

Council

Date of Meeting: 21 October 2020

Report Title: Recommendations from Cabinet – Finance Reports

Portfolio Holder: Cllr Amanda Stott - Finance, IT and Communication

Senior Officer: Alex Thompson – Director of Finance and Customer Services
(Section 151 Officer)

1. Report Summary

- 1.1. This report contains the recommendations from Cabinet to Council to approve supplementary revenue estimates, supplementary capital estimates and capital virements from the following reports:
 - 1.1.1. 2020/21 Financial Outturn considered by Cabinet on the 9 June.
 - 1.1.2. Capital, Investment and Treasury Management Strategies Annual Review 2019/20 considered by Cabinet on 8 September.
 - 1.1.3. Mid Year Review (Finance) 2020/21 considered by Cabinet on 6 October.
- 1.2. The relevant appendices and annexes from the reports are included in the additional documentation.

2. Recommendations

Cabinet recommended to Council to approve:

- 2.1. fully funded supplementary revenue estimate above £1,000,000 in accordance with Financial Procedure Rules as detailed in **(2019/20 Financial Outturn Appendix 2 Table 1)**.
- 2.2. capital virements above £1,000,000 in accordance with Financial Procedure Rules as detailed in **(Capital, Investment and Treasury Management Strategies Annual Review 2019/20 Appendix 1 Annex C)**.

- 2.3. supplementary capital estimates above £1,000,000 in accordance with Financial Procedure Rules as detailed in **(Capital, Investment and Treasury Management Strategies Annual Review 2019/20 Appendix 1 Annex D)**.
- 2.4. fully funded supplementary revenue estimate above £1,000,000 in accordance with Financial Procedure Rules as detailed in **(Mid Year Review (Finance) 2020/21 Appendix 2 Table 1)**.

3. Reasons for Recommendations

- 3.1. The Council monitors in-year performance through a reporting cycle, which includes outturn reporting at year-end. Reports during the year reflect financial and operational performance and provide the opportunity for members to note, approve or recommend changes in line with the Council's Financial Procedure Rules.
- 3.2. The overall process for managing the Council's resources focuses on value for money and good governance and stewardship. Financial changes that become necessary during the year are properly authorised and this report sets out those areas where any further approvals are now required.
- 3.3. This report provides strong links between the Council's statutory reporting requirements and the in-year monitoring processes for financial and non-financial management of resources.
- 3.4. The Council will continue to review performance against the CIPFA Financial Management Code, whilst also meeting the requirements of the CIPFA Code of Practice for Treasury Management in the Public Services and the Prudential Code for Capital Finance in Local Authorities.

4. Other Options Considered

- 4.1. Not applicable.

5. Background

- 5.1. Managing performance is essential to the achievement of outcomes. This is especially important in evidencing the achievement of value for money across an organisation the size of Cheshire East Council. The Council is the third largest in the Northwest of England, responsible for over 500 services, supporting over 380,000 local people. Gross annual spending is over £815m, with a revised net budget for 2020/21 of £301.8m.
- 5.2. The Council complies with all of its legislative and regulatory requirements in accordance with the CIPFA Code of Practice for Treasury Management

in the Public Services and the Prudential Code for Capital Finance in Local Authorities.

6. Implications of the Recommendations

6.1. Legal Implications

6.1.1. Implications arising directly from this report relate to the internal processes of approving supplementary revenue estimates, supplementary capital estimates and virements referred to above which are governed by the Finance Procedure Rules.

6.1.2. Legal implications that arise when activities funded from the budgets that this report deals with are undertaken, but those implications will be dealt within the individual reports to Members or Officer Decision Records that relate.

6.2. Finance Implications

6.2.1. Senior officers review expenditure and income across all services to support the achievement of a balanced position at year-end.

6.2.2. Financial implication directly relating to this report is to ensure that the Council follow the approval process for supplementary revenue estimates, supplementary capital estimates and virements referred to above, which are governed by the Finance Procedure Rules.

6.3. Policy Implications

6.3.1. Financial management supports delivery of all Council policies. The final outturn position, ongoing considerations for future years, and the impact on general reserves will be fed into the assumptions underpinning the 2021 to 2025 Medium Term Financial Strategy.

6.4. Equality Implications

6.4.1. Any equality implications that arise from activities funded by the budgets in these reports will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

6.5. Human Resources Implications

6.5.1. Any HR implications that arise from activities funded by the budgets in these reports will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

6.6. Risk Management Implications

- 6.6.1. Performance and risk management are part of the management processes of the Authority. Risks are captured at Strategic and Operational levels, both in terms of the risk of underperforming and risks to the Council in not delivering its objectives for its residents, businesses, partners and other stakeholders.
- 6.6.2. Risks identified in these reports are used to inform the overall financial control risk contained in the Strategic Risk Register; CR3 Financial Resilience. Updates on the scoring and management of strategic risks are provided to the Council's Audit and Governance Committee, and the ongoing challenges to the Council's funding and financial position has been recognised in the Annual Governance Statement.
- 6.6.3. 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 2020/21 budget and the level of general reserves were factored into the 2020/21 financial scenario, budget and reserves strategy.

6.7. Rural Communities Implications

- 6.7.1. The reports provide details of service provision across the borough.

6.8. Implications for Children & Young People/Cared for Children

- 6.8.1. The reports provide details of service provision across the borough, acknowledges the Ofsted report and notes the overspend within Children in Care services.

6.9. Public Health Implications

- 6.9.1. Public health implications that arise from activities in these reports will be dealt with as separate reports to Members or Officer Decision Records as required.

6.10. Climate Change Implications

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

7. Ward Members Affected

- 7.1. All

8. Consultation & Engagement

- 8.1. As part of the budget setting process the Pre-Budget Report 2020/21 provided an opportunity for interested parties to review and comment on the Council's Budget proposals. The budget proposals described in the consultation document were Council wide proposals and that consultation was invited on the broad budget proposals. Where the implications of individual proposals were much wider for individuals affected by each proposal, further full and proper consultation was undertaken with people who would potentially be affected by individual budget proposals.

9. Access to Information

- 9.1. The following are links to key background documents:
[2019/20 Financial Outturn](#)
[Capital, Investment and Treasury Management Strategies](#)
[Mid Year Review \(FINANCE\) 2020/21](#)

10. Contact Information

- 10.1. Any questions relating to this report should be directed to the following officer:

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