

## **REPORT TO EXECUTIVE**

Date of Meeting: 7 February 2023

## **REPORT TO COUNCIL**

Date of Meeting: 21 February 2023

Report of: Director Finance

Title: General Fund / HRA Estimates and Capital Programme 2023/24

### **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 2023/24 and to recommend the Band D level of Council Tax for 2023/24. This report also includes the proposed Capital Programme for 2023/24 and future years, and the proposals in respect of the Housing Revenue Account.

### **2. Recommendations:**

2.1 It is recommended that:

2.1.1 The Council's overall spending proposals in respect of its revenue and capital budgets are recommended to Council for approval;

2.1.2 The Council Tax for each Band be recommended to the Council as set out in section 8.19.3 subject to Devon County Council, OPCC Devon and Cornwall and the Devon and Somerset Fire Authority confirming their Band D levels respectively; and

2.1.3 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 21 February 2023 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 The report sets out the proposed budgets for 2023/24. Details of the resource implications are set out in section 8.

## **5. Section 151 Officer comments:**

5.1 The proposed budget will achieve the requirement to maintain a minimum balance in excess of £3 million. Significant work has been undertaken to deliver substantial reductions and additional income to deliver a balanced budget in the face of unprecedented cost pressures. It is imperative that Members maintain a strong financial discipline to ensure that the reductions already proposed are delivered and that additional reductions are identified to deliver a balanced medium term financial plan.

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. This is a substantially reduced, but still significant capital programme, which targets the highest risk projects to protect the Council.

5.4 The report also sets out the proposed HRA income and expenditure for 2022/23. There is a budgeted deficit of £2.542 million, which is in line with the HRA's medium Term Financial Plan. The budgeted deficit takes the HRA very close to its minimum level of reserves and therefore care must be taken in managing the budget over the next few years.

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 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. There is still much work to do.

## **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 S.151 officer to report on the adequacy of the Council's financial resource.

7.2 The Monitoring officers comments are intended to assist all members of the Council in consideration of the complex legal background to their budgetary and Council Tax decisions and in particular 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 tax payers.

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 so would be a resolution to set a Council tax which deliberately did not balance the budget.

7.5 When making a decision, councillors are reminded of the obligation to act reasonably and in accordance with the principals set down in the Wednesbury case. This means that councillors are required to take into account 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 is more difficult to define but can be summarised as a duty to conduct administration in a business-like manner with reasonable care, skill and caution and with due regards 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 S.151 officer has given very clear advice in paragraphs 5.5 and 5.6 above. 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.

## **8. Report details:**

### 8.1 Local Government Finance Settlement 2023/24

#### 8.1.1 *1 year Settlement with a hint towards the following year*

In terms of the settlement, whilst the figures announced were for one year only some information was provided in respect of 2024/25, however, this is not enough to provide absolute certainty. The Lower Tier Services Grant has been abolished and replaced by a Funding Guarantee Grant of which Exeter has received £0.849 million. In addition, the Services Grant has also been included and Exeter has been awarded £0.160m, with the funding to offset the increase in National Insurance contributions as part of the introduction of the new Health & Social Care Levy removed following the abolition of the increase.

The provisional settlement for 2023/24 was announced in late December (Appendix 1) and the figures in the Medium Term Financial Plan have been updated. Exeter's Core Spending Power has increased by 4.5% as compared to a 9.1% rise on average for Local Government as a whole. Much of the increase in funding nationally relates to specific Grants related to Social Care (Appendix 2).

### 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 place in this Parliament and it has therefore been removed from the medium term financial plan. This is positive news for Exeter as we benefit from being significantly above our baseline needs. The review is now not expected to be implemented until 2026/27 at the earliest, although given the complexity involved there is a strong chance that this will also be an optimistic timetable.

### 8.3 Council Tax

8.3.1 The referendum threshold has been increased this year to the higher of a less than 3% or £5 increase for District Councils. The medium term financial plan has been updated to reflect this change. 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 £86,793 and increase in the taxbase will raise an extra £369,622. The medium term financial plan has been updated to reflect an assumption that this level of Council Tax will continue in the medium term.

