

Supplementary Committee Agenda



**Epping Forest
District Council**

Finance and Performance Management Cabinet Committee Monday, 10th December 2007

Place: Civic Offices, High Street, Epping
Room: Committee Room 1
Time: 6.30 pm
Committee Secretary: Gary Woodhall, Research and Democratic Services
Tel: 01992 564470 Email: gwoodhall@eppingforestdc.gov.uk

7. DRAFT GENERAL FUND BUDGET SUMMARY (Pages 3 - 14)

(Director of Finance & ICT) To consider the attached report.

This page is intentionally left blank

Report to the Finance and Performance Management Cabinet Committee



**Epping Forest
District Council**

Portfolio: Finance and Performance Management.

Subject: Draft General Fund Budget Summary (inc. CSB and DDF lists).

Officer contact for further information: Bob Palmer (01992-564279).

Democratic Services Officer: Gary Woodhall (01992-564470)

Recommendations/Decisions Required:

- (1) To consider amending the budget guidelines previously set down, such that:
 - (a) the ceiling for CSB net expenditure for 2008-09 be no more than £17.314million, including net growth;
 - (b) the ceiling for DDF net expenditure for 2008-09 be no more than £186,000;
 - (c) balances continue to be aligned to the Council's net budget requirement and be allowed to fall no lower than 25% of the net budget requirement; and
 - (d) the District Council Tax be increased by no more than the rate of increase in the Retail Price Index; and
- (2) That the items shown in Appendices 2 and 3 be included in the revenue budgets for 2008-09, subject to any additional late growth bids or additional savings being necessary.

Introduction:

1. This report gives the first oversight of the draft General Fund budget for 2008-09. The individual portfolio budgets will be considered in detail at the Finance & Performance Management Scrutiny Panel on Monday 14 January 2008. The budget setting process will conclude by the following timetable:

Finance & Performance Management Scrutiny Panel	14 January 2008
Finance & Performance Management Cabinet Committee	28 January 2008
Overview and Scrutiny Committee	31 January 2008
Cabinet	4 February 2008
Council	19 February 2008

2. The draft budget summary for 2008-09 is listed at Appendix 1 and shows that the CSB (including growth) currently totals £16.5M and the DDF £0.82M. This Committee considered the Financial Issues Paper on 24 September 2007 and set out the guidelines listed in recommendation one above.

Draft Local Government Finance Settlement:

3. Detailed figures are still awaited from the Government for the three-year settlement

commencing in 2008-09. Preliminary control totals indicated real terms increases of 1.4% for 2008-09 and 0.7% and 0.6% for 2009-10 and 2010-11 respectively, although there are likely to be significant variations from these figures for individual authorities.

4. The consultation on possible changes to the grant formulae closed on 10 October. This consultation included 29 questions covering specific changes, although the document also invited respondents to propose new options. Some of the areas will not impact directly on the Council, for example social services, police and fire and rescue, but many will, for example capital finance, area cost adjustments and the tapering down of floor grants. If figures become available before this meeting an update will be provided at the meeting. The table below is repeated from last years budget papers to remind Members of the previous settlement:

	Original 2005-06 £m	Adjusted 2005-06 £m	2006-07 £m	2007-08 £m
Formula Grant	7.299	7.918	8.627	9.161
Increase £	n/a	0.619	0.709	0.534
Increase %	n/a	8.48%	9.0%	6.2%

5. In addition to the Formula Grant support a specific grant is being paid to compensate authorities for the higher costs associated with the new national concessionary fares scheme. This scheme comes into force from 1 April 2008 and a report on the consultation on the funding options was made to the last meeting of this committee. It is hoped that the outcome of the consultation will be announced at the same time as the Formula Grant settlement.

