Cheshire West & Chester Council

Budget

2009-2010

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Cheshire West and Chester

Contents

<u>Budget Book Introduction</u>

I am pleased to introduce Cheshire West and Chester Council's first budget book. This publication formally provides a detailed analysis of the 2009-10 budget which was approved by a meeting of Council on 26 February 2009.

The budget process leading up to the setting of the 2009-10 budget was unique. The 2009-10 budget is effectively an aggregation of the base budgets of Vale Royal Borough Council, Ellesmere Port & Neston Borough Council, Chester City Council and a proportion of Cheshire County Council, with the addition of a series of significant policy options. As a result of Local Government Reorganisation the level of scrutiny and consultation that normally takes place didn't happen. In preparing the budget significant work was undertaken on agreeing the disaggregation of staff, revenue grants, assets and liabilities.

There are significant challenges within the budget, not least as many of the new budget holders were not involved in the budget setting process. This budget book is published a little later than usual to allow for the new Directors and Heads of Service to analyse their budgets in greater detail to provide a detailed starting point to enable effective budget monitoring. A Financial Management exercise was launched in early May which involved all Directors and Heads of Service reviewing these budgets to confirm they had sufficient budget to afford the staffing structure and they understood both the non pay and income budgets. Directors and Heads of Services have been asked to confirm to the best of their knowledge, and given the information available at the time, they will endeavour to deliver a balanced budget during the financial year 2009-10.

On 2nd April Members agreed a corporate plan which outlined our priorities and how we will address them. Given the unique budget setting process, it is recognised that further work will be required to align the 2009-10 budget to the priorities within the Corporate Plan 'Making it Happen'. All budget holders are aware of the potential that budgets may be realigned via a formal 'Star Chamber' process involving Officers and Members which will seek to ensure the budget is focussed to the priority areas.

The Budget Book is intended as an essential management control document. The information contained within the budget book clearly identifies the budget responsibilities of Directors and Heads of Service, and assists the process of identifying key variances which are reported to Members on a regular basis.

Mark Wynn
Head of Finance

Budget Report

2009-2010

CHESHIRE WEST AND CHESTER

COUNCIL

Date of meeting:	26 FEBRUARY 2009
Report of:	DIRECTOR OF RESOURCES
Title:	Budget Report

1.0 Purpose of Report

1.1 This report proposes the Revenue Budgets and Capital programme for the year 2009/10 for the new Authority.

1.2 The attached report explains in more detail the process and rationale undertaken to develop these budget proposals in the first year of the new Authority.

2.0 Recommendation to Council

2.1 At its meeting on 18 February the Executive considered a Draft Budget Report and recommended that Council approve the following recommendations. The Executive also endorsed a number of matters relating to Ellesmere Port and Neston Borough Council's Housing Revenue Account (HRA). This included the report on the recommended HRA estimates for 2009/10, which is included as Appendix A to this report.

REOMMENDED: That Council:

(1) approve the 2009-10 Housing Revenue Account estimates as set out in Appendix A;

(2) take account of the report on the adequacy of reserves and the robustness of estimates under Section 25 of the Local Government Act 2003 (Appendix B, paras 76 –89);

(3) approve the 2009-10 budget in the following suggested form (cross-references are to paragraphs in Appendix B):-

- (i) the 2009-10 Dedicated Schools Grant of £186.388m be agreed;
- (ii) the Policy on the Minimum Revenue for the Repayment of Debt set out in Annex 3 be approved;
- (iii) service expenditure budgets (incorporating policy proposals as specified in Annex 4) of £207.691m be agreed;
- (iv) the Capital programme for 2009-10 as set out in Annex 5, funded in accordance with the approach detailed in the Appendix, and with a capital financing provision of £14.2m be agreed;

(v) the Council’s Prudential Indicators be approved (paragraphs 69 - 71 and Annex 6) ;

(vi) the estimated level of general reserves as set out in paragraph 88 be noted and an appropriation of £5m be made to fund one -off transitional costs;

(vii) the level of the Council’s budget requirement for the financial year commencing 1 April 2009 be fixed at £239,397,000;

(viii) That the Council’s element of Council Tax be set at a standard Band D rate of £1224.04 for 2009/10.

3.0 Financial Implications for Transition Costs

3.1 There are no financial implications for transitional costs. The anticipated costs have been taken into account as part of the financial planning for the next three years.

4.0 Financial Implications 2009/10 and beyond

4.1 The financial implications for the year 2009-10 and beyond are provided for in the capital financing expenditure budget for the year.

5.0 Risk Assessment

5.1 The risks contained within the budget and financial scenario plans are highlighted within the report, together with the proposed management actions.

6.0 Background and Options

6.1 The focus of setting the 2009/10 Budget has been to create the financial baseline for the new Authority, from which it can develop to meet its aspiration of being a flagship Unitary Council within two years of its creation.

6.2 The budget creates a baseline which will ensure no dilution of service delivery on day 1 for the Authorities clients, partners and stakeholders. It also includes some transformational expenditure/proposals to modernise service delivery going forward. Moreover, it gives the new authority a healthy baseline position to immediately improve value for money for local taxpayers, and to deliver transformational change over the next two years.

6.3 Departmental Structures were created based on the following principles:

- To design an organisation that will be customer focused and member led to deliver the right services to local areas
- To provide high quality value for money services
- To ensure that services work across organisational boundaries and eliminate barriers to delivery of joined-up customer services

6.4 The Budget delivers considerable savings as proposed through the Local Government review Business Case particularly though delayering management and in efficiencies derived from aggregating services. Estimates within the budget also include the impact of the Economic Downturn on Council services through reduced income and investment returns of c £5m.

6.5 The key areas where savings have been achieved are shown in the table below. It is important to note that savings have arisen from back office savings and elimination of duplication. Frontline savings have been protected, and where there may be efficiency savings shown in service areas (e.g. childrens services), it is important to note that transitional funding is in place to support the budget and underpin the level of service being delivered whilst the delivery of the changes are planned and implemented. This allows efficiencies to be explored and achieved whilst ensuring that there is no risk to ongoing service delivery in key areas such as safeguarding children.

DIRECTORATE	PROPOSED BUDGET (£m)	REDUCTIONS (£m)	%
Resources	17.7	4.9	22
Chief Executives Office	7.3	2.6	26
Adults Social Care and Health	70.2	4.5	6
Regeneration and Culture	18.1	3.0	14
Area and Community	13.1	3.8	22
Environment	47.8	6.5	12
Children and Young People	32.9	3.8	10
Corporate (contingencies, pension gratuities etc)	0.6	0	0
TOTAL	207.7	29.1	12

6.6 The Authority has delivered on its pledge to harmonise Council Tax levels effective from 1st April 2009. Council tax will be harmonised to a 3% increase over the previous lowest Council Tax level (which was Vale Royal B.C at £1,188.39). This would give Band D council tax of £1,224.04 and in increase for residents of each existing district of the following levels. This delivers an immediate value for money impact for both local taxpayers and national government funding.

	% Increase
Chester City	0.88
Ellesmere Port	0.76
Vale Royal BC	3.00
Average	1.66

6.7 Once set the budget will require rigorous monitoring to ensure savings plans are achieved and that key priorities are delivered including the redirection of resources in year. This will be achieved by the further development of a Star Chamber process to cover all areas of business planning and performance, as a key component of the Authorities overall financial management. This will be an important part of the new authority's culture in delivering change and becoming a flagship authority, and will be a big part of delivering a strong CAA performance for 2010.

7.0 Reasons for Recommendations

The recommendations shown above are included to enable Council to approve its Budget for 2009/10 and set its Council Tax in accordance with statutory requirements.

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Background Documents:

Documents are available for inspection at:
www.cheshirewestandchester.gov.uk
Room 51 County Hall, Chester, Cheshire, CH1 1SF

CHESHIRE WEST AND CHESTER COUNCIL - BUDGET REPORT 2009-10

26 FEBRUARY 2009

REPORT OF DIRECTOR OF RESOURCES

INTRODUCTION

1 At its meeting on 26 February 2009 the Council, after taking advice from the Executive, approved its budget and confirmed the Authority's Council Tax precept for the year commencing 1 April 2009. The Policy and Expenditure proposals within the budget have formed the framework setting the direction which the Authority will take in providing services for the present year. These proposals take into account the key themes, priorities and objectives that are set out in the Authority's Corporate Plan which reflects the publication of a National Indicator Set.

2 The Council has arrived at a budget and precept which it considers reasonable having regarded all the relevant factors and risks. The Authority has included in its consideration the likely impact, both now and in the future, of particular expenditure options on different parts of the community, the delivery of the whole of its services, the achievement of its objectives and on the level of the Council Tax.

3 The Authority is a large multi-functional organisation and its net budget of approximately £240m after allowing for external income and specific grants is inherently complex. It is made increasingly so by changes in the Government funding regime and new requirements in terms of reporting. There is a conflict between the need to provide Members with as full a picture as possible and the risk of information overload. This report attempts to address this by building up the budget in stages and detailing much information (albeit important and relevant) within the annexes. If any Member or group of Members feels that they require more information or further explanation they are encouraged to contact the Director of Resources, the Head of Finance, the Head of Policy, Performance and Partnerships, or their representatives.

4 The Authority has set its budget in the context of the Strategic Financial Planning Framework. The main components of this framework are:

- the Cheshire Sustainable Community Strategy (CSCS) which provides an over-arching strategy for the Cheshire community and the whole range of service providers. This strategy has helped shape the new 2009-10 Local Area Agreement which incorporates 35 priorities (plus 16 statutory and early years' targets) which will drive the delivery of the CSCS.

- the Draft Corporate Plan which sets out the objectives and priorities of Cheshire West and Chester Council and how they will be achieved and measured. The Draft Corporate Plan has been considered by the Full Council during early 2009. The Draft Corporate Plan provides a steer for all other corporate and service strategies, such as the Workforce Development Plan, resource allocation framework and service plans.

- the associated medium term service and financial scenarios which support the above and provide the framework for our strategic policy and financial planning.

- the Capital Strategy which sets out the process and principles which underlie the capital planning process.

- the Service Planning and Performance and Risk Management framework – the parameters of which are determined by the themes and objectives set out in the Corporate Plan.

BACKGROUND TO SETTING THE 2009/10 BUDGET

5 In a normal year the Authority's budget planning would identify the incremental changes needed to the authority's base budget in order to meet increases in demand, realigning resources to priority areas and for adjustments as a result of national funding settlements.

6 However, in the first year of the new Authority it has been necessary to undertake a phased/stage approach:

Stage 1 - Establish a service baseline

Stage 2 - Develop a high level Financial Scenario for three years including delivery of the significant saving proposals within the LGR business case.

Stage 3 - Develop and refine department/service budgets

Stage 4 - Finalisation of first year budget proposals

7 Cheshire West and Chester Executive approved the Financial Planning Process on 11th June 2008. The Financial Planning Process included four stages briefly described as follows:

Stage 1 – 2008/09 Baseline

Involved disaggregating the County Council's 2008/09 Budget and aggregating those of the District Councils. This provided a notional baseline Budget for 2008/09 for Cheshire West & Chester Council and gave an indication of the scale of its financial responsibilities.

Stage 2 – High Level Planning

This stage involved making some high level planning assumptions to establish the overall financial envelope, both revenue and capital, within which the Council would need to operate and then setting the financial parameters for the design of individual services. The overall financial envelope took into account factors such as inflation, government grant, Council Tax, transitional costs and any appropriation to/from reserves. The scenario also took into account the significant savings proposals promised as part of the LGR business case and also the impacts of the recent downturn in the wider economy.

Stage 3 – Refinement and Adjustment of Options

This stage involved making any necessary adjustments to the high-level options and then undertaking detailed planning and budget modelling at directorate level. This included the outcome of grants and balance sheet disaggregation and associated discussions with Cheshire East. It also included the development of the Capital Programme for 2009/10.

Stage 4 – Finalisation of 2009/10 Budget

This stage involved stakeholder consultation, final adjustments and refinements, and the setting of a balanced Budget and Council Tax for 2009/10.

8 This process started in June 2008 and the final budget proposals have been developed by Members of the Administration as part of Star Chamber processes in early 2009.

9 The budget has been set based on the best available information at the time and this has relied on information (and financial forecasts) made available by the four legacy authorities.

10 Considerable work was undertaken to disaggregate the County Council's balance sheet between Cheshire West and Chester and Cheshire East. This involved determining the level of assets, liabilities and reserves that the Authority would inherit. The latest available assumptions have been used but the actual position will not be known until the County Council closes its accounts for year 2008/09.

11 This report sets out the key component parts of this budget, including:

Funding Sources

- Government Grants
- Specific Grants
- Dedicated Schools Grant
- Council Tax policies

Spending Proposals

- Central Provisions
- Directorate Budgets (and implications of meeting cash limits)
- Capital Programme
- Prudential Indicators
- Statement of Robustness of Estimates and Adequacy/Use of Reserves

GOVERNMENT GRANTS

12 In July 2007 the Department for Communities and Local Government (DCLG) stated that its intention was to constrain the amount of Formula Grant that goes to any restructured area to the sum of the proposed formula grant for its constituent authorities. In areas where the new Unitary authorities are created along sub-county boundaries DCLG suggested that

the best method of splitting the formula grant, that would have gone to the County Council, is through negotiation by the shadow authorities, with help from the existing County Council. DCLG indicated that the split would then be added to the sum of the formula grant intended to go to its constituent District Councils. DCLG required the data on the split of Formula Grant to be provided no later than 24th October 2008. This ensured that the split was included in the provisional settlement for 2009/10 that was published for consultation to the usual timetable.

13 Cheshire West & Chester Executive delegated the agreement of the split of the Formula Grant to the Portfolio Holder for Resources in consultation with the Leader and other Executive Members on 30th July 2008. In discussions with Cheshire East it was agreed that, where possible, the local agreement would be based on the fall back figures provided by the DCLG. The final agreement included a local calculation of the Capital Financing element of the formula based on the current estimated property split identified as part of the disaggregation of the Cheshire County Council Balance Sheet. The locally agreed formula for Cheshire West & Chester and Cheshire East was submitted to DCLG on 23rd October 2008. This resulted in Formula Grant funding for Cheshire West and Chester of £91.596m for 2009/10 and £93.482m for 2010/11. A prudent 2% increase has been projected for 2011/12, as this settlement will be part of the next comprehensive spending review.

14 The final national Local Government Finance Settlement for 2009-10 was issued by the DCLG on 21 January 2009. This was the second year of a three-year rolling settlement. Consequently, provisional grant allocations for 2010-11 to individual authorities are also already available. As Cheshire West and Chester is a new authority it is not possible to do a direct comparison with the previous year in the normal way. However, notional figures for 2008-09 have been calculated for the all the new authorities and are reflected in the table below. Based on this Cheshire West and Chester has received an increase of 1.7% (+£1.5m) compared to an average of 3.3% for Shire Unitaries without Fire and a national average of 2.8% (see Table 1 below). This is consistent with the position for Cheshire East, as the calculation is affected by needs/deprivation driven criteria.

Table 1 – 2009-10 Grant Settlement

	Cheshire West and Chester	**Shire Unitaries without Fire**	**England**
	£m	**£m**	**£m**
Adjusted 2008-09 Formula Grant	90.049	3,793.1	27,474
2009-10 Formula Grant	91.596	3,919.4	28,254
Increase £m	**1.547**	**126.3**	**780**
Increase %	**1.72%**	**3.33%**	**2.84%**

SPECIFIC GRANTS

15 DCLG originally indicated that the disaggregation of the County Council Specific Grants for Cheshire East and Cheshire West & Chester would have to be agreed locally for each grant by 31st July 2008. In the event of no local agreement by this date DCLG indicated that they would implement fallback allocations. Following further discussions with DCLG, recognition was given to the complexity of the exercise and the deadline was extended to 24th October 2008 in line with the deadline for Formula Grant agreement. This was agreed on the basis of the fallback position being made available by the various Government departments and local agreement in the main being based on the fallback position.

16 Accordingly the proposed County disaggregation of each specific grant was examined and compared with the Government department fallback calculation in order to take a view on the best way forward in each case. The proposed County disaggregations generally reflected current spending patterns and locally determined needs, whereas the Government fallback calculations were determined nationally by formulae based on the important factors for a particular grant. Specific Grants that were not from the main Government departments (e.g. Learning and Skills Council) were excluded from this exercise and have been considered separately, the same approach as above has been followed.

17 In the majority of cases it was agreed that the Specific Grants would be split in accordance with the Government department fallback calculation. There were a small number of grants where Government departments did not provide a fallback position and therefore a local agreement was reached based on the suggested County split. For a small number of other grants it was decided that a local agreement would provide a fairer split of grant, would enable the authorities to meet their service commitments more effectively and would ensure that the value of the grant available to the two authorities collectively was maximised.

18 There are a number of grants where the organisations that provide the service operate on a pan Cheshire basis. The organisations concerned are Connexions, Cheshire YOT (Youth Offending Team), Cheshire DAAT (Drug and Alcohol Action Team). It was agreed that, although these Specific Grants will be disaggregated between the two authorities, they will be passported to the pan Cheshire organisations concerned.

19 Excluding Dedicated Schools Grant, which is dealt with in Annex 2, the agreed disaggregation of specific grants to Cheshire West and Chester is shown in Annex 1 and summarised in the table below:

Table 2 – Disaggregated Grants

	2009/10 £m	2010/11 £m
Area Based Revenue Grants	24.474	23,268
Specific Revenue Grants (excluding Dedicated Schools Grants)	59.487	51.677
Total	83.961	74.945

20 Overall the Authority will receive £58m of Specific Grants which the County Council used to receive. Providers of Grants to legacy District Councils within the boundaries of the authority have been contacted and relevant grants will be paid over to Cheshire West and Chester.

Area Based Grant

21 Local Area Agreements (LAA) are three year agreements that set out the priorities for a local area agreed between central government , as represented locally by the Government Office for the North West (GONW) and the local area, represented by the lead local authority and other key partners through Local Strategic Partnerships. As such they are the delivery and resources plan of the Sustainable Community Strategy for the area. The primary objective of an LAA is to deliver better outcomes for local people, though they are also intended to improve the relationship between central and local government, enhance efficiency through greater collaborative working on shared priorities, strengthen partnership working and enhance the community leadership role of local authorities.

22 The previous Cheshire LAA has been reviewed and refreshed to generate a new Cheshire West and Chester LAA. The new LAA has incorporated up to 35 improvement targets drawn from the new national indicator set developed as part of the Comprehensive Spending Review plus 16 statutory education and childcare targets. The Agreement has underpinned the new performance assessment framework for local government - Comprehensive Area Assessment – which has been introduced as the replacement to Comprehensive Performance Assessment (CPA) from April 2009. The new LAA will continue to be based around four themes – Children & Young People; Safer & Stronger Communities; Healthier Communities & Older People; and Business Enterprise – though identified LAA funding streams will in future be directed through an un-ringfenced 'single pot' Area Based Grant (ABG) which will no longer be tied to the themes.

23 For 2009-10, Cheshire West and Chester Council is the Accountable Body for £24.5m of ABG revenue funding. As such, the authority is responsible for both the financial management of the LAA and for ensuring that robust performance management arrangements are in place though, in practice, this responsibility is discharged through the Local Strategic Partnership.

Local Public Service Agreements

24 Local Public Service Agreements (LPSAs) are a Government initiative whereby demanding performance targets are set to deliver real improvements for local people through partnership working. Success in achieving the stretch targets attracts performance reward grant (PRG).

25 Two agreements have been signed up to in Cheshire. The first generation LPSA (LPSA 1) ended on 31 March 2005 and earned a total of £9.5m of PRG. It is estimated that there will be an unallocated balance of £228k on the revenue LPSA 1 Reserve as at 31 March 2009 of which £114k will be transferred to Cheshire West and Chester.

26 The second generation LPSA (LPSA 2) ended on 31 March 2008 and earned a total of £11.5m across all partners (£9.8m for the County and Districts). It is estimated that there will be an unallocated balance £384k on the revenue LPSA 2 Reserve as at 31 March 2009 of which £192k will be transferred to Cheshire West and Chester.

27 PRG is paid in two equal instalments, one in each of the two financial years following the end of the agreement (i.e. 2008-09 and 2009-10). Half of each instalment is paid as a capital grant and half as a revenue grant. Because of re-organisation the first instalment has been paid to Cheshire County Council (£3.9m) and separately to the Districts in Cheshire West and Chester (£0.5m). The second instalment will be paid to Cheshire West and Chester.

28 At the outset of LPSA 2 the Cheshire Local Strategic Partnership recommended that funding be made available for a further three years at the end of LPSA 2 to maintain or improve performance achieved (continuation funding). Therefore, £492k was set aside in 2008-09 at Cheshire County Council and a similar amount has been allocated in 2009-10 and 2010-11, split equally between both new authorities.

29 Table 3 below shows the estimated PRG in 2009-10 and the proposed use.

Table 3 – Use of PRG (2009/10)

	REVENUE	**CAPITAL**
	£000	**£000**
Estimated PRG b/f	306	-
Estimated PRG 2009/10	1,201	1,201
Total	1,507	1,201
Proposed Allocation:		
Capital Programme	-	1,201
Continuation Funding	246	
Total	246	
Balance Unallocated	1,261	-

30 There is no planned use of the unallocated balance in setting the 2009-10 budget.

Dedicated Schools Grant (DSG)

31 Funding for most schools-related expenditure is now paid directly to local authorities via the Dedicated Schools Grant (DSG) and, hence, that element of central government support has been deducted from the Formula Grant allocations. For budget setting purposes, the Authority has assumed a baseline 2009-10 DSG allocation of £188.8m. The final allocation for 2009-10 DSG will be based upon actual pupil numbers using the January 2009 schools' census and the March 2009 Early Years census and this allocation will not be known until May or June 2009. If pupil and early years numbers are not as estimated there could be a significant difference in the level of grant received. After taking account of the carry forward of underspends in 2008-09, and an adjustment in respect of Academy funding, the Council is assuming for budget-setting purposes a final DSG allocation of £186.388m in 2009/10 and £187.091m in 2010/11.

32 A more detailed explanation of the Authority's proposed DSG budget is included as Annex 2.

<u>COUNCIL TAX POLICY</u>

33 The Authority's Policy on Council Tax is to harmonise, any increases, from 1st April 2009 (Vesting Day) to the lowest Band D levels of the predecessor authorities, which is Vale Royal B.C. (£1,188.39).

34 The Council's Tax base has increased by 0.24% from 120,699 to 120,994.

35 The budget proposals for the Authority have produced a 3% increase in Council Tax over the previous lowest Band D rate giving a Band D Council tax bill of £1,224.04. The impact of this has been as follows for residents of each of the previous legacy district Council boundaries.

Vale Royal	3.00% increase
Chester City	0.88% increase
Ellesmere Port & Neston	0.76% increase

<u>CENTRALLY HELD PROVISIONS</u>

36 It has been necessary for the Authority to earmark an element of its budget in central provisions for various purposes. Some provisions will meet costs which fall corporately on the organisation, some will be allocated to service budgets in-year and others are held to meet the potential cost of items which cannot be fully estimated/allocated at the time of setting the budget. In 2009/10 the key central provisions are explained below.

Inflation

37 To uplift service budgets from 2008-09 out-turn prices to 2009-10 out-turn prices a provision for pay inflation of 2.5% has been held centrally. A 2.5% provision has also been set-aside for non-pay inflation. These two factors together resulted in an allocation of £5.7m.

Pensions Contributions

38 Each of the previous four legacy Authorities had different Employer contribution rates for the Local Government Pension Scheme. The Cheshire Pension Fund external Actuary has reviewed these contributions and it is estimated that the effect of harmonising these contributions will be a 1% increase in the rate from 1st April 2009. A sum of £1.340m has been earmarked.

