
- Application fee	330.00	-	330.00	9
- Application fee - existing operator	110.00	-	110.00	9
- Renewal fee	330.00	-	330.00	9
- Change of name	27.50	-	27.50	9
- Copy of permit	15.00	-	15.00	9
(viii) Automatic entitlement - Alcohol Licensed Premises				
- Notification of two machines	50.00	-	50.00	9
(ix) Permit for more than two machines - Alcohol Licensed Premises				
- Application fee - existing operator	100.00	-	100.00	9
- Application fee other than as above	150.00	-	150.00	9
- Permit variation fee	100.00	-	100.00	9
- Permit transfer fee	25.00	-	25.00	9
- Annual fee	50.00	-	50.00	9
- Change of name	25.00	-	25.00	9
- Copy of permit	15.00	-	15.00	9
(x) Prize Gaming				
- Application fee	300.00	-	300.00	9
- Application fee - existing operator	100.00	-	100.00	9
- Renewal fee	300.00	-	300.00	9
- Change of name	25.00	-	25.00	9
- Copy of permit	15.00	-	15.00	9
(xi) Club Gaming and Club Machine Permits				
- Application fee - existing operator	110.00	-	110.00	9
- Application fee other than as above	220.00	-	220.00	9
- Permit variation fee	110.00	-	110.00	9
- Permit fee - fast track	110.00	-	110.00	9
- Renewal fee - other	220.00	-	220.00	9
- Annual fee	50.00	-	50.00	9
- Copy of permit	15.00	-	15.00	9
(xii) Scrap Metal Licences				
- New Scrap Metal Site Licence	335.00	-	335.00	9
- New Scrap Metal Collectors Licence	180.00	-	180.00	9
- Scrap Metal Site Licence Renewal	230.00	-	230.00	9
- Scrap Metal Collectors Licence Renewal	155.00	-	155.00	9
- Vary Licence Holders Details	30.00	-	30.00	9
- Vary Licensed Sites	77.00	-	77.00	9
- Vary Site Manager	52.00	-	52.00	9
- Vary Change from Site to Collector Licence	52.00	-	52.00	9
- Vary Change from Collector to Site	155.00	-	155.00	9
(xiii) Control of Skin Piercing etc				
Registration Fee - premises (inc one person)	125.00	-	125.00	9
- extra person	72.00	-	72.00	9

Fees & Charges for 2025 - 26

	Fee	VAT @ 20%	Total	VAT CODE
(xiv) Food Premises Register				
Copy of whole Register	670.00	-	670.00	9
Copy of a section of Register	155.00	-	155.00	9
Copy of individual premises	21.00	-	21.00	9
(xv) Film Classification				
Classification of films up to 30 minutes film duration	60.00	-	60.00	9
Each additional 20 minute film duration	26.00	-	26.00	9
U LICENSING FEES - LICENSING ACT 2003				
Statutory charges:				
(1) Premises Licence and Club Premises Certificates				
Grant or variation				
Band A - No rateable value up to £4,300	100.00	-	100.00	9
Band B - Rateable value £4,301 to £33,000	190.00	-	190.00	9
Band C - Rateable value £33,001 to £87,000	315.00	-	315.00	9
Band D - Rateable value £87,001 to £125,000	450.00	-	450.00	9
Band E - Rateable value £125,001 and above	635.00	-	635.00	9
Annual fee				
Band A - No rateable value up to £4,300	70.00	-	70.00	9
Band B - Rateable value £4,301 to £33,000	180.00	-	180.00	9
Band C - Rateable value £33,001 to £87,000	295.00	-	295.00	9
Band D - Rateable value £87,001 to £125,000	320.00	-	320.00	9
Band E - Rateable value £125,001 and above	350.00	-	350.00	9
Note: An additional fee is payable for premises exclusively or primarily carrying on the supply of alcohol for consumption on the premises for events of 5,000 or more persons.				
(2) Other charges				
Temporary event notice	21.00	-	21.00	9
Theft, loss etc of premises licence or summary	10.50	-	10.50	9
Application for provisional statement	315.00	-	315.00	9
Notification of change of name and address	10.50	-	10.50	9
Variation to specify individual as premises supervisor	23.00	-	23.00	9
Transfer of premises licence	23.00	-	23.00	9
Interim authority notice	23.00	-	23.00	9
Theft, loss etc of certificate or summary	10.50	-	10.50	9
Notification of change of name or alteration of club rules	10.50	-	10.50	9
Change of relevant registered address of club	10.50	-	10.50	9
Theft, loss etc of temporary event notice	10.50	-	10.50	9
Grant or renewal of personal licence	34.00	-	34.00	9
Theft, loss etc of personal licence	10.50	-	10.50	9
Duty to notify change of name or address	10.50	-	10.50	9
Right of freeholder to be notified	21.00	-	21.00	9
V HOUSES IN MULTIPLE OCCUPATION				
Licence for Houses in multiple occupation with five or more residents occupying a property more than two storeys high (under the provisions of the Housing Act 2004)				
(1) Licensing				
5 year licence - per property * Part A	298.70	-	298.70	9
Part B	772.50	-	772.50	9
Processing a shorter term licence	1,071.20	-	1,071.20	9
Processing an application for a Temporary Exemption Notice	195.70	-	195.70	9
Fee for officers to draw property plans for application	195.70	-	195.70	9
* A £125 discount on the mandatory HMO licensing fee will apply where landlords are accredited under a nationally recognised accreditation scheme				
Fee for additional bedrooms above 5 (1 x fee for each bedroom over 5 to be paid on top of basic licensing fee)	10.80	-	10.80	9
(2) Serving of notices and making of orders				
Improvement notice	298.70	-	298.70	9
Prohibition order / Emergency prohibition order	298.70	-	298.70	9
Emergency remedial action	298.70	-	298.70	9
Demolition order	350.20	-	350.20	9
Reviewing suspended notice or order	164.80	-	164.80	9
Smoke and Carbon Monoxide Alarm Penalty Charge Notice	5,150.00	-	5,150.00	9
Penalty for housing offences under Section 249A of the Housing Act 2004 (up to maximum of £30,000)	30,000.00	-	30,000.00	9
(3) Fee reductions				
Full compliance with improvement notice within timescales specified by the notice	298.70	-	298.70	9
Full compliance with prohibition order within timescales specified by the order	298.70	-	298.70	9
Resolution of hazards within 3 months of receipt of Hazard awareness notice	298.70	-	298.70	9

Fees & Charges for 2025 - 26

	Fee	VAT @ 20%	Total	VAT CODE
(4) Immigration Visits				
Pre immigration visit to determine the suitability of a premises for occupation including a full HHSRS inspection and production of a letter confirming the outcome of that visit. Payment must be made in full before the inspection is carried out and is non returnable.	214.58	42.92	257.50	3
Inspection undertaken following a missed appointment or cancellation. Payment must be made in full before the inspection is carried out and is non returnable.	85.83	17.17	103.00	3
(5) Additional Licensing for Certain Types of Houses in Multiple Occupation				
1 Flat* (per flat; in the case of flats in multiple occupation in a mixed used building with up to 5 tenants, additional £100 per tenant thereafter)	927.00	-	927.00	9
2 Flats*	1,133.00	-	1,133.00	9
3 Flats*	1,339.00	-	1,339.00	9
4 Flats*	1,545.00	-	1,545.00	9
5 to 7 Flats*	1,751.00	-	1,751.00	9
8 to 10 Flats*	1,957.00	-	1,957.00	9
10 or more Flats*	As above, plus £150 per additional flat			9
* Discounts available:				
- Single ownership discount (all flats need to be under one ownership for this discount to apply) No discount applied where there are fewer than 2 flats	-100.00	-	-100.00	9
- Early registration discount	-50.00	-	-50.00	9
- Accreditation / landlord association discount	-125.00	-	-125.00	9
Energy Company Obligation Declarations	85.83	17.17	103.00	3
X HIRE OF COMMITTEE ROOMS AT CIVIC CENTRE				
For official and quasi-official purposes (as determined by Committee)	No Charge			
Other Organisations				
Committee Room A - Bad Homburg (1/2 day up to 7.30pm)	94.21	18.84	113.05	3
Committee Room B - Rennes (1/2 day up to 7.30pm)	114.12	22.83	136.95	3
A & B - Bad Homburg & Rennes (as one room) (1/2 day up to 7.30pm) (special charge after 8pm to be negotiated)	233.42	46.68	280.10	3
Y COUNCIL MINUTES				
Inclusion on mailing list (per annum) for:				
1 Council Agenda/Committee Minutes	80.40	-	80.40	7
2 Planning Committee Agenda	173.30	-	173.30	7
3 Executive	126.85	-	126.85	7
4 Other Committee/Sub-committee Agenda	80.35	-	80.35	7
Z GENERAL CONVEYANCING,				
SALE OF COUNCIL HOUSING, ETC.				
All recharges are based on the actual amount of work involved, the market rate and at the discretion of the Corporate Manager Legal				
AA GUILDHALL LETTINGS				
Note: Fees and charges are at the discretion of the Corporate Manager Democratic and Civic Support owing to competition in the market				
(a) Private Hire - Charges are per hour (or part thereof) for the room only - minimum charge £240.00 inc VAT				
(i) Main Hall				
Monday - Sunday	141.67	28.33	170.00	3
Bank Holiday	Price on application			
(ii) Jury Room				
Monday - Sunday	100.00	20.00	120.00	3
Bank Holiday	Price on application			
(iii) Main Hall and Jury Room				
Monday - Sunday	250.00	50.00	300.00	3
Bank Holiday	Price on application			
(b) Charity Hire - Charges are per hour (or part thereof) for the room only - minimum charge £172.00 inc VAT				
(i) Main Hall				
Monday - Sunday	86.00	-	86.00	9
Bank Holiday	Price on application			
(ii) Jury Room				
Monday - Sunday	90.12	-	90.12	9
Bank Holiday	Price on application			
(iii) Main Hall and Jury Room				
Monday - Sunday	115.00	-	115.00	9
Bank Holiday	Price on application			

Fees & Charges for 2025 - 26

	Fee	VAT @ 20%	Total	VAT CODE
ADD ON - onto hourly hire				
Conference Package (per person)				
(i) Day Rate - 8 hours				
Silver - per person	25.00	5.00	30.00	3
Gold - per person	33.33	6.67	40.00	3
Platinum - per person	41.67	8.33	50.00	3
(ii) Breakfast Rate - 3 hours between 8am-12pm				
Per Person	16.67	3.33	20.00	3
(iii) Half Day Rate - between 9am-5pm				
Silver - per person	12.50	2.50	15.00	3
Gold - per person	16.67	3.33	20.00	3
Platinum - per person	20.83	4.17	25.00	3
(iv) Other Add Ons				
T&C including Biscuits - per person	2.08	0.42	2.50	3
Fresh Orange Juice - per jug	4.17	0.83	5.00	3
Jug of Cordial - per jug	2.92	0.58	3.50	3
Light Buffet Lunch - - per person	16.67	3.33	20.00	3
Light Breakfast - - per person	12.50	2.50	15.00	3
75" Smart TV (Great Hall Only)	33.33	6.67	40.00	3
Microphones	33.33	6.67	40.00	3
(c) Weddings				
Private celebrations can be arranged at Exeter's historic Guildhall				
For further information please contact guildhall.weddings@exeter.gov.uk to discuss availability and arrangements				
(i) The Great Hall (for up to 80 people)				
Hire period of 3 hours	1,250.00	250.00	1,500.00	3
(ii) The Jury Room (for up to 35 people)				
Hire period of 1.5 hours	625.00	125.00	750.00	3
(iii) Drinks Reception				
Hirer supplies the drink - we provide glasses and service	150.00	30.00	180.00	3
Corkage (per bottle)	2.08	0.42	2.50	3
(d) Guildhall Private Tours				
Prices are per person				
(i) Private tour, includes tea and biscuits and audience with the Lord Mayor (if available)	6.25	1.25	7.50	3
(ii) Private tour, includes cream tea and audience with the Lord Mayor (if available)	8.33	1.67	10.00	3
AB <u>LETTING ROOMS</u>				
Sheltered Homes - Community Rooms				
per hour or part thereof -				
- non profit-making bodies	10.65	-	10.65	8
- profit-making bodies	31.40	-	31.40	8
Sheltered Homes guest rooms per night	19.54	3.91	23.45	3
Edwards Court guest room per night	22.54	4.51	27.05	3
AC <u>MORTGAGE FEE REFERENCES</u>				
	52.37	10.48	62.85	3
AD <u>LEASEHOLD FLATS</u>				
Legal Fees for leasehold flat transfers	193.67	38.73	232.40	3
AE <u>STREET NAMING AND NUMBERING</u>				
Change of property name	182.00	-	182.00	9
Reworking of previously completed development (first plot £182.00 - additional plots - price on request)	182.00	-	182.00	9
Written confirmation of postal address and/or change of name over 6 years old	31.00	-	31.00	9



Exeter
City Council

**Exeter City Council
Civic Centre
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Budget Proposals - Labour Group 2025-26

Proposal to Balance the Budget	Value £
Changes to Assumptions	300,000
Business Rates Pool Membership	900,000
Straightforward Options	600,000
Service Review Proposals	441,780
Adjustment to Leisure Budgets	586,000
Adjustment to Operations Budgets	30,000
Adjustments to Car Park Income	627,500
Adjustment to Net Zero income	20,000
Total Proposed Reductions	3,505,280

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REPORT TO COUNCIL

Date of Meeting: 25 February 2025

Report of: Strategic Director of Corporate Resources & s151 Officer

Title: Overview of General Fund Revenue Budget 2024/25 – Quarter 3

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

To advise Members of the overall financial position of the General Fund Revenue Budgets for the 2024/25 financial year after nine months.