CSB Growth:

6. The CSB growth list at Appendix 2 details net CSB savings on the revised estimates for 2007-08 of £126,000 and further net savings for 2008-09 of £171,000. These savings are included in the General Fund position shown on Appendix 1 with a CSB total of £16.5M. As the ceiling for CSB for 2008-09 has been set at £17.314M, the draft budget is currently contained within this limit.

7. The major differences between this update and the Financial Issues Paper previously presented include:

- (a) savings from the Top Management restructure - £206,000;
- (b) additional investment income - £240,000;
- (c) differences on the pay award, inflation and fees & charges - £150,000; and
- (d) reductions in non HRA rent rebates - £85,000.

8. Despite the increase shown above it is important to stress that a prudent view is still being taken on investment income. The previous figures had been calculated prior to the T11 disposal and had anticipated earlier reductions in interest rates. The additional investment income generated in 2007-08 has been split with just over £100,000 being added to CSB income but three times that amount being taken to the DDF.

9. Whilst there is still some time before the budget is finalised and other items may still come forward, at this stage it appears that the CSB target for 2008-09 should be achieved.

DDF Expenditure:

10. The DDF list at Appendix 3 details items totalling £822,000, which is included in the

General Fund position shown on Appendix 1. The ceiling for DDF for 2008-09 was set at £186,000 anticipating net expenditure in 2007-08 of £1,679,000. However, as part of the budget process the DDF programme has been re-examined and many items have now been re-profiled. This has reduced the estimated level of expenditure in 2007-08 by £701,000 but this, and some other changes, has resulted in the estimated level of DDF expenditure in 2008-09 increasing by £636,000. As there is still a substantial balance estimated on the DDF Reserve at the end of 2010-11, Members are recommended to increase the net DDF ceiling for 2008-09 to no more than £1M.

Statement in Support of Recommended Action:

11. The budget guideline of a ceiling on CSB expenditure of £17.314M can be adhered to whilst accommodating the growth items detailed on the attached appendices. Therefore it is not proposed to amend the CSB target for 2008-09 at this time.

12. Due to re-phasing of the DDF programme expenditure for 2008-09 cannot be contained within the original target of £186,000. Therefore it is proposed to amend the DDF target for 2008-09 to net expenditure of no more than £1M.

Other Options for Action:

13. Members may choose to allow an increase in the CSB ceiling above £17.3M, although this would not be recommended, as it would lead to a need for even greater savings in subsequent years. Alternatively the CSB target could be reduced below £17.3M but while the budget is still in draft form and subject to change this could cause unnecessary difficulties later in the process.

14. Members may choose not to amend the target for DDF spending but as the need for this change has arisen more from slippage than new projects, to do this would only further delay the implementation of the projects.

Consultation Undertaken:

15. This is the first draft of the budget and detailed consultations will now take place between the Portfolio Holder for Finance and Performance Management and other Portfolio Holders.

Resource Implications:

Budget Provision: Proposed draft budget for 2008-09, CSB expenditure ceiling £17.314M and DDF £1M.

Personnel: Nil.

Land: Nil.

Community Plan/BVPP references: N/A.

Relevant statutory power: N/A.

Background papers: N/A.

Environmental/Human Rights/Crime and Disorder Act Implications: N/A.

Key Decision reference (if required): N/A.