Actuarial Pension Contributions

39 As part of the Authority's service re-design process; the aggregation of services after Local Government Review, and the de-layering of management structures, a Voluntary Redundancy programme was introduced. After a pay-back review was undertaken some 200+ staff were released. The actuarial costs of this exercise were phased over 5 years and the provision of £1.4m represented the first year repayment of these costs.

40 The Authority also inherited some unfunded pension liabilities from two of the District Councils and £300k has been earmarked to meet these costs.

Phasing Adjustment of Savings

41 Each Directorate has identified considerable savings that can be achieved as part of the service redesign exercise and the delivery of these savings has been assumed in base budgets. However, the timing of when these savings will occur during 2009/10 could be affected by numerous factors. A provision has therefore been set aside to recognise the potential cost of phasing some of these savings and directorates will be able to bid against this provision during the course of the year, should they need to. A sum of £6.4m has been set aside.

Contingency

42 Given the significant uncertainty that Local Government Review will have had on service budgets a 1% contingency has been set aside to meet potential costs of unforeseen items. A sum of £2.6m, including £0.3m for additional Insurance costs, has been set aside.

Transitional Costs

43 The LGR Business Case identified estimated transitional costs of £6.8m in 2009-10 comprising £5.4m for additional severance costs, and £1.4m for relocation costs. Latest estimates based on projections from Directors suggest a figure of around £5m may be an appropriate estimate for the financial year. Central provision has been made for these items. These costs will be funded by an allocation from general reserves which will be repaid over the following two years as outlined in the original LGR Business case.

Capital Financing

44 The capital financing budget for 2009-10 is set out in the Table 4 below. The capital financing budget includes the following; amounts charged in respect of the repayment of outstanding debt, contributions from the income and expenditure account towards the cost of capital expenditure and the amount of interest payable on the Council's portfolio of long term loans. These budgeted costs are partly offset by the budgeted amount of interest the Council anticipates earning from the temporary investment of its cash balances during the year.

45 The Local Government and Public Involvement in Health Act 2007 places a requirement of all councils to approve a policy on how the amount provided in respect of the repayment of debt is calculated prior to the start of the financial year concerned. The Policy for the year 2009-10 is contained in Annex 3. The budgeted provision for the repayment of debt in the year 2009-10 has been broadly calculated as 4% of the estimated outstanding debt at the end of the year 2008-09 with a small number of exceptions. These exceptions comprise capital expenditure on capital projects that has been funded through unsupported borrowing by the Legacy Authorities.

46 The amount charged in respect of the repayment of debt is currently just above the generally accepted prudent minimum. The amount provided is also below the amount of capital expenditure being funded from borrowing in each of the next few years. As a consequence the amount of debt outstanding is increasing each year. As the level of outstanding debt increases the amount that needs to be provided for the repayment of debt in future years also increases.

Table 4 – Capital Financing Budget 2009-10

	£m
Provision for debt repayment	6.4
Direct revenue funding	2.0
Interest on long term loans	8.5
Other interest payable	1.1
Revenue contribution from Housing Revenue Account	(1.5)
Revenue contribution from Children's Services	(0.2)
Total Debt Repayment	16.3
Less Interest receivable on cash balances	(2.1)
Net Capital Financing Budget	**14.2**

47 The amount of interest paid on the Council's portfolio of long term loans is mainly at fixed rates of interest (circa 4.9%). This provides a degree of certainty to the capital financing budget. The rate of interest payable on the £22 million of new long term loans that it is planned to raise during the year 2009-10 is budgeted to be 4.5%. Currently long term interest rates are around 4.65%. However, within the Treasury Management Strategy,

the Council will use internal balances where possible to reduce the costs in the short term of external borrowing.

48 The rate of interest to be earned on the Council's cash balances that are temporarily invested pending their being used (estimated at £140 million) is budgeted to be between 1% and 2%, depending on external cashflows and levels of inherited reserves.

49 At the present moment in time conditions in the world's money and capital markets are very uncertain. This uncertainty has prevailed for a number of months now and is likely to prevail for a long while yet. A high degree of caution therefore needs to be exercised in respect of the estimated rates of interest mentioned above. The Director of Resources will be monitoring this position and its impact on the budget carefully throughout the year, but a significant reduction in interest of some £3.5m has been incorporated within the budgets, as well as the LGR business case savings outlined earlier in the report.

SUMMARY BUDGET POSITION – SERVICE EXPENDITURE

50 The build-up of the proposed 2009-10 budget for total service expenditure is outlined in Table 5. The total service expenditure requirement in 2009-10 is £239.4m.

Table 5 – Summary of Service Expenditure

			£m
1	Sources of Funding :		
	Council Tax		148.1
	Grant Funding (RSG and NNDR)		91.6
	Deficit on collection Fund		-0.3
	Total Funding Available (ie Budget requirement)		**239.4**
	Expenditure Budget		
	Corporate and Centrally Held Budgets		
2	Pay & Price Changes		
(i)	Inflation from Outturn 08-09 to Outturn 09-10:		
	Pay and Non-Pay	5.7	
	Pensions contributions	1.3	
	Actuarial contributions	1.7	
(iii)	Central Contingency	2.6	
3	Contingency for Transitional Costs	5.0	
4	Capital Financing	14.2	
5	Phasing Adjustment	6.4	
		36.9	
6	Less : Use of Reserves: General Reserves	-5.0	
	LPSA Reserve	-0.2	
7	Total Central Budget Provision		31.7
8	Service Budget 2009-10 (Outturn Prices)		207.7
	TOTAL SERVICE EXPENDITURE (Outturn prices)		**239.4**

Note: The use of general reserves is a one–off contribution to fund transitional costs in 2009-10, and is not being used to fund the base budget.

51 Departmental Budgets for 2009-10 are shown in the table below:

Table 6 - Departmental Budgets

Department	Budget 2009/10 £000
Children and Young People	**32,925**
Adult Social Care & Health	**70,211**
Environmental Services	**47,833**
Regeneration & Culture	**18,107**
Area & Community Services	**13,105**
Resources	**17,655**
Chief Executive	**7,250**
Corporate	**605**
Totals	**207,691**

52 The 2009-10 budget-setting process for the new Council was overseen by the Council's Executive. Ambitious financial targets were set for the new Directorates to deliver on-going financial savings of £30m (over 12% of the inherited base budgets from the 4 demising Authorities). These savings were identified within the context of an overall medium term financial strategy based upon the following principles:-

- Protecting "front line" service delivery and ensuring resources are directed towards the Council's Corporate Priorities;
- Delivering significant de-layering of management posts and corporate staff by voluntary means and natural wastage;
- Removing duplication wherever possible; and
- Streamlining service delivery and back office infrastructure.

53 To set a service budget within their cash limit required a number of significant changes to the inherited base budget. The key proposed changes are highlighted as “policy options” in Annex 4.

54 Service expenditure requirements are based on the assumption that:-

(a) given the difficult funding scenario and uncertainties mentioned above, Members will wish to restate in the strongest possible terms the need for services to manage their budgets within approved levels;

(b) in seeking supplementary revenue estimates and unfunded supplementary capital estimates, services will need to demonstrate that they have exhausted all other methods of funding or offsetting savings and that additional allocation is unavoidable;

(c) certain budgets are 'ring-fenced'. This means that underspends on these budgets will return to balances and overspends will be met centrally from balances. This is to reflect the fact that certain items of expenditure are so significantly influenced by external factors, that they are beyond the direct control of managers in the short term and should not therefore affect the service outturn.

The Director of Resources, who is responsible for determining which budgets should be ring-fenced, has reviewed these as part of the budget setting process and confirmed this is the appropriate treatment for the following budgets.

- Election expenses
- External audit and Inspection fees
- Insurances
- Planning levies
- Rates
- Subscription to Local Government Association
- Members' allowances (including Pensions)
- Coroners, and
- Supplier Contract Rebates

<u>2009-10 CAPITAL PROGRAMME</u>

55 The proposed capital programme for 2009-10 amounts to £95m.

56 Capital needs are usually assessed according to the extent to which they will help deliver both Corporate Plan objectives and those outlined in departmental plans (e.g. Local Transport Plan, Asset Management Plans). These needs are then compared to estimated funding sources in order to determine the affordability position over the medium term. A number of factors including those below will affect the affordability of future year proposals:-

a. Increasing demand for Capital Investment;

b. Continued slow-down in the availability of Capital Receipts to support the programme;

c. Broadly the same level of indicative Government allocation for future years' supported borrowing;

d. The extent to which the Authority capitalises revenue expenditure or supports additional capital expenditure through a revenue contribution.

57 The process for developing the Capital programme has ,exceptionally this year, involved aggregating the schemes which were proposed in each of the four legacy authorities' capital strategies. These have been reviewed in line with the priorities of Cheshire West and Chester.

58 The legacy Authorities have started a number of schemes during 2008/09 or earlier where committed expenditure will roll forward and be incurred by Cheshire West and Chester and these schemes have been included in this programme.

59 A core element of the programme covers essential replacement of the existing asset base and is funded from government borrowing allocations (supported borrowing), grants, contributions, capital receipts, revenue contributions and reserves. Government borrowing allocations support investment in the Local Transport Plan and schools and carry with them revenue funding towards the costs of borrowing, although the extent to which these find their way into the Council's budget is hampered by the flooring mechanisms within the formula distribution model.

60 A number of proposed schemes have been brought forward to support the authority's priorities and its modernisation and transformation agenda. However, these business cases are still being developed and will be evaluated (in terms of links to priorities, pay back and funding sources) early in the financial year.

61 The Capital Programme has been categorised into the following themes and is detailed in Annex 5.

A - schemes already started by legacy authorities and needing completion

B – Core Programme expenditure maintaining the existing asset base

C – new schemes still requiring approval of business case before commencement

62 The Capital programme would normally be viewed over a four –year period. However given the developing nature of the new Authority it is intended that a full four year programme will be developed during the course of 2009-10 alongside the development of the Corporate Plan, and that this first budget will approve a 2009-10 capital programme only. This accords with the approach to revenue budget setting, which has also allocated only one year budgets at this stage. The full three year plans will be further developed through continuation of the star chamber process on a quarterly basis during 2009/10, with appropriate virements if necessary.

63 A star chamber process will be fully developed which will carefully monitor and develop the capital programme during the course of year to :

- Monitor deliverability and review outcomes
- Approve Business cases
- Align and redirect capital spend to developing priorities

Funding of Capital Programme

64 The estimated capital payments in 2009-10 are planned to be financed as shown in Table 7 below.

Table 7 – Capital Payments and Funding 2009-10

	£m
Capital Expenditure	**95.2**
Financed by :	
External Resources:	
Government borrowing allocations	15.6
Grants	33.7
Developer / Partner Contributions	2.8
Council Resources:	
Prudential Borrowing	12.5
Capital Reserve	1.0
Capital Receipts	11.4
Departmental Contributions	5.7
Direct Revenue Funding	2.0
Funding to be identified in Business Cases	10.5
	95.2

65 It should be borne in mind that the actual mix of funding sources adopted in closing the accounts may differ from that budgeted to ensure the Authority makes optimal use of its available resources. This may be particularly important given the current economic climate and the potential impact on the availability of capital receipts.

Debt

66 As a consequence of financing the Capital Programme outstanding debt is projected to rise to £192m by the end of 2009-10 from £162m at 31st March 2009. Revenue provision has been made for repayment of this debt within the 2009-10 Capital Financing Budget.

67 The council's outstanding debt at 31st March 2009 comprises a share of the outstanding debt of Cheshire County Council and the whole of the outstanding debt of Chester City and Ellesmere Port and Neston Borough

Councils at that date. At the end of 2008-09 Vale Royal Borough Council had no outstanding debt.

68 The amount of outstanding debt over the next few years is projected to increase as a result of the amount of capital expenditure to be funded by borrowing being in excess of the amount charged to the income and expenditure account in respect of the repayment of debt. This is carefully monitored in accordance with the Prudential Code for borrowing.

Prudential Indicators

69 The Local Government Act of 2003 introduced a Prudential Code for capital finance which came into effect from 31st March 2004, and gave local authorities the power to borrow more freely, subject to certain affordability constraints.

70 The intention of the Prudential Code is to give well managed authorities the flexibility to make “real” decisions about the mix of spend between revenue and capital. There are two main areas covered by the Prudential Indicators; capital investment and treasury management. The relevant indicators for each area are listed below:-

Capital Investment

- The amount of capital expenditure to be incurred
- The Authority’s capital financing requirement (its underlying need to borrow)
- The ratio of capital financing costs to the net revenue stream
- The incremental impact of capital investment decisions on the level of Council Tax

Treasury Management

- Net borrowing compared to capital financing requirement
- The authorised borrowing limit for external debt
- The operational boundary for external debt
- Interest rate exposure limits
- The maturity structure of fixed rate debt
- Principal sums invested for more than 364 days

71 Details of these prudential Indicators are contained in Annex 6

Treasury Management Strategy

72 The key assumptions within the Authority’s treasury management strategy which impact on the authority’s budget are highlighted below.

- new borrowing, when required, of up to £22m at a rate of 4.5% is planned, however internal borrowing will be used when possible.

- cash balances are assumed to earn between 1% and 2% rate of return

EFFICIENCY GAINS

73 The Comprehensive Spending Review Announcements of October 2007 (CSR07) increased the annual efficiency target, across local authorities as a whole, to 3% (all cashable) from 2008-09. In addition, the Annual Efficiency Statement (AES) has been replaced by a single performance indicator (part of the National Indicator Set – number 179), identical to the total cash-releasing efficiency gains previously reported in the AES. This new indicator needs to be reported twice a year. In the autumn a forecast is produced in a similar way to the Forward Looking AES. In July, Councils will report the actual position up to the end of the previous financial year that ended in March. In effect this replaces the Backward Looking AES. These figures exclude schools for which separate national arrangements exist.

74 For 2009-10 given the scale of the task to create two new Councils from seven including designing new services and budgets it was not possible to separately consider the need to achieve a specific level of efficiency savings. This was justified on the basis that one of the key reasons for undertaking the reorganisation process was to generate a significant level of efficiency savings as a result of fewer Councils. These would mainly be found through reductions in management and in corporate areas such as Council Tax collection, streamlined ICT, shared support services, etc, and these will be pursued rigorously.

75 The process of designing services and working to set financial parameters has generated efficiency savings of £25.4m which represents some 11% of the budget for the new Authority. This is an initial estimate which will be reported on in more detail later in the year. The budget proposals should achieve the required targets but will require significant investment (time and money), clear action plans and a strong emphasis on benefits realisation and performance management to deliver them.

76 As the new services are rolled out and staff appointed there will be further opportunities for efficiency savings and formal savings targets will be set for the 2010-11 and 2011-12 budget settings rounds. However, the Authority will be mindful that having generated a very significant level of efficiency savings as part of the reorganisation process, it will not be possible to continue to generate savings at that level in future years and therefore it will consider progress towards the three year target before any new goals are set.

77 The changes announced in the Comprehensive Spending Review (CSRO7) represented a significant change in formal reporting requirements to Central Government. However, arrangements for achieving and improving value for money will constitute an important element of the use of resources judgement. This judgement forms one of the four key elements of the Comprehensive Area Assessment that has been introduced in April 2009. As a result Councils need to ensure that their own internal arrangements meet the requirements of this assessment.

ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES (REPORT OF CHIEF FINANCIAL OFFICER UNDER SECTION 25 OF THE LOCAL GOVERNMENT ACT 2003)

78 Section 25 of the Local Government Act 2003 places a requirement on the Chief Financial Officer (i.e. the Director of Resources) to report to the authority when it is making statutory calculations required to determine its Council Tax. The Council is required to take into account the report when making its calculations. This report must deal with the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides.

79 In making the assessment of these two factors, account is also taken of the advice contained in CIPFA’s Guidance Note on Local Authority Reserves and Balances. In addition, account is taken of the relevant accounting standards, such as the Statement of Recommended Practice (SORP) and Financial Reporting Standards (FRS) which specify the distinction between reserves and provisions. The Council’s estimated position with regard to reserves is identified in Annex 7.

80 In setting its budget the Authority has needed to take account of the level of risk and uncertainty regarding its budgetary estimates and the planned levels of contingencies and reserves. There is no “correct answer” to this, it is a matter of judgement. However, in general, the greater the levels of risks and uncertainty (both now and in the future) the greater the level of contingencies and reserves that can be considered prudent. The Authority has balanced the need for reserves and contingencies as a cushion against unbudgeted financial pressures against the immediate impact on Council Taxpayers of holding such reserves and contingencies. It has needed to arrive at a level it considers adequate and prudent but not excessive.

81 In the current budget year consideration has needed to be given to some unique factors:

- Cheshire West and Chester will inherit a level of reserves (yet to be finalised) from the legacy authorities, the final balance of which can be affected by their spending decisions in 2008-09.

- The disaggregation of the County Council’s general reserves, and subsequent allocation, to the authority has not yet been agreed

- The transitional impact of the significant Voluntary Redundancy programme will have a short term impact on the overall level of reserves as agreed with DCLG as part of the LGR business case.

82 The Authority has inherited a number of earmarked revenue reserves set aside for a specific purpose. A judgement has been made about the level of such earmarked reserves having regard to the level of known and potential liabilities and the level of risk and uncertainty.

83 The Authority has also inherited a General Reserve. The purpose of this reserve is to provide for general risks which cannot be individually

specified, to provide flexibility in managing short term fluctuations between planned and actual levels of income and expenditure and potentially to take advantage of invest to save opportunities. Examples include a major disaster or a legal finding against the Council. Such general risks are inherently difficult to identify let alone quantify.

84 It is important to recognise that this is Council Taxpayers money and hence to maintain the minimum adequate level of general reserve having regard to prudence and risk. External auditors have been reluctant to specify an amount which represents adequate in advance, emphasising that it depends heavily on the level of risk the Authority believes itself to be facing. However, figures of around 3–5% of net budget have been typically quoted. This is a fairly wide range and further complicated by the issue of schools which are sometimes regarded as being out of the equation. On this basis the range for general reserves would fall between £7m and £12m. .

85 The level of future financial risk is significant, particularly with regard to the achievability of programmed savings, the pressures on ‘demand led’ budgets, and particularly given the infancy of the Authority’s financial management arrangements and systems. The two unitary submission accepted by Government envisaged reserves falling slightly below the prudent minimum level in 2009-10 before being replenished by the new Authorities.

86 The Medium Term Financial Strategy includes a proposed drawdown of £5m from reserves in setting the 2009-10 budget. This would result in general reserves being approximately £5.1m at the end of 2009-10, subject to any decisions taken by the Authority in setting the budget for 2009-10.

87 In the current year Members should also note that additional protection against uncertain or unquantifiable (at this stage) items of expenditure has been built into the budget e.g. phasing of savings and general contingency. These figures together amount to almost £10m, and work to protect the level of balances projected, thereby acting as an extra layer of risk management. Further, the quarterly star chambers including both officers and members of the executive, will act as a strong control loop in meeting the budgetary plans to ensure that the council’s financial position is protected.

88 The Director of Resources considers that taking all known factors into account the current estimated level of reserves (£10.2m at 1/4/09 reducing to £5.1m at 31/3/10) whilst at the lower end of prudent to be an acceptable level of reserves to support these budget proposals. The current year’s budget is supported by the money set aside for transitional phasing costs and it will be necessary to keep a very tight control of progress towards envisaged savings targets in the new authority, and of spending decisions. This will be closely monitored by the Director of Resources, and action will be taken promptly to address any concerns that may emerge.

89 A level of repayment to the general reserve to re-imburse the £5m LGR Transitional costs is planned over the period 2010/11 to 2012/13 in line with the DCLG approved approach as part of the LGR Business Case.

Housing Revenue Account and Rents Policy

90 A report asking Members to endorse the recommended rent increases to be applied to Ellesmere Port and Neston Borough Council's Housing Revenue Account (HRA) stock, and to endorse the recommended HRA budget estimates and planned spending programmes for 2009/10 was approved. The figures from the Housing Revenue reports have been incorporated into the final budget report for Council 26th February.

Total Expenditure and Council Tax Levels

91 The Government's reserve-capping powers have switched the focus from a predetermined expenditure limit to consideration of the level of Council Tax increase. This highlights the importance of balancing the need to spend on services with the impact upon taxpayers. In the final Local Government Financial Settlement, the Government reiterated their expectations that Council Tax increases would be 'substantially below' 5%. Annex 8 provides background details on the Council Tax system and taxbase.

The Council Tax Precept in 2009-10

92 The Council Tax precept represents the difference between total net expenditure, and income from Formula Grant, and the Council's share of any surpluses or deficits on the District Council Collection Funds.

93 Members will wish to note that taking into account all the factors outlined above, the basis of the calculation of the budget requirement and Council Tax precept will be as outlined in Table 9 below, subject to any decisions taken by Council.

Table 9 – Council Tax Precept	£m	£m
Service Expenditure		244.6
Less: Appropriations:		
from LPSA 2 Reserve (PRG)	0.2	
from 2009-10 LABGI Reserve		
from General Reserves	5.0	5.2
Budget Requirement		239.4
Less: Formula Grant		91.6
Collection Fund Surpluses / Deficits		-0.3
Council Tax Precept		**148.1**

94 There are 120,994 Band D properties in Cheshire West and Chester. The Council's element of the Council Tax is calculated by dividing the Council Tax precept figure in Table 9 by the taxbase.

95 The Council Tax precept (as outlined in Table 9 above) will determine the Council Band D Council Tax. The final level of Council Tax for a Band D property has been agreed at £1,224.04.

96 The total Council Tax is determined by adding the Police and Fire authorities' and (where appropriate) Parish elements to the Council element.

97 At the full Council meeting on 26 February 2009, Members have approved the budget requirement which, in turn, has determined the 2009-10 Council Tax by Band.

98 In addition the Parish Precept of £2,295m needs to be included in the budget requirement of the council.

THE WAY FORWARD

99 It is an inevitability of the nature of setting this budget and the pulling together of four legacy Authorities that some further work will be needed in year to develop and refine Cheshire West and Chester's budget setting processes. Work is already in hand to :

- Further develop the three year planning horizon, to allocate more detailed three year plans to each service area

- Undertake a thorough Risk Assessment of the Authorities budget in the light of actual delivery within the new structures and include this in the Budget Planning process for 2010/11 and beyond. The Star Chamber identified initial key risks as part of a stress testing exercise before final budget proposals were identified, and this confirmed that the proposals put forward to achieve the savings were valid.

- Review all balance sheet items and earmarked reserves inherited from legacy Authorities

- Develop a 3 monthly Star Chamber process to monitor spending patterns and redirect resources where appropriate to deliver Corporate priorities, for both revenue and capital.

CONCLUSION

100 Cheshire West and Chester recognise that the 2009/10 Revenue and Capital Budget set in February will, of necessity, be a transitional budget. It has successfully consolidated and streamlined the budgets of the current local authorities whilst being sufficiently robust to ensure service continuity during 2009/10. It has delivered the £30m savings envisaged by the LGR business case and inherited savings proposals, together with a further £5m due to the impact of the credit crunch, and this has been tested and risk assessed as being a deliverable budget. However, there is more

detailed work required on each of the Directorate budgets and structures to deliver truly transformational services and further improved value for money. This detailed work will be undertaken by a 3-month rolling "Star Chamber" programme where the Executive and Management Board will scrutinise the current budgets alongside performance and risk management, to ensure that costs (revenue and capital) are fully aligned to the Council's priorities, to drive out transformational change, deliver best practice, to improve performance and service-delivery outcomes and enhanced value for money. This approach will further embed the risk management that allows the reserve position to be managed in a robust manner and to an adequate, value for money level.