2. Recommendations:

It is recommended that Council notes and approves (where applicable):

- (1) The General Fund forecast financial position for the 2024 financial year;
- (2) The supplementary budgets, transfer of reserve and budget transfers as detailed in paragraph 8.10 and Appendix 3;
- (3) The outstanding Sundry Debt position as at December 2024;
- (4) The creditors payments performance; and
- (5) The One Exeter programme update

3. Reasons for the recommendation:

To formally note the Council's projected financial position and to approve additional expenditure required during the financial year.

4. What are the resource implications including non financial resources?

The impact on the General Fund working balance is set out in section 8.9.

The General Fund Working Balance is projected to stand at £4.362 million at year end.

5. Section 151 Officer comments:

The financial position shows a further improvement at Quarter 3. It should be noted that although the call on General Fund Reserves has reduced, there are indications of a number of requests for supplementary budgets in 2025/26, which will bring the General Fund Balance down to the anticipated level.

6. What are the legal aspects?

Section 28 of the Local Government Act 2003 imposes a statutory duty on the Council to monitor during the financial year its expenditure and income against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the Council must take such action as it considers necessary to deal with the situation. This might include, for example, action to reduce spending in the rest of the year, or to increase income, or to finance the shortfall from reserves.

The Local Government Finance Act 1992 places a legal requirement on Council to approve not only the budget but also any changes to the budget proposed during the year. Council has a legal duty to ensure that the budget is balanced and that any changes to the budget are fully funded.

7. Monitoring Officer's comments:

7.1 The content of this report raises no issues for the Monitoring Officer.

8. Report details:

Overview of General Fund Revenue Budget 2024/25 – Quarter 3

8.1 Financial Summary

FUND	Planned Transfer To / (From) Working Balance £	Budget Variance (More) / Less £	Outturn Transfer 2024/25 £
General Fund	(2,862,201)	1,341,321	(1,520,880)

8.2 General Fund (Appendix 1 & Appendix 2)

During the year, a restructure of the Senior Leadership of the Council has taken place. The restructure was projected to reduce costs by £388,110, which would be used to strengthen areas of the Council requiring investment to meet members' priorities. In 2024/25, the actual reduction totals £350,946 as there are some interim arrangements in place to cover vacant posts. Once these posts are filled on a permanent basis the reduction will rise to £389,580 in line with the original estimate. As agreed, some of the funds have been used for additional posts and therefore in the current financial year, a net saving of £266k is expected from the senior leadership review (£243k within General Fund Services and £23k within the Housing Revenue Account) after the interim arrangements and new posts. The Appendices have been updated to reflect this new leadership structure that is now in place.

For the 2024/25 financial year, the current forecasts show an overall projected underspend of £497,830 against a revised budget of £23,081,890. This includes

supplementary budgets of £6,331,110 already agreed by Council. Variances of more than +/- £30,000 are detailed below:

8.3 Chief Executive

Budget Heading	Over / (Underspend)
Strategic Management	£40,910
<p>Responsible Officer: Executive Office Manager</p> <p>Although this shows a £40,910 overspend, the forecast includes £256,000 of redundancy costs which will be covered by reserves. Therefore, the actual out-turn is a £215,020 underspend. This is solely due to the Senior Leadership Restructure which occurred earlier in the year</p>	

8.4 Operations

Budget Heading	Over / (Underspend)
Environmental Health & Licensing	(£287,000)
<p>Responsible Officer: Head of Service – Environmental Health & Waste</p> <p>Vacancies across the service are proving difficult to fill with a forecast underspend. The services are beginning to make use of the funding issued in respect of the significant disruption that occurred whilst staff were diverted on to working on the Homes for Ukraine initiative, but some £74,000 is still expected to be available at year end to further the recovery. Another year of higher than expected funding for Disabled Facilities Grants has also increased the administrative burden rechargeable to the grant allocation above budgeted levels.</p>	
Domestic Refuse Collection	(£412,460)
<p>Responsible Officer: Head of Service – Environmental Health & Waste</p> <p>There is a delay to further roll out of the doorstep food waste programme until the construction of the food waste bay, so there will be savings in the year due to roles not being filled and vehicles not yet being leased until such time as the service is in a position to roll out to the remaining two thirds of the city. These savings will more than offset the income the service is unable to claim from DCC's Share Scheme saving fund, to which we have no eligibility until the scheme achieves 100% coverage.</p>	
Materials Reclamation Facility	£124,740
<p>Responsible Officer: Head of Service – Environmental Health & Waste</p> <p>The use of secondary reclamation facilities is frequently necessary due to the age of the site, which is due to undergo refurbishment. The level of usage is dependent on the date of closure of the facility for the start of this work, but the overspend could increase if the facility fails before the anticipated closure and takes a significant time to bring back into use.</p>	
Engineering Services	(£210,230)

Responsible Officer: Head of Service – Operations

The team have had some success in recruiting to the vacancies seen over previous years and can continue to look forward to pursuing both revenue and capital schemes more actively as a result. There remain a number of vacancies which have been difficult to fill, this will be partially offset by not having the third Capital Delivery officer which will reduce the recharge to capital. The use of sub-contractors across the service remains subdued with a forecast underspend. Funding associated with demolition costs for a footbridge will not be spent releasing £134,180 of one-off budget this year.

Waterways**(£134,100)****Responsible Officer: Head of Service – Operations**

The Exeter Port Authority operates a mooring repairs service, purchased by the Council several years ago. The intention was for this to be self-financing, but costs have risen significantly whilst workload and income have not. The opportunity is still available but, without the introduction of the Harbour Revision Order (HRO) which is currently being progressed, improvement will be slow – the current forecast is that the service will be very near to breakeven at year end, depending on the ongoing demand for the services it provides. The presently unoccupied Waterways Engineer post, funded for a 3-year period from historic vacancy underspending within Engineering (at £120,000) has been transferred to the service which is looking at how best to use this resource. There is a contingency fund available for any inquiry that might follow the application for the HRO, but that will not take place in the current year and the £80,000 will be required to roll over to the next financial year.

Canal licences represent the one area of concern – income levels have stagnated with few new vessels being kept in the canal. The forecast is for there to be a reduction in income in comparison with 2023/24, due to vessels being scrapped or leaving. Income will likely be some £76,000 below budgeted level.

Corporate Property – Assets**(£269,380)****Responsible Officer: Interim Head of Service – Asset Maintenance**

A £200,000 underspend continues to be forecast against property maintenance to reflect the budget for Leisure services not being used this year; the actual costs sit in the individual Leisure centres. The remaining underspend is from savings against the establishment budget. However, £63,890 of redundancy costs were recognised in this out-turn; these will be covered by reserves so the actual underspend is £333,270.

Corporate Support**£100,000****Responsible Officer: Interim Head of Service – Asset Maintenance**

As in previous quarters, the adverse variance of £230,000 against rental income has created a material overspend; however, this has been mitigated by two main areas of saving. Firstly, savings in utilities has created a £43,000 underspend in supplies & services. Secondly, a supplementary budget of £100,000 has been added to facilitate the work around the Civic Centre Development Plan but it is unlikely that much of this will be spent this financial year so a saving of £90,000 has been forecast against this, however any unspent amount will be requested again in the 2025/26 financial year.

8.5 Corporate Resources

Budget Heading	Over / (Underspend)
Parking Services	£492,180
<p>Responsible Officer: Head of Service – City Centre & Net Zero</p> <p>The resolution of where Global Payment Bank Charges should fall was completed only after budgets had been set for the current year and these were not within the agreed budget book values. It is anticipated that the full year cost of these charges will be around £85,000. The Council's contract with Ring-Go is of a cost and volume nature; we are hitting the point of additional charges being levied earlier and earlier each contract year due to the switchover to cashless payments, which is also creating pressures on the card charges budget. The re-zoning of some car parks has significantly increased a number of site rateable values, some up by almost 50% - the budget pressure is £164,000 which has substantially been offset by lower electricity charges (£155,000).</p>	
Major Projects	(£57,160)
<p>Responsible Officer: Interim Head of Service – Commercial Property</p> <p>This underspend is solely due to the Bus Station Demolition project now being complete. The cost of this project will be funded from the Guildhall Shopping Centre reserve.</p>	
Markets	(£52,460)
<p>Responsible Officer: Interim Head of Service – Commercial Property</p> <p>At the Matford Centre, Kivell's continues to increase income targets, with an additional £20,000 added to the forecast at year-end. Elsewhere there are saving against utility costs and supplies and services. However, income from the solar array is still showing a material adverse variance (due to the low market rate) lowering the forecast out-turn – this is likely to continue for the foreseeable future. Unbudgeted redundancy costs have also been added which will be covered by reserves at year-end.</p>	
Revenues & Benefits	£235,220
<p>Responsible Officer: Head of Service - Finance</p> <p>A £150k overspend is forecast in respect of unrecoverable housing benefits, of which £120k relates to temporary accommodation. The budgets factored in a reduction in the level of unrecoverable housing benefits relating to the spot purchases of B&B accommodation. However, this is no longer expected to be realised in 2024/25 due to the time required to purchase or lease additional temporary accommodation, to reduce the need for B&B accommodation.</p> <p>Alongside this, an £85k overspend in the Revenues Service is forecast, which is predominantly due to additional agency staff covering vacant posts in Council Tax. Plans to address the reliance on agency staff are being progressed as a priority.</p> <p>The senior leadership restructure resulted in unbudgeted redundancy costs, which are matched by a saving in employee costs following deletion of the former Service Lead post within this management unit.</p>	
Elections & Electoral Registration	£46,210

Responsible Officer: Head of Service – Legal and Democratic Services This overspend is due to the budget reduction that was included in the 2023/24 estimates and will be smoothed across the MTFP against years where there are savings. Some cost has been forecast in relation to the 2025/26 Council elections on the assumption that they will be taking place in May 2025 as normal.	
Corporate	£35,190
Responsible Officer: Head of Service – Finance Increased audit fees and bank charges continue to cause this cost centre to overspend (increased costs of £15,000 and £10,000 respectively) as well as an overspend of £12,300 on corporate subscriptions. A portion of the audit and bank fees will be recharged to HRA – however, this still leaves an adverse variance at year-end.	
Democratic Representation	(£39,760)
Responsible Officer: Head of Service – Legal and Democratic Services This underspend is mostly due to the savings against Members’ special responsibility allowances (£21,000 saving). However, there are also savings against pay in the Member Services Team – due to short periods of vacancy – and there have been smaller savings against supplies and services, especially against the member training budget. Recruitment has started to fill a vacant post but it is unlikely that this will be complete by year-end.	
Unapportionable Overheads	£883,200
Responsible Officer: Head of Service – Finance The overspend is the result of pension strain payments incurred after the senior management restructure. The majority of this in-year cost will be covered by reserves (£804,200), reducing the overspend to £79,000; this represents one strain payment that will be absorbed by the General Fund.	

8.6 People and Communities

Budget Heading	Over / (Underspend)
Housing Needs and Homelessness	£350,000

Responsible Officer: Head of Service - Housing

As per the explanation in quarter 2 there remains a continued national increase in the number of households in Temporary Accommodation (TA); in Exeter over the past two years there has been an increase of 20%, with a corresponding increase in costs of £364k over budgeted levels.

Due to the necessity of using contracted hotels to meet this increase in demand there have been additional costs for providing security services to ensure safety of all residents. Whilst we have been able to reduce the use of security in one unit due to remodelling there remains a forecasted cost of £200k more than budgeted by the end of the year.

It is anticipated that some of these costs may be offset through the in-year provision of supplementary central government grants such as the Homelessness Prevention Grant and Winter Pressures money. We remain committed to reviewing the current operating model of the service to look for any efficiency including providing long leases with the aim of reducing unit cost of temporary accommodation.

GF Housing – Property	(£53,000)
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Responsible Officer – Head of Service - Housing

Over the past 12 months we have handed back all of the Private Sector Leased Properties under council management, whilst taking into account any mandatory reimbursement under the terms of the lease. This has now stopped the deficit of rental income against payments to landlords. The EXtralet tenancies have remained stable, meaning that we haven't needed to utilise the handback or voids budgets set aside.

Transportation	(£60,000)
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Responsible Officer – Interim Head of HR Workforce Planning & OD

This surplus to budget will be transferred to reserves at year-end and will be used to facilitate initiatives under the new Sustainable Travel Policy.

Central Support	£66,280
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Responsible Officer – Head of Service - Digital & Data

The year-end out-turn includes unbudgeted redundancy costs which will be covered by reserves.

Exeter Community Grants Programme	(£180,980)
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Responsible Officer – Head of Customer and Communities

The forecast underspend is attributable to the following:

- £106,100 refund and CIL underspend, resulting from the change of contract for Wellbeing Exeter, during 2024/25. The £72,000 refund will be added to the Wellbeing Exeter earmarked reserve.
- £65,000 resulting from schemes delayed in 2024/25, due to uncertainty regarding CIL receipts.
- £9,880 due to the Consultation and Engagement Manager post being vacant until February 2025.

Customer Service Centre	£79,150
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Responsible Officer – Head of Customer and Communities

£42,700 of this forecast overspend is attributable to the senior leadership restructure, the costs of which are offset elsewhere and include a redundancy cost that is funded from an earmarked reserve.

The rest of the projected overspend is a result of the long-term use of agency staff within the customer contact centre. These contracts arose from post covid demand increases, including the introduction of discretionary schemes such as the household support fund. All contact centre agency staff contracts ended on 31 October.

