

OPEN

Highways and Transport Committee

22 June 2023

Highways and Transport Committee Budgets 2023/24

Report of: Alex Thompson, Director of Finance & Customer Services

Report Reference No: HTC/26/23-24

Ward(s) Affected: All wards and all members will be affected and impacted by the content of the MTFS and Corporate Plan

Purpose of Report

- 1 This report sets out the allocation of the approved budgets for 2023/24 to the Highways and Transport Committee.
- 2 The report contributes to the Council's objective of being an open and enabling organisation.

Executive Summary

- 3 The Medium-Term Financial Strategy (MTFS) for Cheshire East Council for the four years 2023/24 to 2026/27 was approved by full Council on 22 February 2023.
- 4 The Finance Sub Committee meeting on the 8 March approved the allocation of the approved revenue and capital budgets, related budget policy changes and earmarked reserves to each of the service committees.
- 5 The financial reporting cycle will ensure that the Committee is provided with updates through the year on progress against budget policy changes, the forecast outturn position, progress on capital schemes, movement on reserves and details of supplementary estimates and virements. The timetable for 2023/24 was approved by Finance Sub-Committee on 7 June 2023.

RECOMMENDATIONS

The Highways and Transport Committee is recommended:

1. To note the decision of the Finance Sub-Committee to allocate the approved revenue and capital budgets, related budget policy changes and earmarked reserves to the Highways and Transport Committee, as set out in **Appendix A**
2. To note the financial reporting timetable for 2023/24 set out in **Appendix B** as approved at Finance Sub-Committee on 7 June.

Background

- 6 All councils are legally required to set a balanced budget each year. The MTFS was approved by full Council on 22 February 2023.
- 7 The MTFS includes a Report from the Chief Finance Officer in line with the Section 25(1) of the Local Government Finance Act 2003. This report confirms that the MTFS is balanced and that the Chief Finance Officer is satisfied with the robustness of the estimates and the adequacy of the financial reserves of the Council. The report also highlights the factors taken into account in arriving at this judgement including relevant financial issues and risks facing the Council during the medium term.
- 8 Finance Procedure Rules set limits and responsibilities for movement of funds, treating reserves as part of this overall balanced position. Any movement within this balanced position is treated as a virement. To increase the overall size of the MTFS requires a supplementary estimate, which must be backed with appropriate new funding and approved in line with the Procedure Rules.
- 9 To support accountability and financial control under the Committee system the 2023/24 budget is being reported across the Service Committees based on their associated functions. This report sets out the allocation of the revenue and capital budgets and earmarked reserves to the relevant service committee in accordance with their functions.

- 10 Each set of Committee budgets reflects the group of services line-managed by Directors. Budget holders are responsible for budget management. Where a team supports multiple services under other Directors the budget for each Committee is included with the line-managing Director's services and is not split across other Committees. For example, Governance and Democratic Services are aligned to the Corporate Policy Committee, even though the activities of those teams relate to support services provided to all Directorates of the Council.
- 11 The financial alignment of budgets to each Committee is set out in Table 1 with further details in Appendix A.

Table 1: Revenue and Capital Budgets allocated to service committees as per the approved MTFS

ALL COMMITTEES - Summary					
Service Area	Revenue Budget			Capital Budget	Total Revenue and Capital Budget
	2023/24			2023/24	2023/24
	Expenditure £000	Income £000	Net £000	£000	Net £000
Adults and Health	201,476	-65,144	136,332	472	136,804
Children and Families	88,774	-9,649	79,125	53,829	132,954
Corporate Policy	114,842	-73,854	40,988	12,826	53,814
Economy and Growth	35,594	-11,172	24,422	71,598	96,020
Environment and Communities	59,459	-10,638	48,821	12,011	60,832
Highways and Transport	23,384	-12,255	11,129	63,948	75,077
Finance Sub-Committee	14,209	-1,900	12,309	0	12,309
Total Cost of Service	537,738	-184,612	353,126	214,684	567,810

* Place committee budgets reallocated since the MTFS due to restructuring budget being managed fully within Economy and Growth

- 12 The 2023-27 MTFS includes a net revenue budget of £353.1m and an approved capital programme of £214.7m for the financial year 2023/24. Further details on the schemes within the capital programme are provided in **Appendix A**.

