

CHESHIRE EAST COUNCIL

REPORT TO: COUNCIL

Date of Meeting:	17th July 2014
Report of:	Chief Operating Officer (Section 151 Officer)
Subject/Title:	Recommendations from 2013/2014 Outturn Report to Cabinet
Portfolio Holder:	Cllr. Peter Raynes

1.0 Report Summary

- 1.1 On 1st July 2014, Cabinet received a report on the 2013/14 Final Outturn Review of Performance (Agenda Item 7). The report set out the Council's improved overall performance for 2013/14, and strong financial position reflecting its enhanced governance, innovative delivery arrangements and effective stewardship of public money. An underspend of £0.9m (0.35%) was reported compared to an approved revenue budget of £260m. The report also contained recommendations that Council create earmarked reserves; the approach follows processes set out in Finance Procedure Rules and the Reserves Strategy.

2.0 Recommendations

- 2.1 Council is asked to approve the creation of earmarked reserves as recommended by Cabinet, and as set out in **Appendix 1**.

3.0 Reasons for Recommendations

- 3.1 The Council's Finance Procedure Rules provide authority to Council to create earmarked reserves.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications

- 6.1 The impact of the earmarking of reserves will be fed into the assumptions underpinning the 2015/18 medium term financial strategy.

7.0 Financial Implications (Authorised by the Chief Operating Officer)

- 7.1 As explained in this report. Full detail of the Council's 2013/214 Outturn is provided in the Cabinet Report (Agenda item 7, 1st July 2014)

8.0 Legal Implications (Authorised by the Head of Legal Services)

8.1 None.

9.0 Risk Management

9.1 Risks associated with the achievement of the 2013/14 budget - and the level of general reserves - were factored into the 2014/15 financial scenario, budget and reserves strategy that was approved by Council in February 2014.

10.0 Background

10.1 The Council's Reserves Strategy states that the Council will maintain reserves to protect against risk and support investment.

10.2 After allowing for the earmarking of reserves in this report, general reserves at 31 March 2014 will stand at £19.8m. However, in setting the 2014/15 budget, Council approved the establishment of a £5.3m earmarked reserve to support activity that will increase the longer term financial resilience of the Council, particularly in relation to growth in income from local sources. General Reserves will remain in line with the risk assessed level, as detailed in the 2014/2017 Budget Report (Council February 2014).

11.0 Access to Information

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

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