8.7 **Place**

Budget Heading	Over / (Underspend)
Culture	(£127,680)
Responsible Officer: Head of Service – Culture Arts & Events are showing a £55,420 underspend, predominantly due to the Women's Rugby World Cup supplementary budget. £50,000 of this is forecast to be spent by year-end and the surplus will be requested for inclusion in the 2025/26 budget. At the Corn Exchange, the forecast underspend is £72,260 and an unbudgeted redundancy payment will be covered by reserves. Event income is still healthy and there continues to be savings in premises, mainly against utility costs.	
Building Control & Land Charges	£90,000
Responsible Officer: Head of City Development Building Control is facing a revenue shortfall of £90k due to ongoing market challenges restricting construction activity. House sales remain below pre-pandemic levels, particularly those requiring mortgages, as high interest rates continue to limit affordability and demand. Construction activity is also being impacted by persistent labour shortages, supply chain disruptions, and rising material costs. Inflationary pressures, including high fuel and energy costs, are further increasing construction expenses, leading to project delays and reduced investment in new developments which impact income generation through applications for Building Regulation approval.	
Planning	£94,200

Responsible Officer: Head of City Development

There is a forecast reduction in fee income of £340,000, primarily attributed to a continuing decline in the overall number of planning applications submitted. In the 2022/23 financial year, we processed 1,482 applications, whereas in 2023/24 this number dropped to 1,289—a reduction of approximately 13%. Notably, householder applications, which are the most common type we receive, fell from 403 to 311. This downward trend has continued into the 2024/25 financial year. If this trend persists, fee income will fall short by £340,000 by the end of the financial year.

The ongoing decrease in application numbers, particularly in the householder category, is offsetting the increase in planning fees, resulting in a net reduction in overall fee income. The reduction is likely influenced by broader economic factors, including persistent economic uncertainty and the cost-of-living crisis. Rising interest rates, inflation, and the increased costs of materials, labour, and energy have made developers and homeowners more cautious about embarking on new projects. Furthermore, the housing market slowdown, characterised by fluctuating property values and demand, continues to deter potential applicants from proceeding with developments or home improvements.

The timetable for the Exeter Plan continues to respond to complex consultation responses, evidence requirements and national planning policy reforms meaning the projects is extending into multiple financial years. Significant evidence has been commissioned which continues to support the Exeter Plan, although the project is likely to be underspent by £250,000 in 2024/25. A supplementary budget will be requested for 2025/26 when the plan is scheduled to go through its examination and substantial costs will be incurred.

Museum Service**(£201,710)****Responsible Officer: Head of Service – Culture**

Efficiencies in energy consumption are still being found which has given rise to £300k forecast savings in utilities. This consultancy work will continue to year-end and £80k to £85k is estimated to be saved through this work. There have been some improvements in revenue, due to the popularity of the recent Dartmoor exhibition and there have been savings in Museum Projects. However, these have been used to offset the forecast adverse variance in the shop, which is now £62k overspent.

Leisure & Sport**(£958,980)****Responsible Officer: Head of Service – Culture**

In March 2023, HMRC changed how VAT was to be applied to Leisure income, changing it from standard rated to outside the scope. The Council became eligible to reclaim the majority of this VAT and work commenced on calculating the amount, starting from bringing Leisure in-house in 2020/21. This has now been completed and the total amount submitted for refund is £646,560 (submitted over two claims). The second claim is now complete and this has been included in this month's out-turn forecast.

Leisure continues to show material savings against salaries, due to vacant posts across all the centres and there is forecast surplus to income forecast of £240,000. This has been offset by premises costs being higher than budget due to maintenance being carried out by the centres; however, indications are that these costs will not be as high as last year.

St Sidwells Point**(£59,850)**

Responsible Officer: Head of Service – Culture This underspend is due to the supplementary budget added to St Sidwells Point not being utilised this year. The need for this will be reviewed and it will be requested for 2025/26 budget, if required.	
Liveable Exeter Garden City	(£100,000)
Responsible Officer: Strategic Director for Place Grant funding has been provided from DLUCH to progress Liveable Exeter, the money can be spent in any given financial year so the flexibility remains to apportion the money as projects are developed. Therefore, any unspent grant money at the end of the financial year will be transferred into an earmarked reserve and a supplementary budget requested in 2025/26.	
CCTV & Home Call	£91,860
Responsible Officer: Head of Service – City Centre & Net Zero Home Call income remains an issue within this Management Unit due to previous unrealistic income targets continuing to be set. Despite recent marketing campaigns generating new customers, sadly valued service users have passed away which means that numbers have remained static, with income continuing to fall short of budget. In addition, the service is trying to mitigate the shortfall in Home Call income with new CCTV Monitoring contracts for other locations in Devon and Exeter, but there is a significant delay between expressions of interest and contract sign-up by third party clients, restricting the growth this year. Non-contractual overtime is currently high to maintain minimum operational staffing levels.	

8.8 Other Financial Variations

Budget Heading	Over / (Underspend)
Net interest	(£83,224)
Interest payable remains on target. Interest receivable is expected to be higher than budgeted as interest rates were elevated for the first part of the year and cash balances have not reduced as much as anticipated.	

8.9 General Fund Balance

In 2024/25 it is projected that there will be an overall net contribution from the General Fund Balance of £1,520,880. The minimum requirement for the General Fund working balance which was approved by Council in February 2024 at £3.020 million.

Movement	2024/25
Opening Balance, as at 01/04/24	£5,882,563

Net	(£1,520,880)
Projected Balance at Year End	£4,361,683

8.10 Supplementary Budgets

It is proposed that the supplementary budgets and budget transfers identified in Appendix 3 are approved and added to the 2024/25 budget. The supplementary budget requests will have no impact on the projected General Fund working balance.

It is proposed to transfer funds from the earmarked reserve set up to originally fund IFRS9 to the Governance reserve in order to fund the £100k supplementary budget requested in response to the LGR/Devolution Invitation

8.11 Outstanding Sundry Debt

An aged debt analysis of the Council's sundry debts is shown in the table below:

Age of Debt	March 2023	March 2024	Dec 2024
Up to 29 days (current)	£1,436,904	£1,411,457	£1,276,723
30 days – 1 Year	£1,697,735	£2,738,947	£1,081,391
1 – 2 years	£1,645,793	£299,265	£1,078,346
2 – 3 years	£199,426	£273,541	£220,035
3 – 4 years	£539,002	£78,227	£160,414
4 – 5 years	£254,721	£290,834	£78,636
5 + years	£1,186,130	£340,009	£563,459
Total	£6,959,711	£5,432,280	£4,459,004

In November 2023 aged debt totalling £1.7m in respect of overpaid Housing Benefits was transferred from the ASH Sundry Debtors system to the IMAN system, a new system specifically to manage the recovery of overpaid Housing Benefits. The aged debt analysis in the above table therefore reflects outstanding sundry debtors.

8.12 Debt Write-Offs

The following amounts have been written-off during 2024/25:

	2023/24 Total	2024/25 (Qtr 3)
• Council Tax	£236,172	£228,125
• Business Rates *	£38,096	£0
• Sundry Debt	£2,238	£0
• Housing Rents	£93,187	£46,390
• Non-HRA Rents	£63,376	£32,938
• HB Overpayments	£191,856	£29,155

* Business Rate write offs dealt with annually

8.13 Creditor Payments Performance

Creditors' payments continue to be monitored in spite of the withdrawal of statutory performance indicator BVPI8. The percentage paid within 30 days was 95.69% for the first nine months of 2024/25 compared with 95.37% after the first nine months of 2023/24.

9. One Exeter Update

As Members will be aware, One Exeter is the Council's transformation programme and is a critical priority for the council.

A progress report was presented to Executive in February 2024. The report provided an annual summary of progress against the One Exeter Programme and set out a series of proposed outcomes for the following 12 months. Alongside this, work has started to identify cost reduction proposals for 2025/26.

Appendix 5 sets out how the Council is performing against the 2024/25 cost reductions. At the end of Quarter 3, it is forecast that £216k of the £1.402m will not be achieved, of which £157k relates to planning fee income and £80k relates to delays in achieving reductions in B&B accommodation costs. Both planning fee income and costs of the Housing Needs and Homelessness Service will therefore be subject to close monitoring by officers as areas of budgetary risk.

The Council's medium term financial plan anticipates reserves being reduced to the minimum required by the end of 2024/25 and further budget reductions of £3.5m are required in 2025/26. The proposed budget for 2025/26 is due to be presented to Council on 25 February for approval.

Since the last update, work continues on reviewing the council's Corporate Plan to ensure that it is focussed on outcomes. An organisational Performance Dashboard is currently being developed to clearly show how the council is performing against the measures set out in the updated Corporate Plan. This work is due for completion by April 2025.

Work continues on the delivery of the Digital Customer Strategy with the introduction and launch of the My Account platform. This will provide a single digital front door for customers to contact the council and track their requests. A Rapid Impact Team has been created to look at the Parks and Open Spaces and Waste Management services to determine the potential to reduce the current cost base through service improvement and digitalisation.

A residents' survey has recently been completed and the results will be used to inform the budget setting process for 2025/26.

A peer review was conducted to assess the council's work on Equality, Diversity and Inclusion (EDI) and make recommendations for improvement. The review identified that there was clear commitment to EDI from the Chief Executive and political leadership and that there were pockets of good practice that could be replicated across the organisation. The review recommended that further work was undertaken to embed EDI across the council, communicate positive EDI initiatives and increase collaboration with community groups to inform service delivery.

An EDI Taskforce has been created under the Lead Strategic Director for People and Communities and a detailed action plan has been developed.

A series of All Staff meetings are due to be held in February to bring teams together, introduce the new Extended Leadership team and set out the focus and priorities for

the year ahead. The Chief Executive also meets with new starters on a quarterly basis to welcome them to the council, talk about the priorities and what support is available in terms of wellbeing and personal development.

10. How does the decision contribute to the Council's Corporate Plan?

This is a statement of the projected financial position to the end of the 2024/25.

11. What risks are there and how can they be reduced?

The risks relate to overspending the Council budget and are mitigated by regular reporting to the Strategic Management Board and Members. Members have a legal responsibility to take action where balances are projected to reach an unsustainable level and the Strategic Management Board are working to address the current projected shortfall in reserves.

Areas of budgetary risk are highlighted in this report. The key areas of budgetary risks are attached as Appendix 4, for reference.

12. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because there are no significant equality and diversity impacts associated with this decision.

13. Carbon Footprint (Environmental) Implications:

There are no direct carbon/environmental impacts arising from the recommendations.

14. Are there any other options?

Not applicable.

Strategic Director of Corporate Resources & s151 Officer, Dave Hodgson

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Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:
None

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2024/25 GENERAL FUND BUDGET MONITORING - SUMMARY

QUARTER 3

	Original Budget £	Budgets & Transfers £	Revised Budget £	Year End Forecast £	Variance to Budget £
Chief Executive	827,800	1,257,400	2,085,200	2,126,110	40,910
Operations	11,934,600	695,710	12,630,310	11,494,130	(1,136,180)
Corporate Resources	(6,063,790)	944,990	(5,118,800)	(3,597,180)	1,521,620
People and Communities	6,719,430	1,943,070	8,662,500	8,873,220	210,720
Place	8,472,940	1,534,660	10,007,600	8,872,700	(1,134,900)
less Notional capital charges	(5,140,200)	(44,720)	(5,184,920)	(5,184,920)	0
Service Committee Net Expenditure	16,750,780	6,331,110	23,081,890	22,584,060	(497,830)
Net Interest	1,406,000		1,406,000	1,322,776	(83,224)
Revenue Contribution to Capital	0		0	198,470	198,470
Minimum Revenue Provision	1,831,020		1,831,020	1,904,733	73,713
General Fund Expenditure	19,987,800	6,331,110	26,318,910	26,010,039	(308,871)
Transfer To/(From) Working Balance	(1,313,430)	(1,548,771)	(2,862,201)	(1,520,880)	1,341,321
Transfer To/(From) Earmarked Reserves	337,000	(4,655,979)	(4,318,979)	(5,450,289)	(1,131,310)
General Fund Net Expenditure	19,011,370	126,360	19,137,730	19,038,870	(98,860)
Formula Grant	(6,291,000)		(6,291,000)	(6,291,000)	0
CIL Income	(781,000)	(126,360)	(907,360)	(808,500)	98,860
Business Rates Growth / Pooling Gain	(4,283,880)		(4,283,880)	(4,283,880)	0
New Homes Bonus	(485,920)		(485,920)	(485,920)	0
Council Tax	(7,169,570)		(7,169,570)	(7,169,570)	0
	0	0	0	0	0

