

Report to the Finance and Performance Management Scrutiny Panel

Date of meeting: 11 November 2014

Portfolio: Finance

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

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Recommendations:

To note the first draft of the 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 2015/16.

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 considered by this panel at its meeting in September. The report highlighted a number of financial uncertainties and risks 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 savings of around £1.5 million were required over the forecast period. The savings required in 2015/16 were identified at £0.5 million after savings of £0.285 million already identified had been taken into account. Since then growth has been agreed for increasing the resources available for Economic Development work and there is likely to be a reduction on the North Weald rent meaning this target is nearer £1m. The lists attached show the current position however the budget process is still at a reasonably early stage and there will undoubtedly be further additions to the list as the budget progresses.
3. As in previous years there was again a saving on the revenue budget in 2013/14 but not as marked as in 2012/13. The outturn for 2013/14 was considered by this Committee on 26 June 2014. It was noted that the General Fund underspend when

compared to the revised budget was due in part to Housing Benefits, in particular previous year adjustments and additional income from Housing Benefits overpayments. However it was still the case that there were a number of other underspends which although not significant in themselves when added together become so. The budget process will again focus on these areas but this will not significantly close the budgetary gap.

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