

Report to Finance and Performance Management Cabinet Committee



**Epping Forest
District Council**

Report reference: FPM-020-2017-18

Date of meeting: 18 January 2018

Portfolio: Finance

Subject: Detailed Directorate Budgets 2018/19

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Committee Secretary: Rebecca Perrin (01992 564532)

Recommendations/Decisions Required:

That the Committee consider the attached General Fund and Housing Revenue Account budgets for 2018/19 and make recommendations as appropriate.

Executive Summary

The report provides the draft General Fund and Housing Revenue Account (HRA) Budgets for the financial year 2018/19. The budgets are presented on a directorate by directorate basis. There are accompanying notes give some background to each service heading and any CSB (Continuing Services Budget) and DDF (District Development Fund) changes proposed. They are presented to the Committee to give an opportunity to comment and make recommendations prior to the budget being formally set during February 2018.

Reasons for Proposed Decision

To give Members an opportunity to review and provide recommendations on the detailed budget prior to adoption by Council.

Other options for action

Other than deciding not to review the budget there are no other options.

Report:

The budget setting process commenced with the presentation of the Financial Issues Paper incorporating the Medium Term Financial Strategy (MTFS) to the meeting of 20 July 2017. At that time it was identified that a savings target for 2018/19 of £0.3 million should be set.

The settlement figures provided in December 2015 were for four years and the Council signed up on the understanding that the figures would be set at that level. However an update has been provided which reduced the 2018/19 figure by £7,000 and the 2019/20 figure by £50,000. Given the assurances previously provided this is a slightly disappointing situation. The Government have also now provided an update on the New Homes Bonus and in 2018/19 this is also £50,000 less than previously estimated. The CSB lists now show a reduction in funding of £1.125 million as opposed to £1.075 million previously.

Having said that the Council should still see significant savings from the new Leisure Management Contract and also additional income from Land and Property so will be in a better position than a number of other authorities.

The commitment made to move to 100% retention of Business Rates locally is still being worked on by Central Government but this is likely to be later than originally expected. A number of county areas have applied for pilot status but Essex was not successful. One thing that is expected is that the current retention proportions (40% District, 9% County and 1% fire) are likely to change.

The budgets are presented on a directorate by directorate basis and are shown at Appendix 1 to 5 (General Fund) and Appendix 6 (HRA). Within each pack there is a commentary on the budgets highlighting areas where either Continuing Services Budget (CSB), District Development Fund (DDF) savings or growth and Invest to Save (ITS) expenditure have occurred and also where allocation or other changes have affected budgets.

The budget papers also contain the CSB, DDF and ITS lists for each directorate. It should be noted that with regard to ITS in particular the figures included with the budgets relate to revenue items only.

There are as always a number of changes in the allocation of staffing costs as the amount of time spent on particular activities can vary significantly from year to year. To use an analogy allocation changes are merely dividing the cake up differently not changing the size of the cake.

Each budget is to be presented by the relevant Director with Portfolio Holders providing comments as appropriate. There will also be Resources staff at the meeting to assist with any questions that members might have.

Resource Implications

Proposed spending levels for the General Fund and HRA for the financial year 2018/19.

Legal and Governance Implications

Agreeing budgets in advance of the financial year represents good financial management practice. The budget is a key element of income and expenditure management and forms the benchmark against which financial performance can be measured.

Safer, Cleaner, Greener Implications

The Council's budgets contain spending in relation to this initiative.

Background Papers

Working papers held in Accountancy.

Impact Assessments

Risk Management

Failure to set an acceptable budget in advance of the financial year would expose the Council to unacceptable financial management risks.

Equality and Diversity:

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| Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? | No |
| Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? | No |

What equality implications were identified through the Equality Impact Assessment process?
None

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?
N/A

Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

This report does not affect a particular group of people more than any other. It deals with the setting of the budget as a whole.

Where there are changes to the budget that do affect a particular group of people more than others the report on those changes will consider the equalities impact on that group rather than this report.