Working Balance March 2024

£ 5,882,563

£ 4,361,683

March 2025

2024/25 GENERAL FUND BUDGET MONITORING - DETAIL
QUARTER 3

ACTUAL TO DATE			YEAR END FORECAST				
PROFIED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE		APPROVED BUDGET	CURRENT OUTTURN FORECAST	FORECAST VARIANCE	QTR 2 FORECAST VARIANCE
£	£	£		£	£	£	£
18,888,721	18,167,073	(721,648)	TOTAL GENERAL FUND NET EXPENDITURE	28,266,810	27,768,980	(497,830)	461,915
Chief Executive							
931,178	928,027	(3,151)	ACTIVE & HEALTHY PEOPLE	1,338,760	1,338,760	0	0
669,560	766,122	96,562	STRATEGIC MANAGEMENT	746,440	787,350	40,910	17,580
1,600,738	1,694,149	93,411	NET EXPENDITURE	2,085,200	2,126,110	40,910	17,580
Operations							
602,516	351,875	(250,641)	ENVIRONMENTAL HEALTH & LICENSING	830,630	543,630	(287,000)	(318,400)
1,507,184	1,391,984	(115,200)	PARKS & GREEN SPACES	2,001,810	1,972,000	(29,810)	(29,810)
66,201	65,947	(254)	BEREAVEMENT SERVICES	118,370	123,900	5,530	18,700
4,940	7,812	2,872	AFFORDABLE HOUSING DEVELOPMENT	4,940	4,940	0	0
0	0	0	SUNDRY LANDS MAINTENANCE	112,300	112,300	0	0
92,635	89,794	(2,841)	CORPORATE HEALTH & SAFETY	105,740	101,940	(3,800)	(3,790)
2,187,147	1,881,839	(305,308)	DOMESTIC REFUSE COLLECTION	3,629,990	3,217,530	(412,460)	(310,590)
1,290,892	1,301,859	10,968	STREET CLEANING	1,691,910	1,683,980	(7,930)	(13,350)
146,687	137,719	(8,968)	PUBLIC CONVENIENCES	226,130	209,000	(17,130)	52,230
(427,730)	(539,039)	(111,309)	WASTE CHARGEABLE SERVICES	(430,390)	(432,300)	(1,910)	(97,930)
300,555	299,646	(909)	WASTE STRATEGY & FACILITIES	355,540	362,840	7,300	(19,240)
508,550	604,455	95,906	MATERIALS RECLAMATION FACILITY	689,090	813,830	124,740	153,110
603,821	239,321	(364,500)	ENGINEERING SERVICES	837,140	626,910	(210,230)	(308,850)
456,495	343,972	(112,523)	WATERWAYS	676,480	542,380	(134,100)	(131,340)
1,134,644	898,993	(235,651)	CORPORATE PROPERTY - ASSETS	1,091,690	822,310	(269,380)	(354,620)
368,246	602,450	234,204	CORPORATE SUPPORT	688,940	788,940	100,000	196,890
8,842,783	7,678,628	(1,164,155)	NET EXPENDITURE	12,630,310	11,494,130	(1,136,180)	(1,166,990)
Corporate Resources							
(4,404,686)	(3,896,320)	508,366	CORPORATE PROPERTY - ESTATES	(5,228,130)	(5,221,720)	6,410	382,940
(4,857,905)	(4,443,530)	414,374	PARKING SERVICES	(6,295,540)	(5,803,360)	492,180	156,080
694,838	820,832	125,995	MAJOR PROJECTS	926,450	869,290	(57,160)	0
(509,478)	(390,891)	118,587	MARKETS	(511,220)	(563,680)	(52,460)	(23,120)
1,900,584	2,053,664	153,080	REVENUES & BENEFITS	2,184,240	2,419,460	235,220	141,640
291,488	264,501	(26,987)	ELECTIONS & ELECTORAL REG	390,180	436,390	46,210	20,780
231,800	249,045	17,245	CORPORATE	227,400	262,590	35,190	29,990
503,604	478,839	(24,765)	DEMOCRATIC REPRESENTATION	671,130	631,370	(39,760)	(29,270)
1,066,928	1,865,891	798,964	UNAPPORTIONABLE OVERHEADS	1,278,500	2,161,700	883,200	771,450
646,875	585,029	(61,846)	FINANCIAL SERVICES	682,570	682,570	0	0
109,469	116,545	7,076	INTERNAL AUDIT	117,780	125,330	7,550	8,390
501,545	473,816	(27,729)	LEGAL SERVICES	306,950	283,100	(23,850)	(29,590)
171,299	137,522	(33,777)	PROCUREMENT	130,890	119,780	(11,110)	2,570
(3,653,640)	(1,685,057)	1,968,583	NET EXPENDITURE	(5,118,800)	(3,597,180)	1,521,620	1,431,860
People and Communities							
1,309,075	1,362,462	53,387	HOUSING NEEDS & HOMELESSNESS	2,637,200	2,987,200	350,000	350,000
175,496	114,229	(61,267)	GF HOUSING - PROPERTY	199,800	146,800	(53,000)	(30,000)
0	0	0	TRANSPORTATION	0	(60,000)	(60,000)	(60,000)
278,626	321,972	43,346	CENTRAL SUPPORT	370,680	436,960	66,280	61,560
698,444	677,434	(21,010)	HUMAN RESOURCES	790,920	805,160	14,240	18,750
2,219,943	2,183,130	(36,813)	IT SERVICES	2,443,940	2,429,500	(14,440)	(13,440)
690,370	510,609	(179,761)	EXETER COMMUNITY GRANTS PROGRAMME	937,200	756,220	(180,980)	0
735,100	792,573	57,473	CUSTOMER SERVICE CENTRE	922,770	1,001,920	79,150	79,145
182,265	155,533	(26,732)	ORGANISATIONAL CHANGE PROGRAMME	243,020	243,020	0	0
28,955	21,919	(7,036)	PRIVATE HOUSING	116,970	126,440	9,470	(13,710)
6,318,274	6,139,861	(178,413)	NET EXPENDITURE	8,662,500	8,873,220	210,720	392,305
Place							
410,492	339,047	(71,445)	NET ZERO AND BUSINESS	957,600	972,570	14,970	(82,240)
387,331	(136,802)	(524,133)	CULTURE	503,160	375,480	(127,680)	(107,990)
57	41,127	41,070	TOURISM	0	29,880	29,880	0
(16,966)	78,021	94,987	BUILDING CONTROL & LAND CHARGES	65,520	155,520	90,000	0
875,763	862,249	(13,514)	PLANNING	1,195,310	1,289,510	94,200	204,200
1,640,538	1,283,856	(356,682)	MUSEUM SERVICE	2,656,510	2,454,800	(201,710)	(174,910)
1,176,865	817,315	(359,550)	LEISURE & SPORT	2,811,810	1,852,830	(958,980)	(175,420)
44,888	0	(44,888)	ST SIDWELLS POINT	59,850	0	(59,850)	0
68,201	54,327	(13,874)	VISITOR FACILITIES	86,000	81,040	(4,960)	(9,130)
215,397	207,217	(8,180)	CIVIC CEREMONIALS	356,370	352,050	(4,320)	(3,910)
244,715	224,455	(20,260)	COMMUNICATIONS	226,330	226,310	(20)	19,790
508,020	321,250	(186,770)	LIVEABLE EXETER GARDEN CITY	677,360	577,360	(100,000)	0
221,515	246,430	24,915	CCTV & HOMECALL	406,780	498,640	91,860	136,100
3,750	1,001	(2,749)	COMMUNITY SAFETY	5,000	6,710	1,710	(19,330)
5,780,567	4,339,493	(1,441,073)	NET EXPENDITURE	10,007,600	8,872,700	(1,134,900)	(212,840)

PROPOSED SUPPLEMENTARY BUDGETS & BUDGET TRANSFERS - QUARTER 3

Supplementary Budgets

Description	£	Funded by:
RAMM Pop-up café - 2 x casual staff	32,000	Self financing
RAMM Pop-up café - F&B income	(32,000)	Self financing
Response to LGR/Devolution Invitation	100,000	Earmarked Reserve
	100,000	

Budget Transfers

DFG Admin Income (for second half of year) - Monitoring Private Housing	(40,000)	Self financing
DFG Admin Income (for second half of year) - Environmental Health Neighbourhood Team	40,000	Self financing




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2024/25 BUDGET MONITORING






AREAS OF BUDGETARY RISK

The table below notes service-areas that, based on either experience last year or market factors this year, have been identified as having significant budgetary risk within the 2024/25 revenue budgets.




The revenue budget areas of risk are:

Service	2024/25 Approved Budget	Risk Rating	Risk and mitigation
Chief Executive			
Strategic Management (Revenue)	£794,660		The quarter three forecast includes £256,000 of redundancy payments which will be covered by reserves. The actual outturn is £215,020 which reflects the reduction in Directors after the recent senior management restructure.
Operations			
Corporate Property – Assets (Revenue)	£1,091,720		Corporate Property – Assets continues to show an underspend - £269,380 at quarter three. There are vacancies within the team as the restructure is still being finalised. £200,000 has also been reported as a saving; this figure represents the budget that was added in 23/24 to manage the Leisure estate but which currently is not being utilised due to lack of resources. The risk is that the non-Leisure maintenance will overspend and some of this underspend will disappear.
Corporate Support (Revenue)	£591,410		As in previous years, vacant space in Phase 1 of at the Civic Centre has caused a significant reduction in rental income. A savings against premises costs slightly mitigates this risk but the reported adverse variance is unlikely to materially change this financial year. A supplementary budget of £100,000 has been added this quarter to support the Civic Centre Redevelopment plan; however, it is unlikely that a material amount will be spent by 31 March so most has been forecast as a saving. Any of this budget that is not spent by year-end will be requested again in the 2025/26 financial year.

Service	2024/25 Approved Budget	Risk Rating	Risk and mitigation
Corporate Resources			
Revenues and Benefits Housing Benefit Subsidy	£27,641,930		<p>The Council currently administers over £27 million of Housing Benefit payments for rent allowances and rent rebates. Not all expenditure can be claimed back as subsidy. Certain supported and temporary accommodation costs are not eligible for full subsidy; these claim types will remain in Housing Benefit and not move to Universal Credit. As more Housing Benefit claims move onto Universal Credit the amount of unsubsidised expenditure will be an increased proportion of total expenditure. Errors made by ECC officers are not subsidised in full if they go over a set percentage of total expenditure. As total expenditure reduces due to Universal Credit rollout, the margins within which error payments are subsidised will reduce, increasing the risk of a subsidy loss in this area.</p>
Place			
Planning Services Revenue	£937,590		<p>Several recent planning decisions have been appealed this year, some of which are very significant. Additionally, at least one case relating to a judicial review of a decision to grant planning permission remains unresolved, and at least one major planning inquiry is expected. This typically necessitates external consultancy and legal advice, which has historically led to significant expenditure in previous financial years.</p> <p>Moreover, there has been a noticeable decline in the number of planning applications submitted, resulting in a forecasted reduction in fee income by £340,000. This drop reflects the broader economic challenges currently faced, including economic uncertainty, rising interest rates, and increased materials and labour costs. This reduction in income poses an additional financial risk, requiring close monitoring and potential adjustments in budget planning.</p>

Service	2024/25 Approved Budget	Risk Rating	Risk and mitigation
Museum Service (Revenue)	£2,435,350		Further savings in supplies & services have bolstered the underspend from quarter two, adding to those already achieved through the energy efficiency work (which is estimated to save between £80-85k this year). The Museum still faces challenges such as reduced sales income from the shop; however, an in-house café is being trialled to gauge the appetite for a refreshment facility.
Leisure & Sport (Revenue)	£2,800,430		<p>The forecast underspend has considerably risen to £958,980 this quarter. This is due to the completion of the VAT reclaim to HMRC, with the total amount £646,560 submitted. This is a one-off payment; going forward, adjustments will be made on a monthly basis.</p> <p>The Leisure estate continues to recognise the costs of premises maintenance, despite the Asset Maintenance team holding the budget. This situation is unlikely to change this financial year but at this point, premises cost are down from last year. However, with one quarter left of winter maintenance, this may change by year-end.</p>
Operations			
Trade Waste Fees & Charges	(£1,184,880)		Realignment of Income for Trade Waste this year, coupled with a reallocation of £100,000 budget from Trade to Garden Waste has brought this budget back into balance.
Car Parking Fees & Charges	(£9,397,320)		Realignment of Income, both for Season Tickets and Car Park Charges has meant that this risk has been mostly mitigated based on performance in Q3 forecast through to the end of the year with only a small variance expected.
Control Centre Operations covering CCTV and Home Call Alarm Service Fees & Charges	(£453,730)		The Control Centre Operations, which covers the CCTV and Home Call Alarm Services, has been merged to a single risk area this year. Increased uptake of the CCTV monitoring service has seen expected income rise, but this is still not sufficient to balance out ongoing issues with the Home Call Alarm Service.

