

Report to the Finance and Performance Management Cabinet Committee



**Epping Forest
District Council**

**Report Reference: FPM-019-2016/17
Date of meeting: 10 November 2016**

Portfolio: Finance

Subject: Draft General Fund CSB, DDF and ITS lists and Savings Update

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Recommendations

To note the first draft of the Continuing Services Budget (CSB), District Development Fund (DDF) and Invest to Save (ITS) schedules.

Executive Summary

The report provides the first draft of the Continuing Services Budget (CSB), District Development Fund (DDF) and Invest to Save (ITS) Schedules for 2017/18.

Reasons for proposed action

Members are asked to note the first draft of these schedules and make comments as appropriate.

Other options for action

No other options applicable.

Report

1. The Financial Issues Paper was considered by this Committee at its meeting in July. The report highlighted a number of financial uncertainties and risks facing the Authority including the reductions in Central government funding, Retention of Business Rates, Welfare reform and the Leisure Management Contract Renewal.
2. The Medium Term Financial Strategy (MTFS), which forms part of the Financial Issues Paper, identified that savings of around £500,000 were required over the forecast period. The savings required in 2017/18 were identified at £250,000 after savings of £464,000 already identified had been taken into account. It was noted though that there was more uncertainty than usual and little has changed since then.
3. Since July the Council has accepted the Governments 4 year funding agreement as set out last December and the relevant paperwork was provided to the DCLG last month. There is still a further, more detailed consultation outstanding regarding Business rates retention and the Leisure Management Contract process is progressing with a report to Cabinet due in December. The lists currently show net CSB savings of £730,000 in 2017/18, this though still assumes a saving of £250,000 from the new leisure management contract which is somewhat prudent as the final savings are expected to be rather higher. However there are two other items, the Local Plan and the Waste Management Contract that are expected to require

additional resources, albeit these will be a mixture of DDF and CSB.

4. Total CSB expenditure in 2015/16 was £2.9 million higher than the Original budget, but this was entirely down to the decision to fund Capital Expenditure of £3 million from the General Fund balance. This decision was made because of the significant General Fund balance held by the Council and the comments made by Central Government around 'excessive' balances held by local authorities. There were as ever salary savings due to vacancies and this trend has continued into 2016/17.
5. Previous years have seen regular underspends and the exercise to remove such budgets has generally been successful however there are still one or two areas that require further work.
6. There are some CSB budgets that either have a one off element within them or in some cases are budgets where there is a degree of uncertainty around whether they will be spent or not. In both cases treating an appropriate element as DDF rather than CSB should make managing those budgets easier and give a degree of flexibility.
7. The schedules of CSB growth/savings, DDF and ITS expenditure are attached and these are at Annexes 1, 2 and 3. Work is on-going on these lists and this represents the position so far. Since the programme for 2016/17 was set there has been a significant amount of re-phasing carried out however the main addition relates to the local plan which was the subject of a Cabinet report in July. An updated list will be tabled at the meeting if there has been any significant changes since the agenda was published.
8. There are a number of areas where further work is required before figures to be included within the budget can be finalised. Clearly the emphasis in this budget cycle will again need to be on CSB savings rather than growth but there are some areas as previously mentioned where growth is inevitable. The figures generally need to be viewed in the context of this being quite early in the budget preparation process and will clearly need to be revisited over the next two months or so as the budget comes together.

Consultations Undertaken

This is the first draft of the CSB, DDF and ITS schedules. Consultations with spending officers regarding their budgets are ongoing at the moment but apart from this, further consultation will take place later in the budget cycle.

Resource Implications

The schedules represent potential additions and reductions to the budget depending on decisions made during the budget process.

Legal and Governance Implications

The preparation of budgets well in advance of the financial year to which they apply, enable sound financial planning to take place. They subsequently provide a basis against which financial monitoring can take place during the year in question.

Safer, Cleaner, Greener Implications

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

Background Papers

Various budget working papers held in Accountancy.

Impact Assessments

Risk Management

The setting of the budget has an impact on all areas of the Council. There is a risk that the budget might be set at an unaffordable level. However, setting guidelines early in the process means that the level of budget that is acceptable is known in advance.

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 item 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.

Date / Name	Summary of equality analysis
7/11/16	There are no equality implications arising from the recommendation of this report.
Assistant Director of Resources	The report contains growth and savings proposed for the Revised 2016/17 and Original 2017/18 budget. The most significant items will have been the subject of a Cabinet report which would have considered any equality implications as part of that report.