



# DEVON & SOMERSET FIRE & RESCUE AUTHORITY

**M. Pearson  
CLERK TO THE AUTHORITY**

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**To: The Chair and Members of the Resources  
Committee**

**(see below)**

**SERVICE HEADQUARTERS  
THE KNOWLE  
CLYST ST GEORGE  
EXETER  
DEVON  
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Date : 30 January 2019  
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**RESOURCES COMMITTEE**  
**(Devon & Somerset Fire & Rescue Authority)**

**Thursday, 7th February, 2019**

A meeting of the Resources Committee will be held on the above date, **commencing at 10.00 am in Committee Room B in Somerset House, Service Headquarters, Exeter** to consider the following matters.

M. Pearson  
Clerk to the Authority

**SUPPLEMENTARY AGENDA**

***PLEASE REFER TO THE NOTES AT THE END OF THE AGENDA LISTING SHEETS***

**7 2019-20 Revenue Budget and Council Tax Levels (Pages 1 - 4)**

Supplementary Report of the Director of Finance (Treasurer) (RC/19/3(a)) attached.

**MEMBERS ARE REQUESTED TO SIGN THE ATTENDANCE REGISTER**

**Membership:-**

Councillors Coles (Chair), Biederman, Drean (Vice-Chair), Hendy, Hook, Peart and Radford

**NOTES**

<b>1.</b>	<b><u>Access to Information</u></b> Any person wishing to inspect any minutes, reports or lists of background papers relating to any item on this agenda should contact the person listed in the “Please ask for” section at the top of this agenda.
<b>2.</b>	<b><u>Reporting of Meetings</u></b> Any person attending a meeting may report (film, photograph or make an audio recording) on any part of the meeting which is open to the public – unless there is good reason not to do so, as directed by the Chair - and use any communication method, including the internet and social media (Facebook, Twitter etc.), to publish, post or otherwise share the report. The Authority accepts no liability for the content or accuracy of any such report, which should not be construed as representing the official, Authority record of the meeting. Similarly, any views expressed in such reports should not be interpreted as representing the views of the Authority.  Flash photography is not permitted and any filming must be done as unobtrusively as possible from a single fixed position without the use of any additional lighting; focusing only on those actively participating in the meeting and having regard also to the wishes of any member of the public present who may not wish to be filmed. As a matter of courtesy, anyone wishing to film proceedings is asked to advise the Chair or the Democratic Services Officer in attendance so that all those present may be made aware that is happening.
<b>3.</b>	<b><u>Declarations of Interests at meetings (Authority Members only)</u></b> If you are present at a meeting and you are aware that you have either a disclosable pecuniary interest, personal interest or non-registerable interest in any matter being considered or to be considered at the meeting then, unless you have a current and relevant dispensation in relation to the matter, you must: <ul style="list-style-type: none"><li>(i) disclose at that meeting, by no later than commencement of consideration of the item in which you have the interest or, if later, the time at which the interest becomes apparent to you, the existence of and – for anything other than a “sensitive” interest – the nature of that interest; and then</li><li>(ii) withdraw from the room or chamber during consideration of the item in which you have the relevant interest.</li></ul> If the interest is sensitive (as agreed with the Monitoring Officer), you need not disclose the nature of the interest but merely that you have an interest of a sensitive nature. You must still follow (i) and (ii) above. Where a dispensation has been granted to you either by the Authority or its Monitoring Officer in relation to any relevant interest, then you must act in accordance with any terms and conditions associated with that dispensation. Where you declare at a meeting a disclosable pecuniary or personal interest that you have not previously included in your Register of Interests then you must, within 28 days of the date of the meeting at which the declaration was made, ensure that your Register is updated to include details of the interest so declared.
<b>4.</b>	<b><u>Part 2 Reports</u></b> Members are reminded that any Part 2 reports as circulated with the agenda for this meeting contain exempt information and should therefore be treated accordingly. They should not be disclosed or passed on to any other person(s). Members are also reminded of the need to dispose of such reports carefully and are therefore invited to return them to the Committee Secretary at the conclusion of the meeting for disposal.
<b>5.</b>	<b><u>Substitute Members (Committee Meetings only)</u></b> Members are reminded that, in accordance with Standing Order 37, the Clerk (or his representative) must be advised of any substitution prior to the start of the meeting. Members are also reminded that substitutions are not permitted for full Authority meetings.

# Agenda Item 7

<b>REPORT REFERENCE NO.</b>	RC/19/3(a)
<b>MEETING</b>	RESOURCES COMMITTEE
<b>DATE OF MEETING</b>	7 FEBRUARY 2019
<b>SUBJECT OF REPORT</b>	2019-20 REVENUE BUDGET AND COUNCIL TAX LEVELS – SUPPLEMENTARY REPORT
<b>LEAD OFFICER</b>	Director of Finance (Treasurer)
<b>RECOMMENDATIONS</b>	<i>That the contents of this paper be considered alongside the 2019-20 Revenue Budget and Council Tax Report and that recommendations to the Fire and Rescue Authority on Council Tax levels be based upon the latest information contained herein.</i>
<b>EXECUTIVE SUMMARY</b>	<p>Since the publication of the agenda and papers for the Resources Committee on 30 January 2019, finance officers have received updated information from billing authorities regarding Council Tax and National Non Domestic Rates income.</p> <p>This report contains those updated figures with narrative behind the changes since the original report.</p> <p>The Committee is asked to consider the contents of this paper when making their recommendation to the full Authority on Council Tax.</p>
<b>RESOURCE IMPLICATIONS</b>	As indicated in the report.
<b>EQUALITY RISKS AND BENEFITS ANALYSIS (ERBA)</b>	Not applicable.
<b>APPENDICES</b>	None
<b>LIST OF BACKGROUND PAPERS</b>	Nil.

