

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



**Epping Forest  
District Council**

**Report reference: FPM-011-2015/16  
Date of meeting: 17 September 2015**

**Portfolio: Finance**

**Subject: Invest to Save Proposals**

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## **Recommendations/Decisions Required:**

- 1. To recommend to Cabinet the proposals to invest in additional grass cutting equipment and LED lighting in the car parks;**
- 2. To consider the other proposals currently being developed and support them in principle if appropriate; and**
- 3. To suggest other additional or alternative uses for the Invest to Save Fund.**

## **Executive Summary:**

In setting the budget for 2015/16 Council decided that, as the balance on the General Fund Reserve exceeded the minimum requirement and further savings were required, £0.5 million should be transferred from the General Fund Reserve into an Invest to Save earmarked reserve. It was intended that this earmarked reserve would be used to finance schemes that would reduce the Continuing Services Budget (CSB) in future years.

Management Board have received two proposals so far and business cases are being developed for several other suggestions. It is appropriate at this stage to seek Member approval for these proposals and give Members the opportunity to put forward additional or alternative proposals.

## **Reasons for Proposed Decisions:**

To seek Member approval for Invest to Save proposals before they are implemented.

## **Other Options for Action:**

Members may decide not to support the proposals and suggest additional or alternative uses for the Invest to Save Fund.

## **Report:**

- 1. The Medium Term Financial Strategy (MTFS) approved by Council in February 2015 included CSB reductions of £1,089,000 for the revised 2014/15 estimates and £573,000 for 2015/16. Despite these significant savings it was anticipated that further reductions would be required of £250,000 in 2016/17 and £400,000 in 2017/18. The MTFS also predicted that at the end of 2018/19 the balance on the General Fund Reserve would still**

comfortably exceed the minimum requirement set by Members. Given the adequacy of reserves and the need for savings, it was felt that the establishment of an Invest to Save Fund may help generate some new and creative ideas to deliver services differently or generate income.

2. The first business case to come forward was for a tractor and grass cutting equipment, see Appendix 1. This proposal seeks to invest approximately £30,000 to reduce the costly and inefficient use of contractors and also to generate income from hiring out the equipment when it is not being used on Council land. The amounts shown in the business case are still to be confirmed but indicate it may be possible to break even after three years and the equipment is anticipated to have a useful life of at least double that. This project has significant environmental benefits and also matches Member's ambitions for the Council to become more commercial in its outlook.
3. The second business case to come forward was for LED lighting in the Council's car parks, see Appendix 2. This proposal is to invest approximately £100,000 to reduce energy and maintenance costs. A payback period of approximately seven years is anticipated, although as with the first proposal the useful lives of the assets are expected to significantly exceed the payback period. In addition to the financial benefit the proposal will also improve the quality of the lighting and in turn this will enhance the quality of CCTV images.
4. Following the proposals above, several other ideas are currently being worked on. The replacement of the cash taking facility at Waltham Abbey Town Hall with a cash kiosk in the library has proved successful and other similar opportunities exist. Members previously agreed an outline business case for the cashiering service as part of the savings plans for 2016/17 during the budget cycle last year. It is intended to present a finalised business case to a subsequent Cabinet which will now include a bid for Invest to Save funding.
5. Members have previously indicated a lack of satisfaction with the services provided by the North Essex Parking Partnership (NEPP). Whilst the Council has no choice over on street parking it would be possible to take the service for off street parking back in house. It is anticipated that this could generate savings but some initial funding would be required to engage an external specialist to develop the business case. The Invest to Save Fund could be used to pay for this initial work. If this proposal is supported in principle a business case will be provided similar to those attached as appendices with anticipated costs and benefits.
6. The final idea currently being worked on is for a jointly funded master planning exercise to evaluate possible redevelopments at the Hill House site in Waltham Abbey. This is an exciting opportunity which could involve working with several other partners to co-locate services and ultimately generate savings. However, in order to take forward the project some external specialist advice will be required. As with the proposal above, if in principle support is forthcoming a business case will be completed.
7. In addition to the proposals set out above Members may have other ideas and so additional or alternative proposals are invited. If outline suggestions are made officers can evaluate and further develop any appropriate proposals.

**Resource Implications:**

The Invest to Save Fund contains £500,000 and the proposals suggested above can be contained within that amount. Depending on which, if any, proposals are supported future reductions in CSB should arise.

**Legal and Governance Implications:**

None.

**Safer, Cleaner, Greener Implications:**

The business case for the first proposal highlights significant environmental benefits.

**Consultation Undertaken:**

None.

**Background Papers:**

None.

**Impact Assessments:**Risk Management

The risks for each proposal are set out on the attached appendices.

## 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.

<b>Date / Name</b>	<b>Summary of equality analysis</b>
2/09/15  Director of Resources	There are no equality implications arising from the specific recommendations of this report. Relevant implications arising from individual proposals or actions to achieve net savings will be identified and considered by the responsible Director.