

Report to the Cabinet

**Report reference: C-032-
2019/20**

Date of meeting: 6th February 2020



**Epping Forest
District Council**

Portfolio: Business Support Services

Subject: Finance Strategy including:

- A. Medium-Term Financial Strategy**
- B. Budget 2020/21**
- C. Prudential Indicators**
- D. Council Tax Increase**

Responsible Officer: Nick Dawe (01992 564000).

Democratic Services Officer: Adrian Hendry (01992 564246).

Recommendations/Decisions Required in relation to papers A, B, C and D:

In general

- 1. To note that the Financial Strategy of the Authority has been further developed and consists of four linked papers. The papers and figures are subject to final review because of Government announcements and final due diligence.**
- 2. To note the current reports reflect the suggestions of Cabinet and Members in General made in early January, later and better information, minor presentation improvements and the inclusion of a summary balance sheet statement.**
- 3. To allow for this level of final change before presentation of the Financial Strategy to the Full Council in February adjustments with a cumulative net impact of £500,000 can be made on the direction of the Leader in consultation with the Portfolio Holder for Finance and the Section 151 Officer and reported back to the Cabinet.**
- 4. That adjustments to the papers with a value more than £500,000 are brought back to the Cabinet.**

Paper A, Medium Term Financial Strategy

- 1. To approve the approach set out in the Medium Term Financial Strategy, particularly in respect of inflation of cost and charges and fees and the aim to maintain the financial strength of the Authority as evidenced by reserve balances.**

2. To support the increase in the importance of the income from Qualis in respect of the medium term financial strategy and the budget.

Paper B, Budget 2020/21

1. To approve the 2020/21 budget in outline and confirm the approach to cost and income inflation at 3.0%, noting that rents will rise per the national formula at 2.7% and car parking income will not rise at all pending the outcome of the review.
2. To approve the 2020/21 budget in outline and confirm the list of developments for which funding will be released on implementation.
3. To approve the general and HRA capital spend of £26,119,250 in total.
4. To approve the loans to Qualis that with total up to £120m in 2020/21 as set out in the report.
5. To approve the 2020/21 budget in outline and confirm that the overall funding adjustments for District Development Fund and savings and contingency are as set out, i.e. a net draw from DDF of £846,660 (£2m forecast last year), £500,000 of savings, the formation of a contingency fund assumed spent of £1,095,540

Paper C, Prudential Indicators

1. To note the intent of keeping the financial strength of the Authority at current levels.
2. To note the impact of taking loans and onwardly granting loans to Qualis with a margin of profit for the Authority.
3. To note the general risk price approach to the loans granted to Qualis.
4. To note that the full set of prudential indicators along with the treasury strategy will be taken to the Full Council in February.

Paper D, Council Tax Increase

1. To approve the council tax increase of 1.5% (half the predicted inflation rate) for 2020/21.
2. To note that in 2021/22 the options to cease or reduce council tax rates exists (though the Government expectation on what should be raised from council tax should be noted).