

Essex County Wide Traveller Unit Operations Board 21 May 2019

Report by Lisa Nicholls, Management Accountant

Finance Report for the Essex County Wide Traveller Unit

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Purpose	
1.	To receive the 2018/19 outturn position
2.	To receive the budget for 2019/20 and note the proposed budgets for 2020/21 and 2021/22
3.	To note the proposed 2019/20 Membership Fees and Decision Required – To approve Membership Fees for 2020/21
4.	To note the amount of reserves
5.	Reasons for maintaining a reserve

1. 2018/19 Outturn Position

	2018/19 Budget	2018/19 Actuals to 31st March 2019	2018/19 Full Year Variance
Expenditure:			
Employees	£248,711	£251,490	£2,779
Supplies & Services	£107,535	£45,060	(£62,475)
Legal	£0	£28,270	£28,270
Transport & Mileage	£20,637	£22,331	£1,694
Gross Expenditure	£376,883	£347,151	(£29,732)
Income:			
Partner Contributions	(£396,194)	(£400,579)	(£4,385)
Gross Income	(£396,194)	(£400,579)	(£4,385)
Net Expenditure (Surplus) / Deficit	(£19,311)	(£53,428)	(£34,117)

The Essex Countywide Traveller Unit 2018/19 outturn position is a net surplus position of £53,428, a favourable variance compared to budget of £34,117. This is caused by the following:

- £34,205 under spend on Supplies and Services due to lower than originally forecast spend on Legal and Bailiff costs (£28,270). This is as a result of a reduced number of unauthorised encampments during the year.

The year-end under spend position has increased the reserve from a surplus position at the closure of the 2017/18 accounts of £24,927 to a surplus of £78,355 at the close of the 2018/19 accounts.

2. Budget for 2019/20 and proposed budget for future years

	2018/19 Budget	2018/19 Actuals	2019/20 Budget (Agreed)	2020/21 Draft Proposed Budget	2021/22 Draft Proposed Budget
Expenditure:					
Employees	£248,711	£251,490	£251,198	£253,710	£256,247
Supplies & Services	£107,535	£73,330	£110,868	£114,305	£117,848
Transport & Mileage	£20,637	£22,331	£21,277	£21,937	£22,617
Gross Expenditure	£376,883	£376,882	£383,343	£389,952	£396,712
Income:					
Partner Contributions	-£396,194	-£400,579	-£397,268	-£400,725	-£404,251
Gross Income	-£396,194	-£400,579	-£397,268	-£400,725	-£404,251
Net Expenditure (Surplus) / Deficit	-£19,311	-£53,428	-£13,925	-£10,773	-£7,539

The 2019/20 draft budget assumes the following:

- 2% membership fee increase excluding Essex Fire & Rescue (plus a 2% increase in 2020/21 and 2021/22)
- 1% increase for Employee budgets
- 3.1% RPI increase for Supplies & Services and Transport budgets

3. Proposed 2020/21 Membership Fees

The draft budgets for 2020/21 and 2021/22 propose the following,

- 1% increase for Employee budgets
- 3.1% RPI increase for Supplies & Services and Transport budgets

The table below presents 3 options for members to consider in respect of membership contributions.

Option 1 is a 1% increase and results in an increase of per District / Borough member of £81

Option 2 - the 2020/21 and 2021/22 draft budgets have been calculated using Option 2 (preferred option) which is a 2% increase on the 2019/20 fee. This results in an annual increase per District / Borough member of £163. **This is the recommended option and a decision is required from the Joint Committee to approve the membership fees for 2020/21.**

Option 3 is a 3.1% RPI increase and results in an increase per District / Borough member of £253

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	2019/20 Fee (Approved at the May 2018 Joint Committee meeting)	OPTION 1 Proposed 2020/21 Fee (1% Increase)	OPTION 2 Proposed 2020/21 Fee (2% Increase)	OPTION 3 Proposed 2020/21 Fee (3.1% Increase)
Essex County Council:				
ECC - Gypsy & Traveller	£201,268	£201,268	£201,268	£201,268
ECC - Highways	£8,149	£8,230	£8,312	£8,402
Public Health	£58,766	£59,354	£59,941	£60,588
Essex Property & Facilities	£8,149	£8,230	£8,312	£8,402
Country Parks	£8,149	£8,230	£8,312	£8,402
Total ECC	£284,481	£285,312	£286,145	£287,062
Essex Fire and Rescue				
	£23,148	£23,148	£23,148	£23,148
Districts / Boroughs & Unitary:				
Uttlesford District Council	£8,149	£8,230	£8,312	£8,402
Thurrock Council	£8,149	£8,230	£8,312	£8,402
Rochford District Council	£8,149	£8,230	£8,312	£8,402
Maldon District Council	£8,149	£8,230	£8,312	£8,402
Colchester Borough Council	£8,149	£8,230	£8,312	£8,402
Tendring District Council	£8,149	£8,230	£8,312	£8,402
Basildon Borough Council	£8,149	£8,230	£8,312	£8,402
Castlepoint Borough Council	£8,149	£8,230	£8,312	£8,402
Braintree District Council	£8,149	£8,230	£8,312	£8,402
Brentwood Borough Council	£8,149	£8,230	£8,312	£8,402
Chelmsford District Council	£8,149	£8,230	£8,312	£8,402
Total Districts/Boroughs/Unitary	£89,639	£90,530	£91,432	£92,422
Total Subscriptions	£397,268	£398,990	£400,725	£402,632

4. Balance Sheet – Reserves

Should the 2020/21 (2%) increase to membership fees and 2021/22 (2%) increase be approved, it could have the following effect on reserves:

Balance Sheet: General Balance	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Opening Balance (Surplus)	-£66,798	£26,462	-£24,927	-£78,355	-£92,281	-£103,054
Net Outturn position (Surplus)	£93,260	-£51,389	-£53,428	-£13,926	-£10,774	-£7,539
Closing Balance (Surplus) / Deficit	£26,462	-£24,927	-£78,355	-£92,281	-£103,054	-£110,594

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 2016/17 £62,678, 2017/18 £107,000 and £58,000 in 2018/19