Risk Rating Key:

	Current forecasts indicate either a favourable variance compared to the budget or no variance at all
	Current forecasts indicate an adverse budgetary variance of between 0% and 5% that will be kept under review
	Current forecasts indicate an adverse budgetary variance of more than 5% and will be monitored closely

**Monitoring Budget
Reductions - 2024/25
Quarter 3 Update**

Appendix 5

Service	Description/Proposal	Cost centre	2024/25 Budget Reduction/ (increase)	Accountant	Quarter 3 forecast	Variance (shortfall)	Comment
Public and Green Spaces	Allotment fee increase	F034	£20,450	MN-S	£17,504	(£2,946)	Agreed to phase in full increase in fees over 2 years rather than 1; uplift in fees kicks in from 29th September rather than 1st. Full recovery will be achieved in 2025/26.
Public and Green Spaces	Street cleansing agile service delivery; saving profiled 50% in 2023/24 and 50% 2024/25	C059 & C071	£101,850	MN-S	£101,850	£0	Rounds have been reorganised and saving will be achieved
Procurement	Shared service with Teignbridge, South Hams and West Devon District Councils	T016	£27,000	BK	£4,000	(£23,000)	Only recharging TDC for maternity cover until the end of Sept 24. No other work planned.
Markets and Halls and Visitor Facilities	Additional income at Matford Centre	C101	£8,500	BK	£8,500	£0	Income will achieve budget so saving will be achieved
Revenue & Benefits	Move HRA Rent Collection back to Housing Tenancy Services. Reduce team to level required for HRA/or in-line with recharge level; delete 1 x Income Collection Team Leader 5 x Senior Collection Officers, 1 x Support (effectively removing officer costs met from the GF)	T007	£172,920	NM	£172,920	£0	Expenditure on budget at quarter 3
Revenue & Benefits	EDDC Hosted Council Tax Administration. Delete vacant Local taxation Lead and 3 hours from Post 5089	T003	£55,680	NM	£55,680	£0	Post deleted
Corporate Property	Estates functional review; remove Assistant Estates Surveyor post	T104	£20,230	BK	£20,230	£0	Post removed therefore saving achieved

Housing Needs and Homelessness	Reduction of spot purchase B&B accommodation; relating to unrecoverable HB in Welfare and Benefits	Q007 & S007	£80,170	NM	£0	(£80,170)	Saving unlikely to be achieved as continued use of B&B necessary due to delays in long lease arrangements .
	SUB TOTAL SERVICE REVIEW REDUCTIONS		£486,800	£0	£380,684	(£106,116)	
Marketing	Additional income	T084	£25,000	BK	£25,000	£0	Revenue is forecast to achieve budget so saving achieved
Leisure	VAT ruling Leisure is non-business for VAT	F058	£600,000	BK	£646,560	£46,560	The full amount for reclaim from HMRC has now been calculated and is pending review and settlement by HMRC
Corporate	Reduction in Pension Added Years budget in line with reduced spending	S056	£60,000	BK	£60,000	£0	No overspend forecast so saving achieved
RAMM	Restructure per Council approval	F044	£73,000	BK	£73,000	£0	Restructure implemented so saving achieved
Planning	Additional income resulting from Central Government fee increase	M801	£157,000	NM	£0	(£157,000)	Fee increases have not led to the expected increase in income. Under-recovery of income forecast at quarter 3.
	OTHER PROPOSALS		£915,000	£0	£804,560	(£110,440)	
	TOTAL		£1,401,800	£0	£1,185,244	(£216,556)	

REPORT TO COUNCIL

Date of Meeting: 25 February 2025

Report of: Strategic Director of Corporate Resources & s151 Officer

Title: 2024/25 General Fund Capital Monitoring Statement – Quarter 3

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

To report the current position in respect of the Council's revised annual capital programme and to advise Members of the anticipated level of deferred expenditure into future years.

The report seeks Member approval to amend the annual capital programme in order to reflect the reported variations.

2. Recommendations:

It is recommended that Council approve:

- (1) The overall financial position for the 2024/25 annual capital programme.
- (2) The further funding requests to the Council's annual capital programme for 2024/25.

3. Reasons for the recommendation:

3.1. Local authorities are required to estimate the total of capital expenditure that it plans to incur during the financial year when it sets the prudential indicators for capital expenditure. This shows that its asset management and capital investment strategies are affordable, prudent and sustainable.

Capital expenditure is a significant source of risk and uncertainty since cost variations, delays and changing specifications are often features of large and complex capital projects.

In order to manage the risks associated with capital programming the annual capital programme is updated every three months to reflect any cost variations, slippage or acceleration of projects.

4. What are the resource implications including non financial resources

The financial resources required are set out in the body of this report.

5. Section 151 Officer comments:

5.1 Progress continues to be slow in delivering the General Fund Capital Programme, with further movements into the next financial year. The request for additional funding relates again to an existing scheme, where further work over the value of the existing budget is required. This will have to be borrowed.

6. What are the legal aspects?

6.1 Monitoring of capital expenditure is required in order to comply with the provisions of the Local Government Act 2003.

The requirements imposed on the Council by the Act are set out in section 3 of the report.

7. Monitoring Officer's comments:

7.1 This report raises no issues for the Monitoring Officer.

8. Report details:

8.1. REVISIONS TO THE CAPITAL PROGRAMME

The 2024/25 Capital Programme, including commitments brought forward from 2023/24, was last reported to Council on 17 December 2024. Since that meeting the following changes have been made that have increased the programme:

Description	£	Approval/Funding
Revised Capital Programme, as reported to Council 17 December 2024	32,320,240	
Disabled Facility Grants	141,140	Approved by Council 17 December 2024
Topsham Museum	100,000	
Harbour Workboat (Port Constructor)	165,000	
Revised Capital Programme	32,726,380	

8.2. PERFORMANCE

The revised capital programme for the current financial year is £32.726 million. There are some schemes where the timing of the spend is uncertain, these schemes have a budget of £7.588 million, of the remaining £25.138 million budget the spend during the first nine months of the year the Council was £4.629 million, which equates to 18.41% of the revised programme. This compares with £3.450 (7.57%) that was spent in the first nine months of 2023/24.

The current programme is detailed in Appendix 1. For the schemes where the timing of the spend is within the control of the Council the Appendix shows a total forecast spend for 2024/25 of £12.564 million with £7.715 million of the programme potentially being deferred to 2025/26 and beyond.

Appendix 2 shows the approved budgets for 2025/26 with the proposed 2024/25 budget to be carried forward to 2025/26 and beyond for Council to consider for approval.

8.3. AVAILABLE CAPITAL RESOURCES

The available capital resources for the General Fund for 2024/25 are £5.505 million. An estimated spend of £12.582 million is required of which £7.826 million will be funded from borrowing with £100k capital receipts remaining to be carried forward to 2025/26.

Appendix 3 sets out the forecast use of the resources available for the General Fund and the likely amounts of borrowing that will be necessary to fund the capital programme over the next three years.

The value of actual capital receipts received for 2024/25 to the end of quarter in respect of the General Fund are:

	General Fund £
Balance as at 1 April 2024	851
New Receipts	592,338
Balance as at 31 December 2024	593,189

8.4. EXPENDITURE VARIANCES

The main (greater than +/- £30k) variances and issues concerning expenditure are as follows:

Scheme	Variance £
Farm Hill Retaining Walls (23 no.)	(£35,000)
Countess Wear Retaining Wall Rebuild	£35,000
Officer Responsible: Head of Service – Operations The Farm Hill scheme will underspend this year to compensate for an overspend that will come through on the Countess Wear Retaining Wall project.	

Riverside & RAMM Decarbonisation Projects	(£4,860,850)
Officer Responsible: Head of Service – City Centre and Net Zero As per the report that was presented to Executive on 1 October on the Public Decarbonisation Scheme 3b Project which sets out the reasons for this scheme not going ahead. The budget was to be grant funded so this is not a saving of ECC funds.	

8.5. SCHEMES TO BE DEFERRED TO 2025/26 AND BEYOND

Schemes which have been identified as being wholly or partly deferred to 2025/26 and beyond are:

Scheme	Budget to be Deferred £
Waste Infrastructure	250,000
Improved Recycling Containers	50,000
Depot Enhancement Works	5,500,000
Food Waste Collections	857,140
<p>Officer Responsible: Head of Service – Environment & Waste</p> <p>The waste depot improvement works including the MRF has been re-profiled in-line with estimated project spend.</p> <p>The full introduction of food waste collections is dependent on the food waste bay being constructed as part of the depot improvement works, so this scheme has also been profiled accordingly as commissioning cannot take place until the majority of the work is completed. The reprofiling to both Waste Infrastructure and Recycling containers are also linked to the depot development work, as spending is linked to the works.</p>	
Parks Infrastructure	132,580
Heavitree Paddling Pools	500,000
<p>Officer Responsible: Head of Service - Operations</p> <p>Park Infrastructure works have not been required at the level assessed when the budget was set; the service extends life as far as is feasible, but ultimately repairs or replacements will become necessary over the coming years. Additional funds received last quarter will be allocated to projects that fall within the s106 remit, but schemes are unlikely to commence in the current financial year given planning lead-in times.</p> <p>The Heavitree Paddling Pools plans were unsuccessful at tender. The project will progress with a second consultation on site design given this outcome, but works are not now expected to progress significantly in the current year.</p>	
Scheme	Budget to be Deferred £
Bowling Green Marshes Coastal Defence Scheme	50,000
Farm Hill Retaining Walls (23 no.)	115,000
Bonhay Rd/Andlaw House Footpath	69,810
St James' Weir & Ducks Marsh Meadow banks	75,000

Landfill Gas Extraction Systems	46,750
ECC Bridge Repair Programme	100,000
Oxford Road Car Park Retaining Wall	200,000
Canal Basin Bridge Refurbishment	50,000

Officer Responsible: Engineering & Assets Manager

Following an unsuccessful procurement exercise for the Bowling Green Marshes Coastal Defence Scheme an alternative approach has been selected that will increase the programme time into the net financial year.

The scope of the Farm Hill retaining walls project has significantly reduced since the budget was requested, we are currently awaiting tender process.

The Bonhay Road footpath project has been delayed due to uncertainty over land ownership / responsibilities. Investigations are ongoing.

The St James' Wier and Ducks Marsh budget is precautionary, there is no current need to spend but the asset is being monitored.

The landfill gas extraction system works are postponed due to need for wintertime monitoring of boreholes before the works scope can be finalised.

Resourcing issues have reduced capacity to deliver the bridge programme at the anticipated rate, fewer works planned in this financial year.

The budgets for both Oxford Road wall and the Canal Basin Bridge refurbishment are precautionary with no current need to spend at present, but the asset is being monitored.

Scheme	Budget to be Deferred £
Guildhall Shopping Centre Enhancements	4,982,350
St Nicholas Priory Roof	88,120
<p>Officer Responsible: Interim Head of Service – Commercial Assets</p> <p>There is no expectation of further spend against either of these programmes this financial year. However, if there is any more spend, the budgets can be accelerated from 2025/26 to cover it.</p> <p>In regards to St Nicholas Priory, they have made a funding application to Historic England and are awaiting the outcome. Tendering has not yet started so no spend is anticipated this year.</p>	
Cathedral Green Display Cases	35,000
Green Space Depot Site	2,500,000
<p>Officer Responsible: Interim Head of Service – Asset Maintenance</p> <p>The restructure and recruitment of the Assets team has not yet taken place so it is unlikely that there will be any spend on the above programmes. The restructure is likely to be progressed into 2025/26.</p>	
Leighton Terrace & King William Street MSCP	(311,900)
Backlog Maintenance	(40,280)
BLRF – Clifton Hill	(23,070)
Commercial Property Ancillary Accommodation	(57,820)
<p>Officer Responsible: Interim Head of Service – Asset Maintenance</p> <p>The budgets for these three programmes were reprofiled into 2025/26. However, this spend has been incurred this financial year so some of the budget needs to be accelerated into 2024/25.</p> <p>Costs incurred since quarter two includes major concrete repairs at Leighton Terrace car park and the replacement of water mains at Clifton Hill.</p>	

8.6 FURTHER FUNDING REQUESTS

Topsham Museum (£182,000)

During works, timber wall plates were discovered which were in need of renovation due to rot and beetle infestation. Further investigation was conducted and more rotting wood structures were found, which threaten the stability of the building and would likely lead to collapse if not rectified. Further funding is required to ensure the integrity of the building

is maintained, replacing six windows and re-decoration of all external woodwork will also take place while scaffolding is in place.

9. How does the decision contribute to the Council's Corporate Plan?

The Capital Programme contributes to all of the key purposes, as set out in the Corporate Plan.

10. What risks are there and how can they be reduced?

Areas of budgetary risk are highlighted to committee as part of the quarterly budget monitoring updates.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because the impact of each scheme is considered prior to approval. Any significant deviation from this will be noted within the body of this report.

12. Carbon Footprint (Environmental) Implications:

We are working towards the Council's commitment to carbon neutral by 2030. The impact of each scheme is considered prior to approval.

13. Are there any other options?

There are no other options.

Strategic Director of Corporate Resources & s151 Officer, Dave Hodgson

Author: Nicola Morley, Mark Neville-Smith and Bridget Kendrick

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:

None

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2024/25 CAPITAL MONITORING - QUARTER 3

Service	Scheme	Total 2024/25 Capital Programme £	2024/25 Spend Quarter 3 £	2024/25 Forecast spend £	2024/25 Budget to be Carried Forward to 2025/26 and Beyond £	2024/25 Programme Variances (Under)/Over £
Operations						
Environment & Waste	Waste Infrastructure	411,750	26,832	161,750	250,000	0
	Improved recycling containers	123,470	64,032	73,470	50,000	0
	Depot Improvement Works	6,170,870	18,280	670,870	5,500,000	0
	Food Waste Collections	857,140	0	0	857,140	0
	Noise Monitoring Equipment	28,760	24,466	28,760	0	0
	DEFRA Air Quality Grant	13,000	0	13,000	0	0
Operations Service	Capitalised Staff Costs	150,000	0	150,000	0	0
	Bowling Green Marshes Coastal Defence Scheme	100,000	24,657	50,000	50,000	0
	Parks Infrastructure	182,580	17,515	50,000	132,580	0
	Cemeteries & Churchyards Infrastructure Improvements	50,000	14,027	25,000	25,000	0
	Bank Repairs & Stabilisation to Watercourses	20,000	770	1,000	19,000	0
	Pinhoe Playing Field Upgrades	42,050	3,083	42,050	0	0
	Parks Anti-Intrusion Measures	12,560	669	12,560	0	0
	Cricklepit Bridge	100,000	61,780	70,000	30,000	0
	Trews Weir refurb	130,000	92,416	130,000	0	0
	District Street Lighting	150,000	0	150,000	0	0
	Exeter Quay Cellars cliff face	282,810	253,011	282,810	0	0
	Ash Die Back Tree Replacement	100,000	77,209	100,000	0	0
	Fleet Lease costs	910,290	0	910,290	0	0
	Rent for Exmouth Buoy Store / St Thomas Arches	129,010	0	129,010	0	0
	Bromhams Farm Playing Fields	313,840	263,216	299,360	14,480	0
	Longbrook Street wall behind 30-38	5,000	0	0	5,000	0
	Northbrook Wild Arboretum	272,480	50,917	272,480	0	0
	Farm Hill Retaining Walls (23 no.)	200,000	19,684	50,000	115,000	(35,000)
	Mallison Bridge	64,670	29,038	64,670	0	0
	Bonhay Rd/Andlaw House Footpath	144,810	175	75,000	69,810	0
	St James' Weir & Ducks Marsh Meadow banks	75,000	0	0	75,000	0
	Heavitree Paddling Pools	526,680	0	26,680	500,000	0
	Play Areas	200,000	57,042	200,000	0	0
	Landfill Gas Extraction Systems	100,000	3,826	53,250	46,750	0
	Mincinglake Valley Park Reed Beds & Pipe Inlet	50,000	11,390	25,000	25,000	0
	Exeter Canal Bank Repairs	76,890	22,186	76,890	0	0
	ECC Bridge Repair Programme	350,000	93,345	250,000	100,000	0
	Countess Wear Retaining Wall Rebuild	135,120	21,342	170,120	0	35,000
	Oxford Road Car Park Retaining Wall	200,000	0	0	200,000	0
	Canal Basin Bridge Refurbishment	50,000	0	0	50,000	0
	Harbour Workboat (Port Constructor)	165,000	0	165,000	0	0
	Leisure Complex - Build Project	15,750	0	15,750	0	0
	Riverside Leisure Centre	29,000	0	29,000	0	0

