

CHESHIRE EAST COUNCIL

STAFFING COMMITTEE

Date of Meeting:	16 th January 2014
Report of:	Chief Operating Officer
Subject/Title:	Budget Setting Process 2014/2017 - Pre-Budget Report

1.0 Report Summary

- 1.1 Cheshire East Council launched its Budget Setting Process in July 2013. This process has enabled the Council to align services with the Council Plan and respond to the funding reductions from Central Government by developing a series of budgetary and capital proposals for 2014/2017.
- 1.2 The draft proposals have been published in the Pre-Budget Report released to Members on 10th January 2014. This document will be used as the basis of an engagement exercise to increase awareness of the proposals and ask for views on how their impact can be managed.
- 1.3 The Council's Staffing Committees are being formally consulted as part of this process.
- 1.4 Further details will be published in the Budget Report in late January 2014.

2.0 Decision Requested

- 2.1 To note the contents of the Pre-Budget Report and make comments on the proposals in terms of how their impact can be managed.

3.0 Reasons for Recommendations

- 3.1 The Authority has a statutory duty to share budget and policy proposals with certain stakeholder groups and will do this between 13th January and the 21st February.
- 3.2 Feedback on the proposals will be used to inform Cabinet deliberations on the final Budgetary position.

4.0 Wards Affected

- 4.1 Not applicable.

5.0 Local Ward Members

5.1 Not applicable.

6.0 Policy Implications

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

7.0 Financial Implications

7.1 The report includes details of policy proposals which will affect service budgets from 2014/2015 onwards.

8.0 Legal Implications

8.1 The Medium Term Financial Strategy must be underpinned by robust estimates and the level of reserves maintained by the Authority must be adequate.

8.2 The Council must have a robust process for budget setting in order to fulfil its fiduciary duties.

9.0 Risk Management

9.1 The steps outlined in this report will significantly mitigate 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 2014/2015.
- 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.

10.0 Background and Options

10.1 The February 2013 Budget Report to Council confirmed the funding shortfalls as:

2014/2015	2015/2016
£8.3m	£14.1m

10.2 In order to align spend with priorities and address these shortfalls, Cabinet, on 22nd July 2013, agreed the Budget Setting Process 2014/2017.

10.3 This has enabled a set of proposals to be developed and challenged through a managed process that considered service changes, the Capital Programme

and the supporting financial planning assumptions relating to funding levels, etc.

- 10.4 This has been done against a background of continuing significant reductions in funding levels, a management restructure and the Authority moving to become a commissioning council.
- 10.5 The provisional local government finance settlement was issued on 18th December 2013 and confirmed the funding assumptions were broadly correct.
- 10.6 Therefore, this Pre-Budget Report has been released to set out the Council's Draft Budget Proposals for 2014/2017.
- 10.7 This document will be used as the basis for engagement on the draft budget with:
- Partners / Third Sector / Town & Parish Councils.
 - Staffing Committee / Staffing.
 - Trades Unions.
 - Schools Forum.
 - Businesses.
- 10.8 Staffing Committee are asked to comment on the Pre-Budget Report in terms of impact on Council staff.

11.0 Access to Information

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

Name: Peter Bates

Designation: Chief Operating Officer

Tel No: 01270 686013

Email: peter.bates@cheshireeast.gov.uk