

# Economy and Growth Committee

## Agenda

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<b>Date:</b>	<b>Tuesday 14th January 2025</b>
<b>Time:</b>	<b>2.00 pm</b>
<b>Venue:</b>	<b>Council Chamber, Municipal Buildings, Earle Street, Crewe CW1 2BJ</b>

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The agenda is divided into 2 parts. Part 1 is taken in the presence of the public and press. Part 2 items will be considered in the absence of the public and press for the reasons indicated on the agenda and at the top of each report.

It should be noted that Part 1 items of Cheshire East Council decision making are audio recorded, and the recordings will be uploaded to the Council's website

### **PART 1 – MATTERS TO BE CONSIDERED WITH THE PUBLIC AND PRESS PRESENT**

1. **Apologies for Absence**

To note any apologies for absence from Members.

2. **Declarations of Interest**

To provide an opportunity for Members and Officers to declare any disclosable pecuniary interests, other registerable interests, and non-registerable interests in any item on the agenda.

3. **Minutes of Previous Meeting (Pages 5 - 10)**

To approve as a correct record the minutes of the meeting held on 12 November 2024.

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For requests for further information

**Contact:** Rachel Graves

**Tel:** 01270 686473

**E-Mail:** with any apologies

**To register to speak on an agenda item:** [Register to Speak form](#)

4. **Public Speaking/Open Session**

In accordance with the Council's Committee Procedure Rules and Appendix on Public Speaking, a total period of 15 minutes is allocated for members of the public to put questions to the committee on any matter relating to this agenda. Each member of the public will be allowed up to two minutes each to speak, and the Chair will have discretion to vary this where they consider it appropriate.

Members of the public wishing to speak are required to provide notice of this at least three clear working days' in advance of the meeting.

Petitions - To receive any petitions which have met the criteria - [Petitions Scheme Criteria](#), and falls within the remit of the Committee. Petition organisers will be allowed up to three minutes to speak.

5. **Future of West Park Museum Collections (Pages 11 - 20)**

To consider the report on the future of West Park Museum collections.

6. **Housing Related Support Contracts - Update (Pages 21 - 30)**

To consider the report on the recommissioning of Housing Related Support contracts.

7. **Third Financial Review 24/25 (Pages 31 - 120)**

To consider the report on the current forecast outturn for the financial year 2024/25 based on income, expenditure and known commitments.

8. **Medium Term Financial Strategy Consultation 2025/26 - 2028/29 Provisional Settlement Update (Pages 121 - 182)**

To consider the proposals within the budget consultation relating to the Committee's responsibilities.

9. **Work Programme (Pages 183 - 188)**

To consider the Work Programme and determine any required amendments.

10. **Exclusion of the Press and Public**

The reports relating to the remaining items on the agenda have been withheld from public circulation and deposit pursuant to Section 100(B)(2) of the Local Government Act 1972 on the grounds that the matters may be determined with the press and public excluded.

The Committee may decide that the press and public be excluded from the meeting during consideration of the following items pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 and public interest would not be served in publishing the information.

**PART 2 - MATTERS TO BE CONSIDERED WITHOUT THE PUBLIC AND PRESS PRESENT**

11. **Housing Related Support Contracts - Update** (Pages 189 - 192)

To consider the confidential appendix.

12. **Westfields - Progress Update** (Pages 193 - 202)

To consider the progress report on Westfields.

**Membership:** Councillors D Brown, L Buchanan, A Burton, J Clowes, P Coan, B Drake, M Gorman (Chair), A Heler, G Marshall, C O'Leary, P Redstone, R Vernon and F Wilson (Vice-Chair)

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**CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Economy and Growth Committee**  
held on Tuesday, 12th November, 2024 in the Committee Suite 1,2 & 3,  
Westfields, Middlewich Road, Sandbach CW11 1HZ

**PRESENT**

Councillor M Gorman (Chair)  
Councillor F Wilson (Vice-Chair)

Councillors D Brown, L Buchanan, A Burton, D Clark, J Clowes, P Coan,  
G Marshall, C O'Leary, P Redstone and R Vernon

**OFFICERS IN ATTENDANCE**

Peter Skates, Acting Director of Place  
Karen Carsberg, Head of Housing  
Karen Whitehead, Housing Standards and Adaptations Manager  
Adrian Leslie, Legal Officer  
Steve Reading, Finance Officer  
Rachel Graves, Democratic Services Officer

**27 APOLOGIES FOR ABSENCE**

Apologies were received from Councillors B Drake and A Heler. Councillor D Clark attended as a substitute.

**28 DECLARATIONS OF INTEREST**

In relation to Item 5 – Housing Strategy 2025-2028 Consultation, Councillor C O'Leary declared a non-pecuniary and non-registerable interest as he had published research relevant to housing strategy, most recently research commissioned by Greater Manchester Combined Authority and Centre for Better Ageing on older people's housing options.

In relation to Item 6 – Home Repairs and Adaptations for Vulnerable People Policy 2024, Councillor C O'Leary declared a non-pecuniary and non-registerable interest as he published research relevant to adaptations, including on financial benefits of low level adaptations.

**29 MINUTES OF THE PREVIOUS MEETING****RESOLVED:**

That the minutes of the meeting held on 25 September be approved as a correct record.

**30 PUBLIC SPEAKING/OPEN SESSION**

There were no public speakers.

**31 HOUSING STRATEGY 2025-2028 CONSULTATION**

The Committee considered the report which sought approval of the draft Interim Housing Strategy 2025-2028 for consultation.

It was reported that there were some typos in the draft strategy and that these would be corrected before it went out to consultation.

It was asked if the consultation would include a wide range of groups such as Cheshire Women's Aid and CPRE. In response it was stated that a wide range of organisations would be consulted which would include internal council services, registered housing providers, health and community partners, local charities and support groups.

It was suggested that the Vulnerable and Older Persons' Housing Strategy should be included in the list of strategies in the diagram in the introduction to the Housing Strategy. In response it was stated that the overarching strategies had been listed and that officers would look again at the strategies listed before the consultation went out.

Reference was made to the number of affordable homes in rural areas, and it was asked how many rural properties had been recently built. It was agreed that a written response would be circulated.

It was asked if the committee members could have sight of the consultation questions before the consultation went live. Officers agreed to circulate them.

Reference was made to modern day slavery and seasonal workers living in caravans who could be exploited, and it was asked if this was an issue in Cheshire East. In response it was said that the housing team worked closely with safeguarding colleagues and the community safety team and that there was a protocol in place to what would happen if a case was found, and that help would be provided with rehousing.

It was asked if the Council would consider introducing a register of private landlords under the selective licensing scheme. In response it was stated that a report had been brought to the Committee back in March 2024 on this and that were waiting for the Government to introduce their scheme and details of it to be made available.

**RESOLVED** (by majority): That the Committee

- 1 approve public consultation on the draft Interim Housing Strategy 2025-2028.

- 2 the final version of the Interim Housing Strategy 2025-2028 would be presented to a future meeting of Economy and Growth Committee to seek approval to adopt.

### 32 HOME REPAIRS AND ADAPTATIONS FOR VULNERABLE PEOPLE POLICY 2024

The Committee considered the report which set out details of the proposed consultation on revisions to the Home Repairs and Adaptations for Vulnerable People Policy to provide a targeted focus on the most financially vulnerable households, enabling them to live independently in their own home, reducing health inequalities and reducing reliance on long-term care.

The demand for the Disabled Facilities Grant was exceeding the budget allocation. As the Council was facing unprecedented financial circumstances, it was necessary to review the discretionary financial assistance give to residents through the Home Repairs and Adaptions Policy 2021-2026.

The Council had been operating a policy of topping-up £30,000 grants up to £50,000. Demand for this discretionary supplement had increased year on year, with 17% of the Disabled Facilities Grant budget in 2023/24 being spent on the discretionary supplement. The proposal to amend the Policy to remove the discretionary element would enable the Council to utilise the capital grant funding it received to assist more households at a lower average grant per household and would align with standard practice in other local authority areas.

The Committee suggested that healthcare partners should be involved with the consultation as there was evidence which showed the effectiveness of housing adaptations reducing the risk of falls at home.

Reference was made to the timescales for grant applications and work being carried out. In response it was stated that it depended on the type of work requested. Some applications were exceeding the 6 months from when received. There was a process for very urgent works which could be approved within a matter of days.

**RESOLVED** (by majority): That the Committee

- 1 delegate authority to officers to conduct a public consultation on the proposed revisions to the Home Repairs and Adaptations for Vulnerable People Policy 2021-2026 and return to Committee to report on the outcome of the consultation and seek approval for a final revised policy.
- 2 approve the virement of £458,000 budget from Green Homes Grant to Home Repairs for Vulnerable People in the capital programme.

33 **SECOND FINANCIAL REVIEW OF 2024/25**

The Committee considered a report which provided the current forecast outturn for the financial year 2024/25 based on the Council's income, expenditure and known commitments as at the end of August 2024. The report also identified actions that were being taken to address adverse variances to urgently address financial sustainability.

The Second Financial review forecast revenue outturn was forecasting an adverse variance of £20.1m. This was before the application of any exceptional financial support. The Economy and Growth Committee were reporting an underspend of £3.3m against the net budget of £28.1m. The key reasons for the underspend were underspends from vacancy management and lower gas and electricity prices.

An amendment was proposed and seconded to Recommendation 2 as follows:

The addition of the following at the end of recommendation 2

*“To facilitate this review, establish a task and finish group, consisting of five councillors (2 Labour, 2 Conservative, 1 Independent) to review and provide scrutiny to the changes in timing and funding of, reasons for, risks and consequences of Economy and Growth Committee capital projects and to report back to the committee on its findings and recommendations by the end of this financial year.”*

The amendment was put to the vote with 6 voting for, 6 voting against and no abstentions. In accordance with the Council's Constitution/Procedural Rule 2.36, the Chair exercised their casting vote and voted against the amendment. The amendment was therefore declared lost.

**RESOLVED (by majority):** That the Committee

- 1 note the factors leading to a forecast adverse Net Revenue financial pressure of £20.1m against a revised budget of £395.4m (5.1%) and note the contents of Annex 1, Section 2 of the report on the progress of the delivery of the MTFS approved budget policy change items, the RAG ratings and latest forecasts and the actions to be taken to address any adverse variances from the approved budget.
- 2 note the in-year forecast capital spending of £157.7m against an approved MTFS budget of £215.8m due to slippage that has been re-profiled into future years.
- 3 note the available reserves position as per Annex 1, Section 5 of the report.



**34 MEDIUM TERM FINANCIAL STRATEGY UPDATE 2025/26 - 2028/29**

The Committee received the report which set out progress and further development activity required before the final MTFS 2025-29 would be presented for approval to the budget setting meeting of Council in February 2025.

**RESOLVED:** That the Committee

- 1 note the progress to date on the development of the MTFS for 2025-29.
- 2 note that officers will continue to challenge draft proposals and develop further proposals in consultation with Members prior to approval by Council.
- 3 note that Committees will be presented with the opportunity to review the full set of financial proposals, designed to achieve a balanced budget, as part of their January cycle of meetings prior to recommendations being made to Council for approval.

**35 WORK PROGRAMME**

The Committee considered the Work Programme for the remainder of 2024/25.

It was noted that an update report on the closure of Westfields would be brought to the January meeting of the Committee. This meeting would also receive reports on the West Park Museum, a feasibility study on Macclesfield car parks and MTFS 2025/26 – 2028/29 consultation.

**RESOLVED:**

That the Work Programme be noted.

The meeting commenced at 2.00 pm and concluded at 3.22 pm

Councillor M Gorman (Chair)

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OPEN

## **Economy and Growth Committee**

**14<sup>th</sup> January 2025**

### **Future of West Park Museum Collections**

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**Report of: Peter Skates**

**Report Reference No: EG/07/24-25**

**Ward(s) Affected: All Macclesfield**

**For Decision or Scrutiny: Decision**

#### **Purpose of Report**

- 1 The purpose of this report is to seek decisions on the future of West Park Museum collections.
- 2 The report summarises the current position and makes recommendations for:
- 3 Future care, conservation and retaining public access to the museum collections

#### **Executive Summary**

- 4 This report summarises the current position concerning West Park Museum and its associated collections. It provides the background, including previous decision route to arrive at the current position, noting the deterioration of the building and the impact on the collections it has housed. The report further explains the steps which have been taken to safeguard the collections to date, sets out options which have been considered and finally makes recommendations for their long-term care.

Recommendations

The Economy and Growth Committee is recommended to:

1. Endorse the recommendation to permanently relocate collections from West Park Museum to Macclesfield Silk Museum and Macclesfield Town Hall

**Background**

- 5 West Park Museum is located in West Park, Macclesfield. It was donated to the people of Macclesfield by Marianne Brocklehurst (1832-1898) and her brother Peter Pownall Brocklehurst (1821-1903). The object of the benefactors was: *to found a museum to be furnished with a collection of works of Art, Geological specimens Egyptian and other Oriental curios with the view of affording educational advantages and instructive recreation to the people of Macclesfield.*
- 6 Whilst the museum and the collection are owned by Cheshire East Council, the council does not operate a museum service. For this reason, the care, curatorial needs and public access is managed by Macclesfield Silk Heritage Trust as part of an annual Service Level Agreement.
- 7 Professional curatorial advice was received in 2015 stating that West Park Museum was no longer fit for purpose. This was particularly in relation to the Museum's environmental conditions, which were not suitable and had subjected the collections to damaging factors. There was also a lack of sanitary and educational facilities to accommodate school groups, volunteers and staff. The environment within West Park Museum had been gradually deteriorating for a number of years due to the physical condition of the building. The high level of humidity in the building and the age of the heating system, meant that the environment for the display of important collections was inadequate and would cause them to deteriorate in the future without action being taken.
- 8 Since being made aware of the deteriorating conditions in 2015, steps have been taken to protect the collections. This began with the most vulnerable items being relocated, predominantly the Egyptology collections and organic items. These were relocated to the Silk Museum. In 2017 Members requested further investigation into the status of the collections and also that an options appraisal be undertaken on the long-term future of the museum.
- 9 An options appraisal was conducted by independent specialist consultants (Purcell) in 2017 which made recommendations that

refurbishment of the building should be undertaken. A further feasibility study followed which provided costed options for refurbishment.

- 10 A report was taken to Cabinet in 2018 which presented options for refurbishment or relocation of the collections. At this time Cabinet requested temporary relocation of the collections whilst refurbishment of the museum was further explored, including generation of external funding. Members also requested that the potential to include refurbishment as part of a wider programme to upgrade West Park and the Cemetery was considered.
- 11 The refurbishment option taken forward at this time included installation of appropriate heating and environmental control systems, a small extension to provide for sanitary and cloakroom facilities and a more flexible space for education sessions. It also allowed for a redisplay of the collections and interpretation to tell the story of how they relate to Macclesfield.
- 12 Submission of an expression of interest to the Heritage Lottery Fund for a project to refurbish the museum on this basis, restore West Park and Macclesfield Cemetery was submitted in 2019 but was unsuccessful.
- 13 Since 2019 various factors have prevented the project from developing further, including COVID, significant increases to capital scheme and affordability of the Council's Capital Programme.
- 14 During this time, conditions at the museum have worsened and have caused further damage to collections including mould, rust and insect infestation. In 2022 a report on the status of the collections was received from Lancashire Conservation Studios recommending immediate removal of all remaining items from West Park and a programme of remedial conservation.
- 15 A High-Level Business Case was developed in 2022 for urgent conservation works, storage and redisplay. The following table shows the amounts included in the MTFs between 2022 and 2025.

<b>2022/23 £</b>	<b>2023/24 £</b>	<b>2024/25 £</b>
20,000	22,000	12,000

- 16 In line with recommendations, in 2022 all remaining items from the collection were removed and either sent away for conservation work or relocated to the Silk Museum. A small number of items were placed into storage with Lancashire Conservation Studios. The building has since remained empty.

- 17 The Silk Heritage Trust continue to manage the collection through the SLA, however their lease on the museum building was surrendered in September 2024, which has been accepted by CEC.
- 18 There is now a need to determine the long-term future of the collection in order to ensure its care, conservation requirements and continued access by the public.
- 19 If the recommendation is approved then the building will be surplus to requirements of the Cultural Economy Service. An options appraisal for the museum building will be dealt with in a future report to Assets Board.

### **Consultation and Engagement**

- 20 Consultation with local stakeholders on refurbishment plans was undertaken in 2019, prior to submission of the Expression of Interest to the National Lottery Heritage Fund.
- 21 Plans did not proceed due to unavailability of funding and increased capital costs post COVID
- 22 The Silk Heritage Trust have advised on and have been fully involved and consulted on conservation and presentation requirements of the collection.

### **Reasons for Recommendations**

- 23 The recommended option is to permanently relocate all collections from West Park Museum to Macclesfield Silk Museum and Macclesfield Town Hall.
- 24 The majority of the collections have already been successfully relocated, redisplayed and reinterpreted at the Silk Museum, in particular the Egyptology collection, and have been well received by visitors.
- 25 Space in Macclesfield Town Hall has been identified to redisplay 10 paintings from the collection. The remainder of the collection can be displayed and reinterpreted at the Silk Museum. This work can be completed by the end of March 2025
- 26 This option allows for continued curatorial care, conservation and public access to the collections in line with the annual Service Level Agreement with the Silk Heritage Trust and is affordable within current budgets.

### **Other Options Considered**

- 27 Other options considered for the future of the collections:

Option considered	Reasons for Discounting
<p>Embark on a fully funded programme of refurbishment of West Park Museum to include installation of appropriate heating and environmental control systems, a small extension to provide for sanitary and cloakroom facilities and a more flexible space for education sessions. This would enable a redisplay of the collections and interpretation to tell the story of how they relate to Macclesfield. Minimum cost of £900,000 based on prices in 2019.</p>	<ul style="list-style-type: none"> <li>• Unaffordability of CEC capital programme</li> <li>• Feasibility, options appraisals and cost assessments were last undertaken in 2019. Since then, costs of capital programmes have increased considerably. The estimate of £900,000 to undertake this work is now considered to be insubstantial.</li> <li>• The surrender of lease of West Park Museum by the Silk Heritage Trust. Any future arrangements would need to be renegotiated with the Trust which is not within their business plans at the current time.</li> </ul>
<p>Seek external funding to offset capital costs to CEC for refurbishment programme</p>	<ul style="list-style-type: none"> <li>• Whilst a programme of refurbishment would fall within the remit of external funders such as National Lottery Heritage Fund, the likely success of such an application is thought to be very low at present due to other funding priorities in the Borough.</li> <li>• External funding would still require match funding from CEC.</li> </ul>
<p>Undertake further feasibility / options appraisal work</p>	<ul style="list-style-type: none"> <li>• There is currently no available budget to undertake further options appraisal</li> </ul>
<p>Place collections into long term storage</p>	<ul style="list-style-type: none"> <li>• This would prevent public access and enjoyment of the collections</li> <li>• This would come at a cost and is currently unbudgeted</li> </ul>
<p>Do nothing</p>	<ul style="list-style-type: none"> <li>• The Council has a duty of care to the collections in its ownership. To do nothing would put the collections at risk of no curatorial care, increased risk of deterioration and no public access. This would present significant reputational damage to the Council and potentially increased future conservation costs.</li> </ul>

## **Implications and Comments**

### *Monitoring Officer/Legal*

28 There are no legal implications for this report.

### *Section 151 Officer/Finance*

29 There is currently £12,000 in the MTFs for 2024/25 to complete the conservation and redisplay work. Current estimates for the total cost to complete this work are £15,000. The remaining £3,000 can be met from existing Cultural Economy budgets. If the recommendation is endorsed no further expenditure would be required at this time.

30 Should the recommendation be unendorsed, further budget will be required for ongoing storage of some items until an alternative solution is identified either for refurbishment of the museum or long-term storage.

31 Costs of refurbishment of the museum were last provided in 2018. Refurbishment at this time to provide the necessary upgrades to the building were estimated at £900,000. Whilst this has not been formally updated, it is estimated that due to inflationary increases and rises in capital costs a more realistic figure today would be circa £1.5 million. This is not currently within the Council's Capital Programme.

### *Policy*

32 The recommendation supports the Council's aims to be open and fair and to enable its priorities to be a thriving and sustainable place, to empower and care about people and to be an open and enabling organisation. The recommendation also supports Macclesfield Cultural Strategy and the Council's Cultural Priorities as set out in the Cultural Framework 2023 – 2027.

### *Equality, Diversity and Inclusion*

33 An EIA is in progress.

### *Human Resources*

34 There are no implications for Human Resources

### *Risk Management*

35 This is a locally sensitive issue and could generate some public interest and press interest, particularly in relation to the fact that, if the recommendation is endorsed, the building will be surplus to requirements of the Cultural Economy Service, leading to a future options appraisal for



the museum building. A communications plan will therefore need to be put in place.

*Rural Communities*

36 There are no implications for Rural Communities

*Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)*

37 Endorsement of the recommendation will allow the collections to remain accessible to the public and benefit from being incorporated into the Silk Museum's education programmes.

*Public Health*

38 There are no Public Health implications.

*Climate Change*

39 There are no climate change implications of this report

<b>Access to Information</b>	
Contact Officer:	Carole Hyde Carole.hyde@cheshireeast.gov.uk
Appendices:	None
Background Papers:	<a href="#">Cabinet 10 April 2018 - West Park Museum; Future Accommodation of Collections</a>

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## 1. EQUALITY IMPACT ASSESSMENT – INITIAL SCREENING

<b>Stage</b>	Identify the details of the service, service change, decommissioning of the service, strategy, function or procedure & how you have identified the need for an EqlA		
<b>Title</b>	West Park Museum Collection Care		
<b>Is this a new policy or changes to an existing policy?</b>	Changes to existing		
<b>Officer(s) responsible for carrying out EqlA process</b>	Helen Paton – Cultural Economy Manager		
<b>What are the aims and objectives of the activity?</b>	Requirement to relocate museum collections from West Park Museum permanently due to deteriorating environmental conditions at the museum. This is to prevent any further damage to collections following conservation work, to maintain public access to the collections and to provide for their long-term care and preservation.		
<b>Will any of the following protected characteristic(s) will be affected by this activity? Answer yes, no or don't know for each characteristic</b>	<b>Yes</b>	<b>No</b>	<b>Don't Know</b>
Age		X	
Disability		X	
Gender Reassignment		X	
Marriage / Civil Partnership		X	
Pregnancy / maternity		X	
Race		X	
Religion or belief		X	
Sex		X	
Sexual orientation		X	

**COMPLETION OF INITIAL SCREENING PROCESS**

If the proposal will affect or impact negatively on any protected characteristic under the Equality Act 2010, you will be asked to complete the full EqlA template.

**If there is no direct impact on any of the protected characteristics, this form should be signed below by the responsible officer to confirm a full EqlA is not required. The form should then be authorised by a Senior Manager.**

**Date of Initial Assessment:**

**13/11/24**

**This activity will have no impact on people from any of the protected characteristics above and a full Equality Impact Assessment is not required.**

**Name:** Helen paton

**Position:** Cultural Economy Manager

**Date:** 13/11/24

**Authorised By (Head of Service)**

**Name:** Carole Hyde, Head of Rural and Cultural Economy

OPEN

**Economy and Growth Committee****14<sup>th</sup> January 2025****Recommissioning of Housing Related Support Contracts****Report of: Peter Skates – Director of Growth and Enterprise****Report Reference No:****Ward(s) Affected: All Wards****Purpose of Report**

- 1 Housing Related Support Services include accommodation based and floating support services provided directly to people in their own homes. These services are provided for people at times of crisis and also for those who require further ongoing support. They provide a stable environment for people who have previously led chaotic lives and support them to ensure that they are ready to successfully manage a tenancy and eventually live independently.
- 2 Following a review of Housing Related Support Services undertaken by Homeless Link, in July 2023 the Economy and Growth Committee approved the recommissioning of the Council's Housing Related Support Services contracts with a view to implementation from 1<sup>st</sup> April 2024. In March 2024 a subsequent report was presented to the Economy and Growth Committee which outlined the outcome of the tendering process and sought further approval to retender a number of lots as they had not been awarded.
- 3 This report provides a further update on the outcome of the additional tendering exercise and seeks further approval to remodel one remaining lot which was not awarded to.
- 4 This contributes towards the Council's Corporate Plan 2021-2025 to be a Fair Council with the aim of reducing inequalities, promote fairness and opportunity for all and support our most vulnerable residents.