101 There are financial risks inherent in the proposed budget, but none which were not expected as part of the LGR business case. The nature of the 2009/10 budget, whilst having some risks in the first year will establish a sustainable base budget going forward from which the Authority can develop to meet its aspiration of being a flagship authority within two years.

ANNEX 1

Allocation of Specific Grants for Cheshire West & Chester

GRANT	2009-10 £	2010-11 £ (where available)
Education and Children's Personal Social Services		
Schools Standards Grant (Including Personalisation)	10,197,566	10,411,715
Ethnic Minority Achievement	119,220	125,253
Music Grant	376,153	376,153
Extended Schools - Sustainability	845,589	1,191,369
School Development Grant	11,406,949	760,142
School Lunch Grant	540,757	540,757
Early Years: Increasing Flexibility for 3 - 4 Year Olds	498,988	1,730,849
Sure Start, Early Years and Childcare	7,621,244	8,695,815
Youth Opportunity Fund	163,300	163,300
Short Breaks	344,480	1,111,263
Adults Personal Social Services		
Social Care Reform	1,170,000	1,448,000
Learning Disability Campus Closure Programme	92,986	152,976
Stroke Strategy	61,000	60,724
Others		
Area Based Grant (See attached)	24,474,140	23,268,106
Concessionary Fares	1,141,230	1,172,784
Growth Fund: Revenue	103,430	137,906
Homelessness	330,000	330,000
TOTAL	**59,487,032**	**51,677,111**

Area Based Grants **ANNEX 1a**

	2009-10	2010-11
Connexions	2,738,198	2,739,897
Extended Schools - Start Up	1,008,415	414,703
School Development Grant (LA retained element)	402,850	402,850
Children's Fund	600,804	600,804
Care Matters	203,548	235,910
Secondary National Strategy: Central Co-ordination	152,490	151,571
School Improvement Partners	180,211	180,211
Primary National Strategy: Central Co-ordination	173,903	173,931
Secondary Behaviour and Attendance: Central Co-ordination	62,900	62,900
School Intervention	119,910	119,910
Teenage Pregnancy	99,500	99,500
Flexible 14 to 19 Partnerships Funding	101,898	101,159
Children's Social Care Workforce	81,690	80,998
Education Health Partnerships	85,506	85,506
Extended Rights for Free Travel	298,783	456,025
Positive Activities for Young People	279,186	362,525
School Travel Advisers	52,845	52,845
Child Death Review Processes	33,242	34,301
General Duty on Sustainable Travel To School	29,213	29,213
Choice Advisers	23,032	23,032
Child Trust Fund Top Up	3,841	4,590
ContactPoint (ABG wef 2010-11)	-	TBC
CAMHS (Children & Adolescents Mental Health Service)	439,110	457,214
Young People's Substance Misuse Grant	77,175	77,175
Adult Social Care workforce	828,550	855,271
Carers	1,397,596	1,493,374
Learning Disability Development Fund	260,397	259,954
Local Involvement Networks	130,923	131,045
Mental Capacity Act & IMCAS	183,026	176,335
Mental Health	870,000	916,066
Preserved Rights	947,000	892,000
Supporting People Admin.	271,748	232,927
Supporting People (core grant)	9,889,679	8,853,164
Stronger Safer Communities Fund	337,705	337,705
Road Safety	712,903	742,017
Rural Bus Subsidy	271,820	278,789
Detrunking	1,124,574	1,152,688
TOTAL	**24,474,170**	**23,268,106**

DEDICATED SCHOOLS GRANT

1 The Government has announced the revised indicative allocations of the DSG for 2009-10 and 2010-11. These revised allocations update the indicative allocations for 2009-10 and 2010-11 announced in the School Funding Settlement 2008-2011 in November 2007 as adjusted for disaggregation. They are based on the Guaranteed Units of Funding for 2009-10 and 2010-11 for each local authority announced in November 2007, but using the Department's revised projections of pupil numbers for January 2009 and January 2010-11 which make use of the January 2008 numbers. The guaranteed unit of funding per pupil through DSG will increase on average, nationally, by 3.7% in 2009-10 and 4.3% in 2010-11.

2 Allocations of DSG for the two year period continue to be based on the "spend plus" method, which uses authorities' historical levels of expenditure as the basis for distribution. Members may be aware that this has helped to protect Cheshire County Council's historic top-up to school funding over and above the former Formula Spending Share, the benefit of which will pass on to the new authority. However, Ministers are considering reviewing the basis for 2011-12 onwards.

3 As with previous years, final allocations for the 2009-10 DSG will depend on actual pupil numbers using the January 2009 Pupil Level Annual School Census (PLASC) and the March Early Years Census (EYC) dates. Hence, final allocations will not be known until May/June 2009. Schools must be issued with their budgets by the end of March 2009, so for planning purposes, at this stage, January 2009 pupil census numbers and projected early years numbers are being used. This is in preference to the numbers behind the indicative DSG allocation provided by the DCSF as historically they have been found to be over-inflated. Schools' individual budgets will be calculated using January 2009 pupil numbers.

4 It is currently estimated that there will be an underspend of £2.321m on Cheshire County Council's DSG for 2008-09. Regulations permit the carry-forward of DSG underspends and overspends to the following year, so the baseline funding needs to be adjusted to reflect the share due to Cheshire West and Chester of £1.151m.

5 For prudent budgeting purposes, it has been assumed that an Academy is established in Ellesmere Port with effect from 1st September 2009. If the decision is to not proceed with the Academy option then the amount of DSG will increase which will correspond with the amount required to continue to fund the existing high schools through formula funding. The table below shows the total DSG funding available for Cheshire West and Chester for 2009-10 and 2010-11.

Table 1 – DSG Funding

	2009-10 £m	2010-11 £m
Baseline DSG	188.832	193.254
Add estimate share of underspend from 2008-09	1.151	0
Adjustment assuming Ellesmere Port Academy is established 1st Sept 2009	-3.595	-6.163
TOTAL DSG	186.388	187.091

6 Consequently, the Authority is assuming DSG funding of £186.388m in 2009-10 and £187.091m in 2010-11.

7 The Minimum Funding Guarantee (MFG) increase for primary, secondary and special schools will be set at 2.1% per pupil for 2009-10, the same as for 2008-09. The MFG, whilst offering protection to schools, can sometimes restrict local authorities' ability to direct funding to schools in the way they feel best meets local needs and priorities. MFG protection for schools which should be strictly time-limited becomes locked into formula budgets "in perpetuity", and effectively acts as a top-slice upon all other schools. The cost of the MFG in Cheshire has increased significantly since the concept was introduced and this will need to be reviewed in the light of the new authority's experiences. The School's Forum has the power to make decisions over the local operation of MFG which may help to manage this situation.

8 The Authority will also have to agree the amount of central expenditure within total Schools Budgets for each financial year, which is also funded by DSG. Central expenditure covers those items which are not delegated to schools' budgets through the funding formula, and include early years (SureStart), costs of Special Educational Needs such as Out of County placements, and education other than at school.

9 Central expenditure is cash-limited in accordance with a DCSF formula, and can normally only be exceeded with the approval of the School's Forum. For the first financial year of Cheshire West and Chester and all new authorities, this requirement has been removed and School's Forum approval is not necessary.

Table 2 - Indicative DSG Allocations for 2009-10

		£m
1	Final DSG allocation 2008-09 (Outturn Prices)	185.491
2	Pay & Price Changes	5,065
3	Policy & Expenditure Proposals	-1.724
4	Projected underspend from 2008-09	1.151
	Total	189.983
	Less Adjustment assuming Ellesmere Port Academy is established 1st Sept 2009	-3.595
	Estimated available DSG	**186.388**
	Including : Central expenditure	22.274

Note: For 2009-10 the indicative allocations of DSG above are based on a more accurate local estimate as outlined above. Local data from the January 2009 Pupil Level Annual School Census (PLASC) should be available during February/March to further refine the estimate. However, the final DSG allocation to local authorities will not be confirmed until May/June 2009, at which point it may be necessary to report back to Members on a revised and final DSG allocation.

10 Several transfers have been made in and out of the DSG, in line with regulations from the DCSF for 2009-10. These, together with the other components of the DSG budget, have been summarised in Table 2 above and are detailed as follows:

- Inflation from Outturn 2008-09 to Outturn 2009-10 of £5.065m. This has been calculated on the basis of 3% for non teaching staff pay, 2.36% for teaching staff pay (actual), additional Employer's Superannuation contributions (0.5%) and 2.5% for non-staffing costs with the exception of certain items that have been increased at specific rates as follows:

    - Rates - 5% - increased statutorily in line with September 2008 RPI

    - Water – 106.4% - phased migration by United Utilities for surface water charge being based on school footprint (sq metres) rather than rateable value

    - Exam fees – 10.3%

- Policy & Expenditure Proposals of -£1.724m for 2009-10. This includes:

    - adjustment of -£2.098m for pupil number fluctuations. The provisional grant is based upon an estimate of pupil numbers which will not be finalised until May/June. If actual numbers are less than those used in the estimate the Council will need to fund the difference between the Unit of Funding and the Age Weighted Pupil Unit (AWPU). This can either be done by the creation of a contingency or carry forward to be funded from the 2010-11 DSG.

- Savings arising from school amalgamations and closures to support prudential borrowing to fund an element of the Transforming Leaning Community capital schemes. This is subject to the agreement of the School's Forum which is due to meet on 23rd February 2009. The position will be confirmed to Members in advance of the Council meeting.

11 As part of the TLC capital programme, there is a contribution to the proposed University of Cheshire Church of England Academy Ellesmere Port of £100,000 which will be held in an endowment fund, the income of which will be spent by the trustees of the fund on measures to counteract the impact of deprivation on education in the local community. The key statutory provisions for the legality of this payment are the duties in the Education Acts which require local authorities to promote the fulfilment of every child's education potential and to ensure fair access to educational opportunity and the well-being power in local government legislation. There is a need for this endowment fund to help deal with some of the special challenges in Ellesmere Port. This contribution has been approved by Cheshire County Council and Cheshire West and Chester Shadow Council within broader decisions relating to the proposed academy.

ANNEX 3

POLICY ON THE MINIMUM REVENUE PROVISION

Background

1 Regulation 28 of the Local Authorities (Capital Finance and Accounting)(England)(Amendment) Regulations 2008 (SI 2008/414) place a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003. The Annual MRP Statement is subject to Full Council approval before the start of the financial year to which the provision relates.

2 The broad aim of prudent provision is to ensure that the repayment of debt is enabled over a period that is reasonably commensurate with that over which the capital expenditure provides benefits

Under the new guidance local authorities will:-

a) have a duty to make an MRP that is prudent;
b) be legally obliged to have regard to the MRP guidance issued by DCLG;
c) need to establish a policy on MRP that will need to be approved by Full
Council each year.

3 The requirement to make a provision for the repayment of debt arises as a result of the Authority incurring capital expenditure and financing that expenditure from 'borrowing' (i.e. a source other than capital receipts, external grants and contributions and contributions from the Authority's own revenue budgets).

4 Capital expenditure funded from borrowing results in an increase in the Authority's capital financing requirement (CFR) (this being the total of all capital expenditure previously financed from borrowing less that already charged to the Authority's income and expenditure account) or as it is commonly referred to debt/outstanding debt.

Council Policy

5 The policy of Cheshire West & Chester Council for the year 2009-10 is that the provision for the repayment of debt should be calculated on the following basis:-

(i) The major proportion of the MRP for 2009/10 will relate to the more historic debt liability, this, along with Capital Expenditure funded by Supported Borrowing for Revenue Support Grant purposes, will continue to be charged at the rate of 4%, in accordance with option 1 of the guidance.

(ii) For capital expenditure incurred after 1 April 2009 that falls outside its Capital Expenditure for Revenue Support Grant purposes, MRP will be calculated under option 3 – the asset life method, which will be charged over a period which is reasonably commensurate with the estimated useful life applicable to the nature of expenditure, using the equal annual instalment method. For example, capital expenditure on a new building, or on the refurbishment or enhancement of a building, will be related to the estimated life of that building.

(iii) Estimated life periods will be determined under delegated powers. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Council. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

(iv) The Council will adhere to the previous Councils' MRP policies for any capital expenditure funded from supported and unsupported borrowing in 2008-09.

- MRP for capital expenditure funded from supported borrowing has been calculated on a 4% reducing balance basis to match the Revenue Support Grant intended to finance the expenditure
- MRP for capital expenditure funded from unsupported borrowing has been calculated based on the estimated useful life of the asset under Option 3 (currently 10 to 25 years)

(v) The Council will apply option 1 in respect of borrowing for supported capital expenditure from 1 April 2009 and option 3 in respect of borrowing for unsupported capital expenditure from 1 April 2009 and will apply MRP charges in the year following that in which the capital expenditure is incurred.

ANNEX 4

POLICY OPTIONS

A transitional budget to accommodate phasing of these savings has been set aside to ensure they can be delivered in a manner that maintains service delivery standards particularly in the areas of Childrens and Adults Safeguarding.

BUDGET REDUCTIONS	**2009/10**	**FYE**
	£'000	£'000
RESOURCES		
1. Management savings for the Directorate	-390	-390
2. Reduced Legal officers (-12.5 FTE)	-422	-422
3. Reduced HR Officers (-15 FTE)	-506	-506
4. Reduced FAM officers (-5 FTE)	-150	-150
5. Reduced Finance posts / implementation of enabled manager concept / reduction of value added support(-50 FTE)	-1620	-1620
6. Reduction of 15 Revs. And Bens Posts	-608	-608
7. Reduction of 5 Audit posts	-169	-169
8. Legal Services – fund posts relating to large one off projects through project funding rather than Legal budget. e.g. Waste PFI, Sure Start Lawyer etc	-110	-110
9. Audit Fees Saving	-143	-143
10. Further unallocated Corporate savings (as per MTS)	-704	-704
TOTAL	**-4822**	**-4822**
CHIEF EXECUTIVE'S OFFICE		
11. Reduced Corporate Officers (-15FTE)	-506	-506
12. Reduced Corporate Management (-2.5FTE)	-140	-140
13. Reduced Performance Officers (-5FTE)	-169	-169
14. Reduced Communications staff (-10FTE)	-338	-338
15. Reduced Publications	-250	-250
16. Reduced Corporate non-staffing budget	-235	-235
17. Reduced Democratic Support (-12.5 FTE)	-422	-422
18. Reduced Member Allowances	-563	-563
TOTAL	**-2623**	**-2623**
REGENERATION AND CULTURE		
19. Staffing reductions	-2,012	-2,012
20. Winsford Lifestyle Centre – as per MTS proposals	-130	-130
21. Reductions in supplies & services	-837	-837
TOTAL	**-2,979**	**-2,979**
ADULTS SOCIAL CARE & HEALTH		
Individual Commissioning and Prevention		
22. Continued policy of deflecting demand from residential & long stay (net of roll out of ECH)	-320	-320
23. Review CSC's	-50	-600
24. Reduce provider/building service costs by 10%	-1,814	-1,814
25. Reduced Care Costs from Increased Prevention/Reablement	-425	-425
26. Introduction of integrated team and removal of hands offs Incorporates move to 5 Patch Teams and limited specialist teams. Gross savings £1m	-150	-150
27. Joint Strategic Care Costs from Increased Prevention Reablement	-425	-425

28. ALD Pooled net budget savings target – 10% over 3 years net SCR impact	-189	-189
29. Further cross-Directorate savings (staffing and non-staffing)	-1000	-1000
TOTAL	**-4373**	**-4923**
AREA AND COMMUNITY		
Neighbourhood & Customer		
30. The previous County development team has also been removed as in 2008/09 it was financed by temporary funding	-317	-317
Regulatory		
31. The consolidated service structure has reduced staffing levels in the following areas:	-500	-500
o 4FTE x TSO/EHO/TO		
o 5FTE x Business Support		
o 1FTE x Lifetime Services		
o 3FTE x Car Parking		
32. Rationalise car parking enforcement	-170	-170
33. Initiatives to be identified to reduce Car Parking income gap (target £300k x 9 months). A fundamental review of current policies is therefore required	-225	-300
ICT		
34. Reduction in 29.5 FTE from rationalising ICT and IM provision.	-894	-894
Development Team		
35. Reduction of a further 6 FTE from the development team (from 28 to 22) by increasing the assumed no. of chargeable hours per FTE from the original assumption of 1,000 to 1,275 per FTE.	-264	-264
36. ICT savings have been included which are yet to be identified but will result from the impact of Shared Service arrangements and further ICT service Transformation.	-500	-500
37. ICT Capitalisation of development staff in line with the previous (08/09) capital programme provisions at CCC and Chester (16 FTE) however achievement is dependant upon continued provision in the Capital Programme for ICT development work of this value. Transitional work makes this a realistic option in year 1 however sustainability in the medium term will need to be reviewed.	-704	-704
38. ICT - Capitalisation of the remaining 6 FTE development staff however achievement is dependant upon sufficient additional provision in the Capital Programme for ICT development work of this value.	-264	-264
TOTAL	**-3838**	**-3913**
ENVIRONMENT		
Highways and Transportation		
39. Route and Branch review - BPR ENV 30/31 & 32	-50	-100
40. Review of Highway and Transportation Staffing levels. Staff saving	-468	-934
41. Reduction in Management	-82	-165
42. Renewal of Park & Ride Contracts in Chester (following member approval)	-100	-100

43. The following were identified as growth items by CCC in order to maintain highways maintenance service levels, however it is proposed that these are absorbed in order to balance the budget. (Impact of annual increase in network length 90k, additional maintenance cost from LTP capital work (45k) Revenue cost of 7/8 Highways Capitalisation (813k)	-948	-948
44. Alternative Service Delivery Options	-100	-100
45. Highways & Transportation - Absorb Impact of Excessive Inflation rates (8%) on Construction Works within Highways Maintenance Contract	-400	-400
46. Highways & Transportation - Absorb - Downturn in Economy is affecting the ability to meet External Income targets re Development works	-300	-300
47. Reduction in Cheshire Bus Network	-100	-100
48. Reduction in contribution to Cheshire Safe Road Partnership	-100	-100
49. - Environment - Capitalisation of Highways Maintenance	-1500	-1500
Development Management		
50. FTE Reduction through consolidation of 4 teams into a single location. Efficiencies due to BPRE and improvements from rationalisation of ICT and co-location of Service.	-250	-250
51. Service Rationalisation primarily at Management level.	-260	-260
52. Development Management - Absorb Short fall in meeting income targets for planning, building control and land charges fees due to economic climate building for 2008/2009, predicted to continue in 2009/10.	-983	-983
Waste and Street Scene		
53. Efficiency Savings at Managerial and Supervisory levels	-270	-270
54. Reduction in expenditure on Waste Awareness Programme	-100	-100
55. Rationalise Street Cleansing/Grass Cutting	-200	-200
56. Departmental Savings – Reduction in Supplies and Services	-250	-250
TOTAL	-6461	-7060
CHILDREN AND YOUNG PEOPLE		
57. Review and transform services	-1,752	-1,752
58. Rationalise business support (admin)	-556	-556
59. Rationalise student finance team	-110	-110
60. Rationalise Connexions Contract (matches Cheshire East reduction)	-200	-200
61. Savings across school transport	-350	-350
62. Savings in premises costs	-50	-50
63. Children's - Increase use of grants	-100	-100
64. Additional allocation to Dedicated Schools Grant	-600	-600
65. Restrict inflation	-60	-60
TOTAL	-3,778	-3,778
66. Cross Authority Income Target	**-250**	**-250**
BUDGET REDUCTIONS TOTAL	**-29,124**	**-30,348**

DIRECTORATE GROWTH PRESSURES / INVESTMENT	2009/10	FYE
	£'000	£'000
RESOURCES		
1. Facilities and Asset Management projected Income shortfall for commercial Property during the economic downturn.	525	525
2. Roll forward of 08/09 Growth items (shared services & FAM)	304	304
TOTAL	829	829
CHIEF EXECUTIVE'S OFFICE		
3. Democratic Services – Additional capacity for member IT	35	35
4. Democratic Services – Additional capacity for Scrutiny	105	105
TOTAL	140	140
REGENERATION AND CULTURE		
5. Choice Based Lettings – growth item	130	130
TOTAL	130	130
ADULTS SOCIAL CARE AND HEALTH		
Individual Commissioning and Prevention		
6. Re-investment of patch team savings in Reablement	425	425
7. Re-investment of patch team savings in Prevention	425	425
TOTAL	850	850
AREA AND COMMUNITY		
Neighbourhoods & Customer		
8. Provision has been included for Area Forum Local Member Budgets (72 x £5k)	360	360
9.Reduced Car Parking Income - Chester 2008-09 estimate is for a £600k deficit due partly to the impact of the National concessionary travel scheme on Park & Ride income (£300k) and also the 'Free after 3' scheme (£300k). Chester have flagged the potential for further deterioration due to the economic climate.	600	600
10. EPNBC The estimated impact of a possible continuation of Free Parking in the Town Centre has been built in at this stage	400	400
TOTAL	1360	1360
ENVIRONMENT		
Highways and Transportation		
11. Highways & Transportation - Impact of Excessive Inflation rates (8%) on Construction Works within Highways Maintenance Contract	600	600
12. Highways & Transportation - Downturn in Economy is affecting the ability to meet External Income targets re Development works	300	300

13. Development Management - Short fall in meeting income targets for planning, building control and land charges fees due to economic climate building for 2008/2009, predicted to continue in 2009/10.	983	983
TOTAL	1883	1883
CHILDREN AND YOUNG PEOPLE		
14. Increased rates for Foster Carers	200	200
15. Fund 2008-09 overspend in Safeguarding and vulnerable children	2000	2000
TOTAL	2200	2200
GRAND TOTAL	**7252**	**7252**

Capital Programme - Cheshire West & Chester **Annex 5a**

A. Committed Schemes

Project Title	**Capital Expenditure 2009-10 £000's**
Children & Young People	
Fully Committed	7,461
Part Committed	
Children's Minor Programme	36
Children's ICT	623
Replacement to Mobile Classrooms West	9
Adult Social Care & Health	
Fully Committed	21
Part Committed	
Modernising ICT Delivery	370
CA ICT Schemes 08	20
Extra Care Housing 08	1,875
Environment	
Fully Committed	118
Part Committed	
Transforming Cheshire - Restructuring Environment Env 25	380
Waste Strategy Project Management	1,059
Section 278 Agreements	459
Road Safety Schemes - Minor Works	53
Integrated Area Minor Works - Vale Royal	298
Development On-Line - GMS	15
Groves Refurbishment (Public Realm & Toilets) Culture Park	100
City Centre Cleansing	20
Litter/ Recycling Litter Bins	20
Regeneration & Culture	
Fully Committed	4,129
Part Committed	
Affordable Housing Pot	1,400
Walls Improvements	920
Chester Renaissance - Master Planning	56
Chester Renaissance - Grosvenor Park	125
Chester Renaissance - Public Realm Works Phases 2, 3 and 4	130
Chester Renaissance - Chester Greenways	500
Chester Renaissance - City Walls (Portico Project)	1,128
River Dee Improvements	220
Blacon Adventure Playground	10
Chester Renaissance - Master plan	900
Brook Street	10
Area & Community	
Part Committed	
Blacon Cemetery - Extension	808
Data Centre	401
Resources	
Fully Committed	511
Part Committed	
2009/10 Transforming Cheshire - Improving Oracle (Shared Services	919
County Farms 2006-07	3
County Farms 2002-03	244
Dee House	20
Town Hall Vision and Improvement Plan	200
Total Committed Schemes	**25,571**