This page is intentionally left blank

GENERAL FUND ESTIMATE SUMMARY

Appendix 1

2006/07 Actual	2007/08			2008/09 Budget		
	Original Estimate	Revised Estimate		Gross Annex Expenditure no.	Gross Income £000	Net Expenditure £000
£000	£000	£000		£000	£000	£000
2,705	2,786	2,858	Leader's Portfolio	2,913	22	2,891
1,518	1,718	1,706	Community Wellbeing	1,741	13	1,728
263	983	1,398	Finance & Performance Management	38,495	37,508	987
617	1,690	2,044	Housing	2,928	1,036	1,892
3,802	3,560	3,586	Leisure & Young People	5,187	1,622	3,565
592	848	909	Civil Engineering & Maintenance	2,939	2,058	881
2,468	2,724	2,857	Planning & Economic Development	3,960	1,328	2,632
7,032	6,942	7,445	Environmental Protection	7,733	1,364	6,369
(1,097)	(317)	(756)	Other Income	0	0	0
17,900	20,934	22,047	Net Cost of Services	65,896	44,951	20,945
(2,834)	(2,680)	(3,540)	Interest and Investment Income	0	3,071	(3,071)
1,762	1,761	2,207	Interest Payable (Inc. HRA)	2,050	0	2,050
0	0	0	Transfer from the HRA	0	0	0
567	639	416	Pensions Interest/Return	4,079	3,663	416
0	0	0	Revenue Contributions to Capital	0	0	0
17,395	20,654	21,130	Net Operating Expenditure	72,025	51,685	20,340
(1,571)	(2,540)	(3,265)	Depreciation Reversals & Other adj	100	2,701	(2,601)
305	(321)	281	Contribution to/(from) Other Reserves	663		663
150	0	0	Contribution to/(from) Insurance Reserves	0	0	0
174	(559)	(978)	Contribution to/(from) DDF		822	(822)
(661)	(575)	(509)	FRS 17 Adjustment		414	(414)
15,792	16,659	16,659	To be met from Government Grants and Local Taxpayers	72,788	55,622	17,166
13,951	16,842	16,504	Continuing Services Budget			16,674
2,219	374	474	CSB - Growth			634
(833)	(236)	(600)	CSB - Savings			(805)
1,386	138	(126)	Total Growth (Net)			(171)
15,337	16,980	16,378	Total Continuing Services Budget			16,503
1,987	1,264	2,854	DDF - Expenditure			960
(2,161)	(705)	(1,876)	DDF - One Off Savings			(138)
(174)	559	978	Total District Development Fund			822
629	(880)	(697)	Appropriations to/(from) other Reserves			(159)
15,792	16,659	16,659				17,166

This page is intentionally left blank

CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST

Portfolio	Service	Original 2007/08 £000's	Revised 2007/08 £000's	Estimate 2008/09 £000's	Estimate 2009/10 £000's	Estimate 2010/11 £000's	Estimate 2011/12 £000's
Leaders Portfolio							
	Corporate Policy Making		(78)	(128)			
	Subscriptions		(6)	(6)			
	Civic and Member	(12)	(12)				
	Civic and Member			25			
	Civic and Member			30			
	Civic Ceremonial	2	2				
	Civic Ceremonial	5	5				
	Elections	3	3				
	Total Leader's Portfolio	(2)	(86)	(79)	0	0	0
Community Wellbeing							
	Concessionary Fares		(12)				
	Safer Communities		15				
	Safer Communities		(15)				
	Total Community Wellbeing	0	(12)	0	0	0	0
Finance, Performance Management, and Corporate Support Services							
	Local Taxation	(2)	13				
	Local Taxation	(21)					
	Finance Miscellaneous	4	4				
	Finance Miscellaneous			92	92	93	
	Investment Income		(102)	?			
	Housing Benefits/Local Taxation	16	16	16	4		
	Housing Benefits			22	20		
	Housing Benefits		(85)				
	Car Leasing	(10)	(18)	(6)			
	Office Accommodation	7	7				
	Industrial Estates		2	24			
	Industrial Estates		7				
	Industrial Estates		(17)				
	Industrial Estates		(6)				
	David Lloyd Centre		(8)				
	All Services	(38)	(38)				
	All Services	(35)	(30)	(5)			
	All Services	(4)	(4)				
	Energy Sites	44	26				
	Total Finance, Performance Management and Corporate Support Services	(39)	(233)	143	116	93	0

