

Essex County Wide Traveller Unit Operations Board 9 May 2018

Report by Sarah Broadley, Finance Business partner

Finance Report for the Essex County Wide Traveller Unit

**Enquiries to Sarah Broadley,
ECC Finance Business Partner
Tel: 07795 551630**

Purpose	
1.	To receive the 2017/18 outturn position
2.	To receive the budget for 2018/19 and note the proposed budgets for 2019/20 and 2020/21
3.	To note the proposed 2019/20 Membership Fees and Decision Required – To approve Membership Fees for 2019/20
4.	To note the amount of reserves
5.	Reasons for maintaining a reserve
6.	To note the ECC internal Audit costs that have been charged

1. 2017/18 Outturn Position

	2017/18 Budget	2017/18 Actuals	2017/18 Variance
Expenditure:			
Employees	£248,711	£253,602	£4,891
Supplies & Services	£104,403	£83,372	-£21,031
Transport & Mileage	£20,233	£20,750	£517
Gross Expenditure	£373,347	£357,724	-£15,623
Income:			
Partner Contributions	-£384,655	-£409,113	-£24,458
Gross Income	-£384,655	-£409,113	-£24,458
Net Expenditure (Surplus) / Deficit	-£11,308	-£51,389	-£40,081

The Essex Countywide Traveller Unit 2017/18 outturn position is a net surplus position of £51,389, a favourable variance compared to budget of £40,081. This is caused by the following:

- £21,031 underspend on Supplies and Services due to lower than forecast spend on Legal and Bailiff costs. This is as a result of a reduced number of unauthorised encampments during the year.
- £24,458 over recovery of income due to a one off contribution to the unit from Essex County Council's Highways service. This was a one-off unbudgeted contribution made by the Highway service to reflect the high volume of unauthorised encampments on Highways land.

The year-end underspend position has bought the reserve from a deficit position at the closure of the 2016/17 accounts of £26,462 to a surplus of £24,927 at the close of the 2017/18 accounts.

2. Budget for 2018/19 and proposed budget for future years

	2017/18 Budget	2018/19 Budget	2019/20 Draft Budget	2020/21 Draft Budget
Expenditure:				
Employees	£248,711	£248,711	£251,198	£258,734
Supplies & Services	£104,403	£107,535	£110,761	£114,084
Transport & Mileage	£20,233	£20,637	£20,843	£20,843
Gross Expenditure	£373,347	£376,882	£382,802	£393,660
Income:				
Partner Contributions	-£384,655	-£396,194	-£401,335	-£407,355
Gross Income	-£384,655	-£396,194	-£401,335	-£407,355
Net Expenditure (Surplus) / Deficit	-£11,308	-£19,311	-£18,533	-£13,695

The 2019/20 draft budget assumes the following:

- 3% membership fee increase (and a 1.5% increase in 2020/21), to try to reinstate the reserve to a more healthy position
- 1% increase for Employee and Transport budgets
- 3% Increase for supplies & services

3. Proposed 2019/20 Membership Fees

The table below presents 3 options for members.

Option 1 - the 2019/20 draft budget has been calculated using Option 1 (preferred option) which is a 3% increase on the 2018/19 fee. This results in an annual increase per District / Borough member of £240. **This is the recommended option and a decision is required from the Joint Committee to approve the membership fees for 2019/20.**

Option 2 is a 1.5% increase and results in an increase of per District / Borough member of £120

Option 3 is a 2% increase and results in an increase per District / Borough member of £160

There is no proposal to increase the Essex County Council Gypsy & Traveller contribution as Essex County Councils contribution to the ECTU increased by more than £80,000 in 2017/18. There is also no proposal to increase the Essex Fire & Rescue contribution

Organisation	2018/19 Fee (Approved at the November 2018 Joint Committee meeting)	OPTION 1 Proposed 2019/20 Fee (3% Increase)	OPTION 2 Proposed 2019/20 Fee (1.5% Increase)	OPTION 3 Proposed 2019/20 Fee (2% Increase)
Essex County Council:				
ECC - Gypsy & Traveller	£201,268	£201,268	£201,268	£201,268
ECC - Highways	£7,989	£8,229	£8,109	£8,149
Public Health	£59,246	£61,023	£60,135	£60,431
Essex Property & Facilities	£7,989	£8,229	£8,109	£8,149
Country Parks	£7,989	£8,229	£8,109	£8,149
Total ECC	£284,480	£286,977	£285,729	£286,145
Essex Fire and Rescue				
	£23,842	£23,842	£23,842	£23,842
Districts / Boroughs & Unitary:				
Uttlesford District Council	£7,989	£8,229	£8,109	£8,149
Thurrock Council	£7,989	£8,229	£8,109	£8,149
Rochford District Council	£7,989	£8,229	£8,109	£8,149
Maldon District Council	£7,989	£8,229	£8,109	£8,149
Colchester Borough Council	£7,989	£8,229	£8,109	£8,149
Tendring District Council	£7,989	£8,229	£8,109	£8,149
Basildon Borough Council	£7,989	£8,229	£8,109	£8,149
Castlepoint Borough Council	£7,989	£8,229	£8,109	£8,149
Braintree District Council	£7,989	£8,229	£8,109	£8,149
Brentwood Borough Council	£7,989	£8,229	£8,109	£8,149
Chelmsford District Council	£7,989	£8,229	£8,109	£8,149
Total Districts/Boroughs/Unitary	£87,875	£90,515	£89,197	£89,637
Total Subscriptions				
	£396,198	£401,335	£398,768	£399,624

4. Balance Sheet – Reserves

Should the 2019/20 (3%) increase to membership fees and 2020/21 (1.5%) increase be approved, it could have the following effect on reserves:

Balance Sheet: General Balance	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Opening Balance (Surplus)	-£83,620	-£66,798	£26,462	-£24,927	-£44,238	-£62,771
Net Outturn position (Surplus)	£16,822	£93,260	-£51,389	-£19,311	-£18,533	-£13,695
Closing Balance (Surplus) / Deficit	-£66,798	£26,462	-£24,927	-£44,238	-£62,771	-£76,466

5. Reasons for maintaining a reserve

Balances are required to protect the Joint Committee from a significant event(s) which would have a material effect on income or expenditure. The reserve acts as a 'buffer' for such events and the need for a reserve is supported by the level of legal and bailiff costs that were incurred in 2014/15 £38,000, 2015/16 £48,000, 2016/17 £62,678 and 2017/18 £107,000

6. ECC internal Audit costs that will be charged

£900