1. **INTRODUCTION**

1.1 Since the publication of the agenda and papers for the resources committee on 30th January 2019, finance officers have received updated information from billing authorities regarding Council Tax and National Non Domestic Rates income.

1.2 The table below shows the updated figures with narrative behind the changes since the original report.

1.3 The funding changes outlined do not impact on the precept levels for a Band D property as outlined in the original report.

	Per Resources Committee Paper	Per Authority Paper (update to RC meeting)	Change	Note
<b>Based on Option B - Council Tax Increase of 2.99% to £86.52</b>				
	£m	£m	£m	
<b>TOTAL FUNDING 2018-19</b>	<b>73.871</b>	<b>73.871</b>	<b>0.000</b>	
Reduction in Formula Funding	(0.776)	(0.776)	0.000	a
(Reduction)/Increase in Retained Business Rates from Business Rate Retention System.	(0.083)	(0.175)	(0.092)	b
<u>Changes in Council Tax Precept</u>				
- increase in Council Tax Base	0.694	0.700	0.006	c
- resulting from an increase in Band D Council Tax	1.524	1.525	0.001	d
- Decrease in Share of Billing Authorities Council Tax Collection Funds	(0.002)	(0.002)	0.000	
<b>Net Change in precept income</b>	<b>2.216</b>	<b>2.223</b>	<b>0.007</b>	
<b>TOTAL FUNDING AVAILABLE 2019-20</b>	<b>75.227</b>	<b>75.143</b>	<b>(0.085)</b>	e
<b>NET CHANGE IN FUNDING</b>	<b>1.356</b>	<b>1.273</b>	<b>(0.085)</b>	
<u>Adjustments to net budget requirement:</u>				
- Cumulative budget variances	(0.198)	(0.163)	0.035	f
- Section 31 grant treated as income	(3.326)	(3.742)	(0.416)	g
<b>Change to Revenue Contribution to Capital Expenditure</b>	<b>(0.183)</b>	0.112	0.295	h
<b>NET REVENUE BUDGET REQUIREMENT</b>	<b>75.227</b>	<b>75.142</b>	<b>(0.085)</b>	i

**Notes on changes to net revenue budget requirement since last reported**

- Formula Funding is split in to two elements – National Non-domestic rates top up grant and Revenue Support Grant. The amount of NNDR top up grant is revised to take account of changes in final figures received from Billing Authorities
- There has been a reduction of £0.173m income from the business rates system, £0.092m greater than the previous version of the budget report as the majority of Billing Authorities submitted their figures after the 30<sup>th</sup> January

- c. On receipt of final figures for Council Tax Bases from Billing Authorities, an increase of £0.006m is now reported – a total of £0.700m or 1.39% growth in Council Tax Base since last year
- d. Final Council Tax figures confirm an increase to the Council Tax surplus of £0.001m
- e. The combined changes to central government funding, Council Tax and NNDR income mean that there is £0.085m less funding available
- f. Based on the latest understanding of the Service's risk profile, it is anticipated that insurance premiums will rise by £0.035m in the next financial year, the budget has been amended to reflect this
- g. The amount of Section 31 grant receivable to offset Small Business Rates Reliefs is calculated as a result of the information received from Billing Authorities and has therefore been updated to reflect most recent figures, an additional £0.416m of income
- h. The total impact of the decreased funding of £0.085m, additional expenditure of £0.035m being more than offset by the additional £0.416m of Section 31 grant income is an increase of £0.295m. The Authority will therefore be able to increase the Revenue Contribution to Capital budget in balancing the budget for 2019/20
- i. The revised net revenue budget requirement is £75.142m (based on Option B, a Council Tax increase of 2.99%) or £73.617m (based on Option A, a Council Tax Freeze)

1.2 The total savings requirement for 2019/20 has reduced to £2.2m under Option B or £3.7m under Option A. Each 1% increase in Council Tax is equivalent to £0.510m.

1.3 The Committee is asked to consider the impact of the changes to funding and the spending requirement in determining a recommendation for the Authority.

**CHART 1 – REVISED FORECAST BUDGET SAVINGS REQUIREMENT (CUMULATIVE) 2018 TO 2022 (BASE CASE) - £MILLIONS**

1.4



Chart 1 above illustrates that further savings will be required beyond 2018-19 to plan for a balanced budget over the next three years to 2021-22. Should the Authority decide to freeze Council Tax in 2018-19 (Option A) and the following three years then the MTFP forecast that further savings of £14.6m need to be planned for.

1.5

As is stated earlier in this report each 1% increase in Council Tax results in additional precept of £0.487m. Should it be agreed to increase Council Tax by 2.99% in 2018-19 (Option B) and by the maximum increase (not subject to a decision at this meeting) in each year from 2019-20 to 2021-22 then the saving target by 2020-22 would be reduced from £14.6m to £8.4m.

**AMY WEBB**  
**Director of Finance (Treasurer)**