Service	Scheme	Total 2024/25 Capital Programme	2024/25 Spend Quarter 3	2024/25 Forecast spend	2024/25 Budget to be Carried Forward to 2025/26 and Beyond	2024/25 Programme Variances (Under)/Over
		£	£	£	£	£
Asset Maintenance	Fire Risk Assessment Works	0	2,297	2,300	(2,300)	0
	Leisure Complex - Fit Out	442,670	0	442,670	0	0
	Riverside Sports Hall Roof	60,870	0	60,870	0	0
	Leighton Terra & KW St MSCP	0	311,897	311,900	(311,900)	0
	Civic Centre Phase 3 Roof Rep	263,380	247,676	247,680	0	(15,700)
	City Wall	85,000	3,968	85,000	0	0
	Backlog Maintenance	0	40,277	40,280	(40,280)	0
	BLRF - Clifton Hill	0	23,070	23,070	(23,070)	0
	Guildhall roof replacement	0	3,653	3,650	0	3,650
	RAMM - roof replacement	0	0	0	0	0
	Cathedral Green Display Cases	35,000	0	0	35,000	0
	Topsham Museum	242,680	95,558	242,680	0	0
	Leisure Property enhancements	1,047,440	13,977	1,047,440	0	0
	Commercial Property Ancillary Accommodation flat roof recovering	0	57,821	57,820	(57,820)	0
	RAMM Roof Repair & Insulation	711,170	638,643	711,170	0	0
	Corn Exchange Lift	50,000	0	50,000	0	0
TOTAL		15,876,740	2,689,743	8,150,300	7,714,390	(12,050)
Corporate Resources						
Commercial Assets	Bus Station Construction	207,710	54,501	207,710	0	0
	Improved Car Park Security Measures at King William Street & Arena Park	19,670	0	19,670	0	0
	Wat Tyler House - resolving ongoing water ingress with new rainwater system	0	3,100	3,100	(3,100)	0
TOTAL		227,380	57,601	230,480	(3,100)	0
People & Communities						
Digital & Data	Customer Contact Platform	161,030	0	161,030	0	0
	Annual Contribution to Strata	53,910	53,904	53,900	0	(10)
	Idox System for Planning	60,680	5,243	60,680	0	0
	Financial Management	239,040	65,902	239,040	0	0
	AV Equipment - Hybrid Meeting Rooms	48,800	5,284	48,800	0	0
	IT Replacement Programme	10,000	13,263	13,270	0	3,270
	Contact Centre Telephony	17,970	0	17,970	0	0
	Core telephony	17,970	1,123	17,970	0	0
	EUC model staff	14,370	5,184	14,370	0	0
	EUC model equipment (replacement laptops)	242,310	75,708	242,310	0	0
	Booking	17,970	0	17,970	0	0
	Sharepoint resource	21,560	30,168	30,170	0	8,610
	Chatbot	17,970	0	17,970	0	0
	Print & post review	7,190	0	7,190	0	0
	PSTN Replacement	40,370	8,924	40,370	0	0
	ECC Civic Centre HFX Door Access Replacement	85,060	7,450	85,060	0	0
	System Upgrade Cost 2012 Server replacement	3,480	104	100	3,380	0

Service	Scheme	Total 2024/25 Capital Programme	2024/25 Spend Quarter 3	2024/25 Forecast spend	2024/25 Budget to be Carried Forward to 2025/26 and Beyond	2024/25 Programme Variances (Under)/Over
		£	£	£	£	£
	GIS Cloud Migration	230	0	0	230	0
	Microsoft Purview	9,000	0	9,000	0	0
	Microsoft Power Apps	35,930	3,594	35,930	0	0
	Software Upgrade	28,750	16,419	28,750	0	0
	Sharegate	5,750	0	5,750	0	0
Housing	GF Housing Rents	160,350	0	160,350	0	0
	Disabled Facility Grants	1,580,390	1,006,306	1,580,390	0	0
TOTAL		2,880,080	1,298,577	2,888,340	3,610	11,870
Place						
City Centre & Net Zero	CCTV improvements	97,110	89,129	97,110	0	0
	Shared Prosperity Fund	178,550	179,440	179,440	0	890
	Riverside & RAMM Decarbonisation Projects	5,170,850	291,146	310,000	0	(4,860,850)
Culture & Leisure	Council Signage Improvement	9,850	10,777	10,780	0	930
	Rent - Haven Road Storage	36,040	0	36,040	0	0
	Leisure Equipment Replacement Programme	661,660	12,588	661,660	0	0
TOTAL		6,154,060	583,081	1,295,030	0	(4,859,030)
SUB TOTAL PLANNED CAPITAL PROGRAMME		25,138,260	4,629,001	12,564,150	7,714,900	(4,859,210)
APPROVED COMMITTED SCHEMES WITH EXTERNAL FACTORS THAT IMPACT ON DELIVERY TIMESCALES						
Asset Maintenance	Green Space Depot Site (Belle Isle)	2,500,000	0	0	2,500,000	0
Commercial Assets	Guildhall Shopping Centre Enhancements	5,000,000	17,648	17,650	4,982,350	0
	St Nicholas Priory Roof	88,120	0	0	88,120	0
TOTAL		7,588,120	17,648	17,650	7,570,470	0
GENERAL FUND SERVICES TOTAL		32,726,380	4,646,649	12,581,800	15,285,370	(4,859,210)

BUDGETS CARRIED FORWARD TO 2025/26 AND BEYOND

Service	Scheme	2025/26 Budget as per Budget Book/Council Approvals £	Proposed Budget to be Carried Forward to 2025/26 and Beyond £	Total 2025/26 Capital Programme £	2026/27 Budget as per Budget Book/Council Approvals £
Operations					
Environment & Waste	Waste Infrastructure		250,000	250,000	
	Improved recycling containers		50,000	50,000	
	Depot Improvement Works	1,675,000	5,500,000	7,175,000	
	Food Waste Collections		857,140	857,140	
Operations Service	Capitalised Staff Costs	150,000	0	150,000	150,000
	Bowling Green Marshes Coastal Defence Scheme	150,000	50,000	200,000	217,870
	Parks Infrastructure	99,390	132,580	231,970	
	Cemeteries & Churchyards Infrastructure Improvements	84,790	25,000	109,790	
	Bank Repairs & Stabilisation to Watercourses		19,000	19,000	
	Cricklepit Bridge	53,750	30,000	83,750	
	Trews Weir refurb	300,000	0	300,000	3,099,510
	District Street Lighting	796,140	0	796,140	
	Piazza Terracina		0	0	158,560
	Ash Die Back Tree Replacement	147,910	0	147,910	
	Bromhams Farm Playing Fields		14,480	14,480	
	Longbrook Street wall behind 30-38		5,000	5,000	
	Farm Hill Retaining Walls (23 no.)	646,040	115,000	761,040	
	Bonhay Rd/Andlaw House Footpath		69,810	69,810	
	St James' Weir & Ducks Marsh Meadow banks		75,000	75,000	
	Heavitree Paddling Pools		500,000	500,000	
	Play Areas	200,000	0	200,000	166,900
	Landfill Gas Extraction Systems	159,350	46,750	206,100	
	Mincinglake Valley Park Reed Beds & Pipe Inlet	131,510	25,000	156,510	
	ECC Bridge Repair Programme	200,000	100,000	300,000	200,000
	Oxford Road Car Park Retaining Wall		200,000	200,000	
	Canal Basin Bridge Refurbishment		50,000	50,000	
	Outdoor Leisure Facilities - Newcourt	121,270	0	121,270	
	Riverside Walls at Quay	50,000	0	50,000	
Asset Maintenance	Leisure Complex - Build Project	650,000	0	650,000	
	Civic Centre Air Conditioning Replacement	25,000	0	25,000	
	Fire Risk Assessment Works	1,626,810	(2,300)	1,624,510	
	Exmouth Buoy Store	212,720	0	212,720	
	Guildhall MSCP	883,400	0	883,400	
	John Lewis MSCP	357,760	0	357,760	
	Princesshay 2 MSCP	424,400	0	424,400	
	Leighton Terra & KW St MSCP	618,000	(311,900)	306,100	
	City Wall	477,740	0	477,740	
	Backlog Maintenance	530,030	(40,280)	489,750	
	BLRF - Exeter Canal Basin	591,240	0	591,240	
	BLRF - Mary Arches Car Park	1,289,460	0	1,289,460	

Service	Scheme	2025/26 Budget as per Budget Book/Council Approvals	Proposed Budget to be Carried Forward to 2025/26 and Beyond	Total 2025/26 Capital Programme	2026/27 Budget as per Budget Book/Council Approvals
		£	£	£	£
	BLRF - Belle Isle	663,940	0	663,940	
	BLRF - Clifton Hill	225,000	(23,070)	201,930	
	BLRF - Lower Wear Road	293,390	0	293,390	
	Cathedral Green Display Cases		35,000	35,000	
	Leisure Property enhancements	1,000,000	0	1,000,000	
	Commercial Property Ancillary Accommodation flat roof recovering	104,540	(57,820)	46,720	
TOTAL		14,938,580	7,714,390	22,652,970	3,992,840
Corporate Resources					
Commercial Assets	Wat Tyler House - resolving ongoing water ingress with new rainwater	272,270	(3,100)	269,170	
	Commercial Properties - capital improvements to enable ongoing income (compliance with EPC legislation)	120,000	0	120,000	
TOTAL		392,270	(3,100)	389,170	0
People & Communities					
	Annual Contribution to Strata	53,910	0	53,910	53,910
	Datacentre Relocation	35,940	0	35,940	
	NCSC Zero Trust	53,910	0	53,910	
	IT Replacement Programme	10,000	0	10,000	10,000
	EUC model equipment (replacement laptops)	150,000	0	150,000	150,000
Housing	Disabled Facility Grants	800,000	0	800,000	800,000
TOTAL		1,103,760	3,610	1,107,370	1,013,910
Place					
City Centre & Net Zero	Riverside & RAMM Decarbonisation Projects	900,150	0	900,150	
	Leisure Equipment Replacement Programme	100,000	0	100,000	100,000
Culture & Leisure	Pinhoe Community Hub	1,276,470	0	1,276,470	
TOTAL		2,276,620	0	2,276,620	100,000
SUB TOTAL PLANNED CAPITAL PROGRAMME		18,711,230	7,714,900	26,426,130	5,106,750
APPROVED COMMITTED SCHEMES WITH EXTERNAL FACTORS THAT IMPACT ON DELIVERY TIMESCALES					
Asset Maintenance	Green Space Depot Site (Belle Isle)	375,970	2,500,000	2,875,970	
Commercial Assets	Guildhall Shopping Centre Enhancements	5,884,280	4,982,350	10,866,630	
	St Nicholas Priory Roof		88,120	88,120	
TOTAL		6,260,250	7,570,470	13,830,720	0
GENERAL FUND SERVICES TOTAL		24,971,480	15,285,370	40,256,850	5,106,750

GENERAL FUND AVAILABLE RESOURCES

GENERAL FUND	2024-25 £	2025-26 £	2026-27 £	FUTURE YEARS £	TOTAL £
CAPITAL RESOURCES AVAILABLE					
Capital Receipts Brought Forward	851				851
GF Capital Receipts	1,400,713	7,000,000	0	0	8,400,713
Revenue Contributions to Capital Outlay	163,470	88,756	0	0	252,226
Disabled Facility Grant	1,580,390	800,000	800,000	800,000	3,980,390
Community Infrastructure Levy	1,077,389	7,626,024	166,904	0	8,870,317
Other - Grants/External Funding/Reserves/S106	1,281,800	4,702,140	767,380	0	6,751,320
Total Resources Available	5,504,613	20,216,920	1,734,284	800,000	28,255,817
GENERAL FUND CAPITAL PROGRAMME					
Capital Programme	32,726,380	24,971,480	5,106,750	1,263,910	64,068,520
Overspends/(Savings)	(4,859,210)				(4,859,210)
Slippage	(15,285,370)	15,285,370			0
Total General Fund	12,581,800	40,256,850	5,106,750	1,263,910	59,209,310

UNCOMMITTED CAPITAL RESOURCES:					
Capital Receipts Brought Forward	851	100,100	5,896,590	5,582,680	851
Resources in Year	5,503,762	20,216,920	1,734,284	800,000	28,254,966
Less Capital Receipts used to finance past debt	(648,958)	0	0	0	(648,958)
Less Capital Receipts to carry forward	(100,100)	(5,896,590)	(5,582,680)	(5,479,413)	(5,479,413)
Less Spend in Year	(12,581,800)	(40,256,850)	(5,106,750)	(1,263,910)	(59,209,310)
Borrowing Requirement	7,826,245	25,836,420	3,058,556	360,643	37,081,864

REPORT TO COUNCIL

Date of Meeting: 25th February 2025

Report of: Strategic Director Corporate Resources

Title: 2024/25 HRA Budget Monitoring Report – Quarter 3

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

To advise Members of the financial position of the HRA Revenue and Capital Budgets for the 2024/25 financial year after nine months.