### 8.4 Key Assumptions

8.4.1 An overall allowance of £4.415m has been set aside for inflation. This includes a catch up to reflect the higher pay award in 2022-23 and the significant increase in energy prices for next year. The inflationary increases allowed in the budget are:

Pay Award	3.0%
Pay – Increments	0.5%
Electricity	98.0%
Gas	158.0%
Oil	2.5%
Water	0.0%
Insurance	12.0%
Rates	2.5%
Fuel	3.0%
General Inflation	0.0%
Income (excluding Car Parks)	10.0%

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 inflation has been increased to 3% across the Medium Term Financial Plan 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.

### 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. The accompanying report in respect of the One Exeter cost reductions includes an EQIA, which underpins the proposals in this budget.

## 8.7 New Homes Bonus

8.7.1 The Government have indicated that whilst New Homes Bonus will be payable again this year, like last year, the 2023/24 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 £0.672 million for 2023/24. A new proposal to replace New Homes Bonus is expected to be announced in the New Year.

8.7.2 To date the Council has received New Homes Bonus of £29.627 million over the period 2011/12 to 2023/24. It is proposed to use this year's allocation to support the revenue budget in its entirety:-

Year	Top Slice (revenue) £000's	Community Projects £000's	Major Projects /Debt Reduction £000's	Unused / Projects £000's	Revenue £000's	Total £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
<b>Total</b>	<b>1,017</b>	<b>2,008</b>	<b>14,305</b>	<b>3,028</b>	<b>9,269</b>	<b>29,627</b>

## 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 2024/25 to 2026/27 to fully address the additional spending pressures. The proposed budget for 2023/24 makes use of one off reserves totalling £2.386 million, which will need to be addressed in future years. The reductions required total £5.287 million, of which proposals covering £2.137 million have been identified. The reset of business rates and impact of the formula funding review have been removed pending further clarity on the timing of their implementation

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, and additional borrowing and revenue costs in respect of any new capital programme commitments. There is also the possibility that some of the significant cost pressures accounted for in this budget will reduce over the life of the medium term financial plan, most notably energy costs, which are currently reducing from the highs seen this winter.

8.8.3 The level of reductions required however, are such that members must focus on delivery. It would not be appropriate to add further budgets without a clear understanding of how additional expenditure will be funded. Therefore any further requests for funding must have clearly identified reductions to offset the costs.

## 8.9 BALANCES AND RESERVES

8.9.1 The Council's current policy is such that the minimum level of the General Fund Balance will remain above £3 million. As the Council faces great uncertainty in the medium term over funding 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 £4.748 million as at 31 March 2024, equivalent to 27.3% 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 £3.171 million by the end of 2026/27, 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 2023/24 includes a net transfer to earmarked reserves of £424,000. This is broken down as shown overleaf:-

Transfer to/(from) reserves:

	<b>2023/24</b>
	<b>£'000</b>
<b>Transfers to Reserves</b>	
Devon Home Choice	8
Transformation Fund	500
Capital Fund (reinstatement)	500
Compulsory Purchase Order Fund	150
Asset Improvement Fund	1,000
Surplus Income from Guildhall Shopping Centre (ring-fenced)	1,089
Exeter Business against Crime	<u>19</u>
	<b>3,266</b>
<b>Transfers from Reserves</b>	
Vehicle Licensing	(28)
RAMM Legal Costs (no longer required)	(93)
Net Zero Exeter	(181)
ECL Business Case (no longer required)	(49)
Corporate	(20)
Budget Volatility	(2,386)
Corporate Property Support	<u>(85)</u>
	<b>(2,842)</b>

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 2023/24

8.10.1 Service Committee Expenditure for 2023/24 is £14,326,420, which is £1,128,530 lower than the current year.

8.10.2 Appendix 4 sets out the proposed reductions and additional income identified in order to form a balanced budget. These tally with the proposals set out in the One Exeter Cost Reduction report. In addition, there are two further reductions in service budgets, which are not set out in the report as they have a cost neutral impact. Firstly, there has been a reduction in the budget for expenditure funded via CIL. This is offset by a corresponding reduction in the income used from CIL because of lower receipts being received. Secondly, the full income from the Guildhall shopping centre has been added to the budget. This is offset by either related expenditure or a transfer of the surplus to an earmarked reserve in line with the agreement with Government.