Capital Programme - Cheshire West & Chester **Annex 5b**
B. Core Programme

Project Title	Capital Expenditure 2009-10 £000's
Children & Young People	
Devolved Formula Capital	2,500
Extended Schools 09-10	330
Specialist Schools	150
Harnessing Technology	1,042
14-19 diploma	700
Surestart	166
Primary Capital Programme	1,454
Our Lady's PS Amalgamation - (From PCP)	730
Schools - Basic Need	327
Schools - Access Initiative	448
Children's Social Care	38
Adult Social Care & Health	
Building Block Review	172
Mental Health Capital	103
Environment	
LTP - Detrunked Roads	1,165
LTP - Bridges	142
LTP - Road Safety Grant	140
LTP - Maintenance	4,772
LTP - Integrated Transport	2,792
Additional Highways Maintenance	1,500
Waste Infrastructure Capital Grant	585
Gypsy & Traveller Site	585
Street Scene Improvements	450
Waste Collection Asset Management	150
Vehicle Replacement	554
Single integrated kerbside collection	100
Streetscene Asset Data Collection	100
Regeneration & Culture	
23. Disabled Facility Grants	474
24. Energy Efficiency Grants	140
26. Shared Equity Mortgage Loans	585
27. Empty Property Grants	40
51. Rolling Programme of Improvements to City Council Children's Play Facilities	50
52. Rolling Programme of Improvements to Parish Children's Play Facilities	25
53. Disability Discrimination Act Play Areas	25
28. Affordable Housing Pot	600
Growth Point	1,234
Mersey Forest (net of contribution)	65
Heritage Interpretation	10
Countryside Site Improvements	45
Investment in existing Leisure Assets	152
DFG	520
Housing Repairs	150
Empty Property Initiatives	10
Housing Compensation	20
LPSA2 Housing Projects	10
Choice Based Letting	40
Affordable Housing	400
Housing Needs & Stock Condition Surveys	130
Play Areas	60
Putting Vale Royal on the Map'	100
Local Authorities Disabled Facilities Grant (Was Private Disabled Facilities Grants)	796
Renovation Grants	300
Energy Efficiency Grants	50
Private Housing Projects	650
Local Authority Disabled Facilities Grants - HRA	665
Area & Community	
Building Safer Communities Fund	101
Contaminated Land Investigations	50
Community Safety Initiatives	50
Contaminated Land Investigations	40
Capitalised Salaries HIPS	222
Cyclical Repairs and Maintenance - HRA	3,485
Area Improvement Schemes - HRA	1,551
Resources	
(N) Minor works	80
(N) Office moves / DDA	650
(N)Housing - revenue capitalisation	350
(N) Building maintenance - capitalised revenue/ supported borrowing / craftshops (firestop	3,378
(N) County Farms - 2009/10	330
	38,829

Capital Programme - Cheshire West & Chester **Annex 5c**

C. New Bids, Transformational & Transitional Projects

Project Title	Capital Expenditure 2009-10 £000's
New Bids	
Children & Young People	
Play Capital West	1,000
Whitby Heath PS	598
School Workforce Census	21
Child Case Management Systems Review	13
Children's Workforce Development System	50
Integrated Children's System (ICS)	0
Contact Point/Children's Hub & E-Caf	441
CYPD	22
QA Plus Replacement	49
Victoria Rd Workplace Nursery	1,196
Devolved Formula Capital West	704
TLC 2006-07 West	190
Devolved Formula Capital 06-07 West	326
Children's Centres Ph3 West	0
ICT Children's Centres Ph3 West	48
Barnton Children's Centres Ph3	597
Cherry Grove Children's Centres Ph3	599
Over Hall Children's Centres Ph3	741
West Cheshire Minor Works Ph3	103
Weaverham Children's Centres Ph3	96
Upton Children's Centres Ph3	352
West Rural Programme Ph3	0
Devolved Formula Cap 08-09 West	2,010
County Minor Works 08-09 West	374
Land Drainage 08-09 West	11
Harnessing Technology West	811
Academies - Feasibility	75
Access Initiative 08-09 West	252
Adult Social Care & Health	
Social Care IT Infrastructure	97
Common Assessment Framework	50
Short Stay Provision	2,360
Environment	
ENVPR007g - Novus Expansion & Improvement	12
ENVPR008d - Eton 5 Modifications	12
ENVPR008e - Eton 6 Modifications	12
ENVPR011g - Confirm Waste Collection Module	85
ENVPR011c- Routewise Expansion & Improvement	25
ENVPR095a - Real Time Traffic Information	74
ENVPR017f - Routewise Gupta Sql to Sql Upgrade	25
ENVPR089b - New Aerial Survey 2009	39
Conservation & Urban Area Enhancement	15
Witton CLS Liabilities	100
Waste Transfer Site	802
North Ditch Pumping Station Improvements	586

Capital Programme - Cheshire West & Chester **Annex 5c**

C. New Bids, Transformational & Transitional Projects

Project Title	**Capital Expenditure 2009-10 £000's**
Regeneration & Culture	
City Baths/Northgate Arena - Refurbishment	1,511
Chester Station	1,300
4. Public Art	40
35. Chester Renaissance - Amphitheatre Developer Competition	50
59. Open space - Boughton Schemes	21
60. Open space - Sealand Meadows	300
64. Open space - Elton Phase 2	20
72. Open Space - Extended Schools Play	30
Neston Town Centre	278
Replacement of EPIC Leisure Centre	1,000
Libraries RFID	380
Online genealogical resources - spend represents WEST element	30
Mobile libraries /Galaxy Connectivity	20
Wi-Fi in libraries	20
Online access to library resources	10
Archive indexes and databases -spend represents WEST element	10
Catalogue Wikis - spend represents WEST element	10
Oracle-Galaxy Interface	20
Pre-Pay Smart Card	10
Libraries Facilities	200
Working on Wharton	227
Area & Community	
CCTV review and technical specifications	50
Oracle Migration/Cutover Activities	49
Corporate Document Image Processing and Scanning	25
Area and Neighbourhood Working (VR)	100
Allotment - drainage and refurbishment works (VR)	100
Enterprise Content Management	500
Customer Services	1,540
Redevelopment of Chester Crem	120
Essential Replacement of Core ICT Infrastructure 2009-2010	857
ICT Security & Research Projects	201
Government Connect	566
Click into Cheshire in 2009/10	37
One Stop Shop	500
Transforming Cheshire Information Management	68
Transforming Cheshire Customer Access	5
Resources	
Town Hall new passenger lift (and associated toilet/kitchen adaptations)	1,000
County Farms 2007-08- Transforming Cheshire	44
County Farms 2008-09	216
County Farms 2007-08- Transforming Cheshire	455
Total New Bids	**26,891**

Transformational & Transitional Programme	
ICT transitional development programme	1,500
Transformational Programme	2,000
Economic/Recessionary Support	500
Total Transformational & Transitional Programme	**4,000**

Total New Bids, Transformational & Transitional Projects **30,891**

ANNEX 6

PRUDENTIAL INDICATORS 2009-12

Background

1 The Local Government Act of 2003 introduced a Prudential Code for capital finance which came into effect from 31st March 2004. The Prudential Code gave local authorities the power to borrow more freely, subject to certain affordability constraints.

2 The intention of the Prudential Code is to give well managed authorities the flexibility to make “real” decisions about the mix of spend between revenue and capital. Prudential indicators are the means whereby the local authority is able to ensure that decisions made on the mix between revenue expenditure and capital expenditure are made on an informed basis that is prudent (i.e. does not result in too high a level of external borrowings) whilst at the same time sustainable (i.e. does not result in excessively large increases in Council Tax bills. The Prudential Indicators also help ensure that treasury management decisions and activities are undertaken in accordance with good practice.

3 The Government continues to provide revenue support to capital investment through an element of the formula grant. The Authority can borrow above the supported level, provided that it can afford to meet the whole of the borrowing and running costs associated with such borrowings from its revenue budget. The current policy is to consider taking out unsupported borrowing where the additional debt can be serviced by future revenue savings and efficiency gains.

4 There are two main areas covered by the Prudential Indicators; capital investment and treasury management. The relevant indicators for each area are shown below:-

Capital Investment

- The amount of capital expenditure to be incurred
- The Authority’s capital financing requirement (its underlying need to borrow)
- The ratio of capital financing costs to the net revenue stream
- The incremental impact of capital investment decisions on the level of Council Tax

Treasury Management

- Net borrowing compared to capital financing requirement
- The authorised borrowing limit for external debt
- The operational boundary for external debt
- Interest rate exposure limits
- The maturity structure of fixed rate debt
- Principal sums invested for more than 364 days

5 Many of the Prudential Indicators need to be set for the forthcoming financial year and the two subsequent financial years. The calculation of the indicators for 2009-12 has taken into account the funding of the 2009-10 capital programme and the anticipated funding of the 2010-11 and 2011-12 programmes based on indicative levels of government and other funding for the Authority

6 The key indicators of affordability and prudence are the estimates of the "incremental impact of capital investment decisions on the Council Tax" in each of the three years 2009-12 and estimates of the "Capital Financing Requirement" as at the end of each of these years.

7 The "incremental impact" is perhaps the most high-profile indicator as it will express the effect of the Council's capital programme and financing decisions and plans in terms of £ per Band D Equivalent increases in Council Tax.

8 With regards to Treasury Management the Prudential Code specifies the indicators to be approved which give shape to the overall level of external borrowing, its maturity structure and the balance between fixed and variable interest. These indicators, including a description and the calculation of the indicator, are contained in the appendix to the report, also on this agenda, seeking approval to the Treasury Management Strategy and Plan. The Council however, needs to have regard to the impact of the decisions on capital spend on these indicators.

9 A key indicator of Treasury Management prudence is that net external borrowing (total external borrowings less cash balances and investments) does not, except in the short term, exceed the Capital Financing Requirement (CFR) (i.e. the level of the capital expenditure expected to be financed from borrowing). The manner in which the Prudential Indicators have been calculated and set is such that this key indicator cannot be breached without the authorised limit also being breached at the same time (Council approval is required to amend the authorised limit).

10 The authorised limit prudential indicator is used to control the overall level of debt outstanding. This indicator sets the maximum absolute level of external debt that the Authority can have outstanding at any moment in time after allowing for some potential unforeseen issues (i.e. unusual cash flow movements). The operational boundary, which is similarly used to control debt outstanding, is an estimate of the likely (as opposed to the maximum) level of debt outstanding during the year.

11 The benefits from setting the indicators will be derived from the processes undertaken to determine the appropriate level of the indicators, and the monitoring of the indicators over time.

12 Each local authority is unique in terms of its historical capital expenditure and capital funding decisions and also in terms of its future capital expenditure and funding plans. Consequently the level at which the indicators are set will vary significantly between local authorities. The indicators are not intended to be used as a means of comparing local authorities, rather, they are to be used as a tool for ensuring that Authorities can show they are well managed.

13 The Government has the reserve power to prevent local authorities' plans from jeopardising national economic policies by placing a limit on the amount of

borrowing local authorities can raise in a given year, either individually or in total. This power was not used in the years 2004-05 to 2007-08 inclusive. Neither is it expected that this power will be used in the foreseeable future.

14 There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators. It should be noted that CIPFA undertook a review of the Code in early 2008. The outcome from that review has yet to be published.

Estimates of Capital Expenditure

15 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax and housing rent levels.

No. 1	**Capital Expenditure**	2008-09	2008-09	2009-10	2010-11	2011-12
		Approved £m	Revised £m	Estimate £m	Estimate £m	Estimate £m
	Non-HRA	105	95	89	n/a	n/a
	HRA	6	7	6	n/a	n/a
	Total	**111**	**102**	**95**	n/a	n/a

16 Capital expenditure will be financed as follows:

Capital Financing	2008-09	2008-09	2009-10	2010-11	2011-12
	Approved £m	Revised £m	Estimate £m	Estimate £m	Estimate £m
Capital receipts	8	24	11	n/a	n/a
Capital Reserve	6	7	1	n/a	n/a
Government Grants	31	30	34	n/a	n/a
Major Repairs Allowance	4	4	4	n/a	n/a
External Contributions	7	5	3	n/a	n/a
Revenue contributions	2	4	4	n/a	n/a
Supported borrowing	31	16	16	n/a	n/a
Unsupported borrowing	22	12	12	n/a	n/a
Funding to be identified in Business Cases			10	n/a	n/a
Total	**111**	**102**	**95**	n/a	n/a

Ratio of Financing Costs to Net Revenue Stream

17 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the

revenue budget required to meet borrowing costs. The definition of financing costs is set out at paragraph 87 of the Prudential Code.

18 The ratio is based on costs net of investment income.

No. 2	**Ratio of Financing Costs to Net Revenue Stream**	2008-09	2008-09	2009-10	2010-11	2011-12
		Approved	Revised	Estimate	Estimate	Estimate
		%	%	%	%	%
	Non-HRA	4.99	4.99	5.71	N/A	N/A
	HRA	0.8	1.65	1.07	N/A	N/A
	Total	**5.79**	**6.64**	**6.78**	**N/A**	**N/A**

Capital Financing Requirement

19 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and it's financing. It is an aggregation of the amounts shown for Fixed and Intangible assets, the Revaluation Reserve, the Capital Adjustment Account, Government Grants Deferred and any other balances treated as capital expenditure.

No. 3	**Capital Financing Requirement**	31/3/09	31/3/09	31/3/10	31/3/11	31/3/12
		Approved	Revised	Estimate	Estimate	Estimate
		£m	£m	£m	£m	£m
	Non-HRA	130	154	184	197	210
	HRA	7	8	8	8	8
	Total CFR	**137**	**162**	**192**	**205**	**218**

20 In order to ensure that over the medium term net borrowing will only be for a capital purpose, the Council should make sure that net external borrowing does not, except in the short term, exceed the Capital Financing Requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

21 The Director of Resources reports that this Council does not envisage difficulties in meeting this requirement of future financial years.

Actual External Debt

22 This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

No. 4	Actual External Debt as at 31/3/2008	£m
	Borrowing	136
	Other Long-term Liabilities	1
	Total	**137**

Incremental Impact of Capital Investment Decisions

23 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

No. 5	Incremental Impact of Capital Investment Decisions	2008-09	2009-10	2010-11	2011-12
		Approved £	Estimate £	Estimate £	Estimate £
	Increase in Band D Council Tax	7.78	7.78	N/A	N/A
	Increase in Average Weekly Housing Rents	N/A	0	N/A	N/A

24 The increase in Band D council tax in 2009/10 reflects the increases in the provision for Capital Financing Charges of £0.94m to undertake borrowing of £22m arising from the proposed capital programme.

Authorised Limit and Operational Boundary for External Debt

25 The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.

26 The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities. This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

27 The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

28 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

No. 6	**Authorised Limit for External Debt**	2008-09	2008-09	2009-10	2010-11	2011-12
		Approved £m	Revised £m	Estimate £m	Estimate £m	Estimate £m
	Borrowing	229	229	270	280	291
	Other Long-term Liabilities	-	-	-	-	-
	Total	**229**	**229**	**270**	**280**	**291**

29 The **Operational Boundary** links directly to the Council's estimates of the CFR and estimates of other cash flow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

30 The Director of Resources has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Executive.

No. 7	**Operational Boundary for External Debt**	2008-09	2008-09	2009-10	2010-11	2011-12
		Approved £m	Revised £m	Estimate £m	Estimate £m	Estimate £m
	Borrowing	**202**	**202**	**220**	**230**	**241**
	Other Long-term Liabilities	-	-	-	-	-
	Total	**202**	**202**	**220**	**230**	**241**

Adoption of the CIPFA Treasury Management Code

31 This indicator demonstrates that the Council has adopted the principles of best practice.

No. 8	Adoption of the CIPFA Code of Practice in Treasury Management
	The Council has approved the adoption of the CIPFA Treasury Management Code.

Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

32 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. This Council calculates these limits on net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments).

33 The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments

		2008-09 Approved	2008-09 Revised	2009-10 Revised	2010-11 Revised	2011-12 Revised
		%	%	%	%	%
No. 9	**Upper Limit for Fixed Interest Rate Exposure**	100	100	100	100	100
No. 10	**Upper Limit for Variable Rate Exposure**	100	100	100	100	100

34 The limits above are set at 100% for fixed and 100% for variable to allow the Council the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Council's treasury management strategy.

Maturity Structure of Fixed Rate Borrowing

35 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

36 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

No. 11	Maturity structure of fixed rate borrowing	Lower Limit %	Upper Limit %
	under 12 months	Nil	25%
	12 months and within 24 months	Nil	25%
	24 months and within 5 years	Nil	35%
	5 years and within 10 years	Nil	35%
	10 years and above	Nil	100%

Upper Limit for total principal sums invested over 364 days

37 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

No. 12	Upper Limit for total principal sums invested over 364 days shown as a % of the portfolio	Maturing beyond 1 year	Maturing beyond 2 years	Maturing beyond 3 years
		40%	40%	40%

ADEQUACY OF RESERVES

1 The Council will maintain reserves for a number of reasons, mainly to provide cover for specific purposes, for unknown or unexpected expenditure and to aid prudent financial planning and management. It is possible to increase or reduce reserves in a planned way to ‘smooth’ the impact on Council Taxpayers of variations in the Council’s income and expenditure.

2 For 2009/10 the Authority will inherit its opening reserves position from the four legacy authorities. All estimates in the budget are based on the latest financial projections from these authorities (as at Three quarter review of expenditure). At the time of writing some uncertainty still exists over the impact of the Voluntary Severance programme and LGR Transitional costs incurred in 2008/09 on the opening balance of reserves and hence a prudent approach has been taken to estimating these balances.

3 This report will deal with the Authority’s reserves in 3 categories:

- General Reserve
- Earmarked Reserves
- Capital reserves

<u>General Reserve</u>

4 The purpose of this reserve is to provide for general risks which can not be individually specified, to provide flexibility in managing short term fluctuations between planned and actual levels of income and expenditure and potentially to take advantage of invest to save opportunities. In accordance with best practice, the Council should not retain more of Council Taxpayers money than necessary to meet these needs and Officers and Members should seek to ensure that a prudent minimum level is maintained.

5 The Council will make an annual assessment of the tactical use of the General reserve, subject to the overall projected levels for the foreseeable future being within the ongoing agreed strategic tolerances. Judgements on the use of this reserve are made as part of the Council’s budget setting process in light of a number of considerations including:

- The balance of risks judged against overall budget provision and the availability of sufficient reserves to meet unusual or unexpected expenditure not provided for in the budget.

- The prudent use of balances in a planned way within the medium term financial and service scenario planning framework based on an assessment of future risks.

6 Members should note that this is Council Taxpayers money and therefore should seek to maintain the minimum adequate level of general reserves having regard to prudence and risk. Figures of around 3% - 5% of net budget have been typically quoted as the minimum adequate level. This is a fairly wide range and further complicated by the issue of schools which are sometimes regarded as being out of the equation. On this basis anything between £7m and £12m could

be appropriate. However there will be situations when reserves can be higher or lower than this range, depending on the level of risk the Authority believes itself to be facing.

7 The Council is in an unprecedented period at the moment given the significant one off costs that it or its legacy authorities have needed to incur to prepare for the development of the new Authority e.g significant transitional or severance costs. This was recognised in the LGR Business Case which was approved by DCLG which anticipated the Authority dipping temporarily below a prudent level of balances to meet these costs and then repaying them over the following two years.

8 Based on the latest available information it is estimated that the opening balance for the Authority on this reserve will amount to about £10.2m

9 The Medium Term Financial Strategy for 2009-10 includes a proposed drawdown of £5.0m from general reserves to finance the transitional costs associated with Local Government Review. This would result in general reserves being approximately £5.5m (after allowing for some smaller planned repayments) at the end of 2009-10. It is anticipated that this drawdown of reserves will be repaid during the following financial years and laid out in the DCLG approved LGR Business Case.

10 These figures do not include an estimated £0.3m of income due to be received in 2009-10 from the Local Authority Business Growth Incentive Scheme.

11 A summary of the estimated position on the reserve is shown below.

	2009-10 Totals £000	2010-11 Totals £000	2012-13 Totals £000
General Reserve			
Estimated Opening Balances	10,230	5,514	8,357
Add Business Finance Loan Repayments	284	93	24
Less Transitional costs Severance	(5,000)		
Add Repayment of Transitional Costs		2,750	2,750
Estimated closing Balances	5,514	8,357	11,131

12 The absolute level of General reserve as a percentage of net service spend for each financial year would therefore be as follows:

	%
1st April 2009	**4.3**
31 March 2010	**2.3**
31 March 2011	**3.5**
31 March 2012	**4.6**

13 The level of risk facing the Council has been recognised during the 2009-10 budget setting process and specific contingency provisions and additional funding targeted at some of the high risk areas,(for example Severance and the delivery of significant level of planned efficiency savings) and should mitigate against any additional calls on reserves.

14 Taking all the above factors into account, and subject to any decisions taken by the Authority in setting the Budget for 2009-10, Members may consider that the level of general reserves feels just about adequate given the unusual and complex financial situation surrounding the New Authority. However, significant unforeseen calls on reserves during 2009-10, for example, additional LGR transition costs, potential equal pay claims, significant delays in savings or a substantial reduction in earmarked reserves would require this assessment to be reviewed. The Director of Resources will carefully monitor this position.

Earmarked Reserves

15 Each of the four Legacy Authorities will have held earmarked reserves for specific purposes and this report rolls these forward to Cheshire West and Chester. The final position with regard to Cheshire County Council will be clarified as part of the ongoing negotiations with Cheshire East as part of the Balance Sheet disaggregation.

16 The table below shows the estimated position for each authority on earmarked reserves at 31 March 2009:-

	‘£000
Share of Cheshire County Council earmarked reserves	18,105
Chester City Council	1,117
Ellesmere Port and Neston	2,029
Vale Royal	1,178
Total Earmarked Reserves at 31/3/09	**22,429**

17 The overall estimated position on earmarked reserves for Cheshire West and Chester is summarised below:-

Earmarked Reserves - Estimated Balances

Reserve:	Estimated balance at 31 March 2009 £000	Proposed Transfers to General Reserve £000	Estimated Movement in 2009-10 £000	Estimated balance at 31 March 2010 £000
Insurance and Risk Management Reserve	2,694	(946)	(656)	1,092
Capital (share of Cheshire County council balances only shown here)	1,141		(1,347)	(206)
3C Waste	1,350		0	1,350
PFI Reserve – Children's Services	2,594		213	2,807
Sums held by Schools	9,500		(500)	9,000
Housing Revenue Account	1,512		(1,039)	473
Insurance fund – Housing Stock	509		0	509
Other Earmarked Reserves	3,160	(883)	(928)	1,349
Total Earmarked Reserves	**22,460**	**(1,829)**	**(4,257)**	**16,374**

18 A review is currently underway as to the extent to which some of these reserves will still remain earmarked for the purposes previously intended post Local Government Review. It is clear that some money will be available to be released into General Balances from the discussions with District Councils. As part of the County Council's Balance Sheet review a number of balances on previously earmarked reserves will also become available for distribution to the General Reserve (e.g Latent Liabilities)

19 An assumption at the moment has been made that £1.8m can be allocated and is therefore reflected in the assumed General Reserve position above. These appropriations between reserves will need to be approved either by the legacy Authorities or early in the life of the new Cheshire West and Chester Authority.

COUNCIL TAX SYSTEM AND TAXBASE

1 The Council Tax is based on property values (relating to the saleable value of the property as at 1 April 1991). Dwellings have been assigned to one of eight valuation bands (Bands A to H) with liability to Council Tax for a property in the top band three times that of a property in the bottom band. The table below shows the Council Tax bands and the tax liability relative to the standard Band D.