Portfolio	Service	Original 2007/08 £000's	Revised 2007/08 £000's	Estimate 2008/09 £000's	Estimate 2009/10 £000's	Estimate 2010/11 £000's	Estimate 2011/12 £000's
Housing	Private Sector Housing	19	16				
	Private Sector Housing	41	11	30			
	Private Sector Housing	5	5	5			
	Reinstatement Grants	113	113	331	1		
	Total Housing	178	145	366	1		
Leisure	Leisure Management	(50)	(14)	(36)			
	Waltham Abbey Leisure Centre	(10)	(10)				
	Leisure Services	10	6				
	Total Leisure	(50)	(18)	(36)	0	0	0
Environmental Protection	Pollution Control	11	11	7			
	Waste Management			(604)			
	Total Environmental Protection	11	11	(597)	0	0	0
Planning & Economic Development	Tourism	5	5				
	Building Control	(9)	(70)				
	Building Control	9	70				
	Building Control		(10)				
	Building Control		10				
	Development Control		20	20			
	Development Control		(20)	(20)			
	Total Planning & Economic Development	5	5	0			
Civil Engineering & Maintenance	Off Street Car Parking	75	75				
	Off Street Car Parking	(45)	(45)				
	Car Parking		13	13			
	Car Parking		19	19			
	Grounds Maintenance/Car Parking	5					
	Total Civil Engineering & Maintenance	35	62	32	0	0	0
	Total CSB	138	(126)	(171)	117	93	0

DISTRICT DEVELOPMENT FUND		Original	BF from 2008/07	Revised	Estimate	Estimate	Estimate	Estimate
Portfolio	Service	2007/08 £000's	2007/08 £000's	2007/08 £000's	2008/09 £000's	2009/10 £000's	2010/11 £000's	2011/12 £000's
Leaders	Corporate Policy Making	10		10	10			
	Corporate Policy Making		30					
	Corporate Policy Making			163				
	Corporate Policy Making			(33)				
	Elections			4				
	Civic and Member	2		1	4			
	Civic and Member				31			
	Public Relations	31						
	Dev of Community Strategy-consulting & printing							
	Top Man Structure Salary Increases							
	Retirement of Joint Chief Executive (Community)							
	Retirement of Joint Chief Executive (Community)HRA Element							
	By-Elections Alderton Ward							
	Audit & Governance Committee Training							
	Web Casting Project							
	Improvements to Main Reception Area							
	Total Leaders	43	30	145	45	0	0	0
Community Wellbeing	County Wide Scheme		21	21				
	National Bus Concession - set up costs			53				
	National Bus Concession - Grant			(53)				
	Total Community Wellbeing	0	21	21	0	0	0	0
Finance and Performance Management and Corporate Support Services	VAT Consultancy			3				
	Asset Register			20				
	Finance System Outstanding Commitments	20	14	20	14			
	Cover for Maternity leave	40		40				
	Housing Benefit Admin Grant (New Formula)	(167)		(167)				
	Welfare Reform Start up costs		6	6				
	Electronic Document management		15	8	7			
	Local Housing Allowance Implementation grant			(108)				
	Local Housing Allowance Implementation Costs			108				
	HBSD/IAD Scan Funding Grant			(14)				
	HBSD/IAD Scan Funding Costs			14				
	Housing Benefits/Local Taxation	80	26	106	40			
	Replacement Revenues & Benefits system		34	39				
	Langston Road Industrial Estate- Development Proposals		(3)	3				
	Implementation of Risk Management Strategy			(312)				
	Extra Interest Income							
	Data capture re Land Terrier	9	2		11			
	Computerisation of Land Terrier records	17			17			
	Registration of Unregistered Titles	41	1		42			
	Office Equipment		3		3			
	New IT system		9					
	Reduced Income			57				
	Reduction in search costs payable to ECC			(20)				
	Essential Work to Civic Offices	66	47	71	77	31	20	
	Civic Offices Atrium works		9					
	Potential Accommodation Changes		4	27	30			
	Civic Offices Environmental Imps Comfort Cooling		10	10	100			
	Works to Committee rooms for Scrutiny meetings		4					
	New Pond Boudry Wall Repair			5				
	Consultant's Fees - Dev Potential of Council Car Parks			26				
	Consultant's Fees & site surveys Langston Rd Depot			20				
	Planned Building Maintenance Programme							130
	Total Finance, Performance Management and Corporate Support Services	115	181	(38)	471	31	20	0

