

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



**Epping Forest  
District Council**

**Report Reference: FPM-018-2013/14**

**Date of meeting: 14 November 2013**

**Portfolio: Finance and Technology**

**Subject: Draft General Fund CSB and DDF Lists and Savings Update**

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## **Recommendations**

**To note the draft Continuing Services Budget (CSB) and District Development Fund (DDF) schedules.**

## **Executive Summary**

The report provides the first draft of the Continuing Services Budget (CSB) growth and District Development Fund (DDF) Schedules for 2014/15.

## **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 presented to this committee on 19 September 2013. The report highlighted a number of financial uncertainties and risk facing the Authority including the reductions in Central government funding, Retention of Business Rates, Welfare reform and Waste and Leisure Management Contract Renewals.
2. The Medium Term Financial Strategy (MTFS), which forms part of the Financial Issues Paper, identified that further savings of around £2.3 million were required over the forecast period. The savings required in 2014/15 are £0.7 million after savings of £0.094 million already identified had been taken into account. The lists attached show the current position however with the recent triennial valuation of the pension fund and resulting additional on-going employer contributions and deficit payments, further reductions in Housing Benefit Admin Grant and reductions in revenue support for Waste management this target is going to be extremely challenging.
3. As in previous years there was again a saving on the revenue budget in 2012/13. The outturn for 2012/13 was considered by this Committee on 20 June 2013 it was noted that the General Fund budget was underspent by a little under £500,000 this was a smaller underspend than the previous year but still reasonably significant. Salary savings made up a smaller proportion of overall savings but there was also an underspend on Housing Benefits of around £195,000. The underspend on Supplies

and Services was therefore lower than in previous years suggesting that a large proportion of the historical underspends have been extracted from the budget already. The exercise to identify further savings on underspent budget has again been carried out but nothing significant has been identified so far.

4. 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.
5. The schedules of CSB growth/savings and DDF expenditure are attached and these are at Annexes 1 & 2. Work is on-going on these lists and this represents the position so far. An updated list will be tabled at the meeting.
6. 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 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 and DDF 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