Council Tax Bandings

Band	Proportion of Band D Bill	Property Valuations
A	6/9	Up to £40,000
B	7/9	£40,000 up to £52,000
C	8/9	£52,000 up to £68,000
D	9/9	£68,000 up to £88,000
E	11/9	£88,000 up to £120,000
F	13/9	£120,000 up to £160,000
G	15/9	£160,000 up to £320,000
H	18/9	over £320,000

2 The taxbase is the estimated number of domestic chargeable dwellings expressed as a number of Band D equivalents. For example, one Band H dwelling equates to two Band D equivalents. This taxbase is adjusted for an estimated number of discounts, exemptions, disabled relief and an allowance for non-collection.

3 Taxbase information is used to calculate the level of the Council Tax. Any surpluses or deficits on the 2008-09 District Collection Funds will affect the precepts for 2009-10, and will be shared amongst the Council, Police Authority and Fire Authority relative to their respective precepts in 2008-09. Districts were required to notify the Council of the surpluses (or deficits) on their 2008-09 Collection Funds by 31 January 2009.

Council Tax on Second Homes

4 During 2006 the Cheshire Local Government Association (LGA) agreed to reduce the level of discount on Second Homes across Cheshire from 50% to 25% on the basis that the additional funds would be utilised as follows:-

- 50% to be retained by local authorities;
- £47,500 to be paid into the Local Area Agreement for supporting the delivery of shared outcomes;

- the balance to be paid over to Local Crime and Disorder Reduction Partnerships (CDRPs) for local activities including the appointment of Community Support Officers.

5 A payment of £10,000 to each participating District Council was agreed to compensate for the additional costs involved in administrating this policy change. Now that Cheshire West and Chester is a unitary authority, there are no administration charges between County and District Councils, but a small charge is being made to the Police and Fire authorities for administration.

6 The final figures cannot be calculated until each precepting authority has set its 2009-10 Council Tax, and subsequently, the additional funding will legally flow to each billing/precepting authority pro rata to precept levels during the course of 2009-10.

7 The provisional contributions from Cheshire West and Chester are estimated to be as follows:-

	2009-10 Increase £000	**2009-10 Total £000**
Contribution to LAA	(8)	15
Contribution to CDRPs for the specific employment of Police Community Support Officers	45	231
Total Contribution by Cheshire West and Chester Council	**37**	**246**

Budget Tables & General Statistics

2009-2010

Budget Tables & General Statistics

Budget Summary Tables and General Statistics

Table 1 - Summary Revenue Budget 2009-10

Directorate:	Gross Expenditure £000	Income £000	Net Budget (Note 1) **£000**
Children & Young People Directorate			
Safeguarding	27,777	(9,013)	**18,764**
Strategic Support	210,476	(200,316)	**10,160**
Achievement & Wellbeing	44,627	(42,986)	**1,641**
Strategy & Commissioning	9,120	(6,778)	**2,342**
	292,000	**(259,093)**	**32,907**
Adult Social Care & Health Directorate			
Social Care Provision	26,159	(26,159)	**0**
Strategic Commissioning	36,433	(10,782)	**25,651**
Individual Commissioning	61,082	(16,542)	**44,540**
	123,674	**(53,483)**	**70,191**
Environment Directorate			
Highways & Transportation	46,747	(29,811)	**16,936**
Development Management Service	6,591	(3,311)	**3,280**
Waste Management & Street Scene	31,952	(4,282)	**27,670**
	85,290	**(37,404)**	**47,886**
Regeneration & Culture Directorate			
Strategic Housing & Spatial Planning	15,711	(12,694)	**3,017**
Regeneration	7,151	(4,473)	**2,678**
Culture and Recreation	18,960	(6,788)	**12,172**
	41,822	**(23,955)**	**17,867**
Area & Community Directorate			
Neighbourhoods & Customer Service	8,678	(1,852)	**6,826**
Regulatory Services	9,858	(9,890)	**(32)**
ICT	9,241	(2,920)	**6,321**
	27,777	**(14,662)**	**13,115**
Resources Directorate			
Human Resources	2,246	(718)	**1,528**
Legal Services	2,479	(295)	**2,184**
Facilities & Asset Management	19,580	(14,802)	**4,778**
Finance	93,846	(85,977)	**7,869**
HR & Finance Shared Services	2,815	(810)	**2,005**
Procurement	2,329	(2,273)	**56**
Director of Resources	(262)	0	**(262)**
	123,033	**(104,875)**	**18,158**
Chief Executive Directorate			
Democratic Services	3,003	(32)	**2,971**
Marketing & Communications	691	(4)	**687**
Organisational Development & Transformation	930	(17)	**913**
Policy, Performance & Partnerships	2,375	(48)	**2,327**
Executive Support	629	(8)	**621**
	7,628	**(109)**	**7,519**
Corporate - Unallocated (Note 2)	605		**605**
Total Service Provision	**701,829**	**(493,581)**	**208,248**

Table 1 - Summary Revenue Budget 2009-10

	Budget 2009-10 £000
Total Service provision :	**208,248**
Add :	
Contingencies and Provisions	
Inflation (Note 3)	**8,763**
Pay, Pensions & Prices (Note 1)	**2,032**
Phasing Adjustment	**6,400**
Transitional costs	**5,000**
Capital Financing (Note 4)	**14,200**
	244,643
Deduct :	
Use of Reserves	**5,246**
Total Council Budget	**239,397**
Parish Precept	**2,295**
Amount to be met from Government Grants & Local Taxation ("Budget Requirement")	**241,692**
Deduct :	
Revenue Support Grant	**17,177**
National Non-Domestic Rates	**74,419**
Deficit on Collection Funds	**(300)**
	150,396

Notes :

1. Table 6 in the Budget Report quotes a total Directorate budget figure of £207.691m. Since the Budget Report was produced in February a significant amount of further work has been undertaken to realign Directorate budgets including a number of transfers from the Pay, pensions & Prices Contingency (in respect of (i) insurances and (ii) Member's allowances) resulting in the revised Directorate figure of £208.248m quoted above.

2. The as yet unallocated 'Corporate' budget comprises a number of elements; including an element of Council Tax collected on second homes that will be allocated to Local Area Agreement priorities and Police Community Service Officers, and the net cost to Cheshire West and Chester in respect of Pension Gratuities (for former College-based staff), plus other miscellaneous budgets.

3 The budget increase in respect of Inflation has not as yet been allocated to the Directorate budgets. This will be allocated in due course during 2009-10.

4 The Capital Financing Budget is made up of the following :

	£000
Debt Redemption	6,400
Direct Revenue Funding	2,000
Interest payable	9,600
Contribution from Housing Revenue Account (HRA)	(1,500)
Contribution from Schools	(200)
Interest receivable	(2,100)
Total Capital Financing	**14,200**

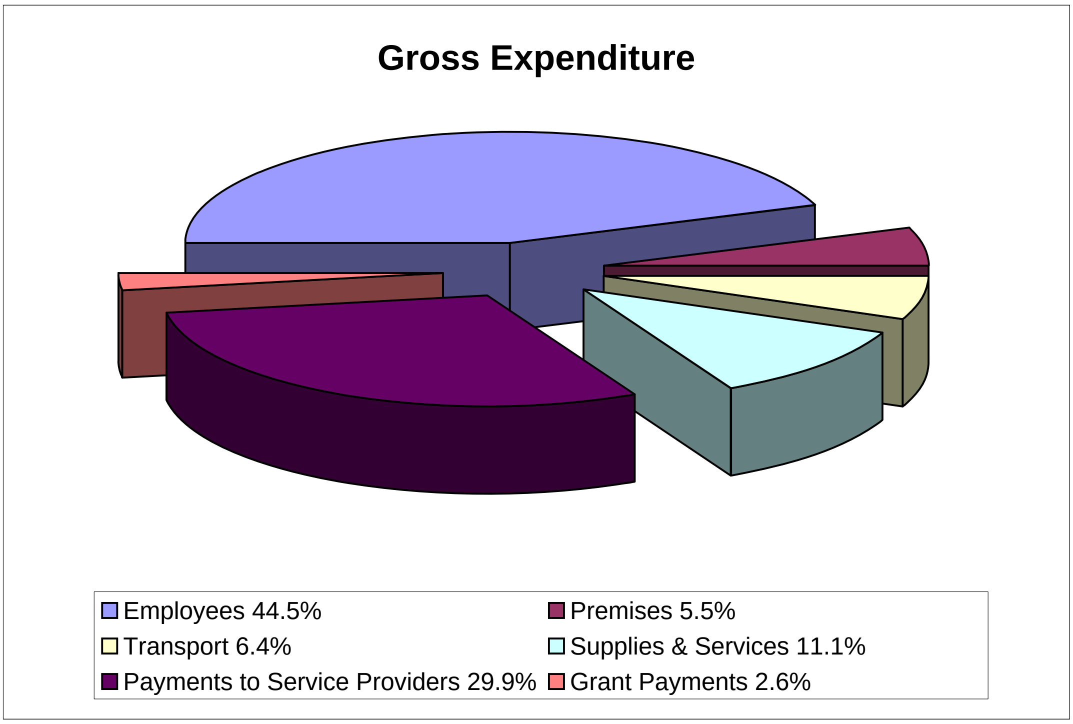
Table 2 - Subjective Analysis of Revenue Budget

		Budget 2009-10
	£000	£000
Expenditure :		
Employees:		
Employees pay	311,964	
Other employee expenses	483	**312,447**
Premises		**38,508**
Transport:		
Home to School	8,488	
Other	36,576	**45,064**
Supplies & Services		**77,591**
Payments to Service Providers		**210,085**
Grant Payments		**18,134**
Gross Expenditure		**701,829**
Funding Sources :		
Customer & Client Receipts		
Internal Service Provision	23,337	
Other	77,993	**101,330**
Specific Grants		**341,363**
See attached analysis		
Reimbursements & Contributions		**36,246**
Recharges to Capital		**1,900**
Internal Recharges		**12,742**
Total Income		**493,581**
Net Expenditure		**208,248**

Table 2 - Subjective Analysis of Revenue Budget

Analysis of Specific Grants	£000	Budget 2009-10 £000
Children & Young People		
Dedicated Schools Grant	186,231	
Contact Point	220	
Schools Standards Grant	10,198	
Standards Fund	16,232	
Sure Start	9,718	
Consortia Support Grant	115	
Parenting Practitioner Grant	50	
Youth Opportunity	163	
Sixth Forms funding from Learning & Skills Council	15,854	
Youth Offentding Teams Grant	409	
Right 2 B Cared 4	163	
Other	331	**239,684**
Adult Social Care & Health		
Mental Health	850	
Campus Closure	93	
Carers Grant	1,118	
Independent Mental Capacity Grant	163	
Learning Disability Development Fund	260	
Panel	75	
Preserved Rights	947	
SCR	1,170	
Stroke	61	
Workforce	829	**5,566**
Environment		
De-Trunked Roads	976	
Road Safety Grant	50	
Rural Bus Grant	287	
School Travel Plans	71	
Concessionary Fares	1,185	
Waste Performance Efficiency Grant	366	
Other	8	**2,943**
Regeneration & Culture		
Supporting People	11,113	
Supporting People Admin Grant	273	
Homelessness	353	
Housing Planning Delivery Grant	150	
Workstep	72	
Local Authority Business Growth Initiatives	51	**12,012**
Resources		
Housing and Council Tax Benefit Administration	2,267	
Council Tax Subsidy	18,260	
Rent Allowances Subsidy	60,238	
Rent Rebates outside HRA - Subsidy	393	**81,158**
		341,363

Table 2 - Subjective Analysis of Revenue Budget



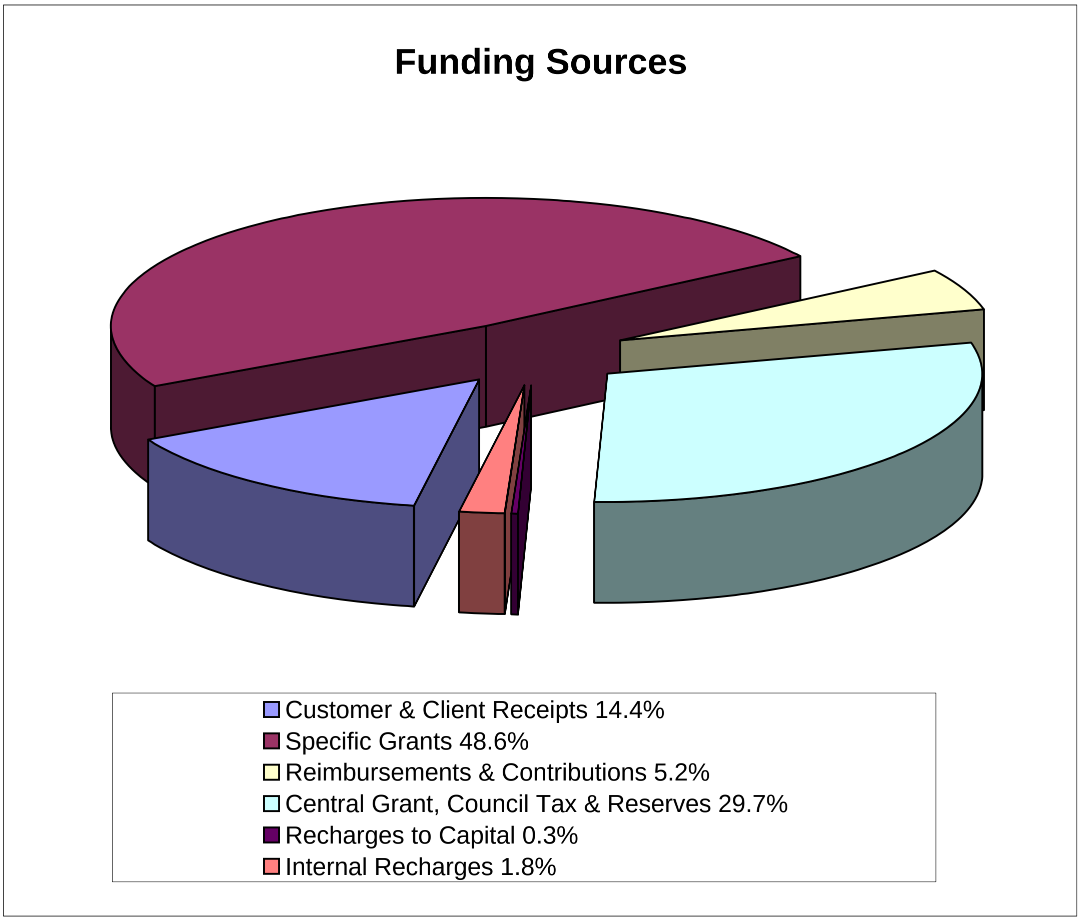


Table 3 - Capital Budget 2009-10

Estimated Capital Expenditure 2009-10 (All Schemes)	£000	£000
New Starts 2009-10		
Children & Young People		10,079
Adult Social Care & Health		2,782
Environment		14,822
Regeneration & Culture		12,833
Area & Community		10,144
Resources		6,410
Committed schemes from earlier years' starts		
Children & Young People		16,612
Adult Social Care & Health		2,286
Environment		2,522
Regeneration & Culture		9,528
Area & Community		1,282
Resources		2,613
Budgeted Capital Expenditure 2009-10		**91,913**
Capitalised Building Maintenance (approved as part of Revenue Budget)		**3,378**
Total Capital Expenditure		**95,291**

Financing:-	£000
Source of funding	
Borrowing	40,285
Revenue Contribution	5,643
Grant	33,607
Capital Receipts	11,965
External Contribution	2,832
Other	959
TOTAL	**95,291**

Table 4 - Indicative Dedicated Schools Grant 2009-10

The funding for schools-related expenditure is paid directly to local authorities via the Dedicated Schools Grant.

The Indicative Dedicated Schools Grant (DSG) of £190.0m for 2009-10 is based on estimated pupil numbers at January 2009 and takes into account a £1.2m forecast underspend from 2008-09. Also, an adjustment (£-3.7m) has been made on the assumption that an Academy is established in Ellesmere Port from 1 September 2009. The net effect, is a budgeted indicative DSG of £186.3m.

The final DSG will be known in mid June 2009 based on actual pupil numbers at January 2009

The DSG income budget is fully held within Children and Young People. However, expenditure budgets funded by the grant are held in various Head of Service budgets as shown below.

Directorate :	**Budget**		**Per Pupil**	
	£000	**£000**	**£**	
Children and Young People :				
Achievement & Wellbeing	12,603		273.97	
Strategic Support	169,979		3,695.03	
Safeguarding	1,581		34.37	
Strategy and Commissioning	404		8.78	
		184,567		4,012.15
Regeneration and Culture :				
Culture and Recreation	18	18	0.39	
Area and Community :				
Regulatory Services	33	33	0.72	1.11
Environment :				
Waste Management & Street Scene	40		0.87	
Highways	114	154	2.48	3.35
Allocation of Overheads from Central Services		1,480		32.17
		186,252		4,048.78

Note:
The DSG figure has changed from the Budget Report due to a revision in pupil numbers in March

Table 5 - Housing Revenue Account (HRA)

	2009-10 £000	**2009-10 £000**
Income		
Rents		
- Dwellings	16,514	
- Non Dwellings	410	16,924
Charges for Services and Facilities	269	
Contributions towards Expenditure	264	
General Fund Contributions	2	535
Total Income		**17,459**
Expenditure		
Supervision & Management		
- Repairs & Maintenance	4,350	
- Supervision & Management	3,516	
- Rents, Rates & Taxes, & other charges	317	8,183
Negative HRA Subsidy Payable		4,273
Capital Financing Charges		
- Capital Charges - Dwellings Depreciation	3,806	
- Debt Management Costs	12	3,818
Increase in Provision for Bad Debts		48
Total Expenditure		**16,322**
HRA Share of Central Democratic Core	62	
HRA Share of Job Evaluation Costs	190	252
Net Cost of HRA Services		**(885)**
Interest Payable	274	
Amortisation of Premiums and Discounts	206	
Interest Recievable on Balances	(100)	
Interest Recievable on Mortgages	(2)	378
(Surplus) / Deficit on HRA Balance		**(507)**
Increase/Decrease in HRA Balance		
- (Surplus) / Deficit on HRA Balance	(507)	
- Revenue Contribution to Capital	1,489	
TOTAL NET DECREASE IN HRA BALANCE		**982**
SUMMARY HRA ACCOUNT		
Balance Brought Forward	1,455	
Add Net Movement In Year	(982)	
Balance Carried Forward		473
MINIMUM BALANCE REQUIRED		**473**

Table 6 - Pan Cheshire Shared Services 2009-10

For 2009-10, it should be noted that a number of Pan Cheshire shared services are being provided by both Cheshire West and Chester and Cheshire East Councils. The Cheshire West and Chester budgeted share of the net cost of providing these services is shown below but note that in some cases these have not yet been formally agreed and may still be subject to change. The cost-sharing arrangement has been agreed separately for each service and as detailed in their specific Shared Service Business Plans. These budgets are therefore only part of the total cost of providing that particular service. FTEs are shown as part of the specific FTE count on the respective Service budget book page and includes CW&C staff only (FTE staff seconded to CW&C are excluded).

Shared Service Ref.	Service Name	Hosted by	CW&C Directorate	CW&C Share of Budgeted Net Cost (1) £	Cost-Share basis E : W	Note
A01a	Human Resources & Finance	CWAC	Resources	2,002,032	50:50	
A01b	ICT	CWAC	Area & Community	5,053,408	48.4:51.6	
A04	Civil protection	CWAC	Chief Executive's	220,204	50:50	
A05	Occupational Health	CWAC	Resources	147,066	50:50	
A06	Archives	CWAC	Regeneration & Culture	278,545	50:50	
A08	Libraries	CWAC	Regeneration & Culture	540,522	50:50	
A09	Emergency Duty Team	CWAC	Children & Young People	368,000	52:48	
A14	Rural Touring Network	CWAC	Regeneration & Culture	7,500	50:50	
A15	Approved Mental Health Professional	CWAC	Adult Social Care & Health	5,000	50:50	
B01	Inclusion & Education	CWAC	Children & Young People	602,000	47:53	
B02	Autism Support	CWAC	Children & Young People	0	47:53	2
B03	Sensory Impaired Services	CWAC	Children & Young People	0	52:48	3
B04	Urban Traffic Control	CWAC	Environment	630,523	44:56	
B05a	Highways & Geotechnical Lab	CWAC	Environment	199,000	65:35	
B06	Integrated Transport Services	CWAC	Environment	5,244,000	51:49	
B07	Early Years Reform programme	CWAC	Children & Young People	(5,000)	50:50	
B08	Childrens Centres Development	CWAC	Children & Young People	1,000	50:50	
B09	Schools Admissions	CWAC	Children & Young People	0	50:50	4
B11	Student Finance	CWAC	Children & Young People	113,000	50:50	
B12	Business Support for Schools	CWAC	Children & Young People	12,500	50:50	
B13	Outdoor Education	CWAC	Children & Young People	(298,760)	0.100	5
B14	Archaeological Service	CWAC	Environment	166,704	50:50	
B17	Learning Resource Network	CWAC	Adult Social Care & Health	52,453	50:50	
B23	Waste & Mineral Planning	CWAC	Regeneration & Culture	89,440	50:50	
B24	CBS Supplies	CWAC	Resources	(63,768)	50:50	
				15,365,369		
A03	Farms Estate	CE	Resources	(151,966)	31.3:68.7	
A10	International Unit	CE	Regeneration & Culture	95,700	52:48	
B05b	Highway Maintenance Contract Mgt	CE	Environment	17,720	54:46	
B16	Commissioned Community Equipment	CE	Adult Social Care & Health	409,549	52:48	
B18	Domestic Abuse Partnership	CE	Area & Community	46,944	52:48	
B20	Visual Impairment Services	CE	Adult Social Care & Health	157,965	52:48	
B22	NVQ Assessment centre	CE	Adult Social Care & Health	0	50:50	6
B28	Learning Disabillity Pooled Budget	CE	Adult Social Care & Health	17,666,212	47:53	
B29	Youth Offending Team	CE	Children & Young People	625,805	47:53	
				18,867,929		

Notes:

1. All figures above exclude an apportionment for overheads
2. This is fully funded by the DSG (the Gross West budget is £243k)
3. This is fully funded by the DSG (the Gross West budget is £594k)
4. This is fully funded by the DSG (the Gross West budget is £88K)
5. This is based on full cost recovery

6 This is externally funded (the Gross West cost is £45k each)

Table 7 - Summary of Workforce Estimates

By Directorate :	Estimate March '09 FTE	Pay Budget 2009-10 £000 (Note 1)
Children & Young People Directorate		
Safeguarding	416.0	14,660
Strategic Support	4,383.0	160,428
Achievement & Wellbeing	195.0	9,260
Strategy & Commissioning	26.0	2,517
	5,020.0	**186,865**
Adult Social Care & Health Directorate		
Social Care Provision	786.0	24,250
Strategic Commissioning	81.0	5,972
Individual Commissioning	222.0	8,495
	1,089.0	**38,717**
Environment Directorate		
Highways & Transportation	276.0	8,253
Development Management	147.0	5,454
Waste Management & Street Scene	299.0	8,535
	722.0	**22,242**
Regeneration & Culture Directorate		
Strategic Housing & Spatial Planning	77.0	3,016
Regeneration	117.0	4,473
Culture & Recreation	330.0	9,441
	524.0	**16,930**
Area & Community Directorate		
Neighbourhood & Customer Service	148.5	4,902
Regulatory Services	158.0	4,956
ICT	157.0	6,094
	463.5	**15,952**
Resources Directorate		
Human Resources	49.8	2,105
Legal Services	46.5	2,103
Facilities & Asset Management	358.5	8,772
Finance	270.3	9,470
HR & Finance Shared Service	99.0	2,492
Procurement	32.0	628
Director of Resources	5.0	294
	861.1	**25,864**
Chief Executive Directorate		
Democratic Services	30.0	1,056
Marketing & Communications	21.0	594
Organisational Development & Transformation	17.0	752
Policy, Performance & Partnerships	56.5	2,083
Executive Support	48.6	909
	173.1	**5,394**
Total Pay Budget		**311,964**

Note:
1. FTE's are based on budgeted structure.
2. Pay budget still requires further analysis and may be subject to further realignment.

