

# **Report to Finance and Performance Management Cabinet Committee**



**Epping Forest  
District Council**

**Report reference: FPM-022-2014-15**

**Date of meeting: 19 January 2015**

**Portfolio: Finance**

**Subject: Detailed Directorate Budgets 2015/16**

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## **Recommendations/Decisions Required:**

**That the Committee consider the attached General Fund and Housing Revenue Account budgets for 2015/16 and make recommendations as appropriate.**

## **Executive Summary**

The report provides the draft General Fund and Housing Revenue Account (HRA) Budgets for the financial year 2015/16. The budgets are presented on a directorate by directorate basis. There are accompanying notes highlighting areas where significant changes have occurred. They are presented to the Committee to give an opportunity to comment and make recommendations prior to the budget being formally set during February 2015.

## **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 slightly earlier this year with the presentation of The Financial Issues Paper incorporating the Medium Term Financial Strategy (MTFS) to the meeting of 28 July 2014. At that time it was identified that a savings target for 2015/16 of £0.5 million should be set. This was after allowing for savings from the new waste management contract.

Since then it became clear that the North Weald Market was continuing to see reduced numbers and in order to avoid its cessation altogether a reduction in the weekly rent was agreed meaning that, with agreed growth to support Economic Development, the target saving moved nearer to £1 million.

Since then a number of business cases have been produced in an effort to identify where these savings might be achieved and were presented to this Committee during November. These have now been incorporated in the draft budget as appropriate.

The draft settlement figures have also now been received and were better than expected in terms of the New Homes Bonus, the Revenue Support Grant and retained Business Rates. There is also the possibility of entering a Business Rates Pool for 2015/16 which should

improve the financing position further. These figures are not final but it is unusual for them to vary much when confirmation is received.

The Medium Term Financial Strategy is in the process of being updated and is expected to show that no further savings are required for 2015/16 and a reduced amount required in future years but it must be remembered that the assumptions used are based on current information and are without knowledge of what the Comprehensive Spending Review, after the General Election, will hold for Local Authorities.

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

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. With the move to 5 Directorates allocation changes have been more marked than previously, however it is important to note that these changes do not increase or decrease the budget in total. 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 2015/16.

### **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:

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.

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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.