Consultation and Engagement

- 13 The annual business planning process involves engagement with local people and organisations. Local authorities have a statutory duty to consult on their budget with certain stakeholder groups including the Schools Forum and businesses. In addition, the Council chooses to consult with other stakeholder groups. The Council continues to carry out stakeholder analysis to identify the different groups involved in the budget setting process, what information they need from us, the information we currently provide these groups with, and where we can improve our engagement process.

- 14 Cheshire East Council conducted an engagement process on its Medium-Term Financial Plans through a number of stages running from January 2023 to Council in February 2023.
- 15 The budget consultation launched on-line on the 6 January 2023, included details of the budget policy changes against each Corporate Plan aim. This consultation was made available to various stakeholder groups and through a number of forums.

Reasons for Recommendations

- 16 The Highways and Transport Committee has the responsibility for the oversight, scrutiny, reviewing outcomes, performance, budget monitoring and risk management of the Directorate of Highways and Infrastructure including: Transport Policy; Transport Commissioning; Carparking; Highways; Infrastructure and HS2.
- 17 The Finance Sub-Committee is responsible for allocating budgets across the Service Committees. This responsibility includes the allocation of revenue and capital budgets as well as relevant earmarked reserves.
- 18 Finance Sub-Committee met on 8 March and set out the budgets in accordance with the above responsibilities.

Other Options Considered

- 19 Do nothing. Impact – members are not informed of service budgets specifically relevant to this committee following MTFs approval at Council. Risks – Not abiding by the Constitution to provide regular reports.

Implications and Comments

Monitoring Officer/Legal

- 20 The legal implications surrounding the process of setting the 2023 to 2027 Medium-Term Financial Strategy were dealt with in the reports relating to that process.

Section 151 Officer/Finance

- 21 Contained within the main body of the report.

Policy

- 22 The Corporate Plan sets the policy context for the MTFs and the two documents are aligned. Any policy implications that arise from activities funded by the budgets that this report deals with will be dealt within the

individual reports to Members or Officer Decision Records to which they relate.

An open and enabling organisation

Ensure that there is transparency in all aspects of council decision making

Equality, Diversity and Inclusion

- 23 Under the Equality Act 2010, decision makers must show ‘due regard’ to the need to:
- Eliminate unlawful discrimination, harassment and victimisation;
 - Advance equality of opportunity between those who share a protected characteristic and those who do not share it; and
 - Foster good relations between those groups.
- 24 The protected characteristics are age, disability, sex, race, religion and belief, sexual orientation, gender re-assignment, pregnancy and maternity, and marriage and civil partnership.
- 25 Having “due regard” is a legal term which requires the Council to consider what is proportionate and relevant in terms of the decisions they take.
- 26 The Council needs to ensure that in taking decisions on the Medium-Term Financial Strategy and the Budget that the impacts on those with protected characteristics are considered. The Council undertakes equality impact assessments where necessary and continues to do so as budget policy changes and projects develop across the lifetime of the Corporate Plan. The process assists us to consider what actions could mitigate any adverse impacts identified. Completed equality impact assessments form part of any detailed Business Cases.
- 27 Positive impacts include significant investment in services for children and adults (protected characteristics primarily age and disability). Specific examples are Investment in Cared for Children and Care Leavers, SEND services and School Transport. There is also significant investment in Adult Social Care and support to care providers (protected characteristics primarily age and disability).
- 28 The Corporate Plan’s vision reinforces the Council’s commitment to meeting its equalities duties, promoting fairness and working openly for

everyone. Cheshire East is a diverse place and we want to make sure that people are able to live, work and enjoy Cheshire East regardless of their background, needs or characteristics.

Human Resources

- 29 Any HR implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

Risk Management

- 30 Financial risks are assessed and reported on a regular basis, and remedial action taken if and when required. Risks associated with the achievement of the 2023/24 budget and the level of general reserves were factored into the 2023/24 financial scenario, budget and reserves strategy.

Rural Communities

- 31 The report provides details of service provision across the borough.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

- 32 The report provides details of service provision across the borough.

Public Health

- 33 Public health implications that arise from activities that this report deals with will be dealt with as separate reports to Members or Officer Decision Records as required.

Climate Change

- 34 Any climate change implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

Access to Information	
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Appendices:	A - Allocation of capital and revenue budgets, earmarked reserves and budget policy changes to service committees B – Financial Reporting Timetable 2023/24
Background Papers:	The following are links to key background documents: <u>Medium-Term Financial Strategy 2023-27</u> <u>Agenda for Finance Sub-Committee on Wednesday, 8th March, 2023, 2.00 pm Cheshire East Council, Item 62</u>