

CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting:	20 September 2010
Report of:	Borough Treasurer and Head of Assets
Subject/Title:	Financial Update - Remedial Action Plans
Portfolio Holder:	Cllr Frank Keegan

1.0 Report Summary

- 1.1 This report provides details of remedial actions identified by services with a view to minimising the forecast outturn overspending of £13.6m at Quarter One reported to Cabinet on 16 August.
- 1.2 Details of proposed remedial measures for Childrens, Adults, Health & Wellbeing, Places, and Performance & Capacity are contained in the Annex. Whilst this report concentrates on service actions, it should be noted that there is some scope for mitigation within centrally held budgets and provisions (for example the £1.6m non-pay inflation contingency). Other potential areas, for example capital financing and earmarked reserves, are also currently being reviewed in detail.

2.0 Decision Requested

- 2.1 Cabinet is requested to note and comment as appropriate on the following:
- the projected outturn position and proposed remedial actions;
 - that exception report updates will be brought to Members monthly for the remainder of the financial year;
 - where additional remedial measures should be sought across the Council's services.

3.0 Reasons for Recommendations

- 3.1 The overall level of net projected service overspending remains significant, even if all the remedial actions identified in this report are achieved. Further measures will therefore be required to bring about a balanced service outturn position at year end.

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 As contained in report

7.0 Financial Implications (Authorised by the Borough Treasurer)

7.1 As contained in the report

8.0 Legal Implications (Authorised by the Borough Solicitor)

8.1 None

9.0 Risk Management

9.1 A significant projected overspending in 2010-11 was identified at the first quarter stage. Remedial actions are already being taken, but in view of the scale of the risk, services have produced remedial action plans with a view to substantially reducing the underlying figure during the year. However, there remains a significant risk that further calls on the Council's general balances will be required.

10.0 Background

10.1 At its meeting on 16 August, Cabinet received a report on the Council's financial position at the Quarter One stage. The report highlighted the key emerging budget pressures facing the Council totalling £13.6m. Cabinet was asked to note that a further report on remedial action plans would be brought to it in September.

10.2 As also reported in the Quarter One Financial Update, officers are currently undertaking a fundamental review of the capital programme to ensure that only schemes which fulfil the Council's priorities for service delivery are included. An initial exercise has identified a number of schemes to be removed from the programme, but it is felt that a further more detailed review is required, and the outcome of this review will be reported to Members in November as part of the Quarter 2 Financial Update - Mid Year Review.

11.0 Access to Information

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

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