

Report to the Finance and Performance Management Committee



Report Reference: FPM-019-2012/13
Date of meeting: 22 November 2012

**Epping Forest
District Council**

Portfolio: Finance & Technology.

Subject: Draft General Fund CSB and DDF lists and Savings Update.

Responsible Officer: Peter Maddock (01992 564602).

Democratic Services: Gary Woodhall (01992 564470).

Recommendations

- (1) To note the draft Continuing Services Budget (CSB) and District Development Fund (DDF) schedules; and**
- (2) To provide an update on the savings achieved as part of the 2013/14 budget process.**

Executive Summary

The report provides the first draft of the Continuing Services Budget (CSB) growth and District Development Fund (DDF) Schedules and also an update on the budget process for 2013/14 and what savings have been achieved so far.

Reasons for proposed action

Members are asked to note the first draft of these schedules and savings achieved and make comments as appropriate.

Other options for action

No other options applicable.

Report

- The Financial Issues Paper was presented to this committee on 20 September 2012. The report highlighted a number of financial uncertainties and risk facing the Authority including the Localisation of Council Tax Benefit, Retention of Business Rates, Possible Double-Dip recession and the possible effect of Changes to Service delivery as a result of shared services.
- The Medium Term Financial Strategy (MTFS), which forms part of the Financial Issues Paper, identified that further savings of around £1.25 million were required over the forecast period. The savings required in 2013/14 are £0.25 million after savings of £0.42 million already identified had been taken into account. The lists attached suggest we are not there but savings on vacant posts and Car Leasing are still to be evaluated.
- As in previous years there was again a saving on the revenue budget in 2011/12. The outturn for 2011/12 was considered by this Committee on 16 June 2012 it was noted that the General Fund budget was underspent by a little under £600,000 much like the previous year. Salary savings made up a greater proportion of overall savings in 2011/12 and therefore the underspend on Supplies and Services was less suggesting the strategy of removing these

underspends from the budget has had a degree of success. However a similar exercise is being carried out during the 2013/14 budget cycle to again reduce budgets where underspends frequently occur. It is likely that the savings identified will be less than the last two years but will still provide a useful contribution to the savings target.

4. Within each directorate a line has been included under CSB with the amount of savings identified so far. During the 2012/13 budget process a number of savings were identified by this approach and the 2013/14 budget process has identified a further £126,000 most of which is effective for the 2012/13 probable outturn and beyond. Much of this will fall on the General Fund but due to the cost allocation process some will benefit the Housing Revenue Account (HRA). The current MTFS in 2012/13 has not taken account of any further savings arising from this exercise however the updated version later in the cycle clearly will. The table below summarises the position with regard to savings achieved so far.

Directorate	Additional Savings identified during budget process
	£'000
Office of the Chief Executive	5
Corporate Support Services	40
Deputy Chief Executive	0
Environment and Street Scene	35
Finance & ICT	15
Housing GF	0
Planning & Economic Development	7
Total	102

5. No savings are listed in the table above for the Deputy Chief Executive or Housing General Fund. The guideline has identified little further scope for savings within the Deputy Chief Executive Directorate and there is very little directly controllable expenditure within the Housing General Fund anyway.

6. 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.

7. The schedules of CSB growth/savings and DDF expenditure are attached and these include entries at directorate level relating to the above exercise. These are at Annexes 1 & 2 and represent best estimates at this time.

8. 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 where growth is inevitable, for example the Specific Grant for Housing Benefit Administration Grant, has been cut by £104,000 in 2013/14 compared to the position in 2012/13. There is also still uncertainty over what, if any pay award will be made. 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.

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.

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.

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.