

**Essex County Wide Traveller Unit Operations Board 13 November 2020**

**Report by Donna Norman, Assistant Accountant**

**Finance Report for the Essex County Wide Traveller Unit**

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<b>Purpose</b>	
<b>1.</b>	To note the financial update for the six months to 30 <sup>th</sup> September 2020
<b>2.</b>	To note the proposed budgets for 2021/22 and 2022/23 (subject to Decision at Joint Committee meeting to be held on 13 <sup>th</sup> November 2020)
<b>3.</b>	To note the proposed 2021/22 Membership Fees (subject to Joint committee decision)
<b>4.</b>	To note the Balance Sheet Reserves (subject to Joint Committee decision).

## 1. 2020/21 Outturn Position as at 30<sup>th</sup> September 2020

	2020/21 Budget	Actuals to 30th September 2020	Outturn	Variance
<b><u>Expenditure:</u></b>				
Employees	£273,710	£139,306	£275,746	£2,036
Supplies & Services	£113,972	£12,769	£113,972	£0
Legal	£0	£116	£15,116	£15,116
Transport & Mileage	£21,873	£8,336	£21,873	£0
<b>Gross Expenditure</b>	<b>£409,555</b>	<b>£160,527</b>	<b>£426,707</b>	<b>£17,152</b>
<b><u>Income:</u></b>				
Partner Contributions (inc ECC)	(£420,725)	(£278,160)	(£413,547)	£7,178
<b>Gross Income</b>	<b>(£420,725)</b>	<b>(£278,160)</b>	<b>(£413,547)</b>	<b>£7,178</b>
<b>Forecast Surplus</b>	<b>(£11,170)</b>		<b>£13,161</b>	<b>£24,331</b>

The Essex Countywide Traveller Unit 2020/21 forecast outturn position is a net overspend position of £13,161, giving a variance compared to budget of £24,331.

To Note:

1. Essex County Councils contribution to the ECTU for 2020/21 is £306,145 across internal partners. Which is 72% of the total overall contribution received.
2. This position assumes that legal fees and bailiff costs are similar to 2019/20 spend.
3. The 2020/21 budget was based on approved increase District/Borough Fees from £8,149 2019/20 to £8,312 in 2020/21.
4. Invoices to all members will be raised in November/December 2020.
5. The opening reserve at 1st April 2020 was a surplus of £143,103. If all things remain equal the reserve balance is anticipated to be £156,090 at the end of the financial year (this figure could fluctuate depending on uncontrollable costs).

## 2. Budget for 2020/21 and proposed budget for future years

	2019/20 Budget	2019/20 Actuals	2020/21 Budget Agreed	2021/22 Draft Proposed Budget	2022/23 Draft Proposed Budget
<b>Expenditure:</b>					
Employees	£251,198	£268,438	£273,710	£279,732	£288,963
Supplies & Services	£110,868	£68,505	£113,972	£116,480	£120,324
Transport & Mileage	£21,277	£20,723	£21,873	£22,354	£23,092
<b>Gross Expenditure</b>	<b>£383,343</b>	<b>£357,666</b>	<b>£409,555</b>	<b>£418,565</b>	<b>£432,378</b>
<b>Income:</b>					
Partner Contributions	(£397,269)	(£422,413)	(£420,725)	(£420,725)	(£434,609)
<b>Gross Income</b>	<b>(£397,269)</b>	<b>(£422,413)</b>	<b>(£420,725)</b>	<b>(£420,725)</b>	<b>(£434,609)</b>
<b>Net Expenditure (Surplus) / Deficit</b>	<b>(£13,926)</b>	<b>(£64,747)</b>	<b>(£11,170)</b>	<b>(£2,160)</b>	<b>(£2,231)</b>

The 2021/22 proposed draft budget assumes the following:

- No increases to membership fees. (subject to Joint Committee decision). As detailed in 'Proposed 2021/22 Membership Fees' due to the current level in reserves.
- 2.2% increase for Employee budgets
- 2.2% RPI increase for Supplies & Services and Transport budgets
- 2022/23 budgets (excluding membership contributions) have all been increased by the RPI figure which is currently 3.3% as per the latest information available.