DISTRICT DEVELOPMENT FUND

Portfolio	Service	Original 2007/08 £000's	Bf from 2008/07 2007/08 £000's	Revised 2007/08 £000's	Estimate 2008/09 £000's	Estimate 2009/10 £000's	Estimate 2010/11 £000's	Estimate 2011/12 £000's
Housing	Homelessness	9	9	18				
	Private Sector Housing	4	4		8			
	Private Sector Housing	10		5	15			
	Private Sector Housing	3		2	1			
	Homelessness Prevention Officers							
	Housing strategy and empty homes surveys							
	Consultancy Private Sector Assistance Policy							
	Handyperson Scheme							
	Total Housing	26	13	25	24	0	0	0
Leisure	Alternative Management	151		151				
	Community Development	7	4	11				
	North Weald Airfield		5	(73)	5			
	North Weald Airfield	(50)						
	North Weald Airfield		11	11				
	Museum		10	10				
	Community Venues Outreach Pilot Project			0				
	Arts Programme	20		0				
	Arts Programme	(20)		0				
	Community Development			20				
	Community Development			(20)				
	Community Development			5				
	Community Development	30		39				
	Sports Development	(30)		(39)				
	Sports Development							
	Total Leisure	108	30	115	5	0	0	0
Environmental Protection	Recycling Measures	56		56				
	Waste Management		186	695				
	Waste Management			15	7			
	Waste Management	(56)		(56)				
	Waste Management		228	47				
	Waste Management		(25)	(32)				
	Pollution Control			0	4			1
	Bobbingworth Tip							
	Total Environmental Protection	0	389	725	11	1	0	0

DISTRICT DEVELOPMENT FUND		Original 2007/08 £000's	Bf from 2008/07 2007/08 £000's	Revised 2007/08 £000's	Estimate 2008/09 £000's	Estimate 2009/10 £000's	Estimate 2010/11 £000's	Estimate 2011/12 £000's
Portfolio	Service							
Planning & Economic Development	Forward Planning	18	(1)	17	4			
	Technical Planning Officer - Tree Preservation				14			
	Planning Services	15	2	17		4		
	Planning Services	24	23	35	12			
	Planning Services	10	12	22	14			
	Planning Services			0				
	Planning Services		49	49	38	2		
	Planning Services				(40)			
	Planning Services	15		110	88	10		
	Planning Services	(15)		(110)	(88)	(10)		
	Planning Services		25	35				
	Planning Services		48					
	Development Control			0				
	Development Control			46				
	Development Control			100				
	Development Control			85				
	Enforcement		122		77			
	Forward Planning		160	51	77	134		
	Countrycare				40			
	Countrycare				(40)			
Town Centre Enhancements				25				
Building Control			23					
Building Control			(23)					
		349	209	508	176	6	0	0
Total Planning & Economic Development								
Civil Engineering & Maintenance	Land Drainage	199		199	90			
	Land Drainage	50		100				
	Land Drainage	(50)		(100)				
	Highways	36		34				
		235	0	233	90	0	0	0
	876	873	1,734	822	38	20	0	
Total Portfolio District Development Fund								
Other Items	Reimbursement of Highways Residual Costs	(117)		(117)				
	Transfer from Usable Capital Receipts (Commutation Adjustment)			0				
	Second Homes Discount Allowance			(73)				
	Backdated Housing Grant	(200)		(325)				
	Local Authority Business Growth Incentives Scheme			(241)				
		559	873	978	822	38	20	0

This page is intentionally left blank