

# **Supplementary Committee Agenda**



## **Overview and Scrutiny Committee Thursday, 2nd February, 2006**

**Place:** Civic Offices, High Street, Epping

**Time:** 7.30 pm

**Committee Secretary:** Simon Hill, Senior Democratic Services Officer  
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### **7. COUNCIL BUDGETS 2006/07 (Pages 3 - 6)**

(Head of Finance). Please find attached the latest version of the Council Budgets for 2006/07. This information replaces the report attached to the main agenda which is now out of date.

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## **Report to Overview & Scrutiny Committee**

**Date of meeting: 2 February 2006**

**Subject: Council Budgets 2006/07**

**Officer contact for further information: Bob Palmer (ext 4279)**

**Committee Secretary: Z Folley (ext 4532)**

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**Epping Forest  
District Council**

### **Recommendation:**

- 1. That Overview and Scrutiny Committee consider the recommendations of the Finance and Performance Management Cabinet Committee and the Finance and Performance Management Scrutiny Panel and recommend them, as amended if necessary, to the Cabinet.**

### **Report:**

1. This is the first set of budget proposals to be considered under the new Overview and Scrutiny arrangements. In previous years the detailed proposals were taken to the relevant Overview and Scrutiny Committee and Overview and Scrutiny Committee 3 then considered the budget as a whole and made recommendations to Cabinet.

2. The timetable for the approval of the 2006/07 budgets is as follows:

Finance & Performance Management Cabinet Committee	11 January 2006
Finance & Performance Management Scrutiny Panel	16 January 2006
Finance & Performance Management Cabinet Committee	31 January 2006
Overview & Scrutiny Committee	2 February 2006
Cabinet	6 February 2006
Full Council	21 February 2006

3. At the 11 January meeting of the Finance and Performance Management Cabinet an updated four-year financial forecast was considered and approved and this is attached as Annex 1a and 1b. The key assumptions in the new forecast are set out below:

- a) CSB Growth – all of the known growth items for 2006/07 have been included at a total of £758K. For 2007/08 only growth items of £79K have currently been identified, but in order to prevent excessive levels of balances growth of £1M has been included.
- b) DDF – all of the known items for the four-year period have been included and at the end of the period a balance of £1.418M is still available.
- c) Grant Funding – the provisional settlement figures have been included for 2006/07 and 2007/08. It has been assumed that for 2008/09 and 2009/10 our gross grant entitlement will increase by 2%. It has also been assumed that the amount we will lose to support the floor for other authorities will reduce over the period to give net grant increases of 3.5% in 2008/09 and 2.5% in 2009/10.
- d) Council Tax Increase – it has been assumed that Members will wish to keep rises in line with inflation and so increases close to 2.5% have been included. Annex 1a has an increase of 2.46% for 2006/07, which is lower than the alternatives of 3.97% or 2.94% proposed in the previous four-year forecast.

4. The inclusion of such significant growth in 2007/08 is quite a radical proposition but does need to be viewed in terms of the level of revenue balances. Even allowing for the lower Council Tax increase in 2006/07 of 2.46% the table below illustrates that reserves as a percentage of Net Budget Requirement will still comfortably exceed the 25% guideline.

	2006/07	2007/08	2008/09	2009/10
Net Budget Requirement	£15.805M	£16.510M	£17.011M	£17.436M
Opening Reserves	£5.849M	£6.330M	£6.061M	£5.794M
Reserves as % of NBR	37.0%	38.3%	35.6%	33.2%

5. At the 16 January meeting of the Finance and Performance Management Scrutiny Panel the recommendation of the Finance and Performance Management Cabinet Committee to approve the updated four-year forecast was agreed. The Finance and Performance Management Scrutiny Panel also considered the detailed draft budgets for each Portfolio. No amendments were suggested, although Members did ask that consideration should be given in subsequent years to some of the Council's additional new resources being used for voluntary sector support.
6. The Overview and Scrutiny Committee is now asked to consider the recommendations of the Finance and Performance Management Cabinet Committee and the Finance and Performance Management Scrutiny Panel and approve the updated four-year forecast.

## GENERAL FUND FOUR YEAR FORECAST 2006/07 - 2009/10

ORIGINAL 2005/06	REVISED 2005/06		FORECAST 2006/07	FORECAST 2007/08	FORECAST 2008/09	FORECAST 2009/10
£'000	£'000	<b>NET REVENUE EXPENDITURE</b>	£'000	£'000	£'000	£'000
14,156	13,663	Continuing Services Budget	14,416	15,629	17,128	17,642
4	110	CSB - Growth Items	758	1,000	0	0
14,160	13,773	Total C.S.B	15,174	16,629	17,128	17,642
922	1,200	One - off Expenditure	1,490	341	61	13
150	150	Contribution to/from Insurance reserves	150	150	150	150
15,232	15,123	Total Net Operating Expenditure	16,814	17,120	17,339	17,805
-922	-1,200	Contribution to/from (-) DDF Balances	-1,490	-341	-61	-13
29	361	Contribution to/from (-) Balances	481	-269	-267	-356
14,339	14,284	Net Budget Requirement	15,805	16,510	17,011	17,436
<b>FINANCING</b>						
6,887	6,887	Government Support (NNDR+RSG)	9,115	9,340	9,527	9,718
412	412	RSG Floor Gains/(-Losses)	-490	-189	-58	-12
7,299	7,299	Total External Funding	8,625	9,151	9,469	9,706
6,951	6,951	District Precept	7,160	7,339	7,522	7,710
34	34	Collection Fund Adjustment	20	20	20	20
14,284	14,284	To be met from Government Grants and Local Tax Payers	15,805	16,510	17,011	17,436
	131.49	Band D Council Tax	134.73	138.10	141.55	145.09
	<b>Percentage Increase</b>	<b>%</b>	2.46	2.50	2.50	2.50

## GENERAL FUND FOUR YEAR FORECAST 2006/07 - 2009/10

<b>REVISED 2005/06</b>	<b>FORECAST 2006/07</b>	<b>FORECAST 2007/08</b>	<b>FORECAST 2008/09</b>	<b>FORECAST 2009/10</b>
£'000 <b>REVENUE BALANCES</b>	£'000	£'000	£'000	£'000
5,488 Balance B/forward	5,849	6,330	6,061	5,794
361 Surplus/Deficit(-) for year	481	-269	-267	-356
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5,849 Balance C/Forward	6,330	6,061	5,794	5,438
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<b>DISTRICT DEVELOPMENT FUND</b>				
2,457 Balance B/forward	2,332	1,501	1,492	1,431
1,075 Transfer In	659	332	0	0
-1,200 Transfer Out	-1,490	-341	-61	-13
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2,332 Balance C/Forward	1,501	1,492	1,431	1,418
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<b>CAPITAL FUND (inc Cap Receipts)</b>				
21,241 Balance B/forward	18,864	11,503	9,697	9,090
740 New Usable Receipts	718	713	690	678
895 New Transistional Usable Receipts	427	0	0	0
CR Used to Fund Capital Expenditure				
-1,395 - Transistional Relief Receipts	-927	0	0	0
-2,617 - Other Capital Receipts	-7,579	-2,519	-1,297	-932
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18,864 Balance C/Forward	11,503	9,697	9,090	8,836
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27,045 TOTAL BALANCES	19,334	17,250	16,315	15,692
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