**Executive Summary**

- 5 Following approval by the Economy and Growth Committee to re-commission the Housing Related Support contracts, the tendering exercise commenced in September 2023.

- 6 Authority was delegated to the Director of Growth and Enterprise to award the contracts following the procurement process, however following evaluation of the tenders, not all were awarded, and further approval was sought in March 2024 to retender a number of lots.
- 7 A further tendering exercise commenced in September 2024 and contracts were awarded to South Rough Sleeping Prevention Service, but we did not receive any qualifying interest in the North Rough Sleeping Prevention Service.
- 8 The existing contract will end on 31<sup>st</sup> March 2024 and the existing Provider has indicated that they would be prepared to extend this on a short-term basis whilst we undertake a further tendering exercise.

## RECOMMENDATIONS

The Economy and Growth committee is recommended to:

1. Approve the recommissioning of Rough Sleeping Prevention Service - North using an open procurement process for an initial term of 42 months (equating to 3.5 years), with the option to extend for up to a further 2 years.
2. Delegate authority to the Director of Growth and Enterprise to
  - a) modification of the existing contract in order to extend the term until 30 September 2025.
  - b) award the contract to the successful bidder following the procurement process

## Background

- 9 In 2022, Cheshire East commissioned Homeless Link, who are a charity that work directly with the homeless, to undertake a full robust review of our existing commissioned services and services which are operating across the Council which are not commissioned by Cheshire East but offer support to those who are homeless and need support.
- 10 Following the outcome of the review, the consensus at the time was recommissioning would provide more targeted services to meet the current and future needs of the residents of Cheshire East.
- 11 Economy and Growth Committee approved the recommissioning of services for an initial 5-year contract with the option to extend by one year on two occasions making the maximum term of the contract 7 years.
- 12 In September 2023 an invitation to tender was submitted to the market. The closing date for tenders was 13<sup>th</sup> October 2023. A total of nine lots were put out to tender; however, tenders were not received for all lots. No tenders were

received for the Rapid Access for both North and South or the Floating Support Service North.

- 13 In March 2024 a further report was presented to the Economy and Growth Committee seeking approval to re tender the following lots.
  - (a) Lot 2 – Rough sleeping prevention service – North
  - (b) Lot 3 – Rough sleeping prevention service – South
- 14 Approval was given to retender and to also bring the Floating Support Service back in house. The retendering exercise commenced in September 2024. We received bids for the Lot 3, Rough Sleeping Prevention Service – South and this has now been awarded, however for Lot 2, Rough Sleeping Prevention Service – North the only bidder did not pass the selection criteria stage.
- 15 Further work has been undertaken to understand the reasons why there was little interest shown, even though market testing had been undertaken and there had been no indication that the market would not provide the services outlined.
- 16 Following the procurement exercise Providers who had shown an interest through the market testing provided feedback via the procurement portal that the scheme was not viable in the North of the Borough.
- 17 We are therefore seeking approval to go back to the market to retender the Rough Sleeping Prevention Service – North. This service is intended to provide 50 units of 24 hour staffed supported accommodation for people at risk of, or with a history of, rough sleeping. The delivery is to include high quality interventions to prevent evictions and to work with people creatively through, trauma, mental health and addiction to support the Council in eliminating Rough Sleeping in Cheshire East.
- 18 The proposed timetable for the review and procurement and contract award is as follows:

<b>Action</b>	<b>Timeframe</b>
Development of specifications	Completed
Request revised TUPE information	1 Feb 2025
Published on the Chest	15 Feb 2025
Tenders Close	15 April 2025
Evaluation and moderation	15 May 2025
Tender Award	15 June 2025
Mobilisation Period	1 July – 30 September 2025
Contract Commencement	1 October 2025

### **Consultation and Engagement**

- 19 In order to develop the services, we have already consulted with vulnerable residents alongside engaging with specialist housing and support providers. We have spent time consulting with other Councils who commission similar services to ascertain how these operate and if they are effective. There is significant interest in working with the Council to deliver our objectives.
- 20 Through our homelessness link report residents and service users were already consulted, this does not need to be duplicated.
- 21 Providers interested in working with the Council have shared a detailed breakdown of the risks and costs of running the service and these have been accounted for in the revaluation of this tender.

### **Reasons for Recommendations**

- 22 These services are required to support the Council's delivery of statutory housing services. For many people in crisis the provision of accommodation could not be sustained without the support services that are an integral part of the offer.
- 23 This is a crucial time for many households in the borough, who are facing the cost-of-living crisis and inflationary pressures, including high rental costs, household bills and food prices. This will unquestionably put pressure on some of the most vulnerable members of our borough, increasing the risk of debt, rent arrears and tenancy breakdown.
- 24 The Homelessness Reduction Act 2017 and the primary homeless legislation of under Part 7 of the Housing Act 1996, places duties on the local authority to prevent and relieve homelessness, and in ensuring homeless households have access to suitable accommodation for their needs.
- 25 Housing Related Support is not statutory requirement, however, is widely recognised as a crucial component in the prevention of further impacts and costs to public services and budgets, including Health, Police, Adults and Childrens Social Care, and homelessness temporary accommodation.
- 26 These services help to achieve the 3 key priorities outlined in the Council's Homelessness Strategy.
  - (i) Enable people who are homeless to secure appropriate accommodation.
  - (ii) Provide interventions to prevent / reduce rough sleeping.
  - (iii) Ensure adequate support is in place to help maintain and sustain accommodation.

### **Other Options Considered**



27 The following options have also been considered:

Option	Impact	Risk
Do nothing	<p>By not preparing for the retendering of rough sleeping prevention contracts and services, we will have no housing options for rough sleepers or homeless households with complex needs.</p> <p>The current contract will end in March 2024</p>	<p>No services will be in place to continue to support vulnerable people who are homeless or at risk of homeless. Those in current accommodation services would be at risk of eviction (approx. 40 households).</p> <p>Homelessness and rough sleeping would dramatically increase alongside our ability to be able to discharge our statutory homelessness duty to in excess of 100 households per annum.</p>
Modify to extend the existing contract for 6 months to allow time for retendering and retender for the contract with a revised budget envelope.	If we modify to extend the existing contract, and the Providers agree, we will have sufficient services to continue to support rough sleepers and homeless people with complex needs.	People experiencing homelessness will have an adequate service whilst we commit time to redesigning the services we want and meet long term needs better. Pressure on statutory services, including temporary accommodation and hotel use for homeless people will be lifted.

## Implications and Comments

### *Monitoring Officer/Legal*

This service is required to support the Council's overall delivery of statutory housing services outlined in the Housing Act 1996 Part VII as amended by the Homelessness Reduction Act 2017. Under the Homeless Reduction Act, all eligible people who are found to be homeless or threatened with homelessness are entitled to tailored support from the housing authority, regardless of priority need and intentionality. Support to prevent homelessness has to be available to everyone regardless of local connection. In addition to this the authority has to provide interim accommodation for all people found to be homeless and in priority need. Legal will support and work as required with the procurement team as regards the procurement.

*Section 151 Officer/Finance*

Please see confidential information contained with Appendix One.

Policy

- 28 Housing Related Support contracts contribute towards the prevention of homelessness and form part of the approved statutory Homelessness and Rough Sleeping strategy which was approved in 2021 by the Economy and Growth Committee.
- 29 The services provided under these contracts also contribute towards the ambition of the Corporate Plan as indicated below:

<b>An open and enabling organisation</b>	<b>A council which empowers and cares about people</b>	<b>A thriving and sustainable place</b>
<p>Through our review of the services and market engagement we are contributing to:</p> <p>Listen, learn and respond to our residents, promoting opportunities for a two-way conversation</p> <p>Promote and develop the services of the council through regular communication and engagement with all residents</p>	<p>Through the provision of Housing Related Support contracts, we are contributing towards:</p> <p>Working with partners to address the issues of poor housing, poverty, employment and education opportunities across the urban and rural areas.</p> <p>Vulnerable and older people live safely and maintain independence within community settings.</p>	<p>Enable access to well designed, affordable and safe homes for all our residents.</p>

*Equality, Diversity and Inclusion*

- 30 An Equality Impact Assessment has been completed.

*Human Resources*

- 31 It is presumed that staff within the current contracted provisions will be subject to TUPE.

A formal request for TUPE information was actioned in September 2024 and any revisions to that will be sought in February 2025, should this report, and proposed timescales be approved.

*Risk Management*

- 32 Lack of interest in the tender from the market due to a lack of interest, concerns of deliverability, and financial / inflationary pressures on housing providers / suppliers.
- (a) Further market engagement will be conducted with extensive support sought from the Homelessness and Rough Sleeping Strategy Steering Group.
  - (b) Ongoing consultation and engagement sessions will continue over the next 2 weeks to refine specifications with providers and stakeholders and contract lots. Therefore, it is hoped this will reduce this risk further as potential providers will be shaping future delivery.
  - (c) Ongoing contact with interested parties is in place, providers were able to share creative and costed proposals that indicated the intent to deliver a high-fidelity service to meet the complex needs of this client group.
  - (d) Providers bidding for other lots will be encouraged to enter into partnership bids to increase resilience and commitment to contract provision.
- 33 Change in regulation regarding supported housing.
- (a) There are ongoing developments within Central Government regarding supported housing - also referred to as 'exempt accommodation' for the purposes of housing benefit. This relates to the high costs of housing benefit subsidies and the regulatory framework to oversee providers' competence and compliance (typically those which are non-commissioned) across the country.
  - (b) Any changes would have to be subject to a transition period and the Council would work with providers to ameliorate against any impact to services.
- 34 Providers' poor performance and/or not delivering services
- (a) Contract Management teams are in place to continue effective, timely monitoring of contracts and to remedy concerns around performance.
  - (b) Clauses within contracts will enable the council to take a range of actions against a provider should they not deliver on the contract, such as withholding payments or terminating the contract entirely.

*Rural Communities*

- 35 This policy will support households to access housing support in all neighbourhoods of Cheshire East, including rural communities.

*Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)*

- 36 The impacts on children can be particularly traumatic and long-lasting, severely affecting life chances through adverse effects on their development, education and health. This scheme will protect the health and wellbeing of children and young people living in social and private tenancies, and aims to reduce homelessness, including households with children, and improve access to and sustainment of affordable housing.

Housing Related Support services include accommodation and floating support provision for younger people, including care leavers.

*Public Health*

- 37 Housing is a key social determinant for a person’s mental and physical health. Furthermore, people who experience homelessness are significantly more likely to suffer mental and physical health issues, The proposals within this report will ensure the Council continues to provide effective Housing Related Support services to residents in times of need, which will help to reduce the prevalence of homelessness and make better quality housing more accessible to residents. This will, in turn, deliver direct and indirect health and wellbeing benefits to Cheshire East residents.

*Climate Change*

- 38 Provision of services will be split down into geographical areas across the Council’s footprint which will avoid unnecessary travel throughout the Borough.

<b>Access to Information</b>	
Contact Officers:	Nic Abbott – Housing Options Manager Karen Carsberg – Head of Housing
Appendices:	Appendix One – part 2 confidential information
Background Papers:	N/A

Appendix 1

**OPEN**

By virtue of paragraph(s) X of Part 1 Schedule 1 of the Local Government Act 1972.

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**Approvals trail: to be removed before Committee**

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Name	Title	Comments	Date
Contributors:			
Karen Carsberg	Head of Housing		
Approvers:			

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OPEN

## **Economy and Growth Committee**

**Tuesday, 14 January 2025**

**Third Financial Review 24/25**

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**Report of: Adele Taylor, Interim Executive Director of Resources  
(Section 151 Officer)**

**Report Reference No: EG/13/24-25**

**Ward(s) Affected: All Wards**

**For Decision or Scrutiny: Both**

### **Purpose of Report**

- 1 This report provides the current forecast outturn for the financial year 2024/25 based on our income, expenditure and known commitments as at the end of October 2024. It also identifies actions that are being taken to address adverse variances to urgently address our financial sustainability.
- 2 The report provides the forecast outturn for all services, to provide Members with contextual information on the position for the whole Council. Members are asked to focus their scrutiny on the forecasts and supporting information relating to services within the remit of the Committee whilst understanding the overall context as a whole.
- 3 The report highlights any changes and external pressures that are impacting the Council since setting the budget in February 2024. Annex 1, Section 2 of the report highlights what the Council is forecasting to achieve as part of the 2024/25 approved budget changes per line (growth and savings).
- 4 As set out in previous Financial Reviews, the requirement to continue to identify further actions in order to bring the Council back to a position where we are living within our means remains, and it will be important that these actions are closely monitored, and appropriate action taken to manage our resources. This report includes information on the actions that are currently underway.

- 5 Reporting the financial forecast outturn at this stage, and in this format, supports the Council's vision to be an open Council as set out in the Cheshire East Council Plan 2024/25. In particular, the priorities for an open and enabling organisation, ensure that there is transparency in all aspects of council decision making.
- 6 The report also requests member approval for amendments to the Council's budget in line with authorisation levels within the Constitution.

### Executive Summary

- 7 The Council operates a financial cycle of planning, review, management and reporting. This report ensures that we review where we are and provides a forecast **outturn** position for the 2024/25 financial year whilst also identifying the actions that need to be taken to manage our overall resources. The information in this report also supports planning for next year's budget by identifying issues that may have medium term impacts.
- 8 The Council set its 2024/25 annual budget in February 2024. The budget was balanced, as required by statute, with planned use of reserves of £22m, plus £30m of savings to achieve in year, and included important assumptions about spending in the year. The budget is part of the Medium-Term Financial Strategy (MTFS) 2024 to 2028.
- 9 The Third Financial Review (FR3) forecast revenue outturn is an **adverse variance of £18.3m** (prior to the application of any Exceptional Financial Support), an improvement of **£1.8m** from FR2, as detailed below in **Table 1**:

Table 1 2024/25 FR3	Revised Budget (NET)	Forecast Outturn	Forecast Variance	Forecast Variance FR2	Movement from FR2 to FR3
	£m	£m	£m	£m	£m
<b>Service Committee</b>					
Adults and Health	138.0	157.9	20.0	20.8	(0.8)
Children and Families	93.0	98.5	5.4	5.4	0.0
Corporate Policy	41.9	44.4	2.5	2.4	0.1
Economy and Growth	28.1	24.3	(3.8)	(3.3)	(0.5)
Environment and Communities	48.4	47.8	(0.6)	(0.1)	(0.5)
Highways and Transport	16.0	15.5	(0.5)	(0.6)	0.1
<b>Sub-Committee</b>					
<b>Finance Sub:</b>					
Central Budgets	25.1	20.5	(4.6)	(4.5)	(0.2)
Funding	(390.5)	(390.5)	-	0.0	(0.0)
<b>TOTAL</b>	<b>(0.0)</b>	<b>18.3</b>	<b>18.3</b>	<b>20.1</b>	<b>(1.8)</b>



- 10 Whilst an improvement on the Second Financial Review of £1.8m (see mitigations in para 28), the forecast overspend of £18.3m remains a significant financial challenge for the Council. The FR3 forecast reserves, after agreed movements budgeted for in the 2024-28 MTFS, are currently £14.0m, being £4.5m of General Fund Reserves and £9.5m of Earmarked Reserves. The Council's level of reserves is therefore insufficient to cover the current forecast revenue outturn for the year without further action.

**Table 2: Proposed use of Exceptional Financial Support and Reserves as at FR3**

<b>Exceptional Financial Support &amp; Reserves FR3</b>	
	<b>£m</b>
FR3 Forecast Overspend	18.3
Exceptional Financial Support	(17.6)
Forecast Tfr from Reserves	(0.7)
<b>24/25 Outturn</b>	<b>-</b>
<b>Reserves</b>	
General Fund	4.5
Earmarked Reserves	9.5
<b>Original Forecast at 31st March 2025</b>	<b>14.0</b>
Forecast Transformation spend 2024/25	(4.1)
Forecast Tfr from Reserves	(0.7)
<b>Forecast Total Reserves at 31st March 2025</b>	<b>9.2</b>

- 11 As noted in para. 9 above, the forecast adverse variance of £18.3m does not assume the use of the Exceptional Finance Support (EFS) that was requested in 2023/24 and 2024/25 and was agreed in principle, subject to a number of conditions being satisfied, including the submission of a transformation plan at the end of August 2024. It also does not assume the cost of accepting that EFS support which would impact on the cost of borrowing over the medium term.
- 12 A further condition of the EFS was that an independent review was undertaken by CIPFA on behalf of MHCLG to understand the Council's financial management and sustainability. The review was commissioned by and for MHCLG and the Council has not yet had sight of this review to understand any implications or improvements that could be made to existing processes. This was submitted to MHCLG in August 2024
- 13 In order to address the risk to services from the Council's budgetary pressures, there was an urgent report to Council on the 11<sup>th</sup> December 2024 on Exceptional Financial Support (EFS). The report sought the authority for the Chief Executive to request that the in-principle EFS of up to £17.6m by way of a capitalisation direction for 2023/24 and 2024/25 be able to be applied only in 2024/25, from the Secretary of State for Housing, Communities and Local Government in order to address the Council's budgetary pressures during the financial year 2024/25. The full report can

be found here: [CEC Report Template](#). In addition, the report also addresses the current risks that are identified and considered in the model for the Medium Term Financial Plan (MTFP), as per the report to Corporate Policy Committee on Thursday 28<sup>th</sup> November 2024 (Item49), hence further requests for 2025/26 of £31.4m and indications of £23.7m for 2026/27 should also be requested, alongside all of the supporting evidence and information requested by MHCLG. The costs of accepting the EFS support will impact over the medium term. The financing of planned use of EFS will be reflected in the MTFP report to Corporate Policy Committee in February. The financing will also reflect that the first call on any capital receipts, over and above the £2m accounted for in the approved revenue budget, will be utilised to finance the EFS.

- 14 As indicated in Table 2, the FR3 report, recognising the requests in the urgent report to Council on 11 December 2024, is proposing to utilise the full £17.6m conditional EFS to cover the forecast adverse variance in 2024/25 in order to protect and minimise the use of reserves. Table 2 identifies that the FR3 forecast remaining adverse balance of £0.7m is forecast to be funded from Reserves however urgent action continues to further reduce the overspend by the year end. Should the FR3 forecast position prevail at out-turn then the balance of reserves will be £9.2m after applying the whole £17.6m EFS and £0.7m from reserves.
- 15 There remains a risk that pressures leading to the latest FR3 forecast position may increase that shortfall figure if further rapid action does not take place to stabilise our financial position.
- 16 The FR3 forecast position for capital spending for 2024/25 indicates forecast capital expenditure of £144.7m against the MTFP budget of £215.8m (FR2 £157.7m).

- 17 **Table 3** sets out the capital programme profiling changes from FR2:

<b>Table 3</b>	2024/25	2025/26	2026/27	2027/28	2024/28
	Estimate	Estimate	Estimate	Estimate	Total
	£000s	£000s	£000s	£000s	£000s
Capital Programme FR2	157,661	151,770	115,852	225,173	650,456
Funded by:					
Borrowing	45,101	57,996	14,802	25,044	142,943
Grants and other contributions	112,560	93,774	101,050	200,129	507,513
	157,661	151,770	115,852	225,173	650,456
Capital Programme FR3	144,670	157,134	104,400	243,852	650,056
Funded by:					
Borrowing	40,967	51,807	19,093	29,245	141,112
Grants and other contributions	103,703	105,327	85,307	214,607	508,944
	144,670	157,134	104,400	243,852	650,056
Movement from FR2	(12,991)	5,364	(11,452)	18,679	(400)

- 18 All of the current schemes requiring borrowing have been reviewed by the Executive Directors and Directors and they have indicated that most schemes need to continue for various reasons (e.g. provision of sufficient SEND school place schemes are part of the mitigation plans agreed with the

DfE prior to the award of additional High Needs Funding; the Strategic Leisure Review is an invest to save scheme as are Fleet EV Transition and Fleet Vehicle Electric Charging; Public Sector Decarbonisation Schemes require match funding to support the grant and will bring energy efficiencies).

- 19 There have been some schemes where reductions have been made, for example the Children's Home Sufficiency Scheme has been reduced by £0.69m and the review of Household Waste Recycling centres has been reduced by £1m, and a few schemes are proposed to be removed altogether as they are considered unaffordable. e.g. the Strategic Capital scheme £6.8m.
- 20 Changes to the capital programme at this stage of the year will have a limited impact on the current year financial position but reductions in borrowing achieved through the capital review will be reflected in the revenue position each year in the MTFS for 2025-29.
- 21 In order to maintain the current level of scrutiny of capital projects and their financing a new Capital Programme Board will be set up in January. Please see the MTFS Consultation report for further detail.
- 22 The current forecast for achievable capital receipts in year is £2.3m, with a further £0.8m also achievable in year. These receipts can be used to reduce revenue pressures from borrowing in year or could be used to assist with funding of transformation activity.
- 23 Following a Balance Sheet Review by our Treasury Advisors, Arlingclose Ltd, we are reviewing our current Minimum Revenue Provision (MRP) and Capital Financing Requirement (CFR) policy with a view to bringing it in closer alignment with CIPFA Guidance. The Council currently uses a 2% annuity rate on all its unfinanced capital expenditure. This rate was originally set in 2017 and does not bear any resemblance to the current cost of the borrowing, nor distinguish between assets which have different useful lives. Options to change the rate applied to a rate more reflective of actual borrowing costs and asset life are being considered with effect from 1 April 2024. Should any changes be proposed then these will be reported in the MTFS report to the Corporate Policy Committee in February 2025 setting out the change in Accounting Policy and the effects of the change on the 2024/25 out-turn position and future year impacts through the MTFS.
- 24 Any such changes to the policy would need to be made in the current year due to new regulations coming in from 1<sup>st</sup> April 2025 and would therefore have the benefit of reducing the current year charge to revenue with a betterment to the overall outturn position. This has not yet been included in the figures reported within this document. However, making such a change has long term implications and therefore should not be undertaken without discussion with our auditors.
- 25 The Strategic Finance Management Board leads on a number of key tasks to urgently reduce spend and identify additional savings, including:

- Line-by-line reviews of all budgets to further identify immediately any underspends and/or additional funding;
- Stop any non-essential spend;
- Actively manage vacancies, particularly agency usage and reduce any overspends on staffing as soon as possible;
- Review of Section 106 legacy budgets, the effects of which are partly reflected in the FR3 forecast outturn as a one-off contribution to reserves (to be further updated by out-turn);
- Reducing the borrowing elements of the capital programme to minimise the minimum revenue provision and interest payable.
- Review of capital receipts available and potential surplus assets that can be sold (for best consideration);
- Identification of any other areas of discretionary spend including grants awarded, where spend can be reduced or stopped;
- Review Debt management/overall level of bad debt provision – work undertaken to date, focussing on the Adult Social Care bad debt provision, has identified through adopting a new approach to reviewing and monitoring these debts, an improvement (reduction) of the Council's bad debt provision of £1.1m, further work is ongoing and will be updated at Out-turn.

### **Overall mitigations planned to manage pressures**

- 26 The Strategic Finance Management Board is leading on a number of key tasks to urgently reduce spend and identify additional savings as noted above.
- 27 In addition, any directorate that is identified as being off target by more than 5% is now subject to a detailed finance and performance review on a weekly basis through a financial recovery review process. This includes a detailed action plan, identifying what can be done to sustainably reduce the pressure and gaining assurance over the management of those actions to deliver improved financial outturns. This process has been put in place for Adults Services and Children and Families and is being chaired by the S151 Officer.
- 28 As reported in paragraphs 34-55 below, work is underway across all Services to look at mitigating actions which can be taken to reduce the forecast position in-year, some of the actions below having contributed to the £8.2m improvement from FR1 position of £26.5m adverse, including:
- Adults - more certainty about the FR2 projections and the delivery of in-year mitigations, including a reduction in the forecast number of placements in-year.