## 3. Proposed 2021/22 Membership Fees

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 £83

Option 2 no increase, due to there being £143k reserve balance, which is more than 3 months operational costs (preferred option). **This is the recommended option and a decision is required from the Joint Committee to approve the membership fees for 2021/22.**

Option 3 is a 2.2% RPI increase and results in an increase per District / Borough member of £183

There is no proposal to increase the Essex County Council contribution. There is also no proposal to increase the Essex Fire & Rescue contribution.

Organisation	2020/21 Fee (Approved at the November 2019 Joint Committee meeting)	OPTION 1 2021/22 Fee (1% Increase)	OPTION 2 2021/22 Fee (No Increase)	OPTION 3 2021/22 Fee (2.2% Increase RPI)
<b>Essex County Council:</b>				
ECC - Gypsy & Traveller	£221,268	£221,268	£221,268	£221,268
ECC - Highways	£8,312	£8,395	£8,312	£8,495
Public Health	£59,941	£60,541	£59,941	£61,260
Essex Property & Facilities	£8,312	£8,395	£8,312	£8,495
Country Parks	£8,312	£8,395	£8,312	£8,495
<b>Total ECC</b>	<b>£306,145</b>	<b>£306,994</b>	<b>£306,145</b>	<b>£308,013</b>
<b>Essex Fire and Rescue</b>				
	<b>£12,000</b>	<b>£12,000</b>	<b>£12,000</b>	<b>£12,000</b>
<b>Districts / Boroughs &amp; Unitary:</b>				
Uttlesford District Council	£8,312	£8,395	£8,312	£8,495
Thurrock Council	£8,312	£8,395	£8,312	£8,495
Rochford District Council	£8,312	£8,395	£8,312	£8,495
Maldon District Council	£8,312	£8,395	£8,312	£8,495
Colchester Borough Council	£8,312	£8,395	£8,312	£8,495
Tendring District Council	£8,312	£8,395	£8,312	£8,495
Basildon Borough Council	£8,312	£8,395	£8,312	£8,495
Castlepoint Borough Council	£8,312	£8,395	£8,312	£8,495
Braintree District Council	£8,312	£8,395	£8,312	£8,495
Brentwood Borough Council	£8,312	£8,395	£8,312	£8,495
Chelmsford District Council	£8,312	£8,395	£8,312	£8,495
<b>Total Districts/Boroughs/Unitary</b>	<b>£91,432</b>	<b>£92,346</b>	<b>£91,432</b>	<b>£93,443</b>
<b>Total Subscriptions</b>	<b>£420,725</b>	<b>£411,340</b>	<b>£409,577</b>	<b>£413,456</b>

#### 4. Balance Sheet – Reserves

Should the 2021/22 (0%) increase to membership fees and 2022/23 (3.3%) increase be approved, it could have the following effect on reserves:

<b>Balance Sheet: General Balance</b>	<b><u>2016/17</u></b>	<b><u>2017/18</u></b>	<b><u>2018/19</u></b>	<b><u>2019/20</u></b>	<b><u>2020/21</u></b>	<b><u>2021/22</u></b>	<b><u>2022/23</u></b>
Opening Balance (Surplus)	(£66,798)	£26,462	(£24,927)	(£78,355)	(£143,103)	(£154,273)	(£156,432)
Current Year Net Expenditure (Surplus)	£93,260	(£51,389)	(£53,428)	(£64,748)	(£11,170)	(£2,160)	(£2,231)
<b>Closing Balance (Surplus) / Deficit</b>	£26,462	<b>(£24,927)</b>	<b>(£78,355)</b>	<b>(£143,103)</b>	<b>(£154,273)</b>	<b>(£156,432)</b>	<b>(£158,663)</b>