In addition to the budgetary over/under-spends reported to this committee, Appendix 1 also highlights areas of risk, so that Members are aware that certain budgets have been identified as being vulnerable to factors beyond the control of the Council, which may result in potential deviations from budget, and are therefore subject to close monitoring by officers.

2. Recommendations:

2.1. It is recommended that Council notes and approves (where applicable):

- The HRA forecast financial position for 2024/25 financial year.
- The revision of the HRA Capital Programme to reflect the reported variations detailed in Appendix 4.

3. Reasons for the recommendation:

3.1. To formally note the HRA's projected financial position and to approve the reported variations to the HRA Capital Programme.

The Housing Revenue Account is a statutory account and local housing authorities have a duty to keep a HRA in accordance with proper accounting practices and to review the account throughout the year. Members are presented with a quarterly financial update in respect of the HRA and this is the third update for 2024/25.

4. What are the resource implications including non-financial resources:

4.1. The financial resources required to deliver both housing services to Council tenants and to invest in new and existing housing stock during 2024/25 are set out in the body of this report.

The impact on the HRA's available financial resources are set out in Appendix 3.

5. Section 151 Officer comments:

- 5.1. There are no significant changes to the financial position of the HRA to report. The capital programme shows continued progress in being delivered this financial year.

6. What are the legal aspects?

6.1. The statutory requirement for a Housing Revenue Account (HRA) is set out in Part VI of the Local Government and Housing Act 1989. Section 74 of the Act sets out the duty to keep a Housing Revenue Account as a ring-fenced fund and sets out the structure within which the HRA operates. Part VI of the Act sets out the detailed statutory provisions on the operation of the HRA, including credits to the account (income) and debits to the account (expenditure). Section 76 sets out the duty to prevent a debit balance on the HRA. The authority must implement proposals that will secure that the account for each financial year will not show a debit balance. Members will also note the provisions of Schedule 4 of the Act which sets out the requirements concerning 'The Keeping of the Housing Revenue Account'.

7. Monitoring Officer Comments:

- 7.1. As set out in the introduction to this report, Members will note the budgetary over/under-spends and will particularly note the areas of risk set out at Appendix 1 to this report. Members will be alert to the fact that certain budgets have been identified as potentially resulting in deviations from budget. This report makes it clear that these budgets will be subject to close monitoring by officers. The key issue is that the authority must ensure that the HRA for the financial year does not show a debit balance.

8. Report Details:

HRA BUDGET MONITORING – QUARTER 3

8.1. Background to the HRA

The HRA records expenditure and income relating to council dwellings and the provision of services to tenants. Housing authorities have a statutory duty to maintain a HRA account, which is primarily a landlord account, in order to account to their tenants for income and expenditure on council housing separately from other functions and services of the Council. This includes tenancy management, repairs and maintenance, council house building and council house retrofits.

8.2. Projected transfer from the working balance

	£
Approved Budgeted transfer from the working balance	208,360*
Supplementary budgets – Council approved 16th July 2024	50,000
Virement - Council approved 15th October 2024	23,828
Revised Budgeted transfer from the working balance	282,188

*2024/25 Approved Budget Represented By	£
85A1 MANAGEMENT	2,114,770
85A11 EDWARDS COURT	(131,410)
85A2 TENANCY SERVICES	1,863,110
85A3 SUNDRY LANDS MAINTENANCE	507,430
85A4 REPAIR & MAINTENANCE PROGRAMME	7,062,000
85A5 REVENUE CONTRIB TO CAPITAL	2,500,000
85A6 CAPITAL CHARGES	3,745,650
85A7 HOUSING ASSETS	2,709,130
85A8 RENTS	(21,633,420)
85B2 INTEREST	1,471,100
85B4 MOVEMENT TO/(FROM) WORKING BALANCE	(208,360)

The HRA has working balances of £5,669,065 as at 31st March 2024. This is higher than the £3.525 million contingency resolved to be retained.

The revised budget deficit position of £282,188 for 2024/25 includes a revenue contribution of £2.5 million to capital.

8.3. Revenue Monitoring

The budget variances anticipated at Quarter 3 indicate that £1,600,378 will be taken from the working balance in 2024/25 – See appendix 2. This represents a movement of £37,260 compared to the projected outturn at Quarter 2. Variances of +/- £30,000 are detailed below:

Budget Heading	Forecast Outturn Budget Variance (Under) / Overspend	
	Quarter 2	Quarter 3
Management	(£3,490)	£70,210
Officer Responsible: Head of Housing <ul style="list-style-type: none"> There is a projected overspend of £107k on general HRA overhead costs largely due to increased decant costs and empty property charges relating to Rennes. This is partly offset by a (£37k) saving on Older Persons' Accommodation utilities being lower than budgeted and replacement Home Call alarms being sourced from another local authority. 		
Tenancy Services	£3,060	(£63,440)
Officer Responsible: Head of Housing		

<ul style="list-style-type: none"> There is a £63k projected saving in this budget as a result of the re-structure and vacancies within the team, and an increase in the number of Right-to-Buy applications. 		
Housing Assets	(£14,590)	£45,410
Officer Responsible: Head of Asset Maintenance <ul style="list-style-type: none"> There are savings of (£15k) as a result of the organisational re-structure, and projected additional pressures of £60k on the budget for consultancy fees. 		
Repairs and Maintenance Programme	£1,448,100	£1,444,160
Officer Responsible: Head of Asset Maintenance <ul style="list-style-type: none"> General Maintenance £500k – the response budget is experiencing high demand with the projected overspend being in part due to an increase in stock condition surveys highlighting issues which need to be addressed. The service is also experiencing larger numbers of tenants transferring from/to properties which have had major repairs refused previously and this necessitates increased investment and corresponding repairs. Additionally, the service is receiving requests for more expensive works, including roofing and window repairs which whilst extensive, do not qualify as capital investment so the costs for such fall to this budget area. The projection has been revised down by £200k since the Quarter 2 report to offset an increase in the pressures on the voids budget Damp and Mould £300k – a separate budget of £100k has been set aside for damp and mould monitoring and works. Whilst in the past 2 years this has been sufficient to cope with required interventions, we are experiencing increased demand as a result of intensive pro-active surveying (from all staff or contractors visiting properties). Consequently, spend to the end of Qtr 3 is 230% of the budget. It is anticipated that measures taken to date should help address existing issues experienced by tenants, however problems can recur, and the last quarter of the year is likely to see higher pressures. Service contracts £100k – following changes in compliance legislation, there is pressure on the fire risk assessment and fire door inspection and maintenance contracts due to increased testing requirements and frequencies, and the start of a new contract which had been previously delayed. A separate budget for radon testing has been created and funded from managed savings in other contract areas. There has been little spend on the mechanical heating maintenance programme during the year so there are savings in this area, however the programme is being re-started and then will be done six monthly. A £60k saving has been identified on boiler repairs and maintenance costs. Repairs to void properties £600k – there has been continued pressure on the voids budget throughout autumn and winter, which includes a number of properties with a significant amount of work required before re-letting. We are finding more properties in these conditions, that have had elderly tenants who it seems have not pushed for repairs and have declined upgrade work as they felt it would be too much disruption. Projected savings in Re-pointing (£70k) and planned Asbestos surveys (£30k) will partly offset the increases elsewhere within Repairs and Maintenance. 		

<ul style="list-style-type: none"> The Communal decorations budget is currently forecast to be £45k overspent as improvements are planned for communal internal areas before year end. 		
Interest	(£140,800)	(£166,800)
Officers Responsible: Heads of Service – Housing & Asset Maintenance <ul style="list-style-type: none"> The budget includes interest cost for additional £3.9m approved borrowing. To date this has been funded internally and no external borrowing has been arranged, resulting in a saving in interest and repayment costs in the year. Interest receivable on balances is likely to be less than originally budgeted, but have remained at higher rates than anticipated in Quarter 2. 		
Total budget (underspend)/overspend	£1,280,930	£1,318,190
2024/25 HRA Deficit / (Surplus)	£1,563,118	£1,600,378

8.4. Impact on HRA Working Balance

The HRA Working Balance represents amounts set aside to help facilitate service improvements, repay debt or to provide investment in the stock in future financial years. The forecast balance, as at 31 March 2025, is set out below:

Movement	2024/25
Opening HRA Working Balance, as at 1 April 2024	£5,669,065
Forecast transfer (from) / to the working balance for 2024/25	(£1,600,378)
Balance resolved to be retained (HRA contingency)	(£3,525,000)
Forecast Balance Available, as at 31 March 2025	£543,687

The transfer from the working balance anticipated for 2024/25 brings the working balance as at 31 March 2025 close to the HRA balance resolved to be retained of £3.525m.

8.5. HRA Available Resources over the Medium Term

The forecast HRA available resources for delivering both housing services and capital investment are set out in Appendix 3 for the period to 2027/28.

The total available resources are made up of several reserve balances; the HRA working balance, the Useable Capital Receipts reserve and the Major Repairs Reserve.

The HRA working balance is the movement on revenue budgets, contributions can be made from this reserve towards financing capital budgets in the form of 'Revenue Contributions to Capital'. The useable capital receipts reserve is made up of both the Right-to-Buy (RTB) receipts reserve and the non-RTB receipts reserve; these reserves are available to finance capital spend, some restrictions apply. The Major Repairs Reserve is increased each year by the HRA depreciation charge to revenue, this reserve is then available to spend on the HRA capital programme.

The total forecast HRA available resources is impacted by variances in both revenue budgets detailed in section 8.3 above and variances in capital budgets detailed in section 8.7 below.

The forecast total available resources over the Medium-Term Financial Plan (MTFP) have reduced by £323,379 since last reported at 2024/25 Quarter 2.

Total available reserves over the MTFP are now expected to be £2,244,652 after deducting the £3.525 million balance resolved to be retained (HRA contingency).

8.6. HRA Debt

In October 2018 the Government formally removed the HRA debt cap, which restricted the amount of borrowing stock-holding local authorities could have for the purposes of the HRA. The lifting of the 'debt cap' means that local authorities are now able to borrow for housebuilding in accordance with the Prudential Code.

Executive on 8 October 2019 approved the first Council House Building Programme to deliver 100 new homes into the HRA at a cost of £18 million. On 5 April 2020, the Council took out a loan of £15.36 million from the PWLB to support this programme, with the remaining £2.64 million to be funded by capital receipts.

As at 31 March 2024, the HRA's borrowing stood at £73.242 million. The total of the £15.360 million new loan and the former 'debt cap' level of £57.882 million. The HRA currently has approval to borrow a further £7.7 million, this has been deferred but will likely be required in the next two years.

8.7. HRA Capital Programme

The 2024/25 HRA Capital Programme was last reported to Council on 17th December 2024. Since that meeting the following changes have been made that have increased the 2024/25 programme.

Description	2024/25	Approval / Funding
HRA Capital Programme	£23,269,646	
LAHF round 3 – properties to be added to Housing stock	£891,000	Council 16 th July
Q2 programme variances	(£594,584)	Council 17 th December
Revised HRA Capital Programme	£23,566,062	

The current approved HRA Capital Programme is detailed in Appendix 4. The appendix shows a total forecast spend in 24/25 of £23,778,676.

The details of key (greater than +/- £50k) variances from budget are set out below.

Scheme	Overspend / (Underspend)
Communal Door Entry Systems	£112,600
Fire Safety Storage Facilities	(£108,464)
Structural Repairs	£253,018
Social Housing Acquisitions	(£116,323)
Hamlin Gardens	£95,945

Officer Responsible: Head of Asset Maintenance

- It has been necessary during the year to replace or upgrade a number of communal door entry systems which were beyond repair, there was no budget originally planned for this and the cost is likely to be £113k.
- The common area footpath budget is projected to underspend by (£108k) as some projects in the year have cost less than originally costed.
- Structural Repairs - additional works which were not originally planned for have been identified during the retrofit programme which need addressing.
- Social Housing Acquisitions – there is a balance of £116k of this carried forward budget which is unlikely to be sufficient to purchase a property but can offset overspends in other areas.
- Hamlin Gardens – no further spend is expected in 24/25, however the change to older persons' accommodation has resulted in £96k further unplanned costs for bathroom changes and scooter stores. In addition a retention payment of £75k will be required in November 2025.

Historic Council own build Final Accounts to 31 March 2025

The Council's own build properties at Rowan House and Knights Place form part of the overall Housing Revenue Account, but separate income and expenditure budgets are maintained in order to ensure that they are self-financing.

As the 21 units were built using HCA funding in conjunction with borrowing (£998k), they are accounted for separately in order to ensure that they are self-financing. A separate COB working balance and Major Repairs Reserve are maintained until such time as a sufficient balance has been accumulated to repay the debt attributable to these properties, at which point the units can be accounted for with the wider HRA stock.

Key Variances from Budget

The capital charges will be £330 lower than budgeted, and salary costs are projected to reduce by £380 as a result of the Senior Management Board re-structure. This will reduce the projected transfer from working balance to £15,420 during 2024/25.

9. How does the decision contribute to the Council's Corporate Plan?

The Housing Revenue Account contributes to a key purpose, as set out in the Corporate Plan; Building great neighbourhoods.