Table 8 - Population Statistics

(Source : Registrar General's Mid Year Estimates - O.N.S Crown Copyright)

	2005	2006	2007
By Area :			
Chester	118,600	119,700	119,900
Ellesmere Port & Neston	80,600	81,800	81,800
Vale Royal	124,600	126,000	126,400
Total	**323,800**	**327,500**	**328,100**
By Age Group :			
0 - 4	17,300	17,500	17,800
5 -15	44,400	43,800	42,700
16 - 64	206,300	210,000	210,500
65+	55,900	56,200	57,000
Total	**323,900**	**327,500**	**328,000**

Population Density 2007 :	Area (hectares)	Area (acres)	Density (hectares)	Density (acres)
Chester	44,833	110,785	2.67	1.08
Ellesmere Port & Neston	10,953	27,065	7.47	3.02
Vale Royal	38,331	94,717	3.30	1.33
Total	**94,117**	**232,567**	**3.49**	**1.41**

Notes :

1. Population figures are rounded independently and therefore may not sum to the Area total.

Table 9 - Calculation of Council Tax (excluding Parishes)

	2009/2010	
	Amount	Band D
	£m	£
Cheshire West and Chester (Council)		
Budget Requirement	239.397	1,978.59
LESS:		
Grant Funding		
(NNDR & RSG)	91.596	757.03
		1,221.56
ADD		
Collection Fund Deficit	0.300	2.48
	148.101	1,224.04
ADD		
Cheshire Fire Authority	7.808	64.53
Cheshire Police Authority	17.023	140.70
		1,429.27

TAX BASE	**120,994.00**

Table 10 - Precept Requirements 2009-10

Parish	Parish Council Tax per Band D Property	Parish Council Precept 2009-10 £
Acton Bridge	6.74	2,150
Aldford, Saighton & District	4.83	1,000
Allostock	20.77	7,000
Alvanley	12.82	3,000
Anderton / Marbury	19.20	4,300
Antrobus	20.31	8,105
Ashton Hayes	22.28	9,627
Aston	12.50	650
Backford & District	11.06	1,250
Barnton	40.00	73,000
Barrow	29.90	12,500
Beeston	11.76	1,200
Bostock	14.60	2,000
Broxton and District	13.22	3,200
Burwardsley	30.22	2,750
Byley	24.21	2,300
Capenhurst & Ledsham	6.94	1,000
Christleton	27.47	25,000
Churton and District	9.49	1,500
Clotton Hoofield	20.55	3,000
Coddington and District	4.90	1,500
Comberbach	22.39	10,500
Crowton	7.48	1,750
Cuddington -Northwich	25.53	62,600
Darnhall	31.25	3,000
Davenham	11.78	32,750
Delamere	7.86	4,000
Dodleston and District	20.09	9,000
Duddon	21.54	4,200
Dunham Hill and Hapsford	17.39	4,000
Dutton	8.84	1,600
Eaton and District	13.83	1,770
Elton	21.89	25,000
Farndon	23.19	16,700
Foulk Stapleford	6.98	600
Frodsham	31.92	119,555
Great Boughton	14.98	49,000
Great Budworth	32.26	7,000
Guilden Sutton	20.70	13,104
Handley and District	13.39	1,500
Hartford	25.61	65,000
Helsby	46.13	90,000
Huntington	17.34	13,400
Huxley	12.71	1,500
Ince	25.36	1,750
Kelsall	20.49	23,743
Kingsley	22.37	21,609

Table 10 - Precept Requirements 2009-10

Parish	Parish Council Tax per Band D Property	Parish Council Precept 2009-10 £
Lach Dennis	12.87	1,750
Lea by Backford	19.23	2,000
Little Budworth	14.55	4,700
Little Leigh	32.57	8,500
Little Stanney and District	17.59	3,500
Littleton	7.78	2,000
Lostock Gralam	42.52	31,550
Malpas	12.41	8,500
Manley	10.40	3,100
Marston	19.61	4,000
Mickle Trafford	20.73	20,000
Mollington	10.15	3,450
Mouldsworth	11.27	1,600
Moulton	28.31	23,725
Neston	20.00	118,860
Nether Peover	15.54	3,123
No Mans Heath and District	7.02	3,200
Norley	4.30	2,500
Northwich	72.22	479,960
Oakmere	13.51	4,000
Poulton and Pulford	12.20	3,500
Puddington and District	9.52	2,000
Rowton	13.51	3,000
Rudheath	25.32	31,141
Rushton	13.93	3,400
Saughall & District	44.53	52,327
Shocklach and District	1.61	250
Sproston	44.81	4,750
Sutton Weaver	8.91	1,800
Tarporley	41.93	54,000
Tarvin	19.83	22,134
Tattenhall and District	20.79	20,500
Thornton-le-Moors	12.14	850
Threapwood	9.54	1,250
Tilston	19.61	5,000
Tiverton & Tilstone Fearnall	11.09	2,750
Upton-by-Chester	29.47	93,110
Utkinton	12.59	4,609
Waverton	18.98	13,000
Weaverham	30.14	66,300
Whitegate / Marton	10.40	6,500
Whitley	34.70	9,750
Wincham	22.36	18,000
Winsford	34.17	314,327
Ellesmere Port- Charter Trust	3.74	80,000
		2,294,929

Children & Young People

2009-2010

Children and Young People Directorate
Budget 2009-10
Director - John Stephens

Budget Summary:

Services :	Gross Budget £000	Income £000	Net Budget £000
Safeguarding	27,777	(9,013)	18,764
Strategic Support	210,476	(200,316)	10,160
Achievement & Wellbeing	44,627	(42,986)	1,641
Strategy and Commissioning	9,120	(6,778)	2,342
Total Directorate Budget	**292,000**	**(259,093)**	**32,907**

Services Provided

The work of the Directorate is rooted in the Five outcomes of "Every Child Mattters" and covers the work underaken jointly by:

- Strategy and Commissioning
- Safeguarding Services
- Achievement & Wellbeing Services
- Strategic Support Services
- The Children's Trust and the Local Safeguarding Childrens Board

The Children and Young people's Directorate contributes to the achievement of Council priorities through the following vision:-

"We want Cheshire West and Chester to be a great place for children, young people and their families to live and grow up in".

The main activities of the Directorate are to:

Improve outcomes for all children, young people and families with a particular emphasis on the most vulnerable groups;

To safeguard children from harm or neglect; to support schools, families and individuals to achieve their best;

To work with the Children's Trust to:

- Concentrate efforts on vulnerable children and families who are 'at risk' of poorer outcomes and life chances and thereby 'narrow the gaps';
- To focus on communities (by place or type) that have higher concentrations of need and vulnerability;
- To organise for and actively promote prevention and early intervention as the basis for responding.

Workforce Summary :

	FTE 2009-10
Local Government Officers	2,981
Soulbury	92
Teachers	1,947
	5,020

As Director I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year.

Signed ……………………………………

Children and Young People Directorate
Safeguarding
Head of Service - Paul Boyce

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
Management	393	0	393
Assessment & Care	8,897	(1,150)	7,747
Looked after Children	10,183	(1,412)	8,771
Safeguarding	1,976	(296)	1,680
Locality Services	6,328	(6,155)	173
Total Budget	**27,777**	**(9,013)**	**18,764**

Subjective Analysis of Revenue Budget in 2009-10

Expenditure :	£000	£000
Employees		
Employees' pay		14,660
Premises		761
Transport		582
Supplies & Services		4,511
Payments to Service Providers:		
Other		7,263
Gross Expenditure		**27,777**
Funding Sources :		
Customer & Client Receipts		407
Specific Grants		8,370
Reimbursements & Contributions:		
Other		236
Total Income		**9,013**
Net Budget		**18,764**

Workforce Summary :	FTE 2009-10
Local Government Officers	399
Soulbury	15
Teachers	2
	416

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year.

Signed ……………………………………

Children and Young People Directorate
Strategic Support
Head of Service - Carly Halliday

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
Support Services	2,154	(1,495)	659
Schools Support	1,308	(826)	482
Outdoor Education	2,513	(2,678)	(165)
School Catering	7,607	(7,579)	28
Children's Transport	9,580	(1,098)	8,482
Other Schools Related	187,314	(186,640)	674
Total Budget	**210,476**	**(200,316)**	**10,160**

Subjective Analysis of Revenue Budget in 2009-10

Expenditure :	£000	£000
Employees		
Employees' pay		160,428
Premises		20,124
Transport:		
Home to School Transport	8,488	
Other	915	9,403
Supplies & Services		20,365
Payments to Service Providers:		
Other		156
Gross Expenditure		**210,476**

Funding Sources :	
Customer & Client Receipts	4,146
Specific Grants	188,912
Reimbursements & Contributions:	353
Internal Recharges	6,905
Total Income	**200,316**
Net Budget	**10,160**

Workforce Summary :	FTE 2009-10
Local Government Officers	312
Local Government Officers (School based staff)	2,162
Teachers	15
Teachers (School based staff)	1,894
	4,383

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year.

Signed ……………………………………

Children and Young People Directorate
Achievement & Wellbeing
Head of Service - Ann Moore

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
School Improvement	23,944	(23,511)	433
Parent, Family and Community	9,636	(9,636)	0
Engagement and Access	11,047	(9,839)	1,208
Total Budget	**44,627**	**(42,986)**	**1,641**

Subjective Analysis of Revenue Budget in 2009-10

Expenditure :	£000	£000
Employees		
Employees' pay		9,260
Premises		281
Transport		235
Supplies & Services		11,215
Grant Payments		18,134
Payments to Service Providers:		
Other		5,502
Gross Expenditure		**44,627**
Funding Sources :		
Customer & Client Receipts		585
Specific Grants		35,970
Reimbursements & Contributions:		5,581
Internal Recharges		850
Total Income		**42,986**
Net Budget		**1,641**

Workforce Summary :	FTE 2009-10
Local Government Officers	82
Soulbury	77
Teachers	36
	195

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year.

Signed …………………………………….

Children and Young People Directorate
Strategy and Commissioning
Head of Service - Jane Middleton

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
Strategy	157	(24)	133
Commissioning	7,068	(5,032)	2,036
Workforce Development	1,242	(1,069)	173
HEFCE - MMU Gratuities Payments	653	(653)	0
Total Budget	**9,120**	**(6,778)**	**2,342**

Subjective Analysis of Revenue Budget in 2009-10

Expenditure :	£000	£000
Employees		
Employees' pay		2,517
Premises		113
Transport		9
Supplies & Services		6,453
Payments to Service Providers:		
Other		28
Gross Expenditure		**9,120**
Funding Sources :		
Customer & Client Receipts		82
Specific Grants		6,432
Reimbursements & Contributions:		
Other		264
Total Income		**6,778**
Net Budget		**2,342**

Workforce Summary :	FTE 2009-10
Local Government Officers	26
	26

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year.

Signed …………………………………….

Children and Young People
Capital Budget 2009-10
Director - John Stephens

Scheme	Estimated Scheme Cost	Prior years spend to 31-Mar-09	Estimated Capital Payments			
			2009-10 £000	2010-11 £000	2011-12 £000	2012-13 £000
New Starts 2009-10						
Core Programme						
Devolved Formula Capital	5,738		2,500	1,500	1,738	
Extended Schools	535		330	205		
Specialist Schools	150		150			
Harnessing Technology	1,598		1,042	556		
14-19 Diploma	1,000		700	300		
Surestart	166		166			
Primary Capital Programme	2,394		1,454	940		
Schools - Basic Need (Minor Works)	693		327	366		
Schools - Access Initiative	597		448	149		
Children's Social Care	38		38			
New Bids						
Play Capital	1,000		1,000			
Whitby Heath Primary School	613		598	15		
School Workforce Census	21		21			
Child Case Management Systems Review	13		13			
Children's Workforce Development System	70		50	20		
Contact Point/Children's Hub & E-Caf	588		441	98	49	
CYPDatabase	22		22			
QA Plus Replacement	49		49			
Our Lady's Primary School Amalgamation	730		730			
Sub-total 2009-10 New Starts	**16,015**		**10,079**	**4,149**	**1,787**	

Children and Young People
Capital Budget 2009-10
Director - John Stephens

Scheme	Estimated Scheme Cost	Prior years spend to 31-Mar-09	Estimated Capital Payments			
			2009-10 £000	2010-11 £000	2011-12 £000	2012-13 £000
Committed Schemes						
Devolved Formula Capital (prior years)	15,459	10,750	3,040	1,375	294	
Transforming Learning Communities (TLC)	520	240	190	90		
TLC Helsby HS Pupil Circulation	3,700	3,219	481			
TLC Saughall Amalgamation	5,508	1,796	3,712			
TLC Woodlands PS Amalgamation	600	213	387			
TLC Newton PS Enlarge	2,557	2,141	416			
TLC Wharton CE PS Amalgamation	2,522	300	2,222			
Repairs to Mobile Classroom Ext Schools West	100	50	50			
Partnership/H & S West	189	157	32			
Conway Centre Sewage System	244	83	161			
Children's Minor Programme	158	122	36			
Integrated Children's Systems	857	120	511	226		
Children's Workforce Development Systems	90		70	20		
Adults Workforce Census	42		42			
Replacement to Mobile Classrooms West	85	76	9			
Children's Centres Phase 3	3,185	213	2,534	438		
County Minor Works	716	342	374			
Land Drainage	64	53	11			
Harnessing Technology	1,248	437	811			
Academies - Feasibility	300	187	75	38		
Access Initiative	302	50	252			
Victoria Rd Workplace Nursery	1,419	223	1,196			
Sub-total Committed Schemes	**39,865**	**20,772**	**16,612**	**2,187**	**294**	
Total 2009-10 Capital Programme	**55,880**	**20,772**	**26,691**	**6,336**	**2,081**	

Children and Young People
Capital Budget 2009-10
Director - John Stephens

Scheme	Estimated Scheme Cost	Prior years spend to 31-Mar-09	Estimated Capital Payments			
			2009-10 £000	2010-11 £000	2011-12 £000	2012-13 £000

Financing:-

Source of funding	2009-10 £000	2010-11 £000	2011-12 £000	2012-13 £000
Borrowing	7,324	913	49	
Revenue Contribution	207			
Grant	15,760	5,333	2,032	
Capital Receipts	3,265	90		
External Contribution	135			
Other				
Total	**26,691**	**6,336**	**2,081**	

Note: The expenditure and funding tables above show the impact in future years of existing schemes and new starts. At this stage, only the 2009-10 element has been approved.

Adult Social Care & Health

2009-2010

Adult Social Care & Health

Adult Social Care and Health Directorate
Budget 2009-10
Director - Ian Whitehead

Budget Summary:

Services :	Gross Budget £000	Income £000	Net Budget £000
Social Care Provision	26,159	(26,159)	0
Strategic Commissioning	36,433	(10,782)	25,651
Individual Commissioning	61,082	(16,542)	44,540
Total Directorate Budget	**123,674**	**(53,483)**	**70,191**

Services Provided

- The Provider Service delivers essential services to older people and those with Mental Health, Learning Disabilities and Physical Disabilities. The range of services include domiciliary care in individuals own homes, intermediate care and respite short break services as well as a wide range of day activities to promote social inclusion and provide carer respite.
- The Individual Commissioning and Prevention Service provides assessment and care management services required under statutory Community Care legislation. Some specialist services are integrated with Health such as community mental health teams and Intermediate Care teams. The service includes occupational therapy, provision of advice and equipment, specialist learning disability services and will include access to prevention and re-ablement.
- The Strategic Commissioning Service works in conjunction with NHS partners to commission health and social care services through system redesign and market management . Its role is to ensure high quality services are available to the residents of Cheshire West and Chester whether they are being funded by the individual or by the Council

Workforce Summary :

	FTE 2009-10
Local Government Officers	1,089
	1,089

As Director I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year.

Signed ……………………………………..

Adult Social Care and Health Directorate
Social Care Provision
Head of Service - Mick Howarth

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
Home Care	8,520	(8,520)	0
Social Inclusion	6,276	(6,276)	0
Day Care	5,607	(5,607)	0
Other	5,756	(5,756)	0
Total Budget	**26,159**	**(26,159)**	**0**

Subjective Analysis of Revenue Budget in 2009-10

Expenditure :	£000	£000
Employees		
Employees' pay		24,250
Premises		605
Transport		497
Supplies & Services		807
Gross Expenditure		**26,159**
Funding Sources :		
Customer & Client Receipts: Internal Purchasing		
Service Provision		23,337
Other		213
Specific Grants:		832
Reimbursements & Contributions:		1,777
Total Income		**26,159**
Net Budget		**0**

Workforce Summary :	FTE 2009-10
Local Government Officers	786
	786

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year.

Signed …………………………………….

Adult Social Care and Health Directorate
Strategic Commissioning
Head of Service - Neil Ryder

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
Specialist Commissioning	4,382	(7,870)	(3,488)
In House Provison	23,337	0	23,337
Business Support	3,248	(1,121)	2,127
Adaptations/Equipment	1,606	(571)	1,035
Other	3,860	(1,220)	2,640
Total Budget	**36,433**	**(10,782)**	**25,651**

Subjective Analysis of Revenue Budget in 2009-10

	£000	£000
Expenditure :		
Employees		
Employees' pay		5,972
Premises		302
Transport		145
Supplies & Services		6,677
Payments to Service Providers:		
In House Provision		23,337
Gross Expenditure		**36,433**
Funding Sources :		
Specific Grants		3,327
Reimbursements & Contributions:		7,455
Total Income		**10,782**
Net Budget		**25,651**

Workforce Summary :	FTE 2009-10
Local Government Officers	81
	81

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year.

Signed …………………………………….

Adult Social Care and Health Directorate
Individual Commissioning
Head of Service - Di Dunkerley (acting)

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
Assessment and Care Management	9,175	(609)	8,566
Residential/Nursing Care	34,819	(11,991)	22,828
Community Based Care	14,852	(3,942)	10,910
Transport	2,236	0	2,236
Total Budget	**61,082**	**(16,542)**	**44,540**

Subjective Analysis of Revenue Budget in 2009-10

Expenditure :	£000	£000
Employees		
Employees' pay		8,495
Premises		10
Transport		2,664
Supplies & Services		475
Payments to Service Providers:		
Care Package Expenditure - External Purchasing		49,438
Gross Expenditure		**61,082**
Funding Sources :		
Customer & Client Receipts		14,540
Specific Grants		1,407
Reimbursements & Contributions		595
Total Income		**16,542**
Net Budget		**44,540**

Workforce Summary :	FTE 2009-10
Local Government Officers	222
	222

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year.

Signed …………………………………….

Adult Social Care and Health
Capital Budget 2009-10
Director - Ian Whitehead

Scheme	Estimated Scheme Cost	Prior years spend to 31-Mar-09	Estimated Capital Payments			
			2009-10 £000	2010-11 £000	2011-12 £000	2012-13 £000
New Starts 2009-10						
Core Programme						
Building Block Review	172		172			
Mental Health Capital	103		103			
New Bids						
Social Care IT Infrastructure	97		97			
Common Assessment Framework	50		50			
Short Stay Provision	6,000		2,360	640	3,000	
Sub-total 2009-10 New Starts	**6,422**	**0**	**2,782**	**640**	**3,000**	**0**
Committed Schemes						
Libraries Operations	21		21			
Modernising ICT Delivery (Completion of PARIS)	370		370			
ICT Schemes	20		20			
Extra Care Housing PFI	2,250	125	1,875	100	100	50
Sub-total Committed Schemes	**2,661**	**125**	**2,286**	**100**	**100**	**50**
Total 2009-10 Capital Programme	**9,083**	**125**	**5,068**	**740**	**3,100**	**50**

Adult Social Care and Health
Capital Budget 2009-10
Director - Ian Whitehead

Financing:-

Source of funding		2009-10 £000	2010-11 £000	2011-12 £000	2012-13 £000
Borrowing		4,646	740	2,350	50
Revenue Contribution					
Grant		422			
Capital Receipts				750	
External Contribution					
Other					
Total		**5,068**	**740**	**3,100**	**50**

Environment

2009-2010

Environment Directorate
Budget 2009-10
Director - Steve Kent

Budget Summary:

Services :	Gross Budget £000	Income £000	Net Budget £000
Highways & Transportation	46,747	(29,811)	16,936
Development Management	6,591	(3,311)	3,280
Waste Management & Street Scene	31,952	(4,282)	27,670
Total Directorate Budget	**85,290**	**(37,404)**	**47,886**

Services Provided

- **Highways & Transportation**

  The main function of the Highways and Transportation service is to manage and coordinate the strategic delivery of the Highways and Transportation agenda necessary to meet the Authority's statutory obligations realting to highway maintenance and transport strategies. Also to deliver an integrated transport function for the whole of the County through the shared service agreement, provide transport to education, mainstream and special education needs establishments, and support the transport needs of Adult services. The service also operates the concessionary travel scheme.

- **Development Management**

  The main function of the Development Management service is to ensure the safe, secure and high quality design in all new development which makes a positive impact on local communities. Also to conserve and enhance the natural and built environment and deliver sustainable development. The service is also responsible for making decisions in respect of planning applications, ensuring those decisions are robust, transparent and timely.

- **Waste Management & Street Scene**

  The Waste and Street Scene service manages and coordinates waste collection, disposal, minimisation and recycling. It is also responsible for the management and delivery of streetscene and public realm maintenance activities across communities, and improving the quality of the public realm through pro-active awareness raising and enforcement. The delivery of waste treatment facilities through the Private Finance Inititiative proposals is also managed within the service.

Workforce Summary :

	FTE 2009-10
Local Government Officers	722
	722

As Director I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year.

Signed ……………………………………….

Environment Directorate
Highways and Transportation
Head of Service - Richard Turley

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
Highways Term Maintenance	9,445	0	9,445
Network Management	4,269	(3,516)	753
Network Strategy	2,623	(1,129)	1,494
Public & Mainstream Education Transport	22,034	(16,808)	5,226
Operations	8,376	(8,358)	18
Total Budget	**46,747**	**(29,811)**	**16,936**

Subjective Analysis of Revenue Budget in 2009-10

Expenditure :	**£000**	**£000**
Employees		
Employees' pay		8,253
Premises		1,036
Transport		26,325
Supplies & Services		1,653
Payments to Service Providers:		
Highways Term Maintenance	9,445	
Other	35	9,480
Gross Expenditure		**46,747**
Funding Sources :		
Customer & Client Receipts		16,812
Specific Grants:		
De-Trunked Roads	976	
Road Safety Grant	50	
Rural Bus Grant	287	
School Travel Plans	71	
Concessionary Fares	1,185	
Other	8	2,577
Reimbursements & Contributions:		1,251
Concessionary Fares/Cheshire Bus		7,271
Recharges to Capital		1,900
Total Income		**29,811**
Net Budget		**16,936**

Workforce Summary :	FTE 2009-10
Local Government Officers	276
	276

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year

Signed ……………………………………

Environment Directorate
Development Management Service
Head of Service - Chris Hindle

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
Development Control	2,495	(810)	1,685
Building Control	2,272	(2,312)	(40)
Specialist Services	1,824	(189)	1,635
Total Budget	**6,591**	**(3,311)**	**3,280**

Subjective Analysis of Revenue Budget in 2009-10

Expenditure :	**£000**	**£000**
Employees		
Employees' pay		5,454
Premises		21
Transport		155
Payments to Service Providers:		
Flood Defence	175	
Other	786	961
Gross Expenditure		**6,591**
Funding Sources :		
Customer & Client Receipts		3,311
Total Income		**3,311**
Net Budget		**3,280**

Workforce Summary :	FTE 2009-10
Local Government Officers	147
	147

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year

Signed …………………………………….