- Children & Families – reviewing costs of placements, establishment reviews, Reunification of children, and Work on Edge of Care Service proposals to identify early intervention and cost reduction.
- Place Services – mitigations in year through further vacancy management, reducing expenditure and maximising funding opportunities.
- Corporate – Vacancy management and some additional income.
- Finance Sub – S106 and bad debt reviews generating one-off in year contributions to assist in reducing the in year overspend and review/reset process moving forward.

29 Paragraphs 56-57 below provides a summary overview of the forecast against the approved 2024/25 budget change items, including RAG rating. In addition, there is further detail per change item with accompanying commentary, as reviewed by the Council’s Corporate Leadership Team, in respect of each item within **Annex 1, Section 2**.

30 **Annex 1: Detailed Third Financial Review 2024/25**

- **Section 1** 2024/25 Forecast Outturn
  - **Section 2** 2024/25 Approved Budget Change Items
  - **Section 3** Revenue Grants for approval
  - **Section 4** Capital
  - **Section 5** Reserves
  - **Section 6** Treasury Management
- Annex 2: 2024/25 Capital Monitoring**

RECOMMENDATIONS

The Economy and Growth Committee to:

1. Review the factors leading to a forecast adverse Net Revenue financial pressure of £18.3m against a revised budget of £390.5m (4.7%). To scrutinise the contents of **Annex 1, Section 2** and review progress on the delivery of the MTFs approved budget policy change items, the RAG ratings and latest forecasts, and to understand the actions to be taken to address any adverse variances from the approved budget.
2. Review the in-year forecast capital spending of £144.7m against an approved MTFs budget of £215.8m, due to slippage that has been re-profiled into future years.
3. Note the available reserves position as per **Annex 1, Section 5**.
4. Recommend to Council to approve the Supplementary Revenue Estimate

Request for Allocation of Additional Grant Funding over £1,000,000 as per **Annex 1, Section 3, Table 1**.

5. Note the Capital Virements above £500,000 up to and including £5,000,000 as per **Annex 1, Section 4, Table 4** will be approved in accordance with the Council's Constitution.

## Background

- 31 This single view of the financial picture of the Council provides the overall financial context.
- 32 The management structure of the Council is organised into four directorates: Adults, Health and Integration; Children's Services; Place; and Corporate Services. The Council's reporting structure provides forecasts of a potential year-end outturn within each directorate during the year, as well as highlighting activity carried out in support of each outcome contained within the Corporate Plan. Budget holders are responsible for ensuring they manage their resources in line with the objectives of the Council and within the approved budget.
- 33 For the purposes of each committee, these directorate budgets are aligned to a specific committee and the appendices to this report provides information at a level that the committee should have the ability to be able to scrutinise what is causing any variations in budget and appropriate actions to bring the council back into line in terms of managing its resources.

## Key issues causing the pressures

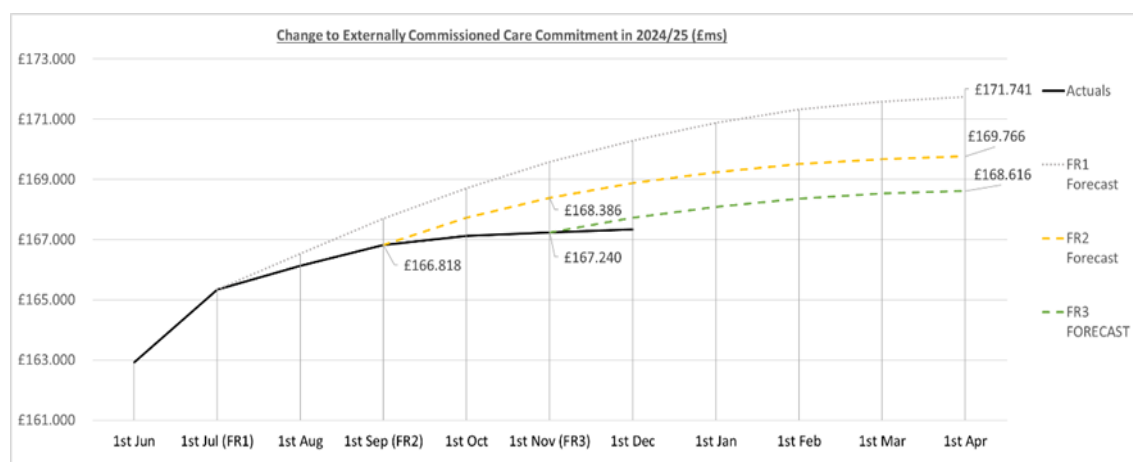
- 34 There are a number of key issues causing the forecast revenue overspend, including: Update as required :
- Ongoing adverse effects of the extended period of high inflation and interest rates;
  - Continued increasing demand and complexity of care beyond the levels that had been previously identified;
  - Increase in staff costs, including use of agency staff and impact of National Living Wage which also impacts on our third party commissioned contracts;
  - Increased borrowing costs associated with the unfunded Dedicated Schools Grant (DSG) deficit;
  - Non delivery of some previously agreed savings and/or income targets;
  - The financial impact of investment in transformation and improvement activity over the medium term.



## Specific commentary on the forecast outturn position by Committee

### Adults and Health adverse variance of £20.0m

- 35 The Adults, Health and Integration budget is forecast to overspend by £19.956m. The £19.956m is primarily driven by an overspend of c£23m linked to care costs and pressures on staffing of c£2m. These pressures are reduced by a variance client income of c£4m, and other mitigations c£1m. The key drivers of forecast expenditure remain price increases, staff costs and increase in complexity.
- 36 The FR3 position has improved by c£700k from the FR2 forecast. This reflects the progress made to mitigate future demand. There is more certainty about the projections and the delivery of in-year mitigations, including a reduction in the forecast number of future placements in-year as shown in the graph below.



- 37 As noted previously the key driver of expenditure in adult social care is the number of people in receipt of care and the cost of each individual's care. The forecast has stabilised because we believe we will make fewer new placements in the second half of the year than we made in the first half of the year.
- 38 There is close alignment between the work being undertaken to manage budget pressures and the transformation plan. There will be some impact in-year including in respect of pricing, the focus on the review of supported living services, and services to support people at home. However, there are also risks including the reduction in the number of agency staff which has led to an increase in waiting times for services and disputes with providers in respect of price increases. In addition, the NHS is currently reporting unprecedented levels of demand in the pre-Christmas period.

## Children and Families adverse variance of £5.4m

39 At the end of the last financial year the outturn for Children and Families was an overspend of £8.2m. The Medium-Term Financial Strategy included growth to address the pressures that were emerging throughout 2023/24. The costs of children's social care are a concern for many local authorities and not unique to Cheshire East. The Third Financial Review for 2024/25 reflects a £5.4m in-year pressure. Although the overall position remains the same as at the Second Financial Review, there was an increase in Social Care Cost relating to cost of agency staff and unaccompanied asylum-seeking children, offset by improvement in transport and catering forecast, reduced staffing cost due to vacancy management and use of grants in Education, Strong Start and Integration.

The key pressure areas for the directorate include:

40 Children's social care placements (£2.6m adverse variance) where the complexity of children in care has continued to increase and the number of children in care has increased from 528 at April 2024 to 556 at October 2024 (compared to a decrease from 586 at April 2023 to 551 at October 2023). Placement costs are increasing by significantly more than inflation and more than was projected for growth in-year.

41 The use and cost of agency staff in children's social care to cover vacancies, sick absence, and maternity leave.

42 The number of staff is greater than the planned establishment to ensure we are able to meet our statutory needs. Work is underway to ensure the staffing structure is suitably funded and factored into the MTFs for 2025/26.

43 Home to school transport costs (£0.1m adverse variance) – where a mix of increasing numbers of pupils with an education, health and care plan (EHCP), and increasing fuel costs have seen overall costs rise.

44 Schools Catering (£0.4m adverse variance) – where the costs of the service are above the current charged income level and base budget.

45 Work is underway in the services to look at mitigating actions which can be taken to reduce this forecast position in-year, and these pressures will be considered as part of the developing MTFs for 2025/26. These include:

- Reviewing costs of placements as more detailed reviews are underway focusing on the expected length that some placements may need to be in place for;
- Staffing establishment reviews now scheduled on a 6 weekly basis including a review of agency staff and alternative working;
- Reunification children to be identified with targeted work in place for individual cases;



- Tracking of similar spend across teams to be held in the same place as residential and supported accommodation spend to increase overall grip and understanding;
- Work on Edge of Care Service proposals to identify early intervention that may reduce admissions and costs.

### **Dedicated School Grant (DSG)**

- 46 The key pressure on DSG relates to the high needs block where the SEND service continues to see a significant increase in the number of pupils with an EHCPs, and the associated school placement costs.
- 47 This has placed pressure on the grant used to provide funding for children with SEND in various settings and led to a £31.7m deficit in 2023/24. This adds on to the brought forward deficit of £46.9m to take the DSG Reserve to a £78.6m deficit position at the end of 2023/24.
- 48 This is an improvement on the budget gap as determined by the Council's DSG Management Plan that was reported to Children and Families Committee in April 2024 and set out the planned expenditure and income on high needs over the medium term.
- 49 The current forecast is showing an in-year deficit of £37.1m which would increase the overall deficit to £115.7m.

### **Corporate Policy adverse variance of £2.5m**

- 50 The Corporate Services Directorate has a net budget of £41.7m. At Third Finance Review (FR3), the budget is forecast to overspend by £2.5m compared to a £2.4m overspend at Second Finance Review (FR2). The costs of the Transformation Programme are included in the above figures adding a £3.7m pressure to the forecast (£2.8m at FR2). Without this, the forecast would be a £1.2m underspend (£0.5m at FR2). It also must be noted that, following a recent review of staffing establishments, there are pending staffing budgets realignments to be actioned which will change individual service forecasts but not the overall figure for Corporate Services.
- Vacancy management in Corporate Services has resulted in the majority of services forecasting an underspend on staffing budgets totalling £2.4m (£2.1m at FR2). There is a staff budget pressure of £0.1m across Corporate Services relating to the estimated impact of the latest pay award offer versus the amount included in the MTFS however, due to the level of vacancies across the service, this is not an in-year pressure;
  - Vacancy management has been combined with tighter control on non-pay spending across all services which is achieving a forecast underspend of £1.0m (£0.7m FR2);
  - Additional income in the Registrations Service, and additional grant income in the Benefits Service.

However, these underspends have been offset by the following:

- Forecast spend of £3.7m (£2.8m FR2) on the Transformation Programme. The cost of the programme will be met from reserves or use of flexible capital receipts, the financial impact of these are shown elsewhere in the accounts;
- A forecast £1.4m (£1.3m FR2) under-recovery of Rent Allowances;
- A forecast overspend of £0.5m (£0.4m FR2) on the Transactional Service Centre (TSC), hosted by Cheshire West and Chester, mainly due to the additional costs of the stabilisation programme which has been put in place to improve the performance of the service and recognises the need to change the way in which Unit4 is used. This was an issue highlighted in the Corporate Peer Review;
- There is a forecast overspend in Accountancy mainly due to of £0.3m additional costs including Bank Charges and External Audit fees.

#### **Place Directorate favourable variance of £4.9m**

51 Overall, the Place Directorate is forecasting an underspend of £4.9m at the Third Financial Review stage against a £92.5m budget. This represents a £0.9m improvement from FR2. Pressures from reducing planning application income (£0.5m), increased waste collection and disposal costs (£0.5m) and yet to be secured savings against leisure (£0.4m) have been mitigated through further vacancy management, reducing expenditure and maximising funding opportunities.

#### **Economy & Growth favourable variance of £3.8m**

52 Growth and Enterprise Directorate and Place Directorate are forecasting an underspend of £3.6m against a net budget of £28.1m. The key reasons for the underspend are:

- Facilities Management: there is a £1.7m underspend forecast. This includes pressures against maintenance budgets of £0.5m (additional pressures and delivery of savings), costs of workplace initiatives and equipment of £0.4m, the transfer of underspends to offset Place MTFS targets across the Directorate £0.6m and these have been offset by:
  - Savings against gas and electricity compared to much higher budgeted costs £3.0m.
  - Business rates underspend of £0.2m due to revaluations and appeals.
  - Underspends from vacancy management £0.5m.

- Economic Development: £0.3m underspend from vacancy management, reduced supplies £0.1m and increased income £0.1m.
- Housing: £0.6m underspend from vacancies and extra grant funding.
- Green infrastructure and Cultural Economy £0.4m due to vacancies.

### **Environment & Communities favourable variance of £0.6m**

53 Environment and Neighbourhood Services is forecasting an underspend of £0.6m against a net budget of £48.4m. This is a £0.5m improvement from FR2. The key reasons for the forecasting underspend are:

- Development Management: £0.2m overspend reflecting pressures from a shortfall in income from planning applications £0.5m and pressures on supplies and services of £0.1m. These are offset by vacancy management £0.4m.
- Environmental – Commissioning: Orbitas £0.2m underspend overall due to better income performance.
- Libraries: £0.1m overspend including pressures of £0.5m from the delivery of the MTFs savings which is offset by £0.3m vacancy management and £0.1m underspend from MTFs growth for exploring a charitable trust model.
- Leisure Commissioning: £0.4m overspend (delivery of MTFs savings)
- Other service issues: £1.1m underspend:
  - Building Control: £0.3m underspend (£0.1m pressure on income offset by £0.4m vacancies).
  - Local Land Charges and Planning Support: £0.2m underspend from vacancies.
  - Strategic Planning: £0.4m (£0.2m vacancy management plus £0.2m delayed Local Plan costs).
  - Regulatory Services: £0.2m (£0.3m vacancies offset by £0.1m CCTV costs).

### **Highways & Transport favourable variance of £0.5m**

54 Highways & Infrastructure are forecasting an underspend of £0.5m against a net budget of £16m. This is a slight worsening of £0.1m since FR2 due to delayed car park income. The key reasons for the underspend are due to vacancies across Car Parking, Strategic Transport and Rail and Transport Integration.

**Finance Sub favourable variance of £4.6m**

- 55 Finance Sub Committee are reporting a positive variance of £4.6m against a revised net budget of £25.1m.
- Financing and Investment £0.5m net pressure reflecting £2.1m increased cost of interest payments on borrowing offset by £1.6m increased interest receipts from investments.
  - Reserves use of £3.6m (net change from MTFs) reflects £0.5m additional Flexible Capital Receipts offset by £1m reduction in available Capital Financing Reserve at outturn compared to forecast balance reflected in the February 2024 MTFs. There is also an additional £4.1m use of the General Fund reserve forecast to fund transformation activities.
  - There is a further £1.5m positive variance as a result of in year reviews of S106 balances/schemes and bad debt. The S106 Review identifying a one off contribution in year where work has been completed in prior years but has not been reflected in transferring money from S106 into the general fund, £0.5m initially reflected at FR2 with potential for further increased contributions at FR3; £0.1m reduction in the Adult Social Care bad debt provision, as referred to in para 77 below.

**Progress on delivery of the 2024/25 approved budget change items**

- 56 Table 5 presents a summary of the progress on the delivery of the 2024/25 approved budget change items. For items rated as Amber these are for items where there are risks and/or mitigating actions in place. For items rated as red these are for items where services are projecting an adverse variance and there is risk of in year non delivery/achievement. New mitigation items have also been included that have come forward since the approval of the MTFs to help the in-year position where identified.
- 57 As the green and blue columns show, £35.4m of the budget change items are either delivered or on track to be delivered or even exceed in some cases. However, there is also a pressure of £52.9m as shown in the red column that has a high risk of not being achieved within this financial year. There are new in year mitigations of £11m, unrelated to the change item rows that have been identified to assist the outturn position. The table below summarises the progress by Committee:

**Table 5: Summary of the progress on the delivery of the 2024/25 approved budget change items**

Committee	Approved Change Budget £'000	Forecast Outturn £'000	Completed £'000	Could Exceed £'000	Green £'000	Amber £'000	Red £'000	Mitigations £'000
Adults & Health	1,136	21,092	-2,723	0	-9,216	0	33,625	-594
Children & Families	9,909	15,315	965	0	-764	214	14,017	883
Corporate Policy	494	2,954	-173	0	-117	0	1,581	1,663
Economy & Growth	3,316	-449	-61	0	3,866	-585	940	-4,609
Environment & Communities	-52	-688	875	-1,480	-268	47	2,397	-2,259
Finance Sub	-19,668	-24,294	600	0	-29,279	9,974	0	-5,589
Highways & Transport	4,869	4,335	2,488	0	1,700	275	328	-456
<b>TOTAL</b>	<b>-1</b>	<b>18,265</b>	<b>1,971</b>	<b>-1,480</b>	<b>-34,077</b>	<b>9,925</b>	<b>52,888</b>	<b>-10,961</b>

58 A complete list of all approved budget change items, with progress noted against each item, can be found in **Annex 1, Section 2**.

### Revenue Grants for Approval

59 Approvals for Supplementary Revenue Estimates for allocation of additional grant funding are detailed in **Annex 1, Section 3**.

### Reserves Position

60 On 1 April 2024, Earmarked Reserves totalled £32.278m and the General Fund Reserve Balance totalled £5.580m. Of the total earmarked reserves, more than £22m (70.5%) will be spent in 2024/25, on supporting the revenue budget for 2024/25.

61 Table 6 and 7 shows the forecast level of Earmarked and General reserves by the end of 2024/25.

62 As part of the 2023/24 Out-turn, some Earmarked reserves planned to be spent in 2023/24 were not fully spent in year and therefore an additional slipped amount of Earmarked reserves were brought forward into 2024/25. There is planned spend in place for these earmarked reserves across Services however there is no current approval in place as they were not specifically reported for approval in the MTFs approved in February 2024. Table 6 below and the tables in Annex 1, Section 5 detail by Committee the

reserves as an indicative scenario. Recognising that there is existing planned spend against these earmarked reserves in 2024/25 and also the desired outcome of ensuring that the position on reserves is protected such that the out-turn forecast is not further worsened, it is proposed that the Corporate Leadership Team (CLT) carry out a strategic review of existing in-principle decisions on use of earmarked reserves for year end 31 March 2025 with the aim of supporting future financial sustainability. Examples of some of the earmarked reserves to be considered:

- Increasing the General Fund balance by transfer from earmarked reserves (e.g. MTFs reserve)
- Retaining and/or reinstating some earmarked reserves vital to our long-term financial planning (e.g. PFI reserve)

63 Following the CLT review, final recommendations will be made in the MTFs report to the Corporate Policy Committee on the 6 February 2025 as regards decisions on earmarked reserves used in 2024/25, and to be remaining as at 31 March 2025.

**Table 6: Earmarked Reserves**

Earmarked Reserves by Committee	Opening Balance 01 April 2024 £000	Drawdowns to General Fund £000	Approved Movement Forecast £000	Additional Drawdown Requests* £000	Closing Balance Forecast 31 March 2025 £000
Adults and Health	5,226	(2,795)	(110)	0	2,321
Children and Families	1,724	0	(1,593)	(131)	0
Corporate Policy	20,773	(6,551)	(2,830)	(4,545)	6,847
Economy and Growth	2,777	(662)	(1,004)	(765)	346
Environment and Communities	870	(390)	(402)	(78)	0
Highways and Transport	908	(205)	(415)	(288)	0
<b>EARMARKED RESERVES TOTAL</b>	<b>32,278</b>	<b>(10,603)</b>	<b>(6,354)</b>	<b>(5,807)</b>	<b>9,514</b>

\* All 'Additional Drawdown Requests' are subject to approval.

\* Total excludes schools' balances

**Table 7: General Fund Reserve**

General Fund Reserve	Opening Balance 01 April 2024 £000	Drawdowns to General Fund £000	Approved Movement Forecast	Additional Forecast Movement £000	Closing Balance Forecast 31 March 2025 £000
General Fund Reserve	5,580	(1,051)	0	(4,066)	463
<b>GENERAL FUND RESERVE TOTAL</b>	<b>5,580</b>	<b>(1,051)</b>	<b>0</b>	<b>(4,066)</b>	<b>463</b>



- 64 At FR1 the forecast closing balance at 31 March 2025 in the Council's General Fund Reserve was £4.5m. At FR2, a further £4m transformational spend has been included within the service forecasts which will be funded from General reserves, reducing the forecast balance to £0.5m. If it is possible to identify additional capital receipts these could potentially be used to capitalise this expenditure and this will remain an area that is under review.
- 65 The Council is currently forecast to have £9.514m of earmarked reserves at the end of the financial year 2024/25. Of this £2.279m can be considered ringfenced, with specific conditions limiting their use.
- 66 A full list of all earmarked reserves can be found in **Annex 1, Section 5**.

### Dedicated Schools Grant Reserve

- 67 The Dedicated Schools Grant (DSG) is ring-fenced funding received for: schools; high needs / special educational needs; and early years provision. In recent years there has been a pressure on the DSG high needs block where funding has not kept pace with the increasing numbers and cost of children with an Education, Health and Care Plan. This has created a deficit DSG reserve balance which is held in an unusable reserve.
- 68 The on-going pressure is regularly reviewed; at the end of 2023/24 the deficit was £78.6m and this is forecast to increase by £37.1m by the end of 2024/25. This is an improvement on the Council's DSG Management Plan approved in April 2024, which sets out the planned expenditure and income on high needs over the medium term. The DSG Management Plan is currently being updated and will be reported to Committee on completion.

**Table 8: Dedicated Schools Grant**

Dedicated Schools Grant Deficit	£m
Deficit Balance Brought forward	<b>78.6</b>
Additional In-year Pressures	<b>37.1</b>
<b>Deficit Balance at 31 March 2025</b>	<b>115.7</b>

### Debt

- 69 Sundry debt includes all invoiced income due to the Council except for statutory taxes (Council Tax and Non-Domestic Rates). The balance of outstanding debt at 28<sup>th</sup> November 2024 was £16.9m. This has reduced by £1m since FR2 (end of September 2024).
- 70 Annually, the Council raises invoices with a total value of over £80m. Around a quarter of the Council's overall sundry debt portfolio relates to charges for Adult Social Care, the remainder being spread across a range of functions including Highways, Property Services, Licensing and Building Control.

- 71 The Revenue Recovery team (using their experience gained in collecting Council Tax and Non-Domestic Rates) engage with services to offer advice and assistance in all aspects of debt management, including facilitating access to debt collection services (currently provided by Bristow & Sutor).
- 72 The total amount of service debt over six months old is £10.8m; split as £9.3m of Adult Social Care debt and £1.5m of Sundry Debt. A provision of £6.8m was made at year ended 31st March 2024 to cover doubtful debt in the event that it needs to be written off. There is an ongoing in year review of the Bad Debt provision which has to date focused on Adult Social Care debt, this work has identified a forecast £1m reduction in the provision in 2024/25 linked to the ASC debt, reflected in the FR3 position.
- 73 The level of Adult Social Care debt can fluctuate depending on when in the month the snapshot is taken, for example if it is before or after the Direct Debit income is received and allocated. The debt also has different levels of risk depending on the type of debt. For example, around £3m is linked to deferred arrangements which is debt that is secured on property or assets, and therefore carries a low risk. There is also around £5m of debt which is deemed to be lower risk as its linked to areas such as probate, property sales or deputyship. As noted above, the current review of Debt provision for Adult Social Care has identified a £1.0m reduction in the ASC debt provision having reviewed the provision process across the 3 main categories of ASC all of which have distinct provision calculations. Further work is ongoing and will extend to wider Council debt throughout the review.
- 74 The Highways position for outstanding debt is consistent throughout the year. The debt is generally made up of three elements: the movement of funds from Cheshire West and Chester Council and Warrington Borough Council in relation to the Cheshire Road Safety Group (these are settled quickly); third party claims for damage to the highway; and permit fees. The third party claims are often paid in instalments.
- The previous outturn positions are:
- 31 March 2024 Outstanding debt £1.6m, over 6 months old £0.7m.
  - 31 March 2023 Outstanding debt £1m, over 6 months old £0.5m
- 75 The Council has robust processes in place to ensure that all outstanding debt is chased up (where commercially viable) and, where necessary, payment plans are put in place with advice from Legal Services.



