

Report to Finance and Performance Management Cabinet Committee



**Epping Forest
District Council**

**Report reference: FPM-025-2016-17
Date of meeting: 19 January 2017**

Portfolio: Finance

Subject: Detailed Directorate Budgets 2017/18

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Recommendations/Decisions Required:

That the Committee consider the attached General Fund and Housing Revenue Account budgets for 2017/18 and make recommendations as appropriate.

Executive Summary

The report provides the draft General Fund and Housing Revenue Account (HRA) Budgets for the financial year 2017/18. 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 2017.

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:

1. The budget setting process commenced with the presentation of the Financial Issues Paper incorporating the Medium Term Financial Strategy (MTFS) to the meeting of 14 July 2016. At that time it was identified that a savings target for 2017/18 of £0.25million should be set.

2. The settlement figures provided in December 2015 were for four years and providing the Council was prepared to sign up to them by providing an efficiency plan they would be set at that level advised. The Council duly agreed to accept the settlement during the autumn on the basis that indications were that failure to do so may mean a worse settlement. Having said that these figures crucially did not include the New Homes Bonus, the future of which the Government have been consulting on over the last few months or so. The Government have now released their proposals and they were rather more draconian than expected as a significant amount has been redirected to Adult Social care meaning a reduction for districts but a gain for county's. The actual reduction is around £2.5 million for this Council but because the MTFS had assumed some loses going forward the actual growth required to meet the shortfall over the next four years is £1.9 million. The impact on the Council of this is pretty serious but because of the savings on the new Leisure Management Contract, the

income from the Shopping park, Winston Churchill development and other property we should be in a far better position than some other districts.

3. The commitment made to move to 100% retention of Business Rates locally is still being worked on by Central Government. A high level consultation has occurred with a further more detailed consultation still awaited. One thing that is expected is that the current retention proportions (40% District, 9% County and 1% fire) are likely to change.

4. 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), 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.

5. 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.

6. 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.

7. 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 2017/18.

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.

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.