

**EPPING FOREST DISTRICT COUNCIL
NOTES OF A MEETING OF FINANCE AND PERFORMANCE MANAGEMENT SCRUTINY
PANEL
HELD ON MONDAY, 15 JANUARY 2007
IN COUNCIL CHAMBER, CIVIC OFFICES, HIGH STREET, EPPING
AT 7.06 - 8.50 PM**

Members Present: J M Whitehouse (Chairman), J Hart (Vice-Chairman), Mrs R Gadsby, M Colling, R D'Souza, P House, D Jacobs and K Chana

Other members present: Mrs D Collins, A Green, Mrs A Grigg, J Knapman, Mrs M Sartin, D Stallan, Ms S Stavrou and C Whitbread

Apologies for Absence: R Church and R Morgan

Officers Present J Bissell (Principal Accountant), J Gilbert (Head of Environmental Services), A Hall (Head of Housing Services), A Hendry (Democratic Services Officer), D Macnab (Head of Leisure Services), P Maddock (Assistant Head of Finance), R Palmer (Head of Finance), J Preston (Head of Planning and Economic Development) and R Sharp (Principal Accountant)

Also in attendance:

25. CHAIRMAN DELAYED

The Chairman of the Panel was unavoidably delayed for the start of the meeting. The Vice Chairman began the meeting with Councillor Jacobs acting as a temporary Vice Chairman until the Chairman arrived.

26. WEBCASTING INTRODUCTION

The Vice Chairman made a short address to remind all present that the meeting would be broadcast on the Internet, and that the Council had adopted a protocol for the webcasting of its meetings. The Panel noted the Council's Protocol for webcasting of Council and Other Meetings.

27. SUBSTITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)

The panel noted that Councillor K Chana was substituting for Councillor R Church.

28. DECLARATION OF INTERESTS

There were no declarations of interest given.

29. NOTES OF PREVIOUS MEETING - 14 NOVEMBER 2006

The notes of the previous meeting, held on 14 November 2006, were agreed.

30. TERMS OF REFERENCE / WORK PROGRAMME

The current work programme was noted.

31. DRAFT DETAILED PORTFOLIO BUDGETS

The Head of Finance introduced the report containing the breakdown of the individual Portfolio Holders budgets for 2007/08.

It was intended that the recommendations from this Panel would go to the Overview and Scrutiny Committee on 1 February. Cabinet will then consider the recommendations of the Overview and Scrutiny Committee and the Finance and Performance Management Cabinet Committee on 5 February. Cabinet will then recommend a budget and Council Tax to Full Council for approval on 20 February.

The following detailed information was provided for each Portfolio:

- (i) Estimate Summary – containing actual figures for 2005/06, original and revised estimates for 2006/07 and gross and net figures for 2007/08.
- (ii) Development Fund & Growth Items – containing development fund and growth proposals, original and revised for 2006/07 and original 2007/08.
- (iii) Detailed Estimates – containing figures and comments on each distinct area of the Portfolio.

The Panel considered the detailed Portfolio Holder budgets. One of the points raised was the future of the Council's land assets.

RECOMMENDED to the Overview and Scrutiny/ Cabinet:

- (1) That the draft Portfolio Holder budgets be endorsed and the Overview and Scrutiny Committee and the Cabinet be informed accordingly;
- (2) That a further report comes to this Panel looking at the Council's unallocated land holding (e.g. depots, vacant holdings etc.), setting out the future plans for these assets.

32. REVISED FOUR YEAR FORECAST

The Head of Finance introduced the revised four year forecast and the proposed level of Council Tax increase for 2007/08 and subsequent years.

The Panel noted that the Finance and Performance Management Cabinet Committee confirmed that the budget guidelines previously set down should be adhered to:

- a) that the ceiling for CSB net expenditure be no more than £17M including net growth.
- b) that balances continue to be aligned to the Council's net budget requirement and that balances be allowed to fall no lower than 25% of the net budget requirement.
- c) that the District Council Tax be increased by no more than the rate of increase in the Retail Price Index.

Areas of uncertainty flagged up were the impact on the budget of the waste management contractor being placed in administration, the capitalisation of pensions fund deficit payments (final Government clearance would not be forthcoming until 31

January 2007), and the impact of the Lyons review on the future financing of Local Government.

The Panel noted that the reserves although very healthy at present (at 40.9%) was likely to dip down to 19.1% in 2010/11 unless corrective action was taken over the intervening years. This possibility was being flagged up now to give the council sufficient forward warning. Despite this the Panel noted that the Council was currently in a good financial situation.

RECOMMENDED to Overview and Scrutiny Committee / Cabinet:

- (1) That the revised four year forecast be agreed and the District Council Tax be increased by no more than the rate of increase in the Retail Price Index.
- (2) That the Panel flag up to the Overview and Scrutiny Committee that the Waste Management budget figures and the Reserves for the next two or three year ahead should be kept under observation.

33. REPORTS TO BE MADE TO THE NEXT MEETING OF THE OVERVIEW AND SCRUTINY COMMITTEE

That the two budget items discussed at this meeting be referred to the next Overview and Scrutiny Committee.

34. FUTURE MEETINGS

Noted that the next meeting would be held on 12 February 2007, at 7pm.