10. What risks are there and how can they be reduced?

For clarity, these are specific financial risks, alongside the risks captured in the corporate risk register.

It is not permissible for the HRA to go into an overall financial deficit position, it is therefore important to ensure that an adequate level of HRA balances is maintained as a contingency against risks. The HRA resolve to retain a working balance at no less than £4 million to mitigate against financial risks.

Areas of budgetary risk are highlighted to committee as part of the quarterly budget monitoring updates.

11. Equality Act 2010 (The Act)

11.1. Under the Act's Public Sector Equality Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2. In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3. In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4. In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because there are no significant equality and diversity impacts associated with this decision.

12. Carbon Footprint (Environmental) Implications:

We are working towards the Council's commitment to carbon neutral by 2030. The impact of each scheme is considered prior to approval.

13. Are there any other options?

None.

Strategic Director Corporate Resources, David Hodgson

Author: Claire Hodgson

Local Government (Access to Information) Act 1972 (as amended)




Background papers used in compiling this report:-

None




Contact for enquires:
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A number of areas of budgetary risk have been identified within the HRA, as follows:

Budget Title	2024/25 Approved Budget	Risk Rating	Risk and mitigation
General Maintenance	£2,545,320 (revenue)		<p>The volatility of the level of requested repairs due to factors beyond the control of the Council, for example adverse weather conditions, represents a budgetary risk. The impact of property inspections undertaken by the Tenancy Services Team may also lead to the identification of additional repairs. This budget includes spend on damp and mould. Spend to month 9 is ahead of profile and will be closely monitored for the rest of the year, however at this point an £800k overspend is projected.</p> <p>Mitigation measures include contract meetings with the Contractor which include budget review and work in progress updates. Other supporting measures include weekly Surveyors meetings to highlight repair demand pressures.</p>
Repairs to Void Properties	£1,346,000 (revenue)		<p>Property turnover and the varying condition of properties when returned to the Council represent a budgetary risk. As at Quarter 3 spend has increased compared with the budget profile.</p> <p>Mitigation includes property inspections by Housing Officers which highlight sub-standard property conditions wherever possible and are an early alert to issues.</p>
Rental Income from Dwellings	(£21,633,420) (revenue)		<p>Right to Buy sales, number of new tenancies set at convergence rent levels, number of days lost through major works, rent lost in respect of void properties and the decant of Rennes House all impact on the annual rental income.</p> <p>Rental income after the first 6 months is broadly in line with profile.</p>

Risk Rating:

	Potential for a favourable variance compared to the budget or no variance at all
	Potential for adverse budgetary variance of between 0% and 5% that will be kept under review
	Potential for an adverse budgetary variance of more than 5% and will be monitored closely

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HOUSING REVENUE ACCOUNTS BUDGET MONITORING 2024-25

APPENDIX 2

QUARTER 3

ACTUAL TO DATE			SERVICE	YEAR END FORECAST					2023/24 ACTUAL
PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE		APPROVED BUDGET	Q1 FORECAST VARIANCE	Q2 FORECAST VARIANCE	Q3 FORECAST VARIANCE	CURRENT OUTTURN FORECAST	
£	£	£		£	£	£	£	£	£
PEOPLE & COMMUNITIES - HRA HOUSING									
206,363	102,403	(103,960)	RESIDENT INVOLVEMENT	315,980	0	(380)	(380)	315,600	175,748
929,975	1,131,320	201,345	MANAGEMENT	1,798,790	0	(3,490)	70,210	1,869,000	1,673,019
(87,945)	(291,486)	(203,541)	EDWARDS COURT	(131,410)	10,000	10,000	10,000	(121,410)	(187,740)
1,399,605	1,214,859	(184,746)	TENANCY SERVICES	1,886,938	6,500	3,060	(63,440)	1,823,498	1,441,789
(17,126,458)	(17,402,270)	(275,813)	RENTS	(21,633,420)	0	0	0	(21,633,420)	(21,037,638)
HRA ASSET MAINTENANCE									
2,226,000	2,977,706	751,706	- GENERAL MAINTENANCE	2,545,320	1,000,000	1,000,000	800,000	3,345,320	3,069,622
1,009,500	1,635,402	625,902	- REPAIRS TO VOID PROPERTIES	1,346,000	0	400,000	600,000	1,946,000	2,010,534
1,036,080	960,869	(75,211)	- SERVICE CONTRACTS	1,278,440	187,000	149,000	99,850	1,378,290	1,107,003
1,419,180	1,499,900	80,720	- OTHER	1,942,240	0	(100,900)	(55,690)	1,886,550	1,703,372
5,690,760	7,073,877	1,383,117	REPAIRS & MAINTENANCE PROGRAMME	7,112,000	1,187,000	1,448,100	1,444,160	8,556,160	7,890,531
460,635	190,908	(269,727)	SUNDRY LAND MAINTENANCE	507,430	0	0	0	507,430	501,224
0	0	0	REVENUE CONTRIBUTION TO CAPITAL	2,500,000	0	0	0	2,500,000	4,000,000
0	0	0	CAPITAL CHARGES	3,745,650	(20,970)	(20,970)	(20,970)	3,724,680	3,745,646
1,768,123	1,812,384	44,261	HOUSING ASSETS	2,709,130	0	(14,590)	45,410	2,754,540	2,686,495
1,103,325	1,076,138	(27,187)	INTEREST	1,471,100	(175,800)	(140,800)	(166,800)	1,304,300	684,966
			MOVEMENT TO/(FROM) WORKING BALANCE	(282,188)	(1,006,730)	(1,280,930)	(1,318,190)	(1,600,378)	(1,574,040)
			Net Expenditure	0	0	0	0	0	0
Working Balance 1 April 2024				5,669,065	31 March 2025		4,068,687		

COUNCIL OWN BUILD SITES

PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	SERVICE	APPROVED BUDGET	Q1 FORECAST VARIANCE	Q2 FORECAST VARIANCE	Q3 FORECAST VARIANCE	CURRENT OUTTURN FORECAST	2023/24 ACTUAL
£	£	£		£	£	£	£	£	£
73,560	54,150	(19,410)	MANAGEMENT	98,080	0	(380)	(380)	97,700	82,789
(10,450)	(11,708)	(1,258)	ROWAN HOUSE	(13,200)	0	0	0	(13,200)	(13,834)
(62,304)	(70,987)	(8,683)	KNIGHTS PLACE	(78,700)	0	0	0	(78,700)	(82,705)
0	0	0	INTEREST	(7,510)	0	0	0	(7,510)	(13,532)
0	0	0	CAPITAL CHARGES	17,460	(330)	(330)	(330)	17,130	17,456
			MOVEMENT TO/(FROM) WORKING BALANCE	(16,130)	330	710	710	(15,420)	9,826
			Net Expenditure	0	0	0	0	0	0
Working Balance 1 April 2024				322,144	31 March 2025		306,724		

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APPENDIX 3

HRA AVAILABLE RESOURCES 24/25 Qtr 3

HOUSING REVENUE ACCOUNT	2024-25 £	2025-26 £	2026-27 £	2027-28 £	TOTAL £
CAPITAL RESOURCES AVAILABLE					
Usable Receipts Brought Forward					7,745,744
Major Repairs Reserve Brought Forward					12,455,749
Other HRA Sales	234,000	1,266,000	0	0	1,500,000
RTB sales	1,600,000	875,000	0	0	2,475,000
Surrender back to DLUHC - pending investment in replacement affordable housing				0	
Major Repairs Reserve	3,724,680	3,724,680	3,724,680	3,724,680	14,898,720
Revenue Contributions to Capital	2,500,000	2,900,000	2,925,000	3,200,000	11,525,000
Grant and external contributions	1,554,500				1,554,500
Local Authority Housing Fund s106	315,803				315,803
Social Housing Decarbonisation Fund	833,102				833,102
Commutated sums	0				0
Borrowing	0	7,748,380			7,748,380
Total Resources available	10,762,085	16,514,060	6,649,680	6,924,680	61,051,998
CAPITAL PROGRAMME					
HRA Capital Programme	24,703,891	10,758,111	10,767,358	10,087,896	56,317,256
Q1 - Slippage / Re-profiling	(1,369,190)	1,369,190	0	0	0
Q1 - Overspends / (Savings)	(115,055)				(115,055)
Q2 - Slippage / Re-profiling	(29,905)	29,905			0
Q2 - Overspends / (Savings)	(564,679)	750,000	(250,000)	(250,000)	(314,679)
Q3 - Slippage / Re-profiling					0
Q3 - Overspends / (Savings)	212,614	75,000			287,614
Laings approval	50,000	2,150,000			2,200,000
LAHF Round 3	891,000				891,000
Total Housing Revenue Account	23,778,676	15,132,206	10,517,358	9,837,896	59,266,136
UNCOMMITTED CAPITAL RESOURCES:					
Usable Receipts Brought Forward	7,745,744	1,823,164	2,154,726	1,904,726	7,745,744
Major Repairs Reserve Brought Forward	12,455,749	5,361,738	6,412,030	2,794,352	12,455,749
Resources in Year	10,762,085	16,514,060	6,649,680	6,924,680	40,850,505
Less Estimated Spend	(23,778,676)	(15,132,206)	(10,517,358)	(9,837,896)	(59,266,136)
Uncommitted Capital Resources	7,184,902	8,566,756	4,699,078	1,785,862	1,785,862
WORKING BALANCE RESOURCES:					
Balance Brought Forward	5,669,065	4,068,687	3,962,118	3,947,167	5,669,065
HRA Balance Transfer - to/(from) Working Balance	(282,188)	(106,569)	(14,951)	36,623	(367,085)
Q1 forecast under/(over)spend 2024-25	(1,006,730)				(1,006,730)
Q2 forecast under/(over)spend 2024-25	(274,200)				(274,200)
Q3 forecast under/(over)spend 2024-25	(37,260)				(37,260)
Balance Carried Forward	4,068,687	3,962,118	3,947,167	3,983,790	3,983,790
Balance Resolved to be Retained	(3,525,000)	(3,525,000)	(3,525,000)	(3,525,000)	(3,525,000)
Uncommitted HRA Working Balance (after balance resolved to be retained of £4m)	543,687	437,118	422,167	458,790	458,790
TOTAL AVAILABLE CAPITAL RESOURCES (after balance resolved to be retained of £4m)	7,728,589	9,003,874	5,121,245	2,244,652	2,244,652

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**2024-25
CAPITAL MONITORING - QUARTER 3**

	2024-25 Capital Programme	2024-25 Spend	2024-25 Forecast Spend	2024-25 Budget to be Carried Forward to Future Years	TO 2025-26	TO 2026-27	TO 2027-28	2024-25 Programme Variances Under ()
	£	£	£	£	£	£	£	£
HRA CAPITAL								
EVERYONE HAS A HOME								
Adaptations	965,164	619,585	965,164					-
Balcony Walkway Improvements	531,250	80,223	531,250					-
Bathroom Replacements (inc. Communal)	750,000	531,013	750,000					-
Boiler Replacement Programme & Central Heating	1,016,723	755,499	1,016,723					-
Common Area Footpath & Wall Improvements	198,000	125,322	152,445				-	45,555
Communal Area Improvements - New Flooring	56,410	60,096	60,096					3,686
Communal Door and Screen Replacements	159,570	128,611	159,570					-
Door Replacements (inc. Outbuildings)	457,090	379,116	457,090					-
Communal Door Entry System	0	87,600	112,600					112,600
Electrical Central Heating	12,000	14,091	14,091					2,091
Electrical Rewires - Communal	199,709	119,647	199,709					-
Electrical Rewires - Domestic	1,049,265	622,712	1,049,265					-
Energy Conservation	2,479,580	1,631,518	2,479,580					-
Fire Risk Assessment Works - Compliance	802,706	81,607	802,706					-
Fire Risk Assessment Works - Planned	333,340	141,325	333,340					-
Fire Safety Storage Facilities	109,462	998	998				-	108,464
Kitchen Replacements (inc. Communal)	1,359,762	1,173,367	1,359,762					-
LAINGS Refurbishments	350,000	336,087	350,000					-
Lift Upgrades	237,400	61,575	237,400					-
Reroofing - Flats	846,350	299,273	846,350					-
Reroofing - Houses (outbuildings, chimney, gutters, downpipes, fascia)	603,640	633,057	633,057					29,417
Porch Canopies	103,924	16,910	103,924					-
Rennes House	100,000	32,870	100,000					-
Soil Vent Pipe Replacement	18,487	4,686	4,686				-	13,801
Structural Repairs	734,290	987,308	987,308					253,018
Window Replacements	1,240,050	1,033,617	1,240,050					-
Plastering	225,000	135,558	225,000					-
HOUSING REVENUE ACCOUNT TOTAL	14,939,172	10,093,274	15,172,164	0	0	0	0	232,992
COUNCIL OWN BUILD CAPITAL								
Social Housing Acquisitions - Open Market	466,323	350,000	350,000				-	116,323
St Loyes Extracare Scheme	19,739	9,087	19,739					-
Local Authority Housing Fund	909,778	18,778	909,778					-
Council House Building Programme - Bovemoors Lane	32,345	17,740	32,345					-
Council House Building Programme - Hamlin Gardens	1,297,618	1,393,563	1,393,563					95,945
Council House Building Programme - Vaughan Road Phase A	4,430,672	3,526,141	4,430,672					-
Council House Building Programme - Vaughan Road Phases B and C	1,470,415		1,470,415					-
COUNCIL OWN BUILD TOTAL	8,626,890	5,315,310	8,606,512	0	0	0	0	(20,378)
OVERALL HOUSING REVENUE ACCOUNT TOTAL	23,566,062	15,408,583	23,778,676	0	0	0	0	212,614

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