

CHESHIRE EAST COUNCIL

COUNCIL

Date of Meeting: 19 July 2012
Report of: Director of Finance and Business Services
Subject/Title: Additional Grant Funding

1.0 Report Summary

- 1.1 This report provides details of additional unbudgeted specific grant received or due to be received by the Council in respect of which services are seeking approval to incur expenditure in 2012/2013.
- 1.2 The Department for Transport (DfT) has announced that Cheshire East's bid to the Local Sustainable Transport Fund (LSTF) has been successful. The value of the bid is £3.509 million (64% revenue and 36% capital) over the next three years until March 2015.
- 1.3 Various service bids are also being made in respect of unused grant funding received in the 2011/2012 financial year which is therefore effectively now held in general reserves.
- 1.4 Some of the items require urgent approval so that intended expenditure can be incurred, but, for convenience, this report includes all known bids for which Council approval is required.

2.0 Decision Requested

- 2.1 Council is asked to:-
 - (i) in respect of the Local Sustainable Transport Fund (LSTF):-
 - (a) accept the Department of Transport's offer of grant funding totalling £3.509m over three years;
 - (b) approve a Supplementary Revenue Estimate (SRE) of £578k in 2012/2013;
 - (c) approve a Supplementary Capital Estimate (SCE) totalling £1.273m across three financial years until March 2015.
 - (ii) approve additional service expenditure of £301k for 2012/2013, fully funded from unspent specific grant allocations from 2011/2012 as detailed in the Appendix.

3.0 Reasons for Recommendations

- 3.1 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 – Carbon reduction, Health

6.1 The objectives of the LSTF are entirely consistent with the Council's strategic transport priorities set out in Local Transport Plan (LTP3) to "create conditions for business growth" and "ensure a sustainable future".

7.0 Financial Implications (Authorised by the Director of Finance and Business Services)

7.1 The value of the grant available to claim from the DfT is £3.509m (£2.236m revenue and £1.273m capital). The spend profile across the three financial years is set out below:

£000	2012/2013	2013/2014	2014/2015	Total
Revenue	578	876	782	2,236
Capital	403	410	460	1,273
Total	981	1,286	1,242	3,509

7.2 The DfT grant award letter (still to be received) will set out that payments are made quarterly in arrears, following a claim form submitted to the DfT at the end of each financial quarter.

7.3 The report seeks approval for a Supplementary Revenue Estimate of £578k for the current financial year and a Supplementary Capital Estimate of £1.273m for the three-year period, all fully funded by the DfT grant. The Revenue spend for 2013/2014 and 2014/2015 will be reflected in the business planning/ budget setting process going forward, again fully grant-funded.

8.0 Legal Implications (Authorised by the Borough Solicitor)

8.1 As noted in 3.1 above the Council's Finance and Contract Procedure Rules set out the requirements for financial management approvals, and where these are placed within the Council's decision making processes.

9.0 Risk Management

9.1 Financial risks are assessed and reported on a regular basis, and remedial action taken if and when required.

10.0 Background and Options

10.1 The Council's budget provides for the receipt of specific grants. However during the year, where additional non-ringfenced grant funding is received, services wishing to increase their expenditure budgets are required to seek approval to a bid to use this additional funding. This report seeks Council approval to supplementary expenditure fully funded from grant in respect of the DfT's Local Sustainable Transport Fund, and also to services' requests to incur additional expenditure in 2012/2013 in respect of:

- (i) £75k of additional grants received too late in 2011/2012 to be spent in that year. Historically, local authorities would have been able to provide for these grants in the accounts as receipts in advance, and apply them in the following year. However, under new accounting rules, unconditional non-ringfenced grants must be credited to the revenue account in the year of receipt, and effectively these grants are now held in the year end general reserves balance at 31 March 2012.
- (ii) £226k relating to the unspent element of Supplementary Revenue Estimates for additional grants approved in 2011/2012, which services wish to reclaim in 2012/2013. This amount has been reflected as an underspend against service outturn positions in 2011/2012, and again has effectively been returned into general balances at 31 March 2012.

11.0 Access to Information

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

Name: Lisa Quinn
Designation: Director of Finance and Business Services
Tel No: 01270 686628
Email: lisa.quinn@cheshireeast.gov.uk