**Table 9 – Debt Summary as at 28<sup>th</sup> November 2024**

	Outstanding Debt £000			Over 6 months old £000		
	FR2	FR3	Increase / (Decrease)	FR2	FR3	Increase / (Decrease)
<b>Adults and Health Committee</b>						
Adults, Public Health and Communities	14,967	14,170	(797)	9,060	9,325	265
<b>Children and Families Committee</b>						
Children's Social Care (Incl. Directorate)	189	189	(0)	-	1	1
Prevention and Early Help	69	51	(19)	(7)	(8)	(2)
Schools	17	17	1	2	3	1
<b>Highways and Transport Committee</b>						
Highways and Infrastructure	1,115	1,305	190	760	755	(4)
<b>Economy and Growth Committee</b>						
Growth and Enterprise	740	621	(119)	394	420	27
<b>Environment and Communities Committee</b>						
Environment and Neighbourhood Services	398	377	(21)	215	214	(1)
<b>Corporate Policy Committee</b>						
Finance and Customer Services	135	126	(8)	69	67	(2)
Governance and Compliance	(1)	0	1	-	-	-
Human Resources	-	-	-	-	-	-
ICT	217	3	(214)	2	2	0
<b>Total</b>	<b>17,846</b>	<b>16,859</b>	<b>(988)</b>	<b>10,496</b>	<b>10,780</b>	<b>284</b>

## Council Tax and Business Rates

### Council Tax

76 **Table 10** details each precepting authorities share of the budgeted collectable rates income.

<b>Table 10</b> <b>Share of Council Tax Collectable Rates</b>	<b>Band D</b> <b>Charge</b>	<b>Collectable</b> <b>Rates</b> <b>£m</b>
<b>Cheshire East Council</b>	<b>1,792.59</b>	<b>287.1</b>
Town and Parish Councils	71.57	11.5
Cheshire Police and Crime Commissioner	262.94	42.1
Cheshire Fire Authority	90.09	14.4
<b>Total</b>	<b>2,217.19</b>	<b>355.1</b>

77 The collectable rates valuation is based on the assumption that of the total amount billed, at least 99% will be collected. **Table 11** demonstrates that, excluding a slight reduction during the Covid-19 pandemic, the target to collect at least 99% of Council Tax within three years continues to be achieved.

<b>Table 11 Council Tax Collection Rates</b>	2020/21 %	2021/22 %	2022/23 %	2023/24 %	2024/25 %
After 1 year	97.4	97.8	98.2	98.0	*73.5
After 2 years	98.6	98.5	98.8	**	**
After 3 years	98.9	99.0	**	**	**

\* 2024/25 rate is up to 30<sup>th</sup> November 2024.

\*\* Data is not yet available.

78 After accounting adjustments, the Council Tax Collection Fund is forecasting a £0.003m surplus for 2024/25, of which, £0.002m is attributable to Cheshire East Council. This surplus will be paid out in 2025/26 and will be held in the Collection Fund Earmarked Reserve until such time.

### Non-Domestic Rates (NDR)

79 Collectable rates are distributed between Cheshire East Council (49%), Cheshire Fire Authority (1%), and Central Government (50%).

80 Non-domestic Rates valuations for 2024/25 were set out in the NNDR1 return to Central Government in January 2024. Any variance to this forecast is included in the following years' NNDR1 return and any gain or loss will be recovered in 2025/26. The total Net Rates Payable into the Collection Fund was forecast at £155.7m.

81 **Table 12** demonstrates that the target to collect at least 99% of Non-Domestic Rates within three years continues to be achieved.

<b>Table 12 Non-Domestic Collection Rates</b>	2020/21 %	2021/22 %	2022/23 %	2023/24 %	2024/25 %
After 1 year	92.4	95.6	98.2	97.7	*72.6
After 2 years	97.4	98.3	98.8	**	**
After 3 years	99.0	99.2	**	**	**

\* 2024/25 rate is up to 30<sup>th</sup> November 2024.

\*\* Data is not yet available.

82 After accounting adjustments, the Non-Domestic Rates Collection Fund is forecasting a £2.1m deficit for 2024/25, of which, £1.0m is attributable to Cheshire East Council. This deficit will be repayable in 2025/26 and will be managed through the Collection Fund Earmarked Reserve.

### Treasury Management Strategy update

83 Treasury Management income to 30 November 2024 is £2.3m which is higher than the budgeted £1.3m. However, borrowing costs are also higher than budgeted at £12.0m compared to budget of £10.7m. This is caused by a combination of increasing interest rates with an increased borrowing requirement. From the projected cash flows for the remainder

of 2024/25 the net additional financing costs (borrowing less investment interest) is expected to be £0.8m in excess of that budgeted.

- 84 Interest rates have seen substantial rises over the last two years which has significantly increased the cost of borrowing. The expectation is that borrowing costs will start to fall although market uncertainty and tightening liquidity in the markets suggests we will not benefit from lower rates until 2025/26.
- 85 At the moment, cash shortfalls are generally being met by temporary borrowing from other local authorities which for a number of years has been considerably cheaper than other sources of borrowing and allowed the Council to keep financing costs low. The cost of these loans is currently relatively high compared with longer term loans but interest forecasts suggest it is still the cheaper option in the long term. However, liquidity risk remains an issue as funds become more scarce towards year end and the request to the Government for exceptional financial support has raised credit worthiness concerns with some lenders. To reduce liquidity risk, consideration is being given to taking more longer term PWLB loans.
- 86 The cost of short term borrowing for the first eight months of 2024/25 is 5.38% which is an increase from 4.82% in 2023/24. These costs are now expected to reduce as the outlook is for reducing interest rates.

## **Investment Strategy**

- 87 There have not been any material changes to the Investment Strategy since that reported at Final Outturn 2023/24, see link [Final Outturn 2023-24 Annex 1.pdf \(cheshireeast.gov.uk\)](#)

## **Consultation and Engagement**

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

## **Reasons for Recommendations**

- 89 The overall process for managing the Council's resources focuses on value for money, good governance and stewardship. The budget and policy framework sets out rules for managing the Council's financial

affairs and contains the financial limits that apply in various parts of the Constitution. As part of sound financial management and to comply with the constitution any changes to the budgets agreed by Council in the MTFS require approval in line with the financial limits within the Finance Procedure Rules.

- 90 This report provides strong links between the Council's statutory reporting requirements and the in-year monitoring and management processes for financial and non-financial management of resources.

### **Other Options Considered**

- 91 None. This report is important to ensure Members of the Committee are sighted on the financial pressure the Council is facing and the activity to date to try and mitigate this issue and are given an opportunity to scrutinise this activity and identify any further actions that could be taken to learn to live within our means Do nothing. Impact – Members are not updated on the financial position of the Council. Risks – Not abiding by the Constitution to provide regular reports.

### **Implications and Comments**

#### *Monitoring Officer/Legal*

- 92 The Council must set the budget in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility. Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget and require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.
- 93 The provisions of section 25 of the Local Government Act 2003, require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the chief finance (s.151) officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.
- 94 The Council should therefore have robust processes in place so that it can meet statutory requirements and fulfil its fiduciary duty. It must ensure that all available resources are directed towards the delivery of statutory functions, savings and efficiency plans. Local authorities are creatures of statute and are regulated through the legislative regime and whilst they have in more recent times been given a general power of competence, this must operate within that regime. Within the statutory

framework there are specific obligations placed upon a local authority to support communities. These duties encompass general and specific duties and there is often significant local discretion in respect of how those services or duties are discharged. These will need to be assessed and advised on as each circumstance is considered.

- 95 The financial position of the Council must therefore be closely monitored, and Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings or alternative mitigations.
- 96 This report provides an update on progress for 2024/25 for all services.
- 97 It also provides updates and comments regarding the Council's request for Exceptional Financial Support under The Levelling-up and Regeneration Act 2023 which inserted an amended Section 12A as a trigger event within the Local Government Act 2003, in relation to capital finance risk management. The legislation also provides for risk mitigation directions to be given to the Council which limit the ability to undertake certain financial action. The limitations are based on identified risk thresholds.

#### *Section 151 Officer/Finance*

- 98 The Council's financial resources are agreed by Council and aligned to the achievement of stated outcomes for local residents and communities. Monitoring and managing performance helps to ensure that resources are used effectively, and that business planning and financial decision making are made in the right context.
- 99 Reserve levels are agreed, by Council, in February each year and are based on a risk assessment that considers the financial challenges facing the Council. If spending associated with in-year delivery of services is not contained within original forecasts for such activity it may be necessary to vire funds from reserves.
- 100 The unplanned use of financial reserves could require the Council to deliver a greater level of future savings to replenish reserve balances and / or revise the level of risks associated with the development of the Reserves Strategy in future.
- 101 As part of the process to produce this report, senior officers review expenditure and income across all services to support the development of mitigation plans that will return the outturn to a balanced position at year-end.

- 102 Forecasts contained within this review provide important information in the process of developing the Medium-Term Financial Strategy. Analysis of variances during the year will identify whether such performance is likely to continue, and this enables more robust estimates to be established.
- 103 The risk associated with the scale of these challenges is that the Council could act illegally, triggering the requirement for a s.114 report from the Chief Financial Officer. Illegal behaviour in this context could materialise from two distinct sources:
1. Spending decisions could be made that exceed the available resources of the Council. This would unbalance the budget, which is unlawful.
  2. Spending decisions to restrict or hide pressures could be made that avoid an immediate deficit, but in fact are based on unlawful activity.
- 104 The consequences of the Council undermining a budget with illegal activity, or planned illegal activity, is the requirement to issue a s.114 report. Under these circumstances statutory services will continue and existing contracts and commitments must be honoured. But any spending that is not essential or which can be postponed must not take place.
- 105 Further consequences would be highly likely and could include the appointment of Commissioners from the MHCLG, and potential restrictions on the decision-making powers of local leaders.

### *Policy*

- 106 This report is a backward look at Council activities and predicts the year-end position. It supports the Corporate Plan aim Open and priority to be an open and enabling organisation.
- 107 The forecast outturn position, ongoing considerations for future years, and the impact on general reserves will be fed into the assumptions underpinning the 2025 to 2029 Medium-Term Financial Strategy.
- 108 The approval of supplementary estimates and virements are governed by the Finance Procedure Rules section of the Constitution.

### *Equality, Diversity and Inclusion*

- 109 Any equality implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

*Human Resources*

110 This report is a backward look at Council activities at outturn and states the year end position. Any HR implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

*Risk Management*

111 Financial risks are assessed and reported on a regular basis, and remedial action taken if required. Risks associated with the achievement of the 2023/24 budget and the level of general reserves were factored into the 2024/25 financial scenario, budget, and reserves strategy.

*Rural Communities*

112 The report provides details of service provision across the borough.

*Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)*

113 The report provides details of service provision across the borough and notes the pressure on Children in Care.

*Public Health*

114 This report is a backward look at Council activities at the first review and provides the forecast year end position. Any public health implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

*Climate Change*

115 There are no direct implications for climate change.

<b>Access to Information</b>	
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Appendices:	<b>Annex 1 including:</b> <ul style="list-style-type: none"><li>• <b>Section 1</b> 2024/25 Forecast Outturn</li><li>• <b>Section 2</b> 2024/25 Approved Budget Change Items</li><li>• <b>Section 3</b> Revenue Grants for approval</li><li>• <b>Section 4</b> Capital</li><li>• <b>Section 5</b> Reserves</li><li>• <b>Section 6</b> Treasury Management</li></ul> <b>Annex 2 – 2024/25 Capital Monitoring</b>
Background Papers:	The following are links to key background documents: <a href="#">Medium-Term Financial Strategy 2024-2028</a> <a href="#">First Financial Review 2024/25</a>





# **Third Financial Review 2024/25**

**Results to end of October 2024**

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# Section 1: 2024/25 Forecast Outturn

1.1. Table 1 provides a service summary of financial performance based on information available as at the end of October 2024. The current forecast is that services will be £22.9m over budget in the current year.

1.2. It also shows that central budgets are forecast to be £4.6m under budget resulting in an overall outturn of £18.3m overspend against a net revenue budget of £390.5m, an improvement of £1.8m from FR2.

1.3. The forecast outturn position is based on a full financial management review across all service and reflects the following assumptions:

- Includes those savings that have been identified as non-achievable though the tracker on our High Level Business Cases (HLBC) with no/some alternative actions currently presented;
- A review of the on-going impacts of adverse variances identified in 2023/24;
- Any identified, emerging items of significance:
  - Within Adult Social Care, significant growth is forecast for care costs in line with position seen year to date, less mitigations linked to delivery of savings;
  - Includes the assumptions around additional revenue resources in Childrens Services to resource the draft improvement plan in relation to the recent OFSTED inspection;
- Forecast impact of the confirmed increased 2024/25 pay award £1.6m (unfunded);
- Detailed review of any vacancy underspends in all areas;
- One-off items that have been identified so far through line by line reviews and/or identification of additional funding that has been announced since the MTFS was set.
- Mitigation activities delivered or forecast to be delivered by 31 March as reflected in paragraph 28 of the main covering report.
- Review of Section 106 legacy budgets, the effects of which are partly reflected in the FR3 forecast out-turn as a one off contributions to reserves work undertaken to date has identified an improvement (reduction) of the Council's bad debt provision of £1.0m,

1.4. Further items impacting on the level of the Council's balances are detailed in **Section 5**.

2024/25 FR3	Revised Budget (NET)	Forecast Outturn	Forecast Variance FR3	Forecast Variance from FR2 to FR2	Movement from FR2 to FR23
	£m	£m	£m	£m	£m
<b>SERVICE DIRECTORATES</b>					
Adult Social Care - Operations	145.9	167.4	21.5	21.9	(0.4)
Commissioning	(8.0)	(9.5)	(1.5)	(1.1)	(0.4)
Public Health	-	-	-	-	-
<b>Adults and Health Committee</b>	<b>138.0</b>	<b>157.9</b>	<b>20.0</b>	<b>20.8</b>	<b>(0.8)</b>
Directorate	2.6	3.6	1.1	1.1	(0.0)
Children's Social Care	55.3	59.7	4.4	3.6	0.8
Education, Strong Start & Integration	35.2	35.1	(0.1)	0.7	(0.8)
<b>Children and Families Committee</b>	<b>93.0</b>	<b>98.5</b>	<b>5.4</b>	<b>5.4</b>	<b>0.0</b>
Directorate	(0.3)	(0.5)	(0.2)	(0.0)	(0.1)
Growth & Enterprise	28.4	24.8	(3.6)	(3.2)	(0.4)
<b>Economy and Growth Committee</b>	<b>28.1</b>	<b>24.3</b>	<b>(3.8)</b>	<b>(3.3)</b>	<b>(0.5)</b>
Environment & Neighbourhood Services	48.4	47.8	(0.6)	(0.1)	(0.5)
<b>Environment and Communities Committee</b>	<b>48.4</b>	<b>47.8</b>	<b>(0.6)</b>	<b>(0.1)</b>	<b>(0.5)</b>
Highways & Infrastructure	16.0	15.5	(0.5)	(0.6)	0.1
<b>Highways and Transport Committee</b>	<b>16.0</b>	<b>15.5</b>	<b>(0.5)</b>	<b>(0.6)</b>	<b>0.1</b>
Directorate	1.5	1.1	(0.3)	(0.2)	(0.2)
Finance & Customer Services	12.1	13.9	1.7	1.8	(0.0)
Transformation	-	3.7	3.7	2.8	0.9
Governance & Compliance Services	10.9	9.2	(1.6)	(1.3)	(0.4)
Communications	0.7	0.7	(0.0)	(0.0)	(0.0)
HR	2.4	2.0	(0.4)	(0.3)	(0.0)
ICT	12.4	11.8	(0.6)	(0.3)	(0.3)
Policy & Change	2.0	1.9	(0.0)	(0.1)	0.1
<b>Corporate Policy Committee</b>	<b>41.9</b>	<b>44.4</b>	<b>2.5</b>	<b>2.4</b>	<b>0.1</b>
Corporate Unallocated	-	-	-	-	-
Corporate Unallocated	-	-	-	-	-
<b>TOTAL SERVICES NET EXPENDITURE</b>	<b>365.4</b>	<b>388.3</b>	<b>22.9</b>	<b>24.5</b>	<b>(1.6)</b>
<b>CENTRAL BUDGETS</b>					
Capital Financing	31.7	32.1	0.5	0.3	0.1
Transfer to/(from) Earmarked Reserves	(18.0)	(21.5)	(3.6)	(3.5)	(0.1)
Parish Precepts & Other Operating Expenditure	11.4	9.9	(1.5)	(1.3)	(0.2)
<b>Finance Sub-Committee - Central Budgets</b>	<b>25.1</b>	<b>20.5</b>	<b>(4.6)</b>	<b>(4.5)</b>	<b>(0.2)</b>
<b>TOTAL NET EXPENDITURE</b>	<b>390.5</b>	<b>408.8</b>	<b>18.3</b>	<b>20.1</b>	<b>(1.8)</b>
Business Rates Retention Scheme	(64.6)	(64.6)	-	-	-
Specific Grants	(32.4)	(32.4)	-	-	-
Council Tax	(293.5)	(293.5)	-	-	-
Sourced from Collection Fund	-	-	-	-	-
<b>Finance Sub-Committee - Net Funding</b>	<b>(390.5)</b>	<b>(390.5)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET (SURPLUS) / DEFICIT</b>	<b>(0.0)</b>	<b>18.3</b>	<b>18.3</b>	<b>20.1</b>	<b>(1.8)</b>

## Section 2: 2024/25 Approved Budget Change Items

The following table provides up detailed commentary on the progress against the approved budget change items that were agreed as part of the budget agreed in February 2024. These are split by relevant committee.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
	<b>Adults and Health Committee</b>	<b>+1.136</b>	<b>+21.092</b>	<b>+19.956</b>	
1	Fees and Charges	-1.800	-1.800	0	Green – see below
2	Client Contributions	-0.800	-4.383	-3.583	Green - £3.85m surplus vs client contribution budget forecasted for 2024/25. This is in addition to achieving the budgeted increase for Fees and Charges & Client Contribution increase in-year (£2.6m)
3	Working Age Adults - Prevent, Reduce, Delay	-1.467	-1.467	0	Green - Multiple activities contributing to these savings. Validation of delivery and measures being developed by SROs and Finance.
4	Older People – Prevent, Reduce, Delay	-1.566	-1.566	0	Green - Multiple activities contributing to these savings. Validation of delivery and measures being developed by SROs and Finance.
5	Market Sustainability and Workforce grant	-1.100	-1.100	0	Completed
6	Revenue grants for Adult Social Care	-2.480	-2.480	0	Completed
7	Pension Costs Adjustment	-0.493	-0.493	0	Completed
8	Investment in Adult Social Care	+7.600	+31.521	+23.921	Red – MTFS growth for Care Costs not sufficient to cover the pressure seen in 2023/24 plus the expected growth in 2024/25. Mitigations to reduce pressure reported separately.
9	Pay Inflation	+1.892	+2.104	+0.212	Red - NJC Pay Claim now approved - over spend against budget as a result of £1,290/2.5% increase. Increase compared to flat percentage budget increase of 3% within original MTFS.
10	Resettlement Revenue Grants – reversal of 2023/24 use	+0.850*	+0.850*	0	Completed
11	Adult Social Care Transformation Earmarked Reserve Release – reversal of 2023/24 use	+0.500*	+0.500*	0	Completed

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
12	Market Sustainability and Fair Cost of Care – Removal of Grant Income	-	-	-	Completed - Now a 2025/26 Item
13	Asset Management	TBC	TBC	-	Green - The business case for future usage of the site will be revisited and taken through the appropriate CEC governance procedures. The model of care in relation to high-cost adult social care and health provisions will be part of this work.
14	Investigate potential agency creation	TBC	TBC	-	Green - This proposal has been consistently delivered in relation to the usage of a Care Workers agency in all but name. Care4CE, the Council's in house care provider, has been utilising workers, both casual and agency, as a bank of workers for several years to successfully deliver operational requirements.
In year	Other variances to reconcile to 2024/25 FR3 forecast	0	+2.162	+2.162	
In year	Mitigations reducing the FR3 reported forecast position	0	-2.756	-2.756	

*\* Item represented a one-off spend in 2023/24. As it is not a permanent part of the budget, the value of the proposal is reversed in 2024/25.*

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets (some of the budget change items have been separated out since the publication of the MTFS)	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
	<b>Children and Families Committee</b>	<b>+9.909</b>	<b>+15.314</b>	<b>+5.405</b>	
15	Discretionary offer to children with disabilities	-0.900	-0.970	-0.070	Green - On Track, project team progressing multiple improvements to redesign the service offer, ensuring consistency and efficiency.
16	Remove school catering subsidy	-0.516	-0.139	+0.377	Red - In progress, rate uplift applied from September 2024 in order to cover the costs of the service through to the end of March 2025 when it ends. However, as some schools are making their own arrangements before the end of the financial year, this will impact on the savings target.
17	Review of structure to further integrate children and families services	-1.000	-0.200	+0.800	Red - Delivery Planning in progress to address saving. Including: further Establishment review, service redesign, cross directorate risk management.
18	Reduce discretionary Post-16 Travel Support	-0.400	-0.321	+0.079	Red - Agreed by Committee so progressing, too early to confirm take-up.
19	Achieve the Family Hub model	-0.250	-0.250	0	Green - Committee approved new model of delivery in Nov Committee. Savings are not going to be delivered in 2024/25 therefore alternative saving being found to cover this.
20a	Other Service Reviews – Review of commissioned services across the C&F directorate. Review of the current Domestic Abuse Service	-0.100	-0.100	0	Completed.
20b	Other Service Reviews – Maximise grant allocation to cover all costs	-0.100	0	+0.100	Red - Plan to explore current / future grants to ensure where T&Cs allow, contribution to fund base costs (e.g. staffing and on costs) is maximised.
20c	Other Service Reviews – Traded services	-0.050	+0.020	+0.070	Red - Part delivered but may need to look for alternative options to cover the remaining saving.
21a	Reduce Growth in expenditure – review of high cost, low outcome external residential placements	-1.000	-1.000	0	Red - Whilst work has been taking place to open CE Children's Homes and our first open is now open, with our second due in autumn/winter, our collaboration with Foster4 working well to increase our foster carers, we still are seeing more children coming into care. There is also increasing instability with the residential market, driving up prices. Complex young people need high packages of support, which are extremely

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets (some of the budget change items have been separated out since the publication of the MTFS)	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
					expensive. We are due to review all high cost placements and other placements to identify children for whom reunification to family would be appropriate. Processes are also in place by the Head of Provider Services to review costs being paid to providers.
21b	Reduce Growth in expenditure – increase commissioning approach to establish greater opportunities to provide accommodation for +16 young people	-0.400	-0.169	+0.231	Red - 16+ and 18+ Commissioning Plans / Market Shaping in Progress. Responding to increasing demand and complexity.
21c	Reduce Growth in expenditure – Foster Care	-0.250	-0.250	0	Amber - Developing a Delivery Plan to increase Foster Care provision.
21d	Reduce Growth in expenditure – reduced spend on expert assessment in court proceedings and services post public law proceedings	-0.250	-0.504	-0.254	Green - Task & Finish Group put in place to explore and develop processes and capacity to reduce costly legal proceedings.
22	Pension Costs Adjustment	-0.515	-0.361	+0.154	Red - Teacher's pension legacy costs are not reducing as anticipated. Completed - CEC pension reduction.
23	Growth to deliver statutory Youth Justice service, and growth to ensure budget is sufficient to meet Safeguarding Partnership duties	+0.170	+0.197	+0.027	Amber - It is incumbent upon the three statutory safeguarding partners, the police, health and the Local Authority, to ensure that adequate funding is allocated to the Children's Safeguarding Partnership so it can fulfil its statutory functions in delivering the multi-agency safeguarding arrangements. An internal audit identified the Local Authority had not reviewed its contributions to the partnership and was insufficiently contributing to the delivery of the partnership arrangements. As a result, growth was approved by committee. This has been supported by an increase in contributions from all partner agencies. A vacancy has also been held in the business unit.
24	Growth to provide capacity to deliver transformation for SEND	+0.500	+0.456	-0.043	Green.
25	Wraparound Childcare Programme (funded)	+0.587	+0.587	0	Amber - Currently reviewing sufficiency and funding details to manage delivery within budget.



MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets (some of the budget change items have been separated out since the publication of the MTFS)	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
25	Wraparound Childcare Programme (funded)	-0.587	-0.587	0	Amber - Currently reviewing sufficiency and funding details to manage delivery within budget.
26	Legal Proceeding - Child Protection	+0.770	+0.770	0	Green.
27	Growth in School Transport budget	+0.936	+0.988	+0.052	Red.
28	Pay Inflation	+1.374	+1.915	+0.541	Red - NJC Pay Claim now approved - over spend against budget as a result of £1,290/2.5% increase. Increase compared to flat percentage budget increase of 3% within original MTFS.
29	Use of Children & Families Transformation Reserve – reversal of 2023/24 use	+1.065*	+1.065*	0	Completed.
30	Growth in Childrens Placement costs	+10.825	+13.284	+2.459	Red - Will need to be closely monitored throughout the year to ensure that funding is sufficient to meet demand and complexity.
31	Revenue costs for the Crewe Youth Zone (as above) aligned to Supporting Families Funding	-	-	-	Green.
31	Early Help budget to support funding towards the Crewe Youth Zone	-	-	-	Green.
32	SEND Capital Modification	TBC	TBC	-	Amber - Contingent upon wider asset management and associated timelines. Extensive work underway to plan and progress development opportunities. Captured as part of the Capital Program reported to Committee.
33	Childrens Social Work Bank	TBC	TBC	-	Red - Various options currently being explored as part of wider C&F Establishment review and potential peripatetic resource options.
34	Safe Walking Routes to School	TBC	TBC	-	Green - Features as part of School Transport Programme.
35	Withdrawal of the CEC School Meals Service	TBC	TBC	-	Green - Features as part of School Catering subsidy project - CF2428-16.
In year	In-year emerging variance Education, Strong Start and Integration	0	-1.485	-1.485	Green. Underspend relates to vacancy management, reduced spend and income generation across services.
In year	In-year emerging variance Children and Families Directorate	0	+0.211	+0.211	Red. Overspend relates to external Quality Assurance Agency costs and cost of establishment.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets (some of the budget change items have been separated out since the publication of the MTFS)	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
In year	In-Year emerging variance Children's Social Care	0	+2.156	+2.156	Red. Overspend mainly relates to staffing costs.

*\* Item represented a one-off spend in 2023/24. As it is not a permanent part of the budget, the value of the proposal is reversed in 2024/25.*

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets (some of the budget change items have been separated out since the publication of the MTFS)	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
	<b>Corporate Policy Committee</b>	<b>+0.489</b>	<b>+2.954</b>	<b>+2.465</b>	
36	Reduce leadership and management costs	-0.540	-	+0.540	Red - The feedback from the DMA review is that senior management vacancies will require recruitment to in order to complete the complement of Corporate Managers. In year vacancy savings will continue but will be time limited. There is potential to increase costs by additional management support during transformation. This will result in increased budget pressure. This pressure is being mitigated through the four in-year items at the end of this table. Most of those will be permanent and used to deliver this saving.
37	Close the Emergency Assistance Scheme	-0.220	-0.220	0	Completed
38	Reduce election costs and increase charges where possible	-0.150	-0.150	0	Green - The proposal is to make a payment during 2024/25 of £70k-£80k from the existing election account, as part of this one-off saving. The remainder will be delivered by reducing the sum which would normally be paid into the election reserve. This might be mitigated in the year of the next local elections by monies which will be raised by charging town and parish councils for their elections in 2027. However, this will not be sufficient and will be likely to lead to the need for a supplementary estimate.
39a	Accelerate Digital Transformation (ICT Operational efficiencies)	-0.100	-0.100	0	Green – third party costs have been reduced and there are plans to reduce further during the year.
39b	Accelerate Digital (Digital efficiencies)	-0.150	-0.150	0	Green – Removal of temporary budget for Solutions Architect Resource, now covered by an Earmarked Reserve.
40	Enforce prompt debt recovery and increase charges for costs	-0.150	-0.150	0	Completed - The award of costs is a matter for the Magistrates at each court hearing. However, only by exception will they vary from the level already agreed by us with the Court Manager. The approach to the Court Manager has been made and the revised level agreed. The action is therefore complete, but the financial benefits will accrue as we continue

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					the regular recovery process during the year.
41a	Other efficiencies and reductions across Corporate Services – School Subsidy (ICT)	-0.032	-0.033	-0.001	Green
41b	Other efficiencies and reductions across Corporate Services – Organisational Development	-0.100	-0.100	0	Completed
41c	Other efficiencies and reductions across Corporate Services – Registration Services	-0.050	-0.050	0	Green
41d	Other efficiencies and reductions across Corporate Services – School Subsidy	-0.018	0	+0.018	Amber - Part of the £50k School Subsidy saving - Finance team to assist in identifying options. These are listed at the end of the table.
41e	Other efficiencies and reductions across Corporate Services	-0.010	0	+0.010	Amber - Finance team to assist in identifying options. These are listed at the end of the table.
41f	Other efficiencies and reductions across Corporate Services – Printing	-0.050	0	+0.050	Amber - Finance team to assist in identifying options. These are listed at the end of the table.
41g	Other efficiencies and reductions across Corporate Services – Hybrid working / mileage	-0.050	0	+0.050	Amber – Options being considered regarding reduced travel spend including ensuring efficient planning around meeting attendance and minimising unnecessary movements across the area. This maximises efficient use of time as well for teams.
42	Pension Costs Adjustment	-0.378	-0.378	0	Completed
43	Mitigation of reduction in the Dedicated Schools Grant	+0.136	+0.136	0	Completed
44	Pay Inflation	+1.446	+1.581	+0.135	Red - NJC Pay Claim now approved - over spend against budget as a result of £1,290/2.5% increase. Increase compared to flat percentage budget increase of 3% within original MTFS.
45	Legal Services Capacity	+0.455	+0.455	0	Completed
46	ICT Review 1	+0.450	+0.450	0	Green - The move to Software as a Service has necessitated the transfer from Capital to Revenue budget requirements. The Shared Service continues to reduce third party costs and agency spend as per the Business case.

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47	Workforce Strategy Review	TBC	-	-	Amber - There are no savings attributed to this area in 2024/2025. Opportunities to explore workforce options are being considered alongside transformation work. Any savings are likely to be realised in 2025/26 at the earliest. It is recommended that this item is removed from the list.
In year	Recognising the increased level of Registration service income of £350k.	0	-0.350	-0.350	This will be a permanent change to deliver the Red ranked items above.
In year	Recognising the receipt of £45k of Police and Crime Commissioner grant income.	0	-0.045	-0.045	This will be a permanent change to deliver the Red / Amber ranked items above.
In year	Taking the underspend on phones in corporate services (mobiles and rental) compared to budget.	0	-0.060	-0.060	This will be a permanent change to deliver the Red / Amber ranked items above.
In year	Adjustment required to balance to FR3 position of +£2,465k for corporate incl ICT.	0	+2.218	+2.218	These will be a mix of permanent and temporary items to assist the in-year position. This includes Transformation costs.
In-year	Reduce Members Allowances budget for excess budget relating to a pay award that was not taken	0	-0.100	-0.100	

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
	<b>Economy and Growth Committee</b>	<b>+3.316</b>	<b>-0.449</b>	<b>-3.765</b>	
49	Service Restructures within Place based Services	-0.787	-0.368	+0.419	Amber – achievement through permanent savings remains challenging without a full restructure – which is pending the LGA review. Mitigation is through offset of underspend 'in year' and proposals are to be considered to offset permanently.
50	Reduce opening hours for main offices	-0.050	-0.050	0	Completed
51	Office estate rationalisation	-0.550	-0.250	+0.300	Amber - due to the timeline for the transfer of buildings being extended. This item is being mitigated by in year savings and by the items at the end of the table which are a mix of permanent and temporary measures.
52	Tatton Park	-0.046	-0.046	0	Amber - Savings can be achieved through investment in the Tatton Vision Programme. To date this programme has achieved cumulative MTFS savings of £624k. Amber rating reflects the fact that the Tatton Vision capital programme is currently under review. Lack of investment to maintain infrastructure or develop visitor attractions is likely to reduce savings.
53	Transfer of Congleton Visitor Information Centre	-0.020	-0.020	0	Green - Transfer of Congleton VIC to the Town Council has already occurred.
54	Pension costs adjustment	-0.157	-0.157	0	Completed
55	Tatton Park ticketing and electronic point of sale (EPOS) upgrade	+0.005	+0.005	0	Green - A procurement process is currently underway to source a supplier who can ensure onsite and web-based delivery of a new system which aligns with present and future needs. Improved functionality should enable future savings delivery.
56c	West Park collection	+0.012	+0.012	0	Green - Cost for vital conservation and storage of West Park Museum collections and ongoing temporary storage requirements.
56d	CEC archives	+0.008	0	-0.008	Amber - Timescales for implementation of the Archives capital project have slipped due to grant funding decisions, with revised opening date of Spring 2026.
57	Property Information and Management System -	+0.030	+0.031	+0.001	Completed

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
	Estates – Revenue Adjustment				
58	Housing	+0.035	+0.035	0	Green - Consultation on the Housing Restructure commences 22 May and includes the post that the funding is attributed to. The new structure will be implemented by 1 August 2024.
59	Environmental Hub Waste Transfer Station	+0.040	+0.040	0	Green - Project on track delivery Q1/2. The replacement of bay 1 in the Councils Environmental Hub Residual Waste Transfer Station building with a new design more likely to provide long-term resilience to wear and tear, to enable the continuation of waste processing at the transfer station.
60	Rural and Visitor Economy	+0.045	+0.045	0	Green - Additional revenue support is required to cover the increase in electricity charges for the Rural and Culture Economy Service to maintain existing service provision at Tatton Park and Countryside sites.
61	Minimum energy efficiency standards (MEES) - Estates - Revenue Adjustment	+0.079	+0.079	0	Amber – Prioritised negotiations with 3rd parties/tenants occupying premises being expedited to avoid delays on obtaining access for surveys, completing necessary improvement works and legally completing lease renewals.
62	Public Rights of Way Income Realignment	+0.115	+0.115	0	Completed. Adjustments made to budget forecasts 2024/25
63	Pay inflation	+0.788	+0.940	+0.152	Red - NJC Pay Claim now approved - over spend against budget as a result of £1,290/2.5% increase. Increase compared to flat percentage budget increase of 3% within original MTFS. This item is being mitigated by the items at the end of the table which are a mix of permanent and temporary measures.
64	Crewe town centre maintenance and operation	+0.650	+0.630	-0.020	Green
65	Assets - Buildings and Operational	+3.119	+3.119	0	Green
66	Landfill Site Assessments revenue adjustment - Estates – CE Owned Landfill sites (53 sites) Review and Risk Assessment completions	-	-	-	Amber - £10k cost growth in for 25/26. Second stage of the review to commence shortly. Internal capacity within Environmental Services to be identified.
67	Tatton Park Estate Dwellings Refurbishment	-	-	-	Completed - Provision for response maintenance issues for 8 onsite dwellings to ensure properties meet standards required as part of tenancy

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
					agreements and the National Trust lease.
68	Improving Crewe Rented Housing Standards	-	-	-	Green
In year	Growth & Enterprise 2024/25 mitigations to balance back to finance review position	0	-4.034	-4.034	
In year	Place Directorate 2024/25 mitigations to balance back to finance review position	0	-0.575	-0.575	



MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
	<b>Environment and Communities Committee</b>	<b>-0.052</b>	<b>-0.688</b>	<b>-0.636</b>	
69	Refresh wholly owned company overheads and contributions	-1.000	-1.500	-0.500	Green - ASDV Review recommendations have now been approved in full by Finance Sub-Committee in their role as shareholder of the wholly owned companies. The process of insourcing these services is now underway which will release an element of their reserves in year to meet this one-off contribution. The release of Company reserves has now been actioned
70	Strategic Leisure Review (Stage 2)	-1.305	-1.185	+0.120	Amber - Initial savings secured via committee decision on 11th March 2024. Proposals are being developed with EHL and town and parish councils to secure the residual £250k amount - dialogue is ongoing. Delays to disposing of Middlewich and Holmes Chapel Leisure Centres in year are having a negative impact on savings position.
71	Mitigate the impact of contract inflation and tonnage growth	-0.490	-0.490	0	Completed - Mitigate the impact of contract inflation and tonnage growth.
72	Emergency reduction of Household Waste Recycling Centres (HWRC) to four core sites	-0.263	-0.200	+0.063	Amber - Full saving on basis of original HLBC will not be achieved due to introduction of mobile provision offer as a result of Full Council decision and costs associated with trial of booking system. Following implementation of temporary closures final negotiations with supply chain are concluded in relation to savings in year, which include adjustment for waste diversion. The actual level of waste diversion will be monitored over the remaining trial period (through to end of August 2025) to inform the permanent position.
73	Libraries Strategy	-0.365	-0.291	+0.074	Green - Committee approval to implement final Strategy secured on 27th November, implementation now ongoing with revised opening hours at Tier 3 sites going live from January 2025 and Tier 2 sites as of 1st April 2025. Staff consultations due to be launched imminently relating to restructure of service. Engagement with Town and Parish Councils undertaken to shape the Strategy proposals and seek funding contributions, which has resulted in a total of 8 sites being supported to a total

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
					of c.£166k enabling over 2,150 hours of library opening time per annum. This item is being partly mitigated by the item at the end of the table which is a mix of permanent and temporary measures, principally vacancy management
74	Reduce costs of street cleansing operations	-0.200	-0.200	0	Green - Value of saving now reduced from ANSA Management Fee for 2024/25, proposals to achieve which include immediate reductions in service resilience, due to removal of any vacancies and under utilised fleet.
75	Reduce revenue impact of carbon reduction capital schemes	-0.336	0	+0.336	Amber – Carbon Neutral Council target deferred from 2025 to 27, as agreed at Full Council on 27.02.24, large scale prudential borrowing funded schemes spend now reprofiled to suit, however budget not sat within E&C Committee. Discussion with Corporate Financing team to re-allocate. This item is being partly mitigated by the item at the end of the table which is a mix of permanent and temporary measures.
76	Increase Garden Waste charges to recover costs	-0.045	-0.045	0	Green – Increase Garden Waste charges for the calendar year 2025 to recover costs
77	MTFS 80 (Feb 23) – Waste Disposal – Contract Inflation and Tonnage Growth (updated forecast)	+3.577	+3.977	+0.400	Green – rating due to fluctuations in waste markets relating to recyclates and continued levels of inflation, outside CEC control and not aligned to projections. Mitigation is to continue with monthly financial monitoring and detailed update of forecasting to year end, based on market intelligence from suppliers and historical seasonal trends data.
78	Pay Inflation – CEC & ASDV	+1.861	+2.397	+0.536	Red - NJC Pay Claim now approved - over spend against budget as a result of £1,290/2.5% increase. Increase compared to flat percentage budget increase of 3% within original MTFS. This item is being partly mitigated by the item at the end of the table which is a mix of permanent and temporary measures.
79	Pension Costs Adjustment	-0.151	-0.151	0	Completed
80	MTFS 90 (Feb 23) Strategic Leisure Review	+1.250	+1.250	0	Completed - Growth item budget adjustment only - replacing 2023/24 £1.3m savings target.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
81	MTFS 91 (Feb 23) – Green Spaces Maintenance Review	-0.200	-0.200	0	Green - Year 2 saving - Policy now implemented and full saving secured from ANSA contract.
82	MTFS 92 (Feb 23) - Review Waste Collection Service - Green Waste	-3.150	-3.150	0	Green - Subscription levels in line with original business model.
83	Review MTFS 92 (Feb 23) Garden waste subscription financial model in line with latest subscription levels and with actual observed position on any waste migration	-0.429	-0.429	0	Green - Continued monitoring of subscription levels and any adverse impacts is already in place, update to original business plan assumptions.
84	MTFS 93 (Feb 23) Libraries - Service Review	-0.200	-0.200	0	Amber - Year 2 of Service Review - reduction in staffing levels have been implemented and now include vacancy management in year to ensure achievement of saving. Currently covered temporarily by vacancy savings
85	Explore a Trust delivery model for Libraries and other services	+0.150	+0.020	-0.130	Green - Growth item to cover one off costs relating to implementation of alternative delivery model(s) for libraries service. Aligned to development of Libraries Strategy.
86	CCTV – Service Efficiencies	-0.030	-0.030	0	Green – Ongoing actions to increase customer base for existing services, identification of new chargeable services/customers and service efficiency savings as well as increased fees and charges to meet the target.
87	Congleton Town Council Collaboration Agreement – Grounds Maintenance	-0.062	-0.062	0	Completed - Congleton Town Council Collaboration Agreement on Grounds Maintenance Cheshire East Contribution reduced in line with reductions in Cheshire East Maintained green space.
88	Closed Cemeteries	+0.005	+0.005	0	Completed - Inflationary adjustment to previous budget allocation only.
89	Environmental Hub maintenance	+0.023	+0.023	0	Completed - Inflationary adjustment to previous budget allocation only.
90	Review Closed Landfill Sites	+0.300*	+0.300*	0	Completed - The Council has responsibility for a number of closed landfill sites across the borough for which it holds a provision.
91	Land Charge Income Adjustment	+0.050	+0.064	+0.014	Amber - Uncertainty around implementation timescales of HMLR changes to centralise some aspects of land charges functions hence understanding of actual impact, to be regularly monitored.
92	Building Control Income Alignment	+0.203	+0.403	+0.200	Amber - Due to current national trend of downturn in planning and related building control income. To be

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
					monitored through more regular financial forecasting in service. Reforms to national planning policy recently consulted upon may have a positive impact on this position moving forward due to uplift in both volume and pace of developments coming forward. To be considered in due course following Govt announcement.
93	Local Plan Review	+0.255	+0.255	0	Amber - Reprofiled budget adjustment to provide additional funding towards development of new Local Plan which has now commenced
94	Planning income	+0.400	+0.910	+0.510	Amber – Forecast reduced income in year due to current national trend of downturn in planning applications and hence income. Proactively monitored through regular financial forecasting in service. Partially mitigated by continued high level of vacancies and the item at the end of the table. Recent national planning policy forms announced by Govt which were recently subject to a consultation process may help to alleviate the income position, but will require vacancies to be filled to cater for the likely increase in applications. To be considered as and when further announcement made.
95	Planning Service Restructure	-	-	-	Green - No action for 2024/25. Growth for 2025/26 to be kept under review.
96	Review of Household Waste Recycling Centres	+0.100	+0.100	0	Green - all activities are on track for completion on time following decision at Environment and Communities Committee on 26 September 2024 to proceed with preferred option and finalisation of new operating contract procurement process.
In year	Environment & Neighbourhood Services mitigations 2024/25 to balance back to finance review position	0	-2.259	-2.259	

\* Item represented a one-off saving in 2023/24. As it is not a permanent part of the budget, the value of the proposal is reversed in 2024/25.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
	<b>Highways and Transport Committee</b>	<b>+4.869</b>	<b>+4.335</b>	<b>-0.534</b>	
97	Highway maintenance savings	-0.750	-0.750	0	Green - Savings are being achieved through: - reducing the number of cuts on grass verges from 10 to 8; - directly employing staff to carry out surveys, rather than sub-contracting; - reductions in staffing and vacancy management; and - reliance on the Council's adverse weather reserve for snow clearance. Service budgets have been reduced to reflect the savings being made.
98	Introduce annual increases to car parking charges	-0.150	-0.150	0	Green - Annual inflation adjustment to existing P&D tariffs can be implemented by 1st July 2024, in advance of bringing charges into effect in the "free towns". This is 3 months earlier than planned.
99	Pension Costs Adjustment	-0.052	-0.052	0	Completed
100	Highways	-0.031	-0.031	0	Completed - This saving was delivered by changes to response times to defects in 2023/24.
101	Safe Haven outside schools (Parking)	-0.023	-0.023	0	Red - Introduction of CCTV camera enforcement of waiting/loading restrictions at school gates on a trial basis using bespoke equipment that is type approved and proven for these purposes in order to improve road safety and increase enforcement capacity at these high risk locations.
102	Transport and Infrastructure Strategy Team - Restructure	+0.120	+0.030	-0.090	Amber - Vacancies in existing structure provide some flexibilities of resourcing and recruitment planning, with the opportunity to reduce costs of outsourcing / agency staffing. The proposed changes will develop a more resilient in-house team to meet the needs of the Council, as it moves towards a new statutory Local Transport Plan and the development of transport functions in a new Cheshire and Warrington Combined Authority.
103	Pay Inflation	+0.339	+0.351	+0.012	Red - NJC Pay Claim now approved - over spend against budget as a result of £1,290/2.5% increase. Increase compared to flat percentage budget increase of 3% within original MTFS. This item is being mitigated by the item at the end of the table which is a mix of permanent and temporary measures.
104	Parking - PDA / Back Office System contract	+0.100	+0.100	0	Green - Market testing completed - exploring a direct award opportunity with

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
					implementation testing and data migration.
105	Flood and Water Management Act 2010 SuDS & SABs Schedule 3 Implementation	+0.100	+0.100	0	Green - The requirement is to be ready to implement changes when regulations are implemented nationally. A training plan for existing staff has been identified. Recruitment is to be progressed.
106	Energy saving measures from streetlights	+0.242	+0.242	0	Completed - This entry was in the MTFS to cancel an unachievable saving from 2022/23. There is no further action.
107	Parking	+0.245	+0.245	0	Amber - Following decisions in January 2024, tariffs were uplifted on 1 July 2024 and extend pay and display to car parks in "free towns" from the start of December. Statutory consultations on Sunday and Evening charges have been completed to inform implementation by the end of the year. A trial of demand-responsive tariffs began with the opening of the new multistorey car park in Crewe.
108	Highways Revenue Services	+2.479	+2.479	0	Completed - This is a growth item. The growth has been factored into 2024/25 service levels and business plans. No further action.
109	Local Bus	+2.250	+2.250	0	Green
110	FlexiLink Service Improvement Plan	-	-	-	Green - A bus service review is underway, including proposals relating to flexible transport. Committee received a report updating on the outcomes of the consultation and the approach to procurement on 19 September 2024. The review of flexible transport will consider its role in filling gaps in local bus service provision, especially in rural areas, as well as options to extend hours of operation, open up the service to more users and introduce fares to make a contribution to operating costs.
111	Highways Depot Improvements	-	-	-	Red - This later year saving is subject to the approval of the business case for capital investment in depots. This will be reviewed during 2024/25.
112	Bus Stop Advertising Revenue Generation	-	-	-	Amber - Opportunity to shadow CWAC council's extension of the existing contract in the interim period.
In year	Highways & Infrastructure 2024/25 mitigations to balance to finance review	0	-0.456	-0.456	

MTFS Ref No	Detailed List of Approved Budget Changes – Central Budgets	2024/25 £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
	<b>Finance Sub-Committee</b>	<b>-19.667</b>	<b>-24.151</b>	<b>-4.626</b>	
113	Capital Financing - Minimum Revenue Provision	+9.508	+9.974	+0.466	Amber – assumes use of reserve of £2.135m (subject to approval). Ongoing capital review seeking to significantly reduce spend funded by borrowing.
114	Central Bad Debt Provision adjustment	+0.600	+0.600	0	Completed - budget adjustment.
115	Use of Earmarked Reserves – MTFS Reserve	+0.255	+0.255	0	Completed - budget adjustment / planned use of reserve.
115	MTFS Reserve – reversal of 2023/24 use	+1.536	+1.536	0	Completed - budget adjustment / planned use of reserve.
116	Collection Fund Reserve - Use of Earmarked Reserves	-0.834	-0.834	0	Completed - budget adjustment / planned use of reserve.
116	Collection Fund Reserve – reversal of 2023/24 use of reserves	+2.234	+2.234	0	Completed - budget adjustment / planned use of reserve.
117	Brighter Futures Transformation – reversal of 2023/24 use of reserves	+1.271	+1.271	0	Completed - budget adjustment / planned use of reserve.
118	Use of General Reserves – Fund in-year budget shortfall [NEW]	-11.654	-11.654	0	Completed - Drawn down in line with the MTFS forecast.
Amber 119	Council Tax - % increase	-13.527	-13.527	0	Green - Council tax and business rates income collection managed through the Collection Fund therefore no impact on current year funding target.
120	Council Tax – Base increase	-2.461	-2.461	0	Green - Council tax and business rates income collection managed through the Collection Fund therefore no impact on current year funding target.
121	Business Rates Retention Scheme – use of S31 compensation grants	-1.350	-1.350	0	Green - Grants to be received in line with final settlement from MHCLG.
122	Unring-fenced Grants + Revenue Support Grant	-5.245	-5.245	0	Green - Grants to be received in line with final settlement from MHCLG.
123	Council Tax and Business Rates Collection [NEW]	TBC	-	-	Initial case was to implement a working group to review council tax collection. No savings value was assigned to the case. The intention now is to bring forward via an informal briefing to



MTFS Ref No	Detailed List of Approved Budget Changes – Central Budgets	2024/25 £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
					include options around the council tax support scheme review (FS2428)
124	Council Tax Support [NEW]	TBC	-	-	No change to Council Tax support scheme for 2024/25 or 2025/26. To be reviewed for 2026/27.
In year	Bad Debt Provision reduction (one off)	-	-1.071	-1.071	
In year	S106 (Estimate provisional – one off – may increase, still under review)	-	-0.452	-0.452	
In year	Increased use of reserves re Transformation spend included in Service forecasts	-	-4.066	-4.066	
In year	Adjustment to use of Earmarked reserves budgeted figure within Service Budgets	-	+0.497	+0.497	



## Section 3: Revenue Grants for approval

- 3.1. Cheshire East Council receives two main types of Government grants; specific purpose grants and general use grants. Specific purpose grants are held within the relevant service with a corresponding expenditure budget. Whereas general use grants are held in central budgets with a corresponding expenditure budget within the allocated service area.
- 3.2. Spending in relation to specific purpose grants must be in line with the purpose for which it is provided.
- 3.3. **Table 1** shows additional specific purpose grant allocations that have been received over £1m that **Council** will be asked to approve.