Environment Directorate
Waste Management and Street Scene
Head of Service - John Jeffrey

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
Joint Waste Unit	10,100	0	10,100
Waste Strategy	781	(366)	415
Waste Collection	12,377	(2,650)	9,727
Street Scene	8,694	(1,266)	7,428
Total Budget	**31,952**	**(4,282)**	**27,670**

Subjective Analysis of Revenue Budget in 2009-10

Expenditure :	**£000**	**£000**
Employees		
Employees' pay		8,535
Premises		503
Transport		2,171
Supplies & Services		1,846
Payments to Service Providers:		
Other		18,897
Gross Expenditure		**31,952**
Funding Sources :		
Customer & Client Receipts		3,916
Specific Grants		
Waste Performance Efficiency Grant		366
Total Income		**4,282**
Net Budget		**27,670**

Workforce Summary :	FTE 2009-10
Local Government Officers	299
	299

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year

Signed ……………………………………

Environment
Capital Budget 2009-10
Director - Steve Kent

Scheme	Estimated Scheme Cost	Prior years spend to 31-Mar-09	Estimated Capital Payments			
			2009-10 £000	2010-11 £000	2011-12 £000	2012-13 £000
New Starts 2009-10						
Core Programme						
Local Transport Plan (LTP) - Detrunked Roads	1,165		1,165			
LTP - Bridges	142		142			
LTP - Road Safety Grant	286		140	146		
LTP - Maintenance	4,772		4,772			
LTP - Integrated Transport	2,792		2,792			
Additional Highways Maintenance	1,500		1,500			
Waste Infrastructure Capital Grant	585		585			
Gyspy & Traveller Site	585		585			
Street Scene Improvements	450		450			
Waste Collection Asset Management	150		150			
Vehicle Replacement	554		554			
Single Integrated Kerbside Collection	300		100	100	100	0
Streetscene Asset Data Collection	100		100			
New Bids						
Novus Expansion & Improvement	24		12	12		
Eton 5 Modifications	12		12			
Eton 6 Modifications	12		12			

Environment
Capital Budget 2009-10
Director - Steve Kent

Scheme	Estimated Scheme Cost	Prior years spend to 31-Mar-09	Estimated Capital Payments			
			2009-10 £000	2010-11 £000	2011-12 £000	2012-13 £000
Confirm Waste Collection Module	85		85			
Routewise Expansion & Improvement	37		25	12		
Real Time Traffic Information	120		74	46		
Routewise Gupta Sql to Sql Upgrade	25		25			
New Aerial Survey 2009	49		39	10		
Conservation & Urban Area Enhancement	15		15			
Witton Closed Landfill Site Liabilities	2,344		100	1,172	100	972
Waste Transfer Site	802		802			
North Ditch Pumping Station Improvements	586		586			
Sub-total 2009-10 New Starts	**17,492**		**14,822**	**1,498**	**200**	**972**
Committed Schemes						
Ellesmere Port Household Waste Recycling Centre (HWR	2,027	1,985	42			
Replacement of Winsford HWRC	2,258	2,197	61			
Ashton & Neumans	15		15			
Transforming Cheshire - Restructuring Environment	1,500	1,120	380			
Waste Strategy Project Management	4,000	2,941	1,059			
Section 278 Agreements	459		459			
Road Safety Schemes - Minor Works	688	635	53			
Integrated Area Minor Works - Vale Royal	488	190	298			
Development On-line - GMS	15		15			
Groves Refurbishment (Public Realm & Toilets) Culture P	300	200	100			

Environment
Capital Budget 2009-10
Director - Steve Kent

Scheme	Estimated Scheme Cost	Prior years spend to 31-Mar-09	Estimated Capital Payments			
			2009-10 £000	2010-11 £000	2011-12 £000	2012-13 £000
City Centre Cleansing	20		20			
Litter/Recycling Litter Bins	20		20			
Sub-total Committed Schemes	**11,790**	**9,268**	**2,522**			
Total 2009-10 Capital Programme	**29,282**	**9,268**	**17,344**	**1,498**	**200**	**972**

Financing:-

Source of funding	2009-10 £000	2010-11 £000	2011-12 £000	2012-13 £000
Borrowing	8,942	180	100	
Revenue Contribution				
Grant	4,754	146		
Capital Receipts	2,252			
External Contribution	512			
Other	884	1,172	100	972
Total	**17,344**	**1,498**	**200**	**972**

Note: The expenditure and funding tables above show the impact in future years of existing schemes and new starts. At this stage, only the 2009-10 element has been approved.

Regeneration & Culture

2009-2010

Regeneration & Culture

Regeneration and Culture Directorate
Budget 2009-10
Director - Charlie Seward

Budget Summary:

Services :	Gross Budget £000	Income £000	Net Budget £000
Strategic Housing & Spatial Planning	15,711	(12,694)	3,017
Regeneration	7,151	(4,473)	2,678
Culture & Recreation	18,960	(6,788)	12,172
Total Directorate Budget	**41,822**	**(23,955)**	**17,867**

Services Provided

- The Strategic Housing and Spatial Planning service provides strategic leadership in relation to planning and housing. With responsibility for the Authority's Local Development Framework and Growth Point initiative, the Spatial Planning service supports delivery in spatial terms of the aspirations set out in the Sustainable Communities Strategy. The Strategic Housing service discharges the Authority's statutory functions in relation to private sector housing, homelessness and its prevention, and housing strategy and policy; whilst also managing the Supporting People programme of housing related support and acting as an investment agency, enabling and supporting new and refurbished housing provision.

- The Regeneration Service will contribute to the achievement of the Council's corporate priorities by The main activities of the Regeneration Service is to work in partnership with other agencies to attract external funding to support business growth, encourage new enterprise, develop a stronger visitor economy and create an environment for effective recruitment and retention of a skilled and productive workforce. The Regeneration Service will deliver a major programme of transformational change under the adopted four key programme areas; Chester Renaissance, Ellesmere Port, Weaver Valley and the Rural Agenda and Market Towns. Through developing a integrated programme of projects it will improve access to employment for all sectors of the community, increase the skills of those in employment and enable learning that supports people based outcomes around community and personal capacity and well being.

- The Culture & Recreation service will enable the provision of high quality library, museum, arts, heritage and leisure services and facilities to increase economic impact. It will also enable the provision of high quality recreation and green spaces services and facilities to improve health and well being as well as increasing economic impact through the production of an integrated cultural strategy.

Workforce Summary :

	FTE 2009-10
Local Government Officers	524
	524

As Director I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year.

Signed ……………………………………….

Regeneration and Culture Directorate
Stategic Housing and Spatial Planning
Head of Service - Alan Slater

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
Private Sector Housing	839	(69)	770
Housing Strategy	358	(118)	240
Housing Options/Homelessness	1,662	(811)	851
Supporting People	11,745	(11,386)	359
Spatial Planning	1,107	(310)	797
Total Budget	**15,711**	**(12,694)**	**3,017**

Subjective Analysis of Revenue Budget in 2009-10

Expenditure :	**£000**	**£000**
Employees		
Employees' pay		3,016
Premises		73
Transport		71
Supplies & Services		561
Payments to Service Providers:		
Supporting People	11315	
Other	675	11,990
Gross Expenditure		**15,711**
Funding Sources :		
Specific Grants:		
Supporting People	11113	
Supporting People Admin Grant	273	
Homelessness	353	
Housing Planning Delivery Grant	150	11,889
Reimbursements & Contributions:		805
Total Income		**12,694**
Net Budget		**3,017**

Workforce Summary :	FTE 2009-10
Local Government Officers	77
	77

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year

Signed …………………………………….

Regeneration and Culture Directorate
Regeneration
Head of Service - Cliff Mallows

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
Special Projects	1,875	(1,376)	499
Employment, Skills & Learning	3,213	(2,336)	877
Regeneration	2,063	(761)	1,302
Total Budget	**7,151**	**(4,473)**	**2,678**

Subjective Analysis of Revenue Budget in 2009-10

Expenditure :	£000	£000
Employees		
Employees' pay		4,473
Premises		289
Transport		126
Supplies & Services		1,362
Payments to Service Providers:		
Other		901
Gross Expenditure		**7,151**
Funding Sources :		
Specific Grants:		
Workstep	72	
Local Authority Business Growth Initiatives	51	123
Reimbursements & Contributions:		4,350
Total Income		**4,473**
Net Budget		**2,678**

Workforce Summary :	FTE 2009-10
Local Government Officers	117
	117

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year

Signed ……………………………………

Regeneration and Culture Directorate
Culture and Recreation
Head of Service - Chris Cook

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
Cultural & Tourism Services	9,130	(2,814)	6,316
Leisure & Green Spaces	8,860	(3,406)	5,454
Business Excellence	402	0	402
Mersey Forest	568	(568)	0
Total Budget	**18,960**	**(6,788)**	**12,172**

Subjective Analysis of Revenue Budget in 2009-10

Expenditure :	£000	£000
Employees		
Employees' pay		9,441
Premises		3,145
Transport		453
Supplies & Services		4,307
Payments to Service Providers:		
Other		1,614
Gross Expenditure		**18,960**
Funding Sources :		
Customer & Client Receipts		4,282
Reimbursements & Contributions:		2,506
Total Income		**6,788**
Net Budget		**12,172**

Workforce Summary :	FTE 2009-10
Local Government Officers	330
	330

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year

Signed …………………………………….

Regeneration and Culture
Capital Budget 2009-10
Director - Charlie Seward

Scheme	Estimated Scheme Cost	Prior years spend to 31-Mar-09	Estimated Capital Payments			
			2009-10 £000	2010-11 £000	2011-12 £000	2012-13 £000
New Starts 2009-10						
Core Programme						
Disabled Facilty Grants	474		474			
Energy Efficiency Grants	140		140			
Shared Equity Mortgage Loans	585		585			
Empty Property Grants	40		40			
Improvements to Children's Play Facilities	50		50			
Improvements to Parish Children's Play Facilties	100		25	25	25	25
Disabilty Discrimination Act Play Areas	100		25	25	25	25
Affordable Housing Pot	600		600			
Growth Point	1,234		1,234			
Mersey Forest	65		65			
Heritage Interpretation	10		10			
Countyside Site Improvements	45		45			
Investments in Existing Leisure Assets	152		152			
Disabled Facilty Grants	520		520			
Housing Repairs	150		150			
Empty Property Initatives	10		10			
Housing Compensation	20		20			
Housing Projects	10		10			
Choice Based Letting	130		40	30	30	30
Affordable Housing	400		400			
Housing Needs & Stock Condition Surveys	430		130	100	100	100

Regeneration and Culture
Capital Budget 2009-10
Director - Charlie Seward

Scheme	Estimated Scheme Cost	Prior years spend to 31-Mar-09	Estimated Capital Payments			
			2009-10 £000	2010-11 £000	2011-12 £000	2012-13 £000
Play Areas	210		60	50	50	50
Putting Vale Royal on the Map	1,000	700	100	100	100	
Local Authorities Disabled Facilities Grant	796		796			
Renovation Grants	300		300			
Energy Efficiency Grants	50		50			
Private Housing Projects	650		650			
Local Authorities Disabled Facilities Grant - HRA	665		665			
New Bids						
City Baths/Northgate Arena - Refurbishment	3,804		1,511	2,293		
Chester Station	1,300		1,300			
Public Art	40		40			
Chester Renaissance - Ampthitheatre	50		50			
Open Space - Boughton Schemes	21		21			
Open Space - Sealand Meadows	300		300			
Open Space - Elton Phase 2	20		20			
Open Space - Extended Schools Play	30		30			
Neston Town Centre	278		278			
Replacement of EPIC Leisure Centre	14,900		1,000	4,000	9,900	
Libraries Radio Frequency Identification	380		380			
Online Genealogical Resources	30		30			
Mobile Libraries/Galaxy Connectivity	20		20			
Wi-Fi in Libraries	20		20			
Online Access to Library Resources	10		10			

Regeneration and Culture
Capital Budget 2009-10
Director - Charlie Seward

Scheme	Estimated Scheme Cost	Prior years spend to 31-Mar-09	Estimated Capital Payments			
			2009-10 £000	2010-11 £000	2011-12 £000	2012-13 £000
Archive Indexes & Databases	10		10			
Catalogue Wikis	10		10			
Oracle - Galaxy Interface	20		20			
Pre-Pay Smart Card	10		10			
Libraries Facilities	200		200			
Working on Wharton	227		227			
Sub-total 2009-10 New Starts	**30,616**	**700**	**12,833**	**6,623**	**10,230**	**230**
Committed Schemes						
Revive	10,178		1,856	8,322		
Habitats & Hillforts	1,630	124	534	654	318	
Buildings Repairs Backlog	300		300			
Winsford Lifestyle Centre	1,000		1,000			
Lion Salt Works Restoration	700		250	250	200	
Frodsham Forward Castle Park	168		168			
Online Genealogical Resourses	21		21			
Affordable Housing Pot	2,900		1,400	1,500		
Walls Improvements	1,128		920	208		
Chester Renaissance - Master Planning	56		56			
Chester Renaissance - Grosvenor Park	825	200	125	500		
Chester Renaissance - Public Realm Works Phases 2	130		130			
Chester Renaissance - Chester Greenways	500		500			
Chester Renaissance - City Walls (Portico Project)	1,128		1,128			

Regeneration and Culture
Capital Budget 2009-10
Director - Charlie Seward

Scheme	Estimated Scheme Cost	Prior years spend to 31-Mar-09	Estimated Capital Payments			
			2009-10 £000	2010-11 £000	2011-12 £000	2012-13 £000
River Dee Improvements	220		220			
Blacon Adventure Playground	10		10			
Amphitheatre Post Excavation	10		10			
Brook Street THI	900		900			
Sub-total Committed Schemes	**21,804**	**324**	**9,528**	**11,434**	**518**	**0**
Total 2009-10 Capital Programme	**52,420**	**1,024**	**22,361**	**18,057**	**10,748**	**230**

Financing:-

Source of funding		2009-10 £000	2010-11 £000	2011-12 £000	2012-13 £000
Borrowing		5,764	6,635	10,033	100
Revenue Contribution		715			
Grant		8,778	10,322	249	
Capital Receipts		4,936	850	300	100
External Contribution		2,168			
Other			250	166	30
Total		**22,361**	**18,057**	**10,748**	**230**

Note: The expenditure and funding tables above show the impact in future years of existing schemes and new starts. At this stage, only the 2009-10 element has been approved

Area & Community

2009-2010

Area and Community Services Directorate
Budget 2009-10
Director - Mike Lewis

Budget Summary:

Services :	Gross Budget £000	Income £000	Net Budget £000
Neighbourhood & Customer Services	8,678	(1,852)	6,826
Regulatory Services	9,858	(9,890)	(32)
ICT	9,241	(2,920)	6,321
Total Directorate Budget	**27,777**	**(14,662)**	**13,115**

Services Provided

- **Neighbourhood and Customer Services**
  Develop a corporate culture of customer service within the council that puts the customer first.
  Transform the customer experience of council services through innovation, focussing upon making life easier and more convenient for the customer and simplifying processes for the Council.
  Work with the Council's partners to address community safety concerns raised by the public and arising from the strategic assessment of crime and disorder.
  Coordinate the delivery of services provided by the council and its partners within the five area neighbourhoods defined by the council and support the operation of Area Partnership Boards and Community Forums.
- **Regulatory Services**
  Provide a wide range of regulatory services including car parking enforcement, trading standards environmental protection (air and noise pollution), registration of births, deaths and marriages and licensing enforcement. Other services provided include the management of the Council's car parks, cemeteries, crematorium and markets.
- **ICT**
  Manage, maintain, support and further develop the Council's ICT Systems and infrastructure and support services in identifying and implementing technology supported business processes.
  Develop and operate ICT shared service function initially on behalf of Cheshire West and Chester and Cheshire East Councils.

Workforce Summary :

	FTE 2009-10
Local Government Officers	463.5
	463.5

As Director I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year.

Signed ……………………………………

Area and Community Services Directorate
Neighbourhood and Customer Services
Head of Service - Cara Williams

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
Neighbourhood & Area Working	4,754	(915)	3,839
Customer Services	2,195	(125)	2,070
Community Safety	1,729	(812)	917
Total Budget	**8,678**	**(1,852)**	**6,826**

Subjective Analysis of Revenue Budget in 2009-10

Expenditure :	£000	£000
Employees		
Employees' pay		4,902
Premises		114
Transport		123
Supplies & Services		2,672
Payments to Service Providers:		
Other		867
Gross Expenditure		**8,678**
Funding Sources :		
Reimbursements & Contributions:		
Contributions	1,546	
Government Grants	306	1,852
Total Income		**1,852**
Net Budget		**6,826**

Workforce Summary :	FTE 2009-10
Local Government Officers	148.5
	148.5

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year.

Signed …………………………………….

Area and Community Services Directorate
Regulatory Services
Head of Service - Helen Bailey

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
Consumer Protection & Investigations	1,256	(183)	1,073
Market Surveillance & Support to Business	2,234	(298)	1,936
Lifetime Services & Car Parking	4,645	(6,847)	(2,202)
Licensing & Markets	1,723	(2,562)	(839)
Total Budget	**9,858**	**(9,890)**	**(32)**

Subjective Analysis of Revenue Budget in 2009-10

Expenditure :	£000	£000
Employees		
Employees' pay		4,956
Premises		1,994
Transport		1,542
Supplies & Services		899
Payments to Service Providers:		
Coroners	410	
Other	57	467
Gross Expenditure		**9,858**
Funding Sources :		
Customer & Client Receipts		9,890
Total Income		**9,890**
Net Budget		**(32)**

Workforce Summary :	FTE 2009-10
Local Government Officers	158
	158

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year.

Signed …………………………………….

Area and Community Services Directorate
ICT
Head of Service - Dermot Lacey

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
ICT	9,241	(2,920)	6,321
Total Budget	**9,241**	**(2,920)**	**6,321**

Subjective Analysis of Revenue Budget in 2009-10

Expenditure :	£000	£000
Employees		
Employees' pay		6,094
Supplies & Services		3,147
Gross Expenditure		**9,241**
Funding Sources :		
Customer & Client Receipts		2,920
Total Income		**2,920**
Net Budget		**6,321**

Workforce Summary :	FTE 2009-10
Local Government Officers	157
	157

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year.

Signed …………………………………….

Area and Community
Capital Budget 2009-10
Director - Mike Lewis

Scheme	Estimated Scheme Cost	Prior years spend to 31-Mar-09	Estimated Capital Payments			
			2009-10 £000	2010-11 £000	2011-12 £000	2012-13 £000
New Starts 2009-10						
Core Programme						
Building Safer Communities Fund	101		101			
Contaminated Land Investigations	90		90			
Community Safety Initiatives	50		50			
Capitalised Salaries HIPS	222		222			
Cyclical Repairs and Maintenance - HRA	3,485		3,485			
Area Improvement Schemes - HRA	1,551		1,551			
New Bids						
CCTV Review and Technical Specifications	50		50			
Oracle Migration/Cutover Activities	49		49			
Corporate Document Image Processing and Scannin	25		25			
Area and Neighbourhood Working (VR)	100		100			
Allotment - Drainage and Refurbishment Works (VR)	400		100	100	100	100
Enterprise Content Management	3,000		500	1,240	1,260	
Customer Services	2,010		1,540	270	200	
Revelopment of Chester Crem	4,025		120	655	3,000	250
Essential Replacement of Core ICT Infrastructure 09-	857		857			
ICT Security & Research Projects	201		201			
Government Connect	566		566			
Click into Cheshire	37		37			
One Stop Shop	600		500	100		
Sub-total 2009-10 New Starts	**17,419**	**0**	**10,144**	**2,365**	**4,560**	**350**

Area and Community
Capital Budget 2009-10
Director - Mike Lewis

Scheme	Estimated Scheme Cost	Prior years spend to 31-Mar-09	Estimated Capital Payments			
			2009-10 £000	2010-11 £000	2011-12 £000	2012-13 £000
Committed Schemes						
Blacon Cemetery - Extension	905	97	808			
Data Centre	1,012	611	401			
Transforming Cheshire Information Management	1,409	640	68	34	667	
Transforming Cheshire Customer Access	5		5			
Sub-total Committed Schemes	**3,331**	**1,348**	**1,282**	**34**	**667**	**0**
Total 2009-10 Capital Programme	**20,750**	**1,348**	**11,426**	**2,399**	**5,227**	**350**

Financing:-

Source of funding		2009-10 £000	2010-11 £000	2011-12 £000	2012-13 £000
Borrowing		5,270	2,399	5,227	350
Revenue Contribution		1,971			
Grant		3,893			
Capital Receipts		200			
External Contribution		17			
Other		75			
Total		**11,426**	**2,399**	**5,227**	**350**

Note: The expenditure and funding tables above show the impact in future years of existing schemes and new starts. At this stage, only the 2009-10 element has been approved.

Resources

2009-2010

Resources

Resources Directorate
Budget 2009-10
Director - Julie Gill

Budget Summary:

Services :	Gross Budget £000	Income £000	Net Budget £000
Human Resources	2,246	(718)	1,528
Legal Services	2,479	(295)	2,184
Facilities & Asset Management	19,580	(14,802)	4,778
Finance	93,846	(85,977)	7,869
HR & Finance Shared Services	2,815	(810)	2,005
Procurement	2,329	(2,273)	56
Director of Resources	(262)	0	(262)
Total Directorate Budget	**123,033**	**(104,875)**	**18,158**

Services Provided

- The core purpose of **Human Resources** is to work with Partners, (Managers, Members, Head Teachers and Governors, and in some cases external organisations) to recruit, pay and enable all employees to work efficiently, effectively and safely, and to develop to their full potential in serving the people of Cheshire West and Chester.
- To provide **Legal Services** to Members, Corporate Officers and Departmental Clients to ensure that the Council meets its obligations, acts at all times in accordance with the Law and that the Council's interests are protected.
- The **Facilities & Asset Managemen**t division provides the resources to develop and maintain all of the Council's assets. It is responsible for delivering the corporate asset management plan ensuring all assets are fit for purpose with appropriate maintenance schedules and any surplus assets are disposed of. The Council's commercial portfolio is also managed within this service area.
- The core purpose of **Finance** is to provide professional, efficient and customer-focussed financial support and advice to an extensive range of internal and external clients through the provision of Revenues and Benefits, Pensions, Corporate Finance, Financial, Audit and Risk Management. It sets the financial framework, systems and processes to ensure that the Council's resources are well managed.
- The **HR and Finance Shared Service** provides administrative support for all HR and Finance services to the two Councils and also a range of external customers. The Service includes recruitment, contractual management, pay, purchasing, payments income and despatch. The Service consolidates and standardises a range of activities in order to reduce unit costs whilst at the same time improving accuracy, processing times and customer satisfaction.
- The core purpose of **Procurement** is to work with key stakeholders within the Authority and with partners and suppliers in order to deliver best value in the sourcing of goods, works and services. Professional procurement activity is both customer focused and carried out in line with national and European legislative requirements.