8.10.3 In addition there are other items to take into account referred to as 'below the line' as they do not form part of the individual service controllable budgets. These include an estimate of £1,320,000 for net interest payments in respect of the overall cash balances, £1,694,670 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 2023/24 is proposed at £17,378,450, an increase of £91,000 compared to 2022/23 as shown in Appendix 5.

8.10.3 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 2023/24 (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 £3,200 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 £6,784,990 (indicated in Appendix 7), an increase of £369,430 compared to 2022/23.

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 2023/24. For next year, it is estimated that the collection fund will have a surplus (£86,793), which will be used to fund part of the expenditure to be financed from Council Tax. This has been reduced to take account of the deficit arising in 2020/21, which the Government allowed Councils to spread over the following three years. This has reduced the surplus and will also reduce the amount of Council Tax received by that amount next year.

8.11.4 After taking into account the surplus and the taxbase of 38,247, the proposed band D council tax for 2023/24 is £175.13, which means that the council tax would increase annually by £5.08 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.

8.12.3 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 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%, however in the autumn budget statement in November 2022 the government announced a cap on this increase of 7% for 2023/24 in response to the cost of living crisis.

For 2023/24, this will result in an average increase of £5.65 per week, over 52 weeks, per property.

8.12.4 The proposed budgets for 2023/24 indicate that a total of £2,541,730 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.

<b>Movement on HRA Working Balance</b>	<b>£</b>
Estimated HRA Working Balance, as at 1/4/23	6,549,316
Budgeted Deficit for 2023-24	(2,541,730)
Balance resolved to be retained (HRA contingency)	(4,000,000)
<b>Total Forecast Balance Available, as at 31/3/24</b>	<b>7,586</b>

### 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.

8.13.2 The following capital resources are available for General Fund (£11.476m) and Housing (£34.220m) in 2023/24. The Capital Programme totals £37.482 million in respect of the General Fund and £19.321 million for the HRA. The borrowing requirement for the General Fund is £27.758 million and is £0.750 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 2023/24 totals £37.482 million.

### 8.15 HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME (APPENDIX 12)

8.15.1 For 2023/24, the HRA medium term financial plan provides for a capital programme of £19.321 million. This comprises capital investment of £11.834 million for improvements to the Council's existing housing stock and £7.487 million towards the provision of new council homes.

8.15.2 The HRA Capital Programme will be funded by:

<b>HRA Capital Finance</b>	<b>£</b>
Major Repairs Reserve	11,895,276
Revenue Contribution to Capital	4,000,000
Capital Receipts	2,675,589
Borrowing	750,000
<b>Total HRA Capital Financing 2023/24</b>	<b>19,320,865</b>

## 8.16 RISK ASSESSMENT

8.16.1 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. Further volatility and price pressures will result in greater reductions being required. Conversely, there is a chance that prices will settle and indeed in some cases reduce. This would have a positive impact of the reductions required;
- The Governments review of the future funding formula for Local Government, including a business rates rest, 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 would require further reductions of around £3.3 million.

8.16.2 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.

8.16.3 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.

## 8.17 STATEMENT OF THE ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES

8.17.1 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.

8.17.2 I have already outlined above in this report the key assumptions that have been made in the budget proposals for next year including an assessment of the risks and mitigating factors. As the Section 151 Officer for this Council I therefore consider that the budget estimates for 2023/24 that have been prepared are both robust and achievable.

8.17.3 The Council's current policy is such that the minimum level of the General Fund Balance will be £3 million. This equates to 17.3% of the net revenue budget, which is at the top end of what would normally be expected.

