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To: The Chair and Members
of the Cabinet

County Hall
Topsham Road
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Date: 1 February 2024

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CABINET

Friday, 9th February, 2024

A meeting of the Cabinet is to be held on the above date at 10.30 am at Committee Suite (DAW) - County Hall to consider the following matters.

Donna Manson
Chief Executive

A G E N D A

- 7 Revenue Budget, Medium Term Financial Strategy 2024/2025 - 2027/2028 and the Capital Programme for 2024/2025 - 2028/2029 (Pages 1 - 4)

The Covering Report of the Director of Finance and Public Value (DFP/24/15) on the Council's Budget and Service Budgets for 2024/25 is attached.

Electoral Divisions(s): All Divisions

DFP/24/15
Cabinet
9th February 2024

REPORT ON THE REVENUE BUDGET AND MEDIUM TERM FINANCIAL PLAN 2024/25 - 2027/28 AND THE CAPITAL STRATEGY 2024/25 - 2028/29

Report of Director of Finance and Public Value

Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect.

Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Authority's Constitution) before taking effect.

Recommendations:

It is recommended that Cabinet:

- 1) Has full regard to the responsibilities placed upon the Authority in the exercise of its Public Sector Equality Duty under s149 of the Equality Act 2010 (as set out in the 'Budget 2024/25 Impact Assessment' circulated previously for the purposes of this meeting, and specific impact assessments undertaken as part of the budget's preparation) in considering the proposals and their impact, before making a decision.
- 2) Has regard to the views of the Authority's Scrutiny Committees, the Devon Education Forum, the Business Community, the Voluntary Sector, and the Trades Unions and other consultees on the budget (set out elsewhere on the agenda).
- 3) Notes the Provisional Finance Settlement Funding of £111.1 million, and that it is anticipated the Final Finance Settlement will be confirmed on 7 February 2024.
- 4) Approves the Revenue Budgets (pages 44 to 92).
- 5) Recommends to the Authority the Net budget of £637.5 million as set out in Key Table 1 on page 13, and delegates authority to the Director of Finance and Public Value to reflect any changes to the Net Budget resulting from the Final Settlement, in consultation with the Leader and Lead Member for Finance.
- 6) Recommends to the Authority that the Council Tax requirement be set at £523,974,264.98 as set out in Key Table 2 page 14, and that the Council approves a tax rate increase of 4.99% comprising 2.99% increase for the general rate and 2% increase for the Adult Social Care Precept, as set out in Key Table 2 (page 14).
- 7) Recommends to the Authority the precepts required from each District Council and the levels of county Council Tax for each of the eight property

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valuation bands consequent upon the budget as amended by adjustments in collection in the current year, as set out in Key Table 2 (page 14).

- 8) Notes that there are no new Fees & Charges proposed for 2024/25.
- 9) Notes that in line with the Authority's Financial Regulations, changes to existing fees and charges will be agreed by the appropriate Cabinet Member and Chief Finance Officer via a Delegated Decision.
- 10) Notes the Medium Term Financial Plan 2024/25 – 2027/28 as summarised in Key Table 4 (page 16) and set out in detail on pages 96 to 123.
- 11) Takes account of the risks outlined on pages 166 to 189 in determining the final service budgets, levels of reserves and Council Tax figure to be recommended to the Authority.
- 12) Notes the County Fund Balance and Earmarked Reserves 2024/25 as set out on pages 124 to 130.
- 13) Recommends to the Authority the Capital Programme Overview 2024/25 - 2028/29 set out on pages 25 to 42.
- 14) Recommends to the Authority the Capital Programme for 2024/25 of £155.2 million and how it is financed as shown in Summary Table D on page 34;
- 15) Approve, for planning purposes, the indicative Capital Programmes for, 2025/26, 2026/27, 2028/29 and 2029/30 shown in summary Table D on page 34 and agrees these levels will be reviewed in the light of the overall level of revenue and capital resources available to the Authority for each year.
- 16) Recommends to the Authority that it adopts the Treasury Management Strategy 2024/25 - 2027/28 as set out on pages 131 to 153.
- 17) Recommends to the Authority the Prudential Indicators for 2024/25 to 2028/29 contained pages 135 to 140.
- 18) Delegates to the Director of Finance and Public Value the authority to effect movements between the separately agreed limits for borrowing and other long term liabilities.
- 19) Recommends to the Authority the Capital Strategy 2024/25 - 2028/29 contained on pages 154 to 164.

Introduction

This report covers the Revenue Budget for 2024/25, Medium Term Financial Plan to 2027/28 and Capital Strategy 2024/25 to 2028/29. This includes an assessment of the adequacy of reserves, a range of prudential indicators concerning the financial implications of the capital programme, and an assessment that identifies risks associated with the budget together with how these risks will be managed.

The budget book contains details of the Authority's revenue and capital budgets together with associated financial and operational information. The Authority's financial plans are drawn up with reference to:

- the Authority's major policies and objectives.

- the Authority's performance framework.
- demographic changes occurring within the county; and consultation with residents, businesses and other stakeholders.

The Budget Book attached to this report contains:

- Revenue Budget Overview.
- Statement on the Robustness of the Budget Estimates, the Adequacy of Reserves and Affordability of the Capital Strategy.
- Capital Programme Overview 2024/25 - 2028/29.
- Service Budgets.
- Fees & Charges.
- Medium Term Financial Plan 2024/25 - 2027/28.
- County Fund Balance and Earmarked Reserves 2024/25.
- Treasury Management Strategy 2024/25 - 2027/28 and Prudential Indicators 2024/25 - 2028/29.
- Capital Strategy 2024/25 - 2028/29.
- Risk Analysis of Volatile Budgets.
- Abbreviations.

At the time of issuing the report the Final Local Government Finance Settlement has not been issued by Government. The proposed budget incorporates our best estimate of the Authority's share of additional funding that was announced in the Secretary of State's Written Statement on 24 January 2024. However, the actual amount of additional funding is not known with certainty in advance of the Final Settlement. Recommendation 5 above seeks to delegate authority to the Director of Finance and Public Value to make any necessary changes to the Final Budget should the Settlement with any material changes reported to Cabinet.

Members are asked to consider each part of this consolidated budget report.

Equality Impact and Needs Assessments

Equality Impact and Needs Assessments have been completed and were considered when the budget was set. These are available at:

[Budget 2024-2025 - Impact Assessment \(devon.gov.uk\)](https://www.devon.gov.uk/budget-2024-2025-impact-assessment)

More Information

For general budget matters please contact Paul Fitzgerald, Assistant Director of Finance (see contact details below).

Angie Sinclair

Electoral Divisions: All

Local Government Act 1972

List of Background Papers

Contact for Enquiries: Paul Fitzgerald, Assistant Director of Finance

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Background Paper:

Detailed Budget Working Papers Date: 9 February 2024

File Ref: Nil

Cabinet Member: Councillor Phil Twiss