**Table 1 – Council Decision**

## 3.4. Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose) over £1,000,000

Committee	Type of Grant	£000	Details
Children and Families – Schools	Dedicated Schools Grant  (Specific Purpose)	1,089	This grant is an increase to the DSG funding, in line with updated allocations information.
Economy & Growth	Enterprise Cheshire Warrington Skills Bootcamp	1,717	This grant is from the DfE, it is for the delivery of and management of Skills Bootcamps in geographical and neighbouring areas in agreement with relevant local authorities. This element of skills bootcamp is being delivered through Enterprise Cheshire and Warrington.

# Section 4: Capital

Table 1: Financial Parameters for 2023/24 to 2026/27

Parameter	Value (£m)			
	2023/24	2024/25	2025/26	2026/27
<b>Repayment of Borrowing</b>				
<b>Minimum Revenue Provision*</b>	17.5	18.8	23.2	24.9
<b>External Loan Interest</b>	14.3	18.5	16.5	15.0
<b>Investment Income</b>	(3.8)	(3.9)	(2.2)	(1.8)
<b>Contributions from Services Revenue Budgets</b>	(1.2)	(1.3)	(1.8)	(2.4)
<b>Total Capital Financing Costs</b>	<b>26.8</b>	<b>32.1</b>	<b>35.7</b>	<b>35.7</b>
<b>Use of Financing EMR</b>	<b>(7.9)</b>	<b>(2.1)</b>	<b>0</b>	<b>0</b>
<b>Actual CFB in MTFs</b>	<b>19.0</b>	<b>28.5</b>	<b>35.2</b>	<b>35.5</b>
<b>Budget Deficit</b>	<b>(0)</b>	<b>1.5</b>	<b>0.5</b>	<b>0.2</b>
<b>Capital Receipts targets*</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
<b>Flexible use of Capital Receipts</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

\*Anticipated MRP based on achieving capital receipts targets

- 4.1. The revised programme is funded from both direct income (grants, external contributions) and the Council's own resources (prudential borrowing, revenue contributions, capital reserve). A funding summary is shown in **Table 2**. For detailed tables by Committee please see **Annexe 2**.
- 4.2. **Table 3** lists details of Delegated decisions up to £500,000 for noting.
- 4.3. **Table 4** lists Capital Supplementary Estimates over £500,000 and up to £1,000,000 for committee approval and Capital Virements over £500,000 and up to and including £5,000,000 that require Relevant Member(s) of CLT and Chief Finance Officer in consultation with Chair of the relevant Committee and the Chair of Finance Sub-Committee to approve.

Table 2: Capital Programme Update

<b>CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY</b>					
<b>CAPITAL PROGRAMME 2024/25 - 2027/28</b>					
	<b>Forecast 2024/25 £000</b>	<b>Forecast 2025/26 £000</b>	<b>Forecast 2026/27 £000</b>	<b>Forecast 2027/28 £000</b>	<b>Total Forecast 2024-28 £000</b>
<b>Committed Schemes - In Progress</b>					
Adults and Health	800				<b>800</b>
Children and Families	29,476	26,919	16,355	17,749	<b>90,499</b>
Highways & Transport	46,744	38,134	27,448	124,578	<b>236,904</b>
Economy & Growth	40,772	33,237	28,610	78,539	<b>181,158</b>
Environment & Communities	9,727	14,250	7,252	3,101	<b>34,330</b>
Corporate Policy	9,700	8,889	3,173	1,834	<b>23,596</b>
<b>Total Committed Schemes - In Progress</b>	<b>137,219</b>	<b>121,429</b>	<b>82,838</b>	<b>225,801</b>	<b>567,287</b>
<b>CAPITAL PROGRAMME 2024/25 - 2027/28</b>					
	<b>Forecast 2024/25 £000</b>	<b>Forecast 2025/26 £000</b>	<b>Forecast 2026/27 £000</b>	<b>Forecast 2027/28 £000</b>	<b>Total Forecast 2024-28 £000</b>
<b>New Schemes</b>					
Children and Families	1,132	8,199	5,248	3,000	<b>17,579</b>
Highways & Transport	895	21,842	15,051	15,051	<b>52,839</b>
Economy & Growth	3,309	1,530	113	0	<b>4,952</b>
Environment & Communities	2,115	4,134	1,150	0	<b>7,399</b>
<b>Total New Schemes</b>	<b>7,451</b>	<b>35,705</b>	<b>21,562</b>	<b>18,051</b>	<b>82,769</b>
<b>Total</b>	<b>144,670</b>	<b>157,134</b>	<b>104,400</b>	<b>243,852</b>	<b>650,056</b>
<b>Funding Requirement</b>					
<b>Indicative Funding Analysis: (See note 1)</b>					
Government Grants	88,816	90,029	71,278	114,808	<b>364,931</b>
External Contributions	14,288	14,566	12,705	66,418	<b>107,977</b>
Revenue Contributions	444	0	0	0	<b>444</b>
Capital Receipts	155	732	1,324	33,381	<b>35,592</b>
Prudential Borrowing (See note 2)	40,967	51,807	19,093	29,245	<b>141,112</b>
<b>Total</b>	<b>144,670</b>	<b>157,134</b>	<b>104,400</b>	<b>243,852</b>	<b>650,056</b>

**Note 1:**

The funding requirement identified in the above table does not currently represent a balanced and affordable position, in the medium term. The Council will need to transform the capital programme to reduce the number of schemes requiring Cheshire East Resources and the need to borrow. The level of capital receipts are based on a prudent approach based on the work of the Asset Management team and their most recently updated Disposals Programme.

**Note 2:**

The schemes marked \*\*and highlighted in the MTFs cannot proceed until the Capital Programme Review has been completed. Any urgent requests to continue prior to the reviews completion will require approval from the Chair of Finance Sub Committee and the S.151 Officer

**Note 3:**

Appropriate charges to the revenue budget will only commence in the year following the completion of the associated capital asset. This allows the Council to constantly review the most cost effective way of funding capital expenditure.

**Table 3: Delegated Decisions – Supplementary Capital estimates and Budget virements up to £500,000**

Committee / Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Supplementary Capital Estimates that have been made up to £500,000</b>		
<b>Environment &amp; Communities</b>		
<b>Neighbourhood</b>		
Bollington Leisure Swimming Pool	50,737	Funds from Sport England for Bollington Leisure for works to swimming pool
<b>Total Supplementary Capital Estimates Requested</b>	<b>50,737</b>	
<b>£</b>		
<b>Capital Budget Virements that have been made up to £500,000</b>		
<b>Children &amp; Families</b>		
<b>Education and 14-19 Skills</b>		
Cledford House	89,125	Transfer of budget from CAP-10464 Cledford House to New SEN Places - Springfield Wilmslow
<b>Total Capital Budget Virements Approved</b>	<b>89,125</b>	
<b>Total Supplementary Capital Estimates and Virements</b>	<b>139,862</b>	

**Table 4: Requests for Capital Virements**

Committee / Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Service committee are asked to note Capital Budget Virements above £500,000 up to and including £5,000,000 for approval by Relevant Member(s) of CLT and Chief Finance Officer in consultation with Chair of the relevant Committee and the Chair of Finance Sub-Committee</b>		
<b>Children &amp; Families</b>		
Crewe Youth Zone	1,353,000	Realignment approved by Ministry of Housing, Communities and Local Government of the Crewe Towns Fund allocations from Flag Lane Baths. Resulting in a funding swap removing £1.353m of Prudential Borrowing which has been moved to Flag Lane Baths.
<b>Environment &amp; Communities</b>		
<b>Environment Services</b>		
Crewe Towns Fund - Cumberland Arena	701,000	Realignment approved by Ministry of Housing, Communities and Local Government of the Crewe Towns Fund allocations from Flag Lane Baths .
Crewe Towns Fund - Pocket Parks	200,000	
<b>Economy and Growth</b>		
Crewe Towns Fund - Mill Street Corridor	407,583	Realignment approved by Ministry of Housing, Communities and Local Government of the Crewe Towns Fund allocations from Flag Lane Baths .
History Centre Public Realm & ICV (Crewe Towns Fund) CTC1	200,000	
Crewe Towns Fund – Mirion Street	458,000	
<b>Total Capital Virements requested</b>	<b>3,319,583</b>	
<b>Total Virements</b>	<b>3,319,583</b>	

## Prudential Indicators revisions to: 2023/24 and 2024/25 – 2026/27 and future years

### Background

- 4.4. 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.

### Estimates of Capital Expenditure

- 4.5. In 2024/25, the Council estimates to spend £144.7m on capital expenditure as summarised below.

Capital Expenditure	2023/24 Actual £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	Future years £m
<b>Total</b>	136.9	144.7	157.1	104.4	243.8

Source: Cheshire East Finance

### Capital Financing

- 4.6. All capital expenditure must be financed either from external sources (government grants and other contributions), the Council's own resources (revenue reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of capital expenditure is as follows.

Capital Financing	2023/24 Actual £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	Future years £m
Capital receipts	0.1	0.1	0.7	1.3	33.4
Government Grants	61.2	88.8	90.0	71.3	114.8
External Contributions	8.8	14.3	14.6	12.7	66.4
Revenue Contributions	0.4	0.5	0.0	0.0	0.0
<b>Total Financing</b>	<b>70.5</b>	<b>103.7</b>	<b>105.3</b>	<b>85.3</b>	<b>214.6</b>
Prudential Borrowing	65.5	41.0	51.8	19.1	29.2
<b>Total Funding</b>	<b>65.5</b>	<b>41.0</b>	<b>51.8</b>	<b>19.1</b>	<b>29.2</b>
<b>Total Financing and Funding</b>	<b>136.0</b>	<b>144.7</b>	<b>157.1</b>	<b>104.4</b>	<b>243.8</b>

Source: Cheshire East Finance

### Replacement of debt finance

- 4.7. Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets may be used to replace debt finance. Planned MRP repayments are as follows:

Replacement of debt finance	2023/24 Actual £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
<b>Total</b>	<b>17.5</b>	<b>18.8</b>	<b>22.9</b>	<b>24.9</b>	<b>25.0</b>

Source: Cheshire East Finance

### Estimates of Capital Financing Requirement

- 4.8. The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP repayments and capital receipts used to replace debt. The CFR will decrease by £2m during 2024/25. This assumes that were there has been significant forward funding of certain schemes that grants and other contributions are received in year to repay that forward funding. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows.

Capital Financing Requirement	2023/24 Actual £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
<b>Total</b>	<b>488</b>	<b>481</b>	<b>508</b>	<b>502</b>	<b>501</b>

Source: Cheshire East Finance

### Asset disposals

- 4.9. When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts. The Council received £3.5m of capital receipts from asset sales in 2023/24 and plans to receive a further £25.9m in future years.

Capital Receipts	2023/24 Actual £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Asset Sales	3.4	2.3	6.8	8.2	7.8
Loans Repaid	0.1	0.2	0.2	0.2	0.2
<b>Total</b>	<b>3.5</b>	<b>2.5</b>	<b>7.0</b>	<b>8.4</b>	<b>8.0</b>

Source: Cheshire East Finance

### Gross Debt and the Capital Financing Requirement

- 4.10. The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in the future. These objectives are often conflicting and the Council therefore seeks to strike a balance between cheap short term loans (currently available at around 4.95%) and long term fixed rate loans where the future cost is known but fixed over a period when rates are expected to fall (currently 4.99%– 5.3%).
- 4.11. Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities, leases are shown below, compared with the capital financing requirement.
- 4.12. Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. As can be seen from the above table, the Council expects to comply with this in the medium term.

### Liability Benchmark

- 4.13. To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £20m at each year end. This benchmark is currently £331m and is forecast to rise to £366m over the next four years.

Borrowing and the Liability Benchmark	2023/24 Actual £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Outstanding Debt	337	374	438	462	486
Liability Benchmark	331	332	365	369	366

Source: Cheshire East Finance

- 4.14. The table shows that the Council expects to borrow above its liability benchmark.

## Affordable borrowing limit

- 4.15. The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

	2023/24 limit £m	2024/25 limit £m	2025/26 limit £m	2026/27 Estimate £m	2027/28 Estimate £m
Authorised Limit for Borrowing	540	570	590	590	590
Authorised Limit for Other Long-Term Liabilities	18	17	17	15	14
<b>Authorised Limit for External Debt</b>	<b>558</b>	<b>587</b>	<b>607</b>	<b>605</b>	<b>604</b>
Operational Boundary for Borrowing	530	560	580	580	580
Operational Boundary for Other Long-Term Liabilities	18	17	17	15	14
<b>Operational Boundary for External Debt</b>	<b>548</b>	<b>577</b>	<b>597</b>	<b>595</b>	<b>594</b>

Source: Cheshire East Finance

## Investment Strategy

- 4.16. Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.
- 4.17. The Council’s policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with money market funds, other local authorities or selected high quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in shares and property, to balance the risk of loss against the risk of returns below inflation.

Treasury Management Investments	31/03/24 Actual £m	31/03/25 Estimate £m	31/03/26 Estimate £m	31/03/27 Estimate £m	31/03/28 Estimate £m
Short term	22	20	20	20	20
Long term	20	20	20	20	20
<b>Total Investments</b>	<b>42</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>

Source: Cheshire East Finance

- 4.18. Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by an investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e., the amount funded from Council Tax, business rates and general government grants.



Ratio of Financing Costs to Net Revenue Stream	31/03/24 Actual	31/03/25 Estimate	31/03/26 Estimate	31/03/27 Estimate	31/03/28 Estimate
Financing Costs (£m)	19.0	32.1	35.9	37.3	37.8
Proportion of net revenue stream %	<b>5.38</b>	<b>8.11</b>	<b>8.92</b>	<b>9.04</b>	<b>8.90</b>

Source: Cheshire East Finance

# Section 5: Reserves

## Management of Council Reserves

- 5.1. The Council's Reserves Strategy states that the Council will maintain reserves to protect against risk and support investment.
- 5.2. The opening balance at 1 April 2024 in the Council's General Fund Reserves was £5.6m, as published in the Council's Statement of Accounts for 2023/24.
- 5.3. At FR1, the closing balance at 31 March 2025 in the Council's General Fund Reserve was forecast to be £4.5m. However, a further £4.0m transformational spend has been included within the service forecasts, reducing the General Reserve balance to £0.5m.
- 5.4. The current balance on reserves is insufficient in order to provide adequate protection against established and newly emerging risks, such as inflation and particularly the DSG deficit, which is projected to rise to £115.7m by year end and has been highlighted in the MTFs as having no alternative funding.
- 5.5. The Council also maintains Earmarked Revenue Reserves for specific purposes. The opening balance at 1 April 2024 was £32.3m.
- 5.6. During 2024/25, a net total of £10.6m will be drawn down to support the in-year deficit position. A further £12.2m is being forecast to fund expenditure specifically provided for by services. These balances fall within the forecasts approved during the MTFs budget setting process.
- 5.7. Additional drawdown requests, above those forecast during MTFs, have been made by various services to support specific expenditure totalling £5.8m. These drawdowns, as detailed in the tables below, will be subject to a strategic review by the Corporate Leadership Team of existing in-principle decisions on use of earmarked reserves for year end 31 March 2025 – recommendations will be made in the MTFs report to the Corporate Policy Committee in February.
- 5.8. The indicative closing balance on Earmarked Reserves at 31 March 2025, is forecast at £9.5m.
- 5.9. Total reserves available for Council use at 31 March 2025 are forecast at £9.98m.
- 5.10. Unspent schools' budgets that have been delegated, as laid down in the Schools Standards Framework Act 1998, remain at the disposal of the school and are not available for Council use. These balances are therefore excluded from all reserve forecasts.

**Table 1 – Reserves Balances**

<b>Adults and Health Committee</b>						
Reserve Account	Opening Balance 01 April 2024	Drawdowns to General Fund	Approved Movement Forecast	Additional Drawdown Requests*	Closing Balance Forecast 31 March 2025	Notes
	£000	£000	£000	£000	£000	
<b><u>Adults Social Care Commissioning</u></b>						
PFI Equalisation - Extra Care Housing	2,857	(2,795)	0	0	62	Surplus grant set aside to meet future payments on existing PFI contract and the anticipated gap at the end of the agreement.
<b><u>Public Health</u></b>						
Public Health Reserve	2,369	0	(110)	0	2,259	Ring-fenced underspend to be invested in areas to improve performance against key targets; including the creation of an Innovation Fund to support partners to deliver initiatives that tackle key health issues.
<b>ADULTS AND HEALTH RESERVE TOTAL</b>	<b>5,226</b>	<b>(2,795)</b>	<b>(110)</b>	<b>0</b>	<b>2,321</b>	

\* All 'Additional Drawdown Requests' are subject to approval.

**Children and Families Committee**

Reserve Account	Opening Balance 01 April 2024	Drawdowns to General Fund	Approved Movement Forecast	Additional Drawdown Requests*	Closing Balance Forecast 31 March 2025	Notes
	£000	£000	£000	£000	£000	
<b><u>Childrens Social Care</u></b>						
Domestic Abuse Partnership	131	0	0	(131)	0	To sustain preventative services to vulnerable people as a result of partnership funding in previous years.
<b><u>Strong Start, Family Help and Integration</u></b>						
Troubled Families Initiative	1,593	0	(1,593)	0	0	Crewe Youth Zone and ACT have been assigned funding from shared outcomes of the Supporting Families Programme.
<b>CHILDREN AND FAMILIES RESERVE TOTAL</b>	<b>1,724</b>	<b>0</b>	<b>(1,593)</b>	<b>(131)</b>	<b>0</b>	

\* All 'Additional Drawdown Requests' are subject to approval.

### Corporate Policy Committee and Central Reserves

Reserve Account	Opening Balance 01 April 2024	Drawdowns to General Fund	Approved Movement Forecast	Additional Drawdown Requests*	Closing Balance Forecast 31 March 2025	Notes
	£000	£000	£000	£000	£000	
<b><u>Corporate Directorate</u></b>						
Corporate Directorate Reserve	1,164	(935)	0	0	229	To support a number of widespread projects within the Corporate Directorate.
<b><u>Finance and Customer Service</u></b>						
Collection Fund Management	8,154	(1,235)	(2,915)	0	4,004	To manage cash flow implications as part of the Business Rates Retention Scheme.
Capital Financing Reserve	4,531	0	0	(4,531)	0	To provide for financing of capital schemes, other projects and initiatives
MTFS Reserve	2,914	(741)	255	0	2,428	To support the financial strategy and risk management. £1.2m of the remaining reserve balance had previously been earmarked for future voluntary redundancy costs.
Brighter Futures Transformation Programme	490	(470)	(20)	0	0	To fund the Council's four year transformation programme and its five outcomes of Culture; Estates and ICT systems; Customer Experience, Commercial Approach and Governance.
Section 31 Revenue Grants	14	0	0	(14)	0	Unspent specific use grant carried forward into 2024/25.
<b><u>Governance and Compliance</u></b>						
Insurance Reserve	3,098	(3,098)	0	0	0	To settle insurance claims and manage excess costs. The full reserve has been released to the general fund to support the in-year deficit pressure.
Elections General	132	0	0	0	132	To provide funds for Election costs every 4 years.

Brexit Funding	13	(13)	0	0	0	Residual reserve balance has been released to the general fund to support the in-year deficit pressure.
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### Corporate Policy Committee and Central Reserves Continued

Reserve Account	Opening Balance 01 April 2024	Drawdowns to General Fund	Approved Movement Forecast	Additional Drawdown Requests*	Closing Balance Forecast 31 March 2025	Notes
	£000	£000	£000	£000	£000	
<b><u>Human Resources</u></b>						
HR (CARE4CE Review, Culture Change, Pay realignment, Learning Mgt System)	59	(59)	0	0	0	Residual reserve balance has been released to the general fund to support the in-year deficit pressure.
Pay Structure (M Grade Review)	54	0	0	0	54	Created to help fund ongoing changes to pay structure.
<b><u>ICT</u></b>						
Digital Solutions Architect	150	0	(150)	0	0	New reserve created in 23/24 to fund a role for the Digital Customer Enablement programme and will be key to realising the cost savings and efficiencies across the Council from the deployment of a number of digital initiatives.
<b>CORPORATE POLICY AND CENTRAL RESERVE TOTAL</b>	<b>20,773</b>	<b>(6,551)</b>	<b>(2,830)</b>	<b>(4,545)</b>	<b>6,847</b>	

\* All 'Additional Drawdown Requests' are subject to approval.

## Economy and Growth Committee

Reserve Account	Opening Balance 01 April 2024	Drawdowns to General Fund	Approved Movement Forecast	Additional Drawdown Requests*	Closing Balance Forecast 31 March 2025	Notes
	£000	£000	£000	£000	£000	
<b><u>Directorate</u></b>						
Place Directorate Reserve	1,164	0	(473)	(385)	306	To support a number of widespread projects within the Place Directorate.
Investment (Sustainability)	610	0	(427)	(143)	40	To support investment that can increase longer term financial independence and stability of the Council.
<b><u>Growth and Enterprise</u></b>						
Legal Proceedings	212	0	(104)	(108)	0	To enable legal proceedings on land and property matters.
Investment Portfolio	534	(534)	0	0	0	The full reserve has been released to the general fund to support the in-year deficit pressure.
Homelessness & Housing Options - Revenue Grants	129	0	0	(129)	0	Grant committed for the purchase and refurbishment of properties to be used as temporary accommodation to house vulnerable families.
Tatton Park Trading Reserve	128	(128)	0	0	0	The full reserve has been released to the general fund to support the in-year deficit pressure.
<b>ECONOMY AND GROWTH RESERVE TOTAL</b>	<b>2,777</b>	<b>(662)</b>	<b>(1,004)</b>	<b>(765)</b>	<b>346</b>	

\* All 'Additional Drawdown Requests' are subject to approval.