8.17.4 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 Councils 2022-23 budget demonstrates that the cost of providing its statutory services, support services and payments to cover its legal liabilities (pension backfunding and debt and interest payments) exceeds the amount provided for by Grant, Business Rates and Council Tax by around £6 million. The Council therefore is reliant on fees and charges to meet its statutory obligations. It is for this reason that the Council needs a higher than anticipated level of reserves. A 20% downturn in car park and Commercial Property income would reduce our income by around £3 million and therefore the minimum level of reserves is set to ensure that the Council can continue to deliver services under these circumstances.

8.17.5 In the current financial climate, with uncertainty regarding the new financing of Local Government and taking into account the potential level of financial risk facing the Council in the medium term, it is proposed to maintain minimum reserves at this level. The latest estimated position of the General Fund Balance is that it will be £5.134 million as at 31 March 2023, equivalent to 27.3% of Exeter's net revenue budget. The Council's current medium-term financial plan indicates that the use of the General Fund Balance will be measured and be £3.171 million by the end of 2026/27, although further savings of £5.287 million are required to deliver this.

8.17.6 The Council's financial strategy recognises the need to maintain a General Fund Balance to provide stability for both medium and longer term planning and to provide a contingency against unforeseen events. In setting this minimum amount of £3 million the following have been taken into account:-

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

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

<b><u>Earmarked</u></b>	<b>31/03/2022</b>	<b>31/03/2023</b>	<b>31/03/2024</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Total Earmarked Reserves*	14,645	9,192	9,616
<b><u>Non-Earmarked</u></b>			
General Fund Balance	5,522	5,134	4,748

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

## 8.18 PRECEPTS

8.18.1 Devon County Council, the Office of the Police and Crime Commissioner Devon and Cornwall (OPCC Devon and Cornwall) and the Devon and Somerset Fire Authority will all precept separately upon the council tax payers in Exeter. The County Council, Devon and Cornwall OPCC and Devon & Somerset Fire Authority will meet on the 16th February, 27th January and 15th February respectively. The precepts will be tabled at the Council meeting for approval.

	<b>2022/23</b>	<b>2023/24</b>	<b>Change</b>
	<b>£</b>	<b>£</b>	<b>£ %</b>
Devon County Council	1,372.59	x,xxx.xx	xx.xx x.xx
DCC Adult Social Care	183.87	xxx.xx	xx.xx x.xx
OPCC Devon and Cornwall	246.56	xxx.xx	xx.xx x.xx
Devon and Somerset Fire Authority	91.79	xx.xx	x.xx x.xx
<b>Total Precept</b>	<b>1,894.81</b>	<b>x,xxx.xx</b>	<b>xx.xx x.xx</b>

## 8.19 FINAL POSITION

8.19.1 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 2023/24 of £x,xxx.xx per Band D property.

8.19.2 This is an overall increase of £xx.xx (x.xx%) on the amount of £2,064.86 levied for 2022/23.

8.19.3 The detailed figures are: -

Band	Exeter £	DCC £	Police £	Fire £	Total £
A	116.75	xxx.xx	xxx.xx	xx.xx	x,xxx.xx
B	136.21	xxx.xx	xxx.xx	xx.xx	x,xxx.xx
C	155.67	x,xxx.xx	xxx.xx	xx.xx	x,xxx.xx
D	175.13	x,xxx.xx	xxx.xx	xx.xx	x,xxx.xx
E	214.05	x,xxx.xx	xxx.xx	xx.xx	x,xxx.xx
F	252.97	x,xxx.xx	xxx.xx	xxx.xx	x,xxx.xx
G	291.88	x,xxx.xx	xxx.xx	xxx.xx	x,xxx.xx
H	350.26	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 In recommending this proposal any decisions regarding specific changes in the level of service provided have been covered in at accompanying One Exeter report.

## **12. Carbon Footprint (Environmental) Implications:**

12.1 The accompanying One Exeter Cost reduction report provides an assessment of the carbon footprint implications.

## **13. Are there any other options?**

13.1 Not applicable.

**Director Finance, Dave Hodgson**

Author: Director Finance, Dave Hodgson

## **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