

CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting: 16 February 2010
Report of: Borough Treasurer and Head of Assets
Subject/Title: Budget Report 2010/2011
Portfolio Holder: Councillor Keegan

1.0 Report Summary

- 1.1 To introduce the Cheshire East Council Budget for 2010/2011, which has been produced following consultation on the Pre-Budget Report that was issued in January 2010.
- 1.2 The Budget Report sets out, in detail, the spending plans and income targets for the financial year starting 1st April 2010, as well as financial estimates for the 2011/2012 and 2012/2013 financial years.
- 1.3 The 2010/2011 Budget will be reported to Cabinet on 16th February 2010. Any changes made as part of this process will be amended in the final report made available to Members ahead of the Council meeting on 25th February 2010.

2.0 Decision Requested

- 2.1 Note the results of the Budget Consultation exercises undertaken by the Council (Appendix A).
- 2.2 Note the comments of the Borough Treasurer and Head of Assets (Chief Finance Officer), regarding the robustness of estimates and level of reserves held by the Council based on this budget (Appendix B, Foreword from Borough Treasurer) .
- 2.3 Recommend the 2010/2011 Budget Report to Council for approval (Appendix B).
- 2.4 Recommend the three-year Capital Programme for 2010/2011 to 2012/2013 to Council for approval (Appendix B, paras 72 to 73 and Annex 4).
- 2.5 Recommend a Band D Council Tax of £1,216.34 (1.7% increase over 2009/2010 of £1,196.01) to Council for approval.
- 2.6 Recommend the Reserves Policy & Strategy to Council for approval. (Appendix C).
- 2.7 Approve the appended schedule of fees and charges save to the extent that the setting of fees and charges is exercised by other Committees, Panels or individuals under the scheme of delegation or otherwise (Appendix B, para 199 and Annex 7).
- 2.8 Agree the 2010/2011 Specific Grants (excluding DSG) (Appendix B, paras 23 to 29) and agree that Portfolio Holders be authorised to agree any necessary amendment to particular grants within their area of responsibility in the light of

further information received from Government Departments or other funding bodies.

- 2.9 Agree the 2010/2011 Dedicated Schools Grant (DSG) of £200.2m (including central expenditure of £19.7m) and the associated policy proposals (Appendix B paras 20 to 22 and Annex 5).
- 2.10 Authorise the Children and Family Service Portfolio Holder to agree any necessary amendment to the DSG position in the light of further information received from DCSF, pupil number changes and the actual balance brought forward from 2009/2010.
- 2.11 Recommend the Prudential Indicators for Capital Financing to Council for approval. (Appendix B, paras 78 to 79 and Annex 3).
- 2.12 Note the risk assessment detailed in Appendix B, paras 64 to 66 of the report.

3.0 Reasons for Recommendations

- 3.1 In accordance with the Budget and Policy Framework Rules of Procedure, Cabinet will approve the Budget for 2010/2011 on 16th February 2010. At the same meeting, the Cabinet will receive the final Formula Grant Settlement and the draft Capital Programme. A copy of the budget report is attached in Appendix B.
- 3.2 The Borough Treasurer and Head of Assets (Chief Financial Officer) reports that, in accordance with Section 25 of the Local Government Act 2003 and Sections 32 and 43 of the Local Government Finance Act 1992, she is satisfied with the robustness of the estimates making up the Budget Requirement of £240,065,000, and she is satisfied with the adequacy of the financial reserves for the Council.

4.0 Wards Affected

- 4.1 Not applicable

5.0 Local Ward Members

- 5.1 Not applicable

6.0 Policy Implications including - Climate change - Health

- 6.1 The report contains policy proposals which will impact on service delivery.

7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)

- 7.1 None

8.0 Financial Implications 2009/2010 and beyond (Authorised by the Borough Treasurer)

- 8.1 The report includes detailed policy proposals which will affect service budgets from 2010/2011 onwards.

9.0 Legal Implications (Authorised by the Borough Solicitor)

- 9.1 The Medium Term Financial Strategy (MTFS) must be underpinned by robust estimates and the level of reserves maintained by the Authority must be adequate.
- 9.2 The Council must have a robust process for budget setting in order to fulfil its fiduciary duties.

10.0 Risk Management

- 10.1 The steps outlined in this report will address the main legal and financial risks to the Council's financial management:
 - a. The Council must set a balanced Budget
 - b. The Council must set a legal Council Tax for 2010/2011
 - c. The Council should provide high quality evidence to support submissions for external assessment. This can have the affect of reducing scrutiny, and audit charges that can be related to risk.
 - d. That Council borrowing will comply with the Treasury Management Strategy
- 10.2 A risk assessment for all individual proposals being put forward over £100,000 (growth or saving) has been carried out by each Directorate.

11.0 Background and Options

- 11.1 The report includes three Appendices:
 - A.** The Budget Consultation Report
 - B.** The Budget Report for 2010/2011
 - C.** The Reserve Strategy for 2010/2011

which provide all the detail behind the 2010/2011 Budget.

12.0 Overview of Year One and Term One Issues

- 12.1 The MTFS and the associated planning assumptions will impact on the first Term by setting a framework for the development of budgetary and policy options and Capital Schemes which will impact on service delivery and Council Tax levels.

13.0 Access to Information

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

Name:	Lisa Quinn
Designation:	Borough Treasurer and Head of Assets
Tel No:	01270 686628
Email:	lisa.quinn@cheshireeast.gov.uk

Background Documents:

Cabinet Reports:

- 14 July 2009 : Business Planning 2010-2013 incorporating Key Decision (CE09/10-04) – Capital Strategy 2009-2013.
- 3 November 2009 : Business Planning Process 2010-13.
- 22 December 2009 : Business Planning Process 2010-13.
- 16 February 2010 : Budget Report 2010/2011 and Treasury Management Strategy 2010/2011.