## Environment and Communities Committee

Reserve Account	Opening Balance 01 April 2024 £000	Drawdowns to General Fund £000	Approved Movement Forecast £000	Additional Drawdown Requests* £000	Closing Balance Forecast 31 March 2025 £000	Notes
<b><u>Environment and Neighbourhood Services</u></b>						
Strategic Planning	568	(281)	(287)	0	0	To meet costs associated with the Local Plan - site allocations, minerals and waste DPD.
Trees / Structures Risk Management	139	(55)	(55)	(29)	0	To help respond to increases in risks relating to the environment, in particular the management of trees, structures and dealing with adverse weather events.
Air Quality	36	0	(17)	(19)	0	Air Quality Management - DEFRA Action Plan. Relocating electric vehicle charge point in Congleton.
Licensing Enforcement	8	0	0	(8)	0	Three year reserve to fund a third party review and update of the Cheshire East Council Taxi Licensing Enforcement Policies.
Flood Water Management (Emergency Planning)	2	0	(2)	0	0	Relating to Public Information Works.
Neighbourhood Planning	82	(41)	(41)	0	0	To match income and expenditure.
Spatial Planning - revenue grant	13	(13)	0	0	0	Residual reserve balance has been released to the general fund to support the in-year deficit pressure.
Street Cleansing	22	0	0	(22)	0	Committed expenditure on voluntary litter picking equipment and electric blowers.
<b>ENVIRONMENT AND NEIGHBOURHOOD RESERVE TOTAL</b>	<b>870</b>	<b>(390)</b>	<b>(402)</b>	<b>(78)</b>	<b>0</b>	

\* All 'Additional Drawdown Requests' are subject to approval.

## Highways and Transport Committee

Reserve Account	Opening Balance 01 April 2024 £000	Drawdowns to General Fund £000	Approved Movement Forecast £000	Additional Drawdown Requests* £000	Closing Balance Forecast 31 March 2025 £000	Notes
<b><u>Highways and Infrastructure</u></b>						
Rail and Transport Integration	385	(185)	(200)	0	0	To support the Council's committed costs to the rail and transport networks across the borough.
Flood Recovery Works	400	0	(200)	(200)	0	To help the service manage risks such as the impact of adverse weather, specifically flooding or extensive periods where winter maintenance is required.
Highways Procurement Project	104	(20)	(15)	(69)	0	To finance the development of the next Highway Service Contract. Depot mobilisation costs, split over 7 years from start of contract in 2018.
LEP-Local Transport Body	19	0	0	(19)	0	Contribution to LEP transport studies/consultancy. Ongoing working around Transport Legacy issues.
<b>ECONOMY AND GROWTH RESERVE TOTAL</b>	<b>908</b>	<b>(205)</b>	<b>(415)</b>	<b>(288)</b>	<b>0</b>	

\* All 'Additional Drawdown Requests' are subject to approval.



# Section 6: Treasury Management

## Management of Council Reserves

- 6.1 Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.
- 6.2 Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.
- 6.3 Investments held for service purposes or for commercial profit are considered in the Investment Report (see **Section 9**).

## 1. External Context

- 6.4 **Economic background:** UK headline consumer price inflation (CPI) remained around the Bank of England (BoE) target later in the period, falling from an annual rate of 3.2% in March to 2.0% in May and then rebounding marginally as was expected, due to base effects from energy prices. Energy prices continue to be the main upward component of inflation.
- 6.5 The UK economy continued to expand over the period, albeit slowing from the 0.7% gain in the first calendar quarter to 0.5% (downwardly revised from 0.6%) in the second. Of the monthly figures, the economy was estimated to have registered no growth in July.
- 6.6 Labour market data was slightly better from a policymaker perspective, showing an easing in the tightness of the job market, with inactivity rates and vacancies declining. However, a degree of uncertainty remains given ongoing issues around the data collected for the labour force survey by the Office for National Statistics. Figures for the three months to September showed the unemployment rate increased slightly to 4.3% from 4.2% in the previous three-month period while the employment rate rose to 74.8% from 74.5%.
- 6.7 With headline inflation on target, the BoE cut Bank Rate from 5.00% to 4.75% at the November Monetary Policy Committee (MPC) meeting. The decision

was a 8-1 majority with one member preferring to hold at 5.00% citing some upward pressures on inflation. Indications are that further rate reductions are likely but may not be as quick as markets had originally been forecasting.

- 6.8. The November quarterly Monetary Policy Report (MPR) is forecasting Gross Domestic Product (GDP) growth to pick up to around 1.75% (four-quarter GDP) in the early period of the BoE's forecast horizon before falling back. The impact from the Budget pushes GDP higher in 2025 than was expected in the previous MPR, before becoming weaker. Current GDP growth was shown to be 0.5% between April and June 2024, a downward revision from the 0.6% rate previously reported by the Office for National Statistics (ONS).
- 6.9. Arlingclose, the authority's treasury adviser, maintained its central view that Bank Rate would steadily fall from the 5.25% peak, with February 2025 the likely next cut, taking Bank Rate down to around 3.75% by the end of 2025.
- 6.10. **Financial Markets:** Expectation is for long-term gilt yields to remain broadly at current levels on average (amid continued volatility), but to end the forecast period modestly lower compared to now. Yields will continue remain relatively higher than in the past, due to quantitative tightening and significant bond supply. As ever, there will be short-term volatility due to economic and (geo)political uncertainty and events.
- 6.11. **Credit Review:** Due to improving credit conditions our treasury advisors, increased their recommended maximum unsecured duration limit on most banks on its counterparty list to 6 months from the previous limit of 100 days.
- 6.12. Credit default swap prices were generally lower at the end of the period compared to the beginning for the vast majority of the names on UK and non-UK lists. Price volatility over the period was also generally more muted compared to previous periods.
- 6.13. Financial market volatility is expected to remain a feature, at least in the near term and credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review
- 6.14. An outlook for the remainder of 2024/25 and interest rate forecast provided by Arlingclose is attached at **Annex A**.

## 2. Local Context

- 6.15. As at 30 November 2024 the Authority has borrowings of £370m and investments of £50m. This is set out in further detail at **Annex B**. Forecast changes in these sums are shown in the balance sheet analysis in **Table 1** below.

**Table 1: Balance Sheet Summary and Forecast**

	31/03/24 Actual £m	31/03/25 Estimate £m	31/03/26 Estimate £m	31/03/27 Estimate £m
General Fund CFR	506	498	525	521
Less: Other long term liabilities *	(18)	(17)	(17)	(15)
<b>Loans CFR</b>	<b>488</b>	<b>481</b>	<b>508</b>	<b>506</b>
Less: External borrowing **	(337)	(296)	(128)	(123)
<b>Internal (over) borrowing</b>	<b>151</b>	<b>185</b>	<b>380</b>	<b>383</b>
Less: Usable reserves	(131)	(122)	(113)	(103)
Less: Working capital	(46)	(47)	(50)	(50)
<b>Investments (or New borrowing)</b>	<b>26</b>	<b>(16)</b>	<b>(217)</b>	<b>(230)</b>

\* finance leases and PFI liabilities that form part of the Authority's debt

\*\* shows only loans to which the Authority is committed and excludes optional refinancing

- 6.16. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.
- 6.17. CIPFA's Prudential Code for Capital Finance recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. **Table 1** shows that the Authority expects to comply with this recommendation during 2024/25.

### 3. Borrowing Strategy

- 6.18. The Authority currently holds loans of £352m, an increase of £15m since 31 March 2024. However, this will increase to a higher level, currently forecast as £370m at 31 March 2025.
- 6.19. Borrowing is at a lower level than our Capital Financing Requirement (CFR) which means that internal resources (reserves, etc) are being used rather than external debt. However, increasing service demand and the unfunded

special educational needs situation is utilising those internal resources resulting in increased borrowing.

- 6.20. Interest rates have seen substantial rises over the last 2 years which has significantly increased the cost of borrowing. The expectation is that borrowing costs will start to fall although market uncertainty and tightening liquidity in the markets suggests we will not benefit from lower rates until 2025/26.
- 6.21. At the moment, cash shortfalls are generally being met by temporary borrowing from other Local Authorities which for a number of years has been considerably cheaper than other sources of borrowing and allowed the Council to keep financing costs low. The cost of these loans is currently relatively high compared with longer term loans but interest forecasts suggest it is still the cheaper option in the long term. However, liquidity risk remains an issue as funds become more scarce towards year end and the request to the Government for exceptional financial support has raised credit worthiness concerns with some lenders. To reduce liquidity risk, consideration is being given to taking more longer term PWLB loans.
- 6.22. The cost of short term borrowing for the first 8 months of 2024/25 is 5.38% which is an increase from 4.82% in 2023/24. These costs are now expected to reduce as the outlook is for reducing interest rates.
- 6.23. **LOBO's:** The Authority holds £17m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBOS have options during 2024/25. It is unlikely that the lender will exercise their options but if this happens, the Authority is likely to take the option to repay LOBO loans at no cost.

## 4. Investment Strategy

- 6.24. The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. Due to the overriding need for short term borrowing, other than £20m invested strategically in managed funds, the investments are generally short term for liquidity purposes. The level at 30 November 2024 is £50m.
- 6.25. The CIPFA Code requires the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 6.26. The maximum amount that can be invested with any one organisation is set in the Treasury Management Strategy Report. The maximum amount and duration of investments with any institution depends on the organisations credit rating, the type of investment and for banks and building societies, the

security of the investment. Generally credit rated banks and building societies have been set at a maximum value of £6m for unsecured investments and £12m for secured investments. Any limits also apply to the banking group that each bank belongs to. Limits for each Money Market fund have been set at a maximum value of £12m per fund. All potential counterparties are kept under continual review by our treasury advisors and advisory lower limits than those contained in the strategy are applied.

6.27. Treasury Management income to 30 November 2024 is £2,260,000 which is higher than the budgeted £1,250,000. However, borrowing costs are also higher than budgeted at £12.4m compared to budget of £10.7m. This is caused by a combination of increasing interest rates with an increased borrowing requirement. From the projected cash flows for the remainder of 2024/25 the net additional financing costs (borrowing less investment interest) is expected to be £0.8m in excess of that budgeted.

- The average daily investment balance including managed funds up to 30 November 2024 is £65.3m
- The average annualized interest rate received on in-house investments up to 30 November 2024 is 5.06%
- The average annualized interest rate received on the externally managed funds up to 30 November 2024 is 5.60%

6.28. The Authority's total average interest rate on all investments in 2024/25 is 5.17%. The return is below our own performance target of 5.60% (average Base Rate + 0.50%) due to the short term nature of most of our investments. However, we do compare favourably to the Sterling Over Night Interest Average (SONIA) rate.

**Table 3 – Interest Rate Comparison**

Comparator	Average Rate to 30/11/2024
Cheshire East	5.17%
SONIA	5.05%
Base Rate	5.10%
Target Rate	5.60%

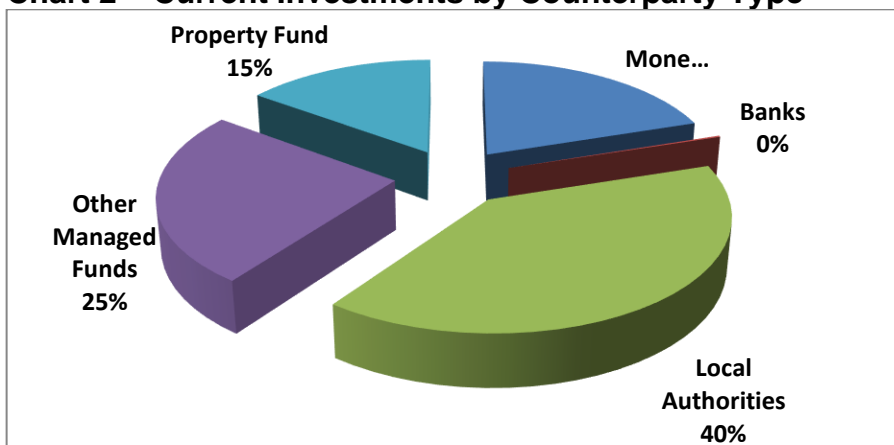
6.29. As the Authority holds reserves and working capital, £20m of this has been placed in strategic investments in order to benefit from higher income returns whilst spreading risk across different asset classes.

6.30. The investments are in five different funds which are all designed to give an annual income return higher than cash investments but which have different underlying levels of volatility. By spreading investments across different types of fund, the intention is to dampen any large fluctuations in the underlying value of the investments.

**Table 4 –Strategic Investments**

<b>Fund Manager</b>	<b>Asset Class</b>	<b>Invested £m</b>	<b>Current Value £m</b>
CCLA	Property	7.5	7.2
Aegon	Multi Asset	5.0	4.7
Fidelity	Equity - Global	4.0	4.4
Schroders	Equity - UK	2.5	2.4
M & G	Bonds	1.0	0.9
<b>TOTAL</b>		<b>20.0</b>	<b>19.6</b>

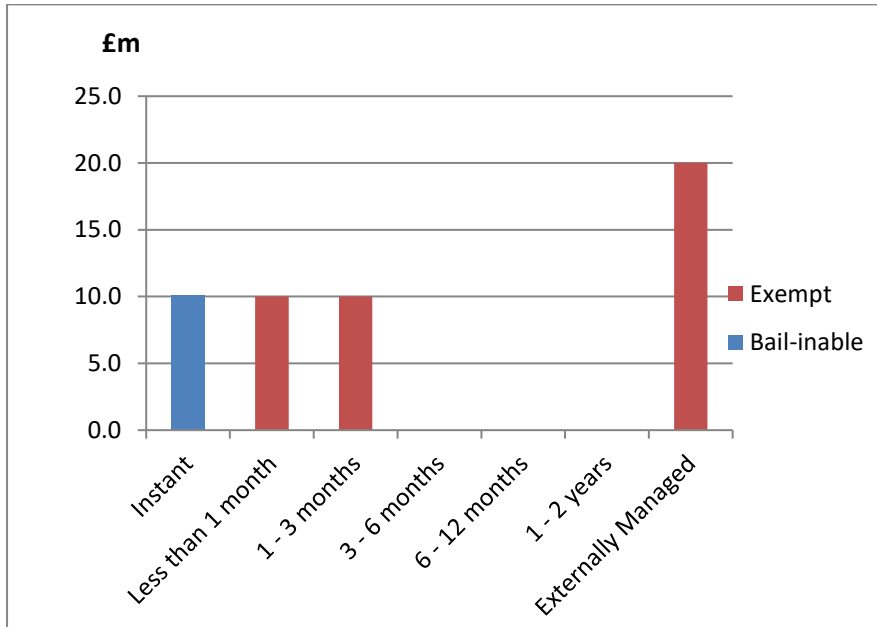
- 6.31. The value of these investments does vary. Fund values had been affected by high inflation, the effects of the war in Ukraine and low levels of GDP. However, the 8 month period to September 2024 has shown a gradual improvement, particularly to the equity funds. All funds continue to deliver good levels of income return.

**Chart 2 – Current Investments by Counterparty Type****Table 5 – Types of Investments and Current Interest Rates**

<b>Instant Access Accounts</b>	<b>Average Rate</b>	<b>£m</b>
Money Market Funds	4.79%	10.0
Banks	4.62%	0.1
<b>Fixed Term Deposits</b>		<b>£m</b>
Local Authorities	4.95%	20.0
<b>Externally Managed Funds</b>		<b>£m</b>
Total – see table 4	5.60%	20.0

Summary of Current Investments		£m
<b>TOTAL</b>	5.17%	<b>50.1</b>

Chart 3 – Maturity Profile of Investments



6.32. Note: Bail-inable means that in the event of default the counterparty may be required to use part of the investments as their own capital in which case the Council would not get back as much as they invested. This would apply with most bank and Building Society investments.

## Treasury Management Indicators

6.33. The Authority measures and manages its exposures to treasury management risks using the following indicators.

6.34. **Interest Rate Exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The upper limit on the one-year revenue impact of a 1% rise in interest rates is:

Interest Rate Risk Indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£2,270,000
Likely revenue impact in 2024/25 of a 1% <u>rise</u> in interest rates	£1,296,000

6.35. The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates. The Council is expected to remain a net borrower in 2024/25 so a fall in rates would lead to savings rather than incurring additional cost so a limit of £0 was set. Rates are now more likely to reduce than increase so full revenue impact of changing rates is likely to be beneficial.

6.36. **Maturity Structure of Borrowing:** This indicator is set to control the Authority's exposure to refinancing risk. Lower limits have been set at 0%. The upper limits on the maturity structure of borrowing and the actual maturity profiles as at 30 September 2024 are:

Refinancing rate risk indicator	Upper Limit	Actual
Under 12 months	75%	68%
12 months and within 24 months	75%	1%
24 months and within 5 years	75%	6%
5 years and within 10 years	75%	12%
10 years and within 20 years	100%	5%
20 years and above	100%	8%

6.37. Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment. The upper limit for loans maturing in under 12 months is relatively high as short term has been considerably cheaper than alternatives and allows for LOBO loans which have the potential to be repaid early. This will be kept under review as it does increase the risk of higher financing costs in the future.

6.38. **Principal Sums Invested for Periods Longer than 364 days:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the total principal sum invested to final maturities beyond the period end will be:

Price Risk Indicator	2024/25	2025/26	2026/27
Limit on principal invested beyond year end	£25m	£15m	£10m
Actual amounts committed beyond year end	£0m	£0m	£0m



## Annex B: Existing Investment & Debt Portfolio Position

	30/11/24 Actual Portfolio £m	30/11/24 Average Rate %
<b>External Borrowing:</b>		
PWLB – Fixed Rate	157	4.79%
Local Authorities	174	5.38%
LOBO Loans	17	4.63%
Other	4	4.92%
<b>Total External Borrowing</b>	<b>352</b>	<b>5.03%</b>
<b>Other Long Term Liabilities:</b>		
PFI	18	-
<b>Total Gross External Debt</b>	<b>370</b>	<b>-</b>
<b>Investments:</b>		
<i>Managed in-house</i>		
Short-term investments:		
Instant Access	10	4.78%
Fixed Term Deposits	20	4.95%
<i>Managed externally</i>		
Property Fund	7.5	5.06%
Multi Asset Fund	5	5.82%
Equity - Global	4	5.95%
Equity - UK	2.5	6.80%
Bonds	1	4.11%
<b>Total Investments</b>	<b>50</b>	<b>5.17%</b>
<b>Net Debt</b>	<b>320</b>	<b>-</b>

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**ANNEX 2**



# **Third Financial Review 2024/25**

## **Capital Programme by Committee**

OFFICIAL

# Adults and Health Committee

Adults & Health								CAPITAL					
CAPITAL PROGRAMME 2024/25 - 2027/28													
Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Total Forecast Budget 2024/28 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
<b>Committed Schemes in progress</b>													
<b>Adults Services</b>													
Community - Rural Shared Prosperity Fund	413	81	332	0	0	0	332	332	0	0	0	0	332
Electronic Call Monitoring System	389	0	389	0	0	0	389	0	0	389	0	0	389
People Planner System	94	43	51	0	0	0	51	51	0	0	0	0	51
Replacement Care4CE Devices	93	65	28	0	0	0	28	28	0	0	0	0	28
<b>Total Committed Schemes</b>	<b>989</b>	<b>189</b>	<b>800</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>800</b>	<b>411</b>	<b>0</b>	<b>389</b>	<b>0</b>	<b>0</b>	<b>800</b>
<b>Total Adults and Health Schemes</b>	<b>989</b>	<b>189</b>	<b>800</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>800</b>	<b>411</b>	<b>0</b>	<b>389</b>	<b>0</b>	<b>0</b>	<b>800</b>

# Children and Families Committee

Children and Families													CAPITAL
CAPITAL PROGRAMME 2024/25 - 2027/28													
Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Total Forecast Budget 2024/28 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
<b>Committed Schemes in progress</b>													
<b>Childrens Social Care</b>													
Foster Carers Capacity Scheme	534	434	51	50	0	0	101	0	0	0	0	101	101
**Crewe Youth Zone	4,826	395	2,025	2,406	0	0	4,431	3,584	0	0	0	847	4,431
Family Hubs Transformation	131	124	7	0	0	0	7	7	0	0	0	0	7
**Children's Home Sufficiency Scheme	1,404	204	700	500	0	0	1,200	0	0	0	0	1,200	1,200
<b>Strong Start, Family Help &amp; Integration</b>													
Early Years Sufficiency Capital Fund	1,036	943	14	79	0	0	93	93	0	0	0	0	93
Childcare Capital Expansion	749	0	449	300	0	0	749	749	0	0	0	0	749
<b>Education and 14-19 Skills</b>													
Adelaide Academy	904	55	100	748	0	0	848	678	0	0	0	170	848
Basic Need Grant Allocation	7,569	10	5,117	2,442	0	0	7,559	7,559	0	0	0	0	7,559
Brine Leas High School	701	5	696	0	0	0	696	696	0	0	0	0	696
Cledford House	11	11	0	0	0	0	0	0	0	0	0	0	0
Congleton Planning Area - Primary (1)	2,209	179	0	2,030	0	0	2,030	764	1,266	0	0	0	2,030
Congleton Planning Area - Primary (2)	628	574	55	0	0	0	55	55	0	0	0	0	55
Congleton Planning Area - Primary (3)	7,504	4	49	0	2,200	5,250	7,499	4,299	3,200	0	0	0	7,499
Devolved Formula Grant - Schools	1,533	0	893	330	310	0	1,533	1,533	0	0	0	0	1,533
Energy Efficiency Grant - Schools	672	391	280	0	0	0	280	280	0	0	0	0	280
Future Schemes - Feasibility Studies	250	25	225	0	0	0	225	225	0	0	0	0	225
Handforth Planning Area - New School	13,003	3	100	400	4,000	8,499	12,999	135	12,864	0	0	0	12,999
Little Angels Satellite Sites	29	21	8	0	0	0	8	8	0	0	0	0	8
Macclesfield Academy Resource Provision	103	3	100	0	0	0	100	100	0	0	0	0	100
Macclesfield Planning Area - Secondary	1,163	1,148	15	0	0	0	15	0	15	0	0	0	15
Macclesfield Planning Area - Secondary New	1,031	5	0	1,025	0	0	1,025	1,025	0	0	0	0	1,025
Macclesfield Planning Area - New School	4,001	1	0	0	0	4,000	4,000	0	4,000	0	0	0	4,000
Malbank High School	1,922	1,897	25	0	0	0	25	25	0	0	0	0	25
Mobberley Primary School	1,208	35	2	609	561	0	1,172	872	0	0	300	0	1,172

# Children and Families

# CAPITAL

## CAPITAL PROGRAMME 2024/25 - 2027/28

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Total Forecast Budget 2024/28 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
<b>Committed Schemes in progress</b>													
Nantwich Planning Area (Primary Schools - 210	9,061	733	500	7,328	500	0	8,328	5,308	3,020	0	0	0	8,328
Oakfield Lodge & Stables	50	12	38	0	0	0	38	38	0	0	0	0	38
Poynton Planning Area	1,500	13	100	1,387	0	0	1,487	684	803	0	0	0	1,487
Provision of Sufficient School Places - SEND	7,182	3,861	3,000	322	0	0	3,322	0	0	0	0	3,322	3,322
Puss Bank SEN Expansion	532	520	12	0	0	0	12	0	0	0	0	12	12
Provision of SEN Unit - Wistaston Primary School	1,506	169	1,337	0	0	0	1,337	1,037	0	0	0	300	1,337
Sandbach Primary Academy	1,583	106	1,477	0	0	0	1,477	1,477	0	0	0	0	1,477
Schools Condition Capital Grant	7,833	1,227	2,606	2,000	2,000	0	6,606	6,606	0	0	0	0	6,606
SEN/High Needs Capital Allocation	5,327	168	5,159	0	0	0	5,159	5,159	0	0	0	0	5,159
Shavington Planning Area - New Primary School	8,040	156	100	1,000	6,784	0	7,884	5,549	2,335	0	0	0	7,884
Shavington Planning Area - Secondary	3,506	2,883	623	0	0	0	623	623	0	0	0	0	623
Springfield Satellite Site (Dean Row)	6,112	5,934	178	0	0	0	178	0	0	0	0	178	178
The Dingle PS Expansion	1,395	1,135	260	0	0	0	260	260	0	0	0	0	260
Tytherington High School	2,500	172	100	2,228	0	0	2,328	2,328	0	0	0	0	2,328
Various SEN Sites - Small Works/Adaptations	150	0	150	0	0	0	150	150	0	0	0	0	150
Wheelock Primary School	2,411	201	1,000	1,210	0	0	2,210	1,750	460	0	0	0	2,210
Wilmslow High School BN	14,179	12,355	1,300	525	0	0	1,825	487	1,290	0	0	48	1,825
Wilmslow Primary Planning Area	626	1	625	0	0	0	625	125	500	0	0	0	625
<b>Total Committed Schemes</b>	<b>126,615</b>	<b>36,114</b>	<b>29,476</b>	<b>26,919</b>	<b>16,355</b>	<b>17,749</b>	<b>90,499</b>	<b>54,268</b>	<b>29,753</b>	<b>0</b>	<b>300</b>	<b>6,178</b>	<b>90,499</b>
<b>New Schemes</b>													
<b>Education and 14-19 Skills</b>													
New Satellite Special School - 1	6,000	0	500	5,500	0	0	6,000	6,000	0	0	0	0	6,000
New Satellite school - 2	9,000	0	50	950	5,000	3,000	9,000	9,000	0	0	0	0	9,000
New SEN places - 1	1,089	0	339	750	0	0	1,089	1,089	0	0	0	0	1,089
New SEN places - 2	25	0	25	0	0	0	25	25	0	0	0	0	25
New SEN places - 3	163	0	163	0	0	0	163	163	0	0	0	0	163
SEN New Free School	998	0	5	745	248	0	998	998	0	0	0	0	998
Workplace	0	0	0	0	0	0	0	0	0	0	0	0	0
Gainsborough Primary - Flooring	304	0	50	254	0	0	304	304	0	0	0	0	304
<b>Total New Schemes</b>	<b>17,579</b>	<b>0</b>	<b>1,132</b>	<b>8,199</b>	<b>5,248</b>	<b>3,000</b>	<b>17,579</b>	<b>17,579</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17,579</b>
<b>Total Children and Families Schemes</b>	<b>144,194</b>	<b>36,114</b>	<b>30,608</b>	<b>35,118</b>	<b>21,603</b>	<b>20,749</b>	<b>108,078</b>	<b>71,847</b>	<b>29,753</b>	<b>0</b>	<b>300</b>	<b>6,178</b>	<b>108,078</b>