Workforce Summary :

	FTE 2009-10
Local Government Officers	861.10
	861.10

As Director I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year.

Signed ……………………………………..

Resources Directorate
Human Resources
Head of Service - Euan Murdoch-Hollies

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
Human Resources	2,246	(718)	1,528
Total Budget	**2,246**	**(718)**	**1,528**

Subjective Analysis of Revenue Budget in 2009-10

Expenditure :	
Employees	
Employees' pay	2,105
Premises	4
Transport	21
Supplies & Services	116
Gross Expenditure	**2,246**
Funding Sources :	
Customer & Client Receipts	145
Reimbursements & Contributions:	12
Internal Recharges	561
Total Income	**718**
Net Budget	**1,528**

Workforce Summary :	FTE 2009-10
Local Government Officers	49.79
	49.79

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year

Signed ……………………………………

Resources Directorate
Legal Services
Head of Service - Simon Goacher

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
Legal Services	2,479	(295)	2,184
Total Budget	**2,479**	**(295)**	**2,184**

Subjective Analysis of Revenue Budget in 2009-10

Expenditure :		
Employees		
Employees' pay	2,103	
Other Employee's Expenses	12	2,115
Transport		
Other		39
Supplies & Services		325
Gross Expenditure		**2,479**
Funding Sources :		
Customer & Client Receipts		37
Reimbursements & Contributions:		
Other		108
Internal Recharges		150
Total Income		**295**
Net Budget		**2,184**

Workforce Summary :	FTE 2009-10
Local Government Officers	46.5
	46.5

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year

Signed …………………………………….

Resources Directorate
Facilities and Asset Management
Head of Service - Noel O'Neill

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
County Farms	621	(772)	(151)
Building Maintenance	4,646	(239)	4,407
Property Services	7,796	(8,907)	(1,111)
Facility Management	6,517	(4,884)	1,633
Total Budget	**19,580**	**(14,802)**	**4,778**

Subjective Analysis of Revenue Budget in 2009-10

Expenditure :	£000	£000
Employees		
Employees' pay		8,772
Premises		8,977
Transport		222
Supplies & Services		1,432
Payments to Service Providers:		
Internal Recharge	122	
Other	55	177
Gross Expenditure		**19,580**
Funding Sources :		
Customer & Client Receipts		14,802
Total Income		**14,802**
Net Budget		**4,778**

Workforce Summary :	FTE 2009-10
Local Government Officers	358.52
	358.52

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year

Signed …………………………………….

Resources Directorate
Finance
Head of Service - Mark Wynn

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
Financial Management	4,725	(1,542)	3,183
Pensions	1,492	(1,492)	0
Audit & Risk Management	3,343	0	3,343
Revenue & Benefits	84,286	(82,943)	1,343
Total Budget	**93,846**	**(85,977)**	**7,869**

Subjective Analysis of Revenue Budget in 2009-10

Expenditure :	**£000**	**£000**
Employees		
Employees' pay		9,470
Transport		70
Supplies & Services		5,299
Payments to Service Providers:		
Third Party Payments		79,007
Gross Expenditure		**93,846**
Funding Sources :		
Customer & Client Receipts		843
Specific Grants		81,158
Reimbursements & Contributions:		
Other		1,785
Internal Recharges		2,191
Total Income		**85,977**
Net Budget		**7,869**

Workforce Summary :	FTE 2009-10
Local Government Officers	270.29
	270.29

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year

Signed …………………………………….

Resources Directorate
HR and Finance Shared Service
Head of Service - Vanessa Coates

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
Human Resources	1,390	(560)	830
Finance	1,425	(250)	1,175
Total Budget	**2,815**	**(810)**	**2,005**

Subjective Analysis of Revenue Budget in 2009-10

	£000	£000
Expenditure :		
Employees		
Employees' pay		2,492
Transport		15
Supplies & Services		308
Gross Expenditure		**2,815**
Funding Sources :		
Customer & Client Receipts		18
Internal Recharges		792
Total Income		**810**
Net Budget		**2,005**

Workforce Summary :	FTE 2009-10
Local Government Officers	99
	99

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year

Signed ……………………………………

Resources Directorate
Procurement
Head of Service - Andrew Williams

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
Corporate Procurement	139	(38)	101
CW&C - CBS Supplies	2,190	(2,235)	(45)
Total Budget	**2,329**	**(2,273)**	**56**

Subjective Analysis of Revenue Budget in 2009-10

Expenditure :	£000	£000
Employees		
Employees' pay		628
Premises		107
Transport		41
Supplies & Services		1,553
Gross Expenditure		**2,329**
Funding Sources :		
Customer & Client Receipts		980
Internal Recharges		1,293
Total Income		**2,273**
Net Budget		**56**

Workforce Summary :	FTE 2009-10
Local Government Officers	32
	32

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year

Signed …………………………………….

Resources Directorate
Director of Resources
Director - Julie Gill

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
Director of Resources	343	0	343
Shared Service saving to be identified	(605)	0	(605)
Total Budget	**(262)**	**0**	**(262)**

Subjective Analysis of Revenue Budget in 2009-10

	£000	£000
Expenditure :		
Employees		
Employees' pay		294
Transport		2
Supplies & Services		(558)
Gross Expenditure		**(262)**
Funding Sources :		
Total Income		**0**
Net Budget		**(262)**

Workforce Summary :	FTE 2009-10
Local Government Officers	5
	5

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year

Signed …………………………………….

Resources
Capital Budget 2009-10
Director - Julie Gill

Scheme	Estimated Scheme Cost	Prior years spend to 31-Mar-09	Estimated Capital Payments			
			2009-10 £000	2010-11 £000	2011-12 £000	2012-13 £000
New Starts 2009-10						
Core Programme						
Minor Works	80		80			
Office Moves/DDA	650		650			
Housing - Revenue Capitalisation	350		350			
County Farms	813		330	161	161	161
New Bids						
Chester Town Hall New Passenger Lift	1,000		1,000			
ICT Transitional Development Programme	1,500		1,500			
Transformational Programme	2,000		2,000			
Economic/Recessionary Support	500		500			
Sub-total 2009-10 New Starts	**6,893**	**0**	**6,410**	**161**	**161**	**161**
Committed Schemes						
Office Accommodation Strategy	1,366	1,199	167			
Network Optimisation	90		90			
New Developments - Schemes under £100k	200	195	5			
Transforming Cheshire - Information Management	100		100			
Repairs and Maintenance	150		150			
Transforming Cheshire - Improving Oracle	2,333	1,414	919			
County Farms (Previous Years)	2,060	1,553	507			

Resources
Capital Budget 2009-10
Director - Julie Gill

Scheme	Estimated Scheme Cost	Prior years spend to 31-Mar-09	Estimated Capital Payments			
			2009-10 £000	2010-11 £000	2011-12 £000	2012-13 £000
County Farms 2007-08 - Transforming Cheshire	555	100	455			
Dee House	75	23	20	20	12	
Chester Town Hall Vision & Improvement Plan	1,692	1,492	200			
Sub-total Committed Schemes	**8,621**	**5,976**	**2,613**	**20**	**12**	**0**
Total 2009-10 Capital Programme	**15,514**	**5,976**	**9,023**	**181**	**173**	**161**

Financing:-

Source of funding	2009-10 £000	2010-11 £000	2011-12 £000	2012-13 £000
Borrowing	7,361	20		
Revenue Contribution	350			
Grant				
Capital Receipts	1,312	161	173	161
External Contribution				
Other				
Total	**9,023**	**181**	**173**	**161**

Note: The expenditure and funding tables above show the impact in future years of existing schemes and new starts. At this stage, only the 2009-10 element has been approved.

Chief Executive

2009-2010

Chief Executive's Directorate
Budget 2009-10
Chief Executive - Steve Robinson

Budget Summary:

Services :	Gross Budget £000	Income £000	Net Budget £000
Democratic Services	3,003	(32)	2,971
Marketing & Communications	691	(4)	687
Organisational Development & Transformation	930	(17)	913
Policy, Performance & Partnerships	2,375	(48)	2,327
Executive Support	629	(8)	621
Total Directorate Budget	**7,628**	**(109)**	**7,519**

Services Provided

- **Democratic Services** promotes and underpins the democratic process. It ensures governance arrangements for robust decision making are in place, that the council's scrutiny processes are effective and meet corporate objectives. It ensures Members are offered a training programme to meet their needs and that they are fully supported to do their job. The service also compiles the electoral register, runs elections and supports the Lord Mayor of Chester, the Sheriff of Chester and the Mayor of Ellesmere Port. The service supports community engagement through its support for each of the area teams in managing the Area Forums.
- The **Marketing and Communications** service is responsible for building, managing and enhancing the Council's reputation across all communication channels, from traditional publications to innovative new media. Its aim is to strategically position the Council as the best of the best - externally amongst its peers and stakeholders, and internally for its employees and members.
- **Organisational Development and Transformation's** key purpose is to work with all services within the council, partners and customers to ensure progress towards being the highest performing council. This will be achieved by establishing a corporate transformation programme to organise and drive change activity, and to embed a modern, dynamic working culture to develop a skilled and motivated workforce.
- The **Policy, Performance and Partnerships** service is responsible for managing and co-ordinating the strategic policy development, performance management and partnerships functions for the Council. It provides Corporate and Directorate support for delivering the Council's Corporate Plan, responding to key national and local policies and initiatives, and has a vital role in providing strong corporate leadership.
- **Executive Support** provides support to the Democratic and managerial leadership of the Council, including the pan-Cheshire Emergency Planning Service and the management of corporate activities and actions.

Workforce Summary :

	FTE 2009-10
Local Government Officers	173.04
	173.04

As Director I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year.

Signed ……………………………………….

Chief Executive's Directorate
Democratic Services
Head of Service - Fiona Crane

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
Elections	433	(3)	430
Democratic Services	1,254	(29)	1,225
Members Allowances	1,316	0	1,316
Total Budget	**3,003**	**(32)**	**2,971**

Subjective Analysis of Revenue Budget in 2009-10

	£000	£000
Expenditure :		
Employees		
Employees' pay		1,056
Premises		26
Transport		69
Supplies & Services		1,852
Gross Expenditure		**3,003**
Funding Sources :		
Customer & Client Receipts		32
Total Income		**32**
Net Budget		**2,971**

Workforce Summary :	FTE 2009-10
Local Government Officers	30
	30

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year.

Signed …………………………………….

Chief Executive's Directorate
Marketing and Communications
Head of Service - Pam Bradley

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
Marketing	365	0	365
Communication Services	326	(4)	322
Total Budget	**691**	**(4)**	**687**

Subjective Analysis of Revenue Budget in 2009-10

Expenditure :	£000	£000
Employees		
Employees' pay		594
Transport		8
Supplies & Services		89
Gross Expenditure		**691**
Funding Sources :		
Customer & Client Receipts		4
Total Income		**4**
Net Budget		**687**

Workforce Summary :	FTE 2009-10
Local Government Officers	21
	21

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year.

Signed ……………………………………..

Chief Executive's Directorate
Organisational Development and Transformation
Head of Service - Mark Smith

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
Organisational Development & Transformation	930	(17)	913
Total Budget	**930**	**(17)**	**913**

Subjective Analysis of Revenue Budget in 2009-10

Expenditure :	£000	£000
Employees		
Employees' pay	752	
Other	150	902
Premises		14
Transport		12
Supplies & Services		2
Gross Expenditure		**930**
Funding Sources :		
Customer & Client Receipts		10
Reimbursements & Contributions:		7
Total Income		**17**
Net Budget		**913**

Workforce Summary :	FTE 2009-10
Local Government Officers	17
	17

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year.

Signed …………………………………….

Chief Executive's Directorate
Policy, Performance and Partnerships
Head of Service - Alistair Jeffs

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
Head of PP&P	183	0	183
Policy	823	(47)	776
Performance Management	947	(1)	946
Partnerships	422	0	422
Total Budget	**2,375**	**(48)**	**2,327**

Subjective Analysis of Revenue Budget in 2009-10

Expenditure :	£000	£000
Employees		
Employees' pay	2,083	
Other	45	2,128
Premises		2
Transport		24
Supplies & Services		221
Gross Expenditure		**2,375**
Funding Sources :		
Customer & Client Receipts		18
Reimbursements & Contributions:		
Other Local Authorities		30
Total Income		**48**
Net Budget		**2,327**

Workforce Summary :	FTE 2009-10
Local Government Officers	56.45
	56.45

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year.

Signed ……………………………………

Chief Executive's Directorate
Executive Support
Chief Executive - Steve Robinson

Objective Analysis of Services provided in 2009-2010

Services Provided :	Gross Budget £000	Income £000	Net Budget £000
Emergency Planning	318	(8)	310
Business Support	343	0	343
Executive Support	372	0	372
Unallocated Saving	(404)	0	(404)
Total Budget	**629**	**(8)**	**621**

Subjective Analysis of Revenue Budget in 2009-10

Expenditure :	£000	£000
Employees		
Employees' pay	909	
Other	14	923
Premises		7
Transport		40
Supplies & Services		(341)
Gross Expenditure		**629**
Funding Sources :		
Reimbursements & Contributions:		8
Total Income		**8**
Net Budget		**621**

Workforce Summary :	FTE 2009-10
Local Government Officers	48.59
	48.59

As Head of Service I confirm that the information above represents my 2009-10 Service Budget and I will endeavour to deliver a balanced budget during the financial year.

Signed …………………………………….

Glossary of Terms

Appropriations
Amounts transferred between the revenue account and revenue or capital reserves.

Balances (or General Revenue Reserve)
These represent an accumulated surplus of income over expenditure in the Council Fund. Balances can be used to reduce future Council Tax precepts, provided that adequate levels are maintained.

Band D Equivalent
The Council Tax is based on property values. Dwellings have been assigned to one of eight valuation bands (Bands A to H). The Council Tax for each band is a fixed proportion of the Band D tax. For example, the tax for a Band H property is twice that of a Band D, whereas a Band A is two thirds. In calculating the likely yield from the tax, the tax base (number of taxable properties) is expressed as the number of 'Band D' equivalents so that, for example, a Band H equates to two Band D equivalents.

Base Budget
The core cost to the Council of maintaining service delivery at current levels of provision. The base budget is inflated annually to take account of price level changes.

Budget
An approved financial plan which has been formulated to meet agreed policy objectives over a given period. Provides a basis for monitoring and accountability (aka Virement)

Budget Adjustment
A budget change which is required to reflect the impact of known factors which will affect future service costs, e.g. the transfer of functions or responsibilities.

Budget Consultation
Provision of opportunities for feedback from the West Cheshire community (including the general public, businesses, Trades Unions, District Councils and other interested parties) in order to disseminate information and canvass views on policy and expenditure options.

Capital Asset
An item with a life of more than a year, and with a value above a defined limit (e.g. land, buildings, vehicles). May also be referred to as a fixed asset.

Capital Asset Charges
Service budgets include an internal charge for their use of capital assets. From 2006-07 the basis of these charges has been depreciation costs.

Capital Expenditure
Expenditure over £10,000 on the purchase, construction or replacement of capital assets.

Glossary of Terms

Capital Financing Costs
Capital financing includes the cost of annual debt repayments and other direct capital contributions, which have to be funded from the revenue budget.

Capital Grant
Specific grant funding is an important feature of Central Government support to local authority capital spending. Such funding is made available for specified types of capital expenditure to support national priorities.

Capital Programme
The Authority’s plan of capital projects and spending over future years. Includes the purchase of land and buildings, the erection of new buildings and works, design fees and the acquisition of vehicles and major items of equipment.

Capital Receipts
Income received from the sale of capital assets. Subject to rules laid down by the Government, capital receipts are available to finance new capital expenditure or to repay debt.

Capital Reserve
Created to provide an alternative source of financing capital expenditure and to ensure some stability in the level of capital programme that can be financed.

Capital Starts Year
The financial year in which a planned capital scheme will begin (*not* when pre-start costs are undertaken).

Central Support Costs
Costs of Corporate Service Units which are ‘notionally’ charged to their client directorates within the Council to give an indication of the full cost of front line service provision. Suppliers and clients are expected to agree a ‘Service Level Statement’ which specifies the costs, quantity and quality of service provided.

Collection Fund
A collection fund is maintained by the Council to receive all income raised in respect of Council Tax and National Non-Domestic Rates. The fund shows the income received from Council Tax payers and National Non-Domestic Rate Payers. It also shows the National Non-Domestic Rate income being paid over to the Central Government pool (from where it is redistributed to Councils through formula grant) and how the Council Tax income is distributed between Cheshire West & Chester, Cheshire Police Authority, Cheshire Fire & Rescue Authority and Town/Parish Councils.

Glossary of Terms

Contingencies

These are sums set aside to meet either the potential costs of activities expected to occur during the year, over and above those costs included in service budgets (pay and price contingency), or items which are difficult to predict in terms of financial impact or timing (e.g. Transitional Costs).

Corporate Management Team

The Management Board is the top-level officer management forum for the Council, comprising the Chief Executive, and Directors.

Council Tax

The means of raising money locally to pay for local authority services. For 2009–10, the Council element of the Council Tax for a Band D property is £1,429.27.

Council Tax Base

The number of properties in the West County area, expressed in terms of Band D equivalents, which are liable for payment of Council Tax. In 2009-10, Cheshire's council tax base is 120,994 Band D equivalents.

Council Fund

The Council's main revenue fund, to which all revenue receipts are credited, and from which revenue liabilities are discharged. The movement on the fund in the year represents the excess of income over expenditure within the Consolidated Income and Expenditure Account.

Dedicated Schools Grant (DSG)

The Dedicated Schools Grant (DSG) is the total budget for all aspects of expenditure on pupils. The DSG is funded entirely from specific grant. The DSG is a ring fenced grant calculated on the total number of pupils in the County. The DSG must be used in support of the Schools Budget as defined in the School Finance (England) Regulations 2009. It cannot be used for any other purpose.

Developer's Contributions

Income from developers under joint financing arrangements.

Earmarked Reserves

These reserves represent monies set aside for specific usage or purposes.

External Audit

External Auditors provide an independent check on the Authority's financial operations, and are required to certify the annual accounts.

Glossary of Terms

Finance Procedure Rules
Finance Procedure Rules define the respective roles and responsibilities of the Council and its officers in relation to financial matters. They provide a framework of rules and procedures within which the Council conducts all financial affairs, and take into account national standards of best practice in public authority financial management.

Financial Scenario
The first stage of the annual policy and expenditure planning process. This involves producing an estimate of the resources and spending demands for the following financial year, based on an agreed set of reasonable planning assumptions. The aim of the exercise is to identify any potential funding gap.

Financial Year
The Council's accounting period covers the 12 months from 1 April to 31 March.

Formula (Block) Grant
National funding from Central Government, comprising Revenue Support Grant and contributions from the National Non-Domestic Rates Pool.

Front-Line Service
Services which operate at the interface with the Council's end users (e.g. schools, social care, libraries) are referred to as front-line services. This is in contrast to support services.

Full Council
The pre-eminent decision-making forum comprising all elected members of the Council. Major policy and resourcing decisions, such as the setting of the annual budget and the level of Council Tax, are made by Full Council.

Gross Expenditure
Total expenditure on a service or project before taking into account any income from grants, sales, fees, charges and other general receipts.

Housing Revenue Account (HRA)
The Council has to maintain separate accounts for its landlord service. The HRA is ring-fenced no cross subsidy is allowed between the HRA and General Fund, out of which the Council pays for the remainder of services.

Income
Amounts which the Council receives (or expects to receive) from any source. Income includes fees, charges, sales, capital receipts, the precept on Council Tax collection funds, and grants including Revenue Support Grant and National Non-Domestic Rate.

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Inflation
An amount applied to base budgets in order to update them from one year's price levels to the next. Inflation allocations are calculated using a mix of factors including the cost of pay awards, Consumer Price Index, Retail Price Index, and specific indices used in contractual agreements.

Latent Liabilities
As part of the Local Government Reorganisation financial settlement in 1998, Cheshire, Halton and Warrington agreed to share the costs of any liabilities arising from decisions or actions taken prior to 1 April 1998. Such costs will be met out of this reserve, ensuring that they are borne by all three Authorities.

Local Government Finance Settlement
The Local Government Finance Settlement is the annual determination made by the Government in respect of the following year of the provision for local authority expenditure, the amount of Central Government support for that expenditure, how that support will be distributed, and the support for certain other Local Government bodies.

National Non-Domestic Rate (NNDR)
The means by which local businesses contribute to the cost of providing local authority services (the replacement for non-domestic rates, which were previously set by individual local authorities). The Government now sets a standard rate on all properties and cannot increase it by more than the Retail Price Index (RPI). The rates are collected on behalf of the Government by Councils and are then redistributed nationally on the basis of resident population.

Net Budget
Refers to a budget after any income has been taken into account.

Net Expenditure
Expenditure after income from all sources has been taken into account.

Outturn
The actual level of spending and income against budget in a particular year.

Outturn Prices
The pay and price levels expected to prevail over the accounting period in question. For example, "2009-10 outturn prices" relates to the total mix of prices paid over the period 1 April 2009 to 31 March 2010.

Policy and Expenditure Proposals
Proposals, including new policies, which have resource implications and will be subject to appraisal by Members, Corporate Management Team and consultees before inclusion in the annual budget preparation.

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Precept
The amount of money the Council has to raise from Council Tax payers to pay for Council services.

Price Base
The reference point for pay and price levels in a specified year or at a specific date. For example, "outturn 2008-09 prices" refers to pay and price levels expected during the 2009-10 financial year.

Provision
An amount set aside by the Authority for any liabilities which are likely to be incurred but which are of uncertain amount or timing.

Reserves
Accumulated balances, most notably the Capital Reserve and the Council Fund. Some of these balances are "earmarked" to meet specific known future costs; the remainder are "general" reserves which can be used to fund additional expenditure requirements, as an alternative to the Council Tax. The Local Government Act 2003 requires the Council to take into account the adequacy of reserves when setting the annual budget.

Resource Centre
The budget for an activity or appropriate grouping of activities within a service, where management control and accountability is devolved to a single Heads of Service.

Revenue Expenditure
Spending on the day-to-day running expenses of the Council. Includes expenditure on employees, premises, transport and supplies and services.

Revenue Support Grant (RSG)
Central Government support towards Local Government expenditure. The level of grant is determined by the Government, and is announced in an annual Settlement.

Ring Fencing
Certain budgets agreed by Members are 'ring-fenced'. This means that underspends on these budgets will return to balances and overspends will be met centrally. This is to reflect the fact that certain items of expenditure are either demand-led, or so significantly influenced by extraneous factors that they are beyond the direct control of managers. Ring-fenced budgets include planning levies, external audit fees and election expenses.

Specific Grants
Government grants to aid certain services, paid at a fixed proportion of the spending actually incurred.

Star Chamber
An Officer and Member forum set up to provide budgetary challenge.

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Subjective Analysis

A standard way of classifying accounting information. A subjective analysis shows expenditure and income broken down over the inputs that are needed for a Service to fulfil its objectives (for example, employees, premises, transport costs, etc). The breakdown must follow a format laid down by CIPFA.

Supplementary Estimates

Can be either a Supplementary Capital Estimate (SCE) or Supplementary Revenue Estimate (SRE). SCEs are additional resources approved by Members and funded by transfer from elsewhere within the capital programme; by a third party; or by the use of Council Reserves. SREs are approved increases to a Service revenue budget during the financial year, funded centrally from general reserves or contingencies.

Support Services

Services which provide essential support to front-line and other Services, for example financial, personnel and legal services. The charges for these services may be based on Service Level Statements or, where these are not in use, on allocations or apportionments.

Virement

Transfer of amounts from one budget heading to another within, or between, Heads of Service (aka budget adjustment).

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