

CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting:	17 January 2010
Report of:	Borough Treasurer and Head of Assets
Subject/Title:	2010/11 Quarter Three - Financial Performance Report
Portfolio Holders:	Cllr Wesley Fitzgerald

1.0 Report Summary

- 1.1 Annex 1 to this report provides Cabinet with updated projections of financial performance for the 2010-11 financial year at the Three Quarter Year Review (TQR) stage. It highlights the key financial pressures which the Council is facing, and progress in identifying mitigating actions and measures to contain costs within the approved budget. The report particularly focuses upon areas of high financial risk to the Council, and includes updates on the Capital Programme, Treasury Management, Debt, and in-year collection rates for Council Tax and Business Rates.

2.0 Decision Requested

- 2.1 Cabinet is requested to note and comment as appropriate on the following, contained in Annex 1:

- the updated forecast outturn position for the Council's revenue budget at the third quarter stage of 2010-11, and the remedial actions detailed in Sections 2 and 3;
- the potential impact on the Council's general reserves position as detailed in Section 4;
- the Treasury Management update detailed in Section 6;
- the Council's in-year collection rates for Council Tax and Business Rates, detailed in Section 7;
- the Council's invoiced debt position as shown in Section 8;
- progress to date on delivering the 2010-11 capital programme, detailed in Section 9 and Appendix 1;
- Delegated Decisions approved by Directors for Supplementary Capital Estimates (SCE) and virement requests up to £100,000, as shown in Appendix 2a;
- Delegated Decisions to be approved by Directors in consultation with the relevant Portfolio Holder and the Portfolio Holder for Resources for Supplementary Capital Estimates and virement requests over £100,000 and up to and including £500,000 as shown in Appendix 2b.

- 2.2 Cabinet is requested to approve the following:

- Supplementary Revenue Estimates totalling £165,000 for Places Directorate to be met from general reserves, in respect of the following items (Section 3.22);

- (a) £100,000 in respect of the costs of the Covanta Planning Enquiry;
 - (b) £40,000 to meet additional costs relating to the back log of planning applications at Macclesfield;
 - (c) £25,000 for consultancy support for the preparation of the “gypsy and travellers” planning application.
- Supplementary Revenue Estimate of £864,000 for Places Directorate in respect of Highways maintenance expenditure met from DCLG Winter Impact Grant (Section 3.22);
 - Reductions in approved capital budgets, as shown in Appendix 3a.
 - Deferrals in approved capital budgets, as shown in Appendix 3b.

3.0 Reasons for Recommendations

- 3.1 In accordance with good practice, Members should receive a quarterly report on the financial performance of the Council. Finance Procedure Rules set out the requirements for financial approvals by Members, and relevant recommendations are contained in this report.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications including - Climate change, Health

- 6.1 The projected outturn position, ongoing impacts in future years, and the impact on general reserves will be fed into the assumptions underpinning the 2011-12 Financial Scenario and Budget, and Reserves Strategy.

7.0 Financial Implications (Authorised by the Borough Treasurer)

- 7.1 The Council's financial resources are aligned to its priorities and used to deliver priority outcomes for local communities. Monitoring performance helps ensure that resources are used effectively and that business planning and financial decision making are made in the context of performance.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 Monitoring and reporting on the evolving budgetary position is essential for decision-makers and the public to be assured that adequate corporate governance measures are in place to properly manage budgets.

9.0 Risk Management

- 9.1 Following the identification of a significant projected overspending in 2010-11 at the first quarter stage, services produced remedial action plans to substantially reduce the underlying figure during the year. However, despite significant service and corporate mitigation, the position reported at the three quarter year review indicates that the potential level of general balances remaining at year end will be low relative to the risk assessed level.

10.0 Background

- 10.1 This report is the third quarterly financial performance report presented to members in 2010-11, as part of the continuous cycle of performance reporting. Whilst it is now the practice to provide integrated financial and non-financial performance reports, it has not been possible to do so at this stage in the year due to the reporting deadlines. The forecasts included in this report are based on financial data available at the end of November. Third quarter service performance data was not available at the time of producing this report, and will be the subject of a separate report to Cabinet in February.

11.0 Access to Information

- 11.1 The background papers relating to this report can be inspected by contacting:

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