# Corporate Policy Committee

Corporate								CAPITAL					
CAPITAL PROGRAMME 2024/25 - 2027/28													
Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Total Forecast Budget 2024-28 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
<b>Committed Schemes in progress</b>													
<b>ICT Services</b>													
Accelerate Digital	1,460	0	760	700	0	0	1,460	0	0	0	0	1,460	1,460
**Care Act Phase 2	6,314	4,599	635	1,080	0	0	1,715	0	0	0	0	1,715	1,715
Digital Customer Enablement	3,102	2,424	678	0	0	0	678	0	0	0	0	678	678
**ICT Device Replacement	1,912	683	729	500	0	0	1,229	0	0	0	0	1,229	1,229
ICT Hybrid Model	3,449	445	3,004	0	0	0	3,004	0	0	0	0	3,004	3,004
**IADM (Information Assurance and Data	19,465	16,421	1,644	1,400	0	0	3,044	0	0	0	0	3,044	3,044
Infrastructure Investment Programme (IIP)	34,429	31,065	730	1,804	830	0	3,364	0	0	0	0	3,364	3,364
Vendor Management	1,006	765	23	218	0	0	241	0	0	0	0	241	241
<b>Finance &amp; Customer Services</b>													
**Core Financials	11,317	9,365	997	662	293	0	1,952	0	0	0	0	1,952	1,952
**Strategic Capital Projects	15,588	8,754	500	2,500	2,000	1,834	6,834	0	0	0	0	6,834	6,834
**Vendor Management - Phase 2	99	24	0	25	50	0	75	0	0	0	0	75	75
<b>Total Committed Schemes</b>	<b>98,141</b>	<b>74,545</b>	<b>9,700</b>	<b>8,889</b>	<b>3,173</b>	<b>1,834</b>	<b>23,596</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,596</b>	<b>23,596</b>
<b>Total CorporatePolicy Schemes</b>	<b>98,141</b>	<b>74,545</b>	<b>9,700</b>	<b>8,889</b>	<b>3,173</b>	<b>1,834</b>	<b>23,596</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,596</b>	<b>23,596</b>

# Economy and Growth Committee

Economy & Growth								CAPITAL					
CAPITAL PROGRAMME 2024/25 - 2027/28													
Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Total Forecast Budget 2024-28 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
<b>Committed Schemes in progress</b>													
<b>Facilities Management</b>													
Public Sector Decarbonisation Fund - FM 3	5,214	5,023	191	0	0	0	191	0	0	0	0	191	191
PSDS - 3B - Lot 1	1,028	77	827	124	0	0	951	827	0	0	0	123	951
PSDS - 3B - Lot 3 (schools)	4,390	3,267	1,123	0	0	0	1,123	1,056	0	0	0	67	1,123
**Septic Tanks	636	285	50	50	251	0	351	0	0	0	0	351	351
Schools Capital Maintenance	8,315	5,575	1,696	1,044	0	0	2,740	2,459	0	0	0	281	2,740
**Corporate Landlord - Operational	999	996	4	0	0	0	4	0	0	0	0	4	4
**Premises Capital (FM)	39,914	32,530	3,557	2,678	1,149	0	7,384	0	0	0	0	7,384	7,384
Poynton Pool Spillway	1,380	468	276	636	0	0	912	0	0	0	0	912	912
<b>Housing</b>													
Crewe Towns Fund - Warm and Healthy Homes	2,126	31	827	1,268	0	0	2,095	2,095	0	0	0	0	2,095
Disabled Facilities	22,025	10,181	3,580	2,664	2,800	2,800	11,844	10,807	109	0	0	928	11,844
Green Homes Grant	3,105	2,378	50	339	339	0	728	728	0	0	0	0	728
Gypsy and Traveller Sites	4,136	2,938	1,198	0	0	0	1,198	175	0	0	0	1,023	1,198
**Home Repairs Vulnerable People	1,338	870	66	402	0	0	468	0	32	0	0	436	468
Home Upgrade Grant Phase 2	4,409	740	2,000	1,669	0	0	3,669	3,666	3	0	0	0	3,669
Local Authority Housing Fund	742	293	140	309	0	0	449	449	0	0	0	0	449
Social Housing Decarbonisation Fund	1,565	1,557	8	0	0	0	8	8	0	0	0	0	8
Temporary Accommodation	1,479	1,069	410	0	0	0	410	0	164	0	0	246	410
Warm Homes Fund	239	213	26	0	0	0	26	26	0	0	0	0	26
<b>Estates</b>													
Corporate Landlord - Non-Operational	1,336	0	0	1,336	0	0	1,336	0	0	0	0	1,336	1,336
Malkins Bank Landfill Site	1,360	661	116	583	0	0	699	0	0	0	0	699	699
**Farms Strategy	2,910	1,689	55	331	209	626	1,221	0	0	0	1,221	0	1,221



CAPITAL PROGRAMME 2024/25 - 2027/28													
Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Total Forecast Budget 2024-28 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
<b>Committed Schemes in progress</b>													
<b>Economic Development</b>													
Crewe Towns Fund - Repurposing Our High Streets	1,132	162	463	507	0	0	970	970	0	0	0	0	970
Crewe Towns Fund - Flag Lane Baths	1,968	583	1,385	0	0	0	1,385	32	0	0	0	1,353	1,385
Crewe Towns Fund - Mill Street Corridor	4,027	684	2,546	798	0	0	3,343	3,343	0	0	0	0	3,343
Crewe Towns Fund - Mirion St	1,190	164	1,026	0	0	0	1,026	1,026	0	0	0	0	1,026
Crewe Towns Fund - Crewe Youth Zone non-grant	351	125	63	163	0	0	226	226	0	0	0	0	226
History Centre Public Realm & ICV (Crewe Towns Fund) CTC1	580	10	200	370	0	0	570	570	0	0	0	0	570
Handforth Heat Network	13,219	17	663	50	450	12,039	13,202	2,587	7,428	0	0	3,187	13,202
**Demolition of Crewe Library & Concourse CTC10	3,396	859	2,538	0	0	0	2,538	1,015	0	0	0	1,523	2,538
Future High Street Funding - CEC Innovation Centre	3,973	530	3,443	0	0	0	3,443	3,443	0	0	0	0	3,443
Crewe Town Centre Regeneration	32,293	30,993	300	1,000	0	0	1,300	198	64	0	0	1,037	1,300
**South Macclesfield Development Area	34,630	3,259	100	100	0	31,171	31,371	10,000	10,000	0	11,371	0	31,371
North Cheshire Garden Village	57,866	7,026	5,261	6,588	17,285	21,706	50,840	20,165	0	0	21,700	8,975	50,840
Handforth Garden Village s106 Obligations	6,841	0	0	0	2,740	4,101	6,841	0	0	0	0	6,841	6,841
**Leighton Green	2,096	1,468	150	478	0	0	628	0	0	0	0	628	628
Connecting Cheshire Phase 3	8,000	128	800	2,000	2,200	2,872	7,872	0	7,872	0	0	0	7,872
Connecting Cheshire 2020	9,250	5,680	585	0	0	2,985	3,570	3,570	0	0	0	0	3,570
UK Shared Prosperity Fund - Core	950	202	748	0	0	0	748	748	0	0	0	0	748
<b>Culture &amp; Tourism</b>													
Cattle Handling Facility - Oakwood Farm	367	367	0	0	0	0	0	0	0	0	0	0	0
Countryside Vehicles	1,579	700	226	219	217	217	879	0	0	0	0	879	879
Culture & Tourism S106 Schemes	601	91	98	385	5	22	510	22	488	0	0	0	510
**New Archives Premises CTC1	10,256	442	3,141	6,433	240	0	9,814	0	0	0	0	9,814	9,814
PROW Capital Works	1,138	1,042	96	0	0	0	96	96	0	0	0	0	96
PROW CMM A6 MARR	100	69	2	29	0	0	31	31	0	0	0	0	31
PROW Flood Damage Investment	72	71	1	0	0	0	1	0	0	0	0	1	1
Visitor Economy - Rural Shared Prosperity Fund	415	113	302	0	0	0	302	302	0	0	0	0	302
**Tatton Park Investment Phase 2	3,280	1,434	436	684	725	0	1,845	0	0	0	0	1,845	1,845
<b>Total Committed Schemes</b>	<b>308,219</b>	<b>127,061</b>	<b>40,772</b>	<b>33,237</b>	<b>28,610</b>	<b>78,539</b>	<b>181,158</b>	<b>70,643</b>	<b>26,159</b>	<b>0</b>	<b>34,291</b>	<b>50,064</b>	<b>181,158</b>

CAPITAL PROGRAMME 2024/25 - 2027/28

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Total Forecast Budget 2024-28 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
<b>New Schemes</b>													
<b>Facilities Management</b>													
PSDS - 3C	1,449	0	290	1,159	0	0	1,449	1,449	0	0	0	0	1,449
<b>Estates</b>													
WorkplaCE	1,000	0	1,000	0	0	0	1,000	1,000	0	0	0	0	1,000
<b>Economic Development</b>													
Macclesfield Indoor Market Refurbishment (MIMR)	1,712	40	1,673	0	0	0	1,673	1,673	0	0	0	0	1,673
Macc on Foot (MOF)	351	5	347	0	0	0	347	347	0	0	0	0	347
Nantwich Town Centre Public Realm Improvements	100	0	0	100	0	0	100	0	100	0	0	0	100
<b>Culture &amp; Tourism</b>													
**Green Structures Investment	384	0	0	271	113	0	384	0	0	0	0	384	384
<b>Total New Schemes</b>	<b>4,997</b>	<b>45</b>	<b>3,309</b>	<b>1,530</b>	<b>113</b>	<b>0</b>	<b>4,952</b>	<b>4,468</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>384</b>	<b>4,952</b>
<b>Total Growth &amp; Enterprise</b>	<b>313,216</b>	<b>127,107</b>	<b>44,081</b>	<b>34,767</b>	<b>28,723</b>	<b>78,539</b>	<b>186,109</b>	<b>75,112</b>	<b>26,259</b>	<b>0</b>	<b>34,291</b>	<b>50,448</b>	<b>186,110</b>

# Environment and Communities Committee

Environment & Communities												CAPITAL
CAPITAL PROGRAMME 2024/25 - 2027/28												
Scheme Description	Forecast Expenditure						Forecast Funding					Total Funding £000
	Prior Years	Forecast Budget 2024/25	Forecast Budget 2025/26	Forecast Budget 2026/27	Forecast Budget 2027/28	Total Forecast Budget 2024-28	Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
<b>Committed Schemes in progress</b>												
<b>Environment Services</b>												
Bereavement Service Data System	7	28	0	0	0	28	0	0	28	0	0	28
Booth Bed Lane, Goostrey	0	40	100	0	0	140	0	140	0	0	0	140
Bosley Village Play Area	0	10	10	0	0	20	0	20	0	0	0	20
Browns Lane Play Area 2024/25	0	12	0	0	0	12	0	12	0	0	0	12
**Carbon Offset Investment	137	131	300	0	0	431	0	0	0	0	431	431
Carnival Fields	0	0	42	0	0	42	0	42	0	0	0	42
Chelford Village Hall Open Space and Sport Improvements	119	2	0	0	0	2	0	0	0	0	2	2
Chelford Village Hall Phase 2	0	61	0	0	0	61	0	61	0	0	0	61
Cremator Flue Gas Modifications	0	30	0	0	0	30	0	0	0	0	30	30
Crewe Crematorium and Macclesfield Crematorium Major	14	16	0	0	0	16	0	0	0	0	16	16
Elworth Park	0	52	0	0	0	52	0	52	0	0	0	52
Energy Improvements at Cledford Lane	908	77	0	0	0	77	0	0	0	0	77	77
Fleet EV Transition	39	1,557	3,301	2,000	0	6,858	0	0	0	0	6,858	6,858
Fleet Vehicle Electric Charging	155	150	140	140	0	430	0	0	0	0	430	430
Future High Street Funding - Sustainable Energy Network	1,148	633	0	0	0	633	633	0	0	0	0	633
Green Investment Scheme (Solar Farm)	2,279	1,665	6	0	0	1,671	0	0	0	0	1,671	1,671
Grounds Maintenance Management ICT System	101	20	0	0	0	20	0	0	0	0	20	20
Household Bins Schemes	0	0	0	0	0	0	0	0	0	0	0	0
Household Waste Recycling Centres	48	222	590	0	0	812	0	0	0	0	812	812
Jim Evison Playing Fields	0	0	161	0	0	161	0	161	0	0	0	161
Litter and Recycling Bins	119	17	25	25	22	89	0	0	0	0	89	89
Longridge Open Space Improvement Project	0	66	0	0	0	66	0	66	0	0	0	66
Macclesfield Chapel Refurbishment	22	7	400	0	0	407	0	0	0	0	407	407
Main Road, Langley	0	259	0	0	0	259	0	259	0	0	0	259
Newtown Sports Facilities Improvements	81	18	0	0	0	18	0	18	0	0	0	18

CAPITAL PROGRAMME 2024/25 - 2027/28												
Scheme Description	Forecast Expenditure						Forecast Funding					Total Funding £000
	Prior Years	Forecast Budget 2024/25	Forecast Budget 2025/26	Forecast Budget 2026/27	Forecast Budget 2027/28	Total Forecast Budget 2024-28	Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
**Park Development Fund	670	53	36	87	0	176	0	0	0	0	176	176
Park Lane, Poynton	0	39	0	0	0	39	0	39	0	0	0	39
Park Play, Meriton Road & Stanley Hall	0	10	0	0	0	10	0	10	0	0	0	10
Pastures Wood De-carbonisation	35	16	0	0	0	16	0	0	16	0	0	16
Pear Tree Play Area, Stapeley Improvements	1	6	0	0	0	6	0	6	0	0	0	6
Queens Park Bowling Green	0	17	0	0	0	17	0	17	0	0	0	17
Rotherhead Drive Open Space and Play Area	117	24	0	0	0	24	0	24	0	0	0	24
Shaw Heath Recreation Ground	3	19	0	0	0	19	0	19	0	0	0	19
**Solar Energy Generation	91	10	6,000	5,000	3,079	14,089	0	0	0	0	14,089	14,089
Stanley Hall Improvements	0	55	0	0	0	55	20	35	0	0	0	55
The Carrs Improvement Project	0	15	46	0	0	61	0	61	0	0	0	61
The Moor, Knutsford	0	36	0	0	0	36	0	17	0	0	19	36
Tytherington Public Art	0	10	0	0	0	10	0	10	0	0	0	10
Unsafe Cemetery Memorials	9	26	0	0	0	26	0	0	0	0	26	26
Victoria Park Amenity Improvements	9	11	0	0	0	11	0	11	0	0	0	11
Victoria Park Pitch Improvements	28	1	0	0	0	1	0	1	0	0	0	1
West Park Open Space & Sports Improvements	23	98	0	0	0	98	0	98	0	0	0	98
Wilmslow Town Council - Villas	0	81	0	0	0	81	34	13	0	0	34	81
Woodland South of Coppice Way, Handforth	68	5	16	0	0	21	0	21	0	0	0	21
Wynbunbury Parish Open Space	1	4	0	0	0	4	0	4	0	0	0	4
Wybunbury St Chad's Closed Cemetery	0	0	219	0	0	219	0	0	0	0	219	219
<b>Neighbourhood Services</b>												
Congleton Leisure Centre	12,963	38	0	0	0	38	0	20	0	0	18	38
Crewe Towns Fund - Valley Brook Green Corridor	327	1,372	1,640	0	0	3,012	3,012	0	0	0	0	3,012
Crewe Towns Fund - Cumberland Arena	128	2,140	825	0	0	2,965	2,965	0	0	0	0	2,965
Crewe Towns Fund - Pocket Parks	652	436	393	0	0	829	829	0	0	0	0	829
Middlewich Leisure Centre	51	9	0	0	0	9	0	0	0	0	9	9
Libraries - Next Generation - Self Service	336	38	0	0	0	38	0	0	0	0	38	38
Bollington Leisure	0	51	0	0	0	51	51	0	0	0	0	51
<b>Planning &amp; Regulatory Services</b>												
Regulatory Systems & Environmental Health ICT System	279	34	0	0	0	34	0	0	0	0	34	34
<b>Total Committed Schemes</b>	<b>20,968</b>	<b>9,727</b>	<b>14,250</b>	<b>7,252</b>	<b>3,101</b>	<b>34,330</b>	<b>7,544</b>	<b>1,237</b>	<b>44</b>	<b>0</b>	<b>25,505</b>	<b>34,330</b>

**Environment & Communities**

**CAPITAL**

**CAPITAL PROGRAMME 2024/25 - 2027/28**

Scheme Description	Forecast Expenditure						Forecast Funding					Total Funding £000
	Prior Years	Forecast Budget 2024/25	Forecast Budget 2025/26	Forecast Budget 2026/27	Forecast Budget 2027/28	Total Forecast Budget 2024-28	Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
<b>New Schemes</b>												
<b>Environment Services</b>												
Closed Cemeteries	0	50	102	0	0	152	0	0	0	0	152	152
LTA - Tennis Facility Improvements	1	124	0	0	0	124	99	0	0	0	25	124
Review of Household Waste Recycling Centres	2	100	900	0	0	1,000	0	0	0	0	1,000	1,000
Strategic Leisure Review	0	1,750	1,000	650	0	3,400	0	0	0	0	3,400	3,400
Weekly Food Waste Collections	0	80	2,132	500	0	2,712	2,712	0	0	0	0	2,712
Macclesfield Crematorium - hearth replacement	0	11	0	0	0	11	0	0	11	0	0	11
<b>Total New Schemes</b>	<b>3</b>	<b>2,115</b>	<b>4,134</b>	<b>1,150</b>	<b>0</b>	<b>7,399</b>	<b>2,811</b>	<b>0</b>	<b>11</b>	<b>0</b>	<b>4,577</b>	<b>7,399</b>
<b>Total Environment and Communities Schemes</b>	<b>20,971</b>	<b>11,842</b>	<b>18,384</b>	<b>8,402</b>	<b>3,101</b>	<b>41,729</b>	<b>10,355</b>	<b>1,237</b>	<b>55</b>	<b>0</b>	<b>30,083</b>	<b>41,729</b>

# Highways and Transport Committee

## Highways & Transport CAPITAL

CAPITAL PROGRAMME 2024/25 - 2027/28													
Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Total Forecast Budget 2024-28 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
	<b>Committed Schemes in progress</b>												
<b>Highways</b>													
**A532 Safer Road Fund Scheme	1,223	677	546	0	0	0	546	447	0	0	0	99	546
A536 Safer Road Fund Scheme	2,404	1,925	479	0	0	0	479	385	0	0	0	94	479
**A537 Safer Road Fund Scheme	2,733	2,155	578	0	0	0	578	335	0	0	0	243	578
Air Quality Action Plan	523	421	102	0	0	0	102	87	0	0	0	15	102
Alderley Edge Bypass Scheme Implementation	60,611	60,359	25	227	0	0	252	0	0	0	0	252	252
Bridge Maintenance Minor Wks	12,463	10,037	2,427	0	0	0	2,427	1,406	602	0	0	418	2,427
Client Contract and Asset Mgmt	756	485	271	0	0	0	271	111	0	0	0	160	271
Footpath Maintenance - Slurry Sealing & Reconstruction Works	1,319	514	805	0	0	0	805	805	0	0	0	0	805
Highway Maintenance Minor Wks	67,964	53,616	14,348	0	0	0	14,348	9,994	0	0	0	4,353	14,348
Highway Pothole/Challenge Fund	11,669	8,098	3,571	0	0	0	3,571	3,316	0	0	0	255	3,571
Jack Mills Way Part 1 Claims	300	299	1	0	0	0	1	0	1	0	0	0	1
Local Highway Measures	7,255	6,873	382	0	0	0	382	382	0	0	0	0	382
Ward Members Local Highway Measures	872	0	357	515	0	0	872	496	0	0	0	376	872
Programme Management	1,547	1,229	286	33	0	0	318	318	0	0	0	0	318
Road Safety Schemes Minor Wks	6,423	5,944	378	100	0	0	478	350	0	0	0	128	478
Traffic Signal Maintenance	1,095	516	318	260	0	0	578	577	0	0	0	1	578
Traffic Signs and Bollards - LED Replacement	1,250	1,011	239	0	0	0	239	0	0	0	0	239	239
**Winter Service Facility	958	674	97	97	89	0	284	0	0	0	0	284	284
<b>Infrastructure</b>													
**A500 Dualling scheme	89,456	11,031	50	1,950	0	76,425	78,425	74,125	4,300	0	0	0	78,425
A500 Corridor OBC Update	2,435	0	300	2,135	0	0	2,435	2,435	0	0	0	0	2,435
A50 / A54 Holmes Chapel	603	100	0	0	0	503	503	0	503	0	0	0	503
A54 / A533 Leadsmithy Street, Middlewich	563	176	0	0	0	387	387	0	387	0	0	0	387
**A6 MARR CMM Handforth	1,088	1,032	56	0	0	0	56	0	56	0	0	0	56
A6 MARR Technical Design	473	280	0	194	0	0	194	70	124	0	0	0	194
A556 Knutsford to Bowdon	504	367	50	87	0	0	137	0	137	0	0	0	137
Peacock Roundabout Junction	750	2	50	500	0	198	748	0	748	0	0	0	748
Congleton Link Road	83,991	72,263	574	1,254	1,279	8,621	11,728	316	11,412	0	0	0	11,728
Crewe Green Roundabout	7,500	7,057	0	443	0	0	443	0	443	0	0	0	443
**Flowerpot Phs 1 & Pinchpoint	10,037	1,509	100	588	336	7,504	8,528	3,284	726	0	0	4,518	8,528

# Highways & Transport

# CAPITAL

## CAPITAL PROGRAMME 2024/25 - 2027/28

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Total Forecast Budget 2024-28 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
<b>Committed Schemes in progress</b>													
Future High Street Funding - Adaptive Signals	509	455	54	0	0	0	54	0	54	0	0	0	54
Future High Street Funding - Flag Lane Link	1,558	1,249	0	309	0	0	309	309	0	0	0	0	309
Future High Street Funding - Southern Gateway	5,118	1,318	3,800	0	0	0	3,800	3,800	0	0	0	0	3,800
Highways & Infrastructure S106 Funded Schemes	4,731	816	1,004	1,179	494	1,238	3,915	497	3,417	0	0	0	3,915
Transport & Infrastructure Development Studies	350	10	50	290	0	0	340	340	0	0	0	0	340
Middlewich Eastern Bypass	96,600	26,237	1,031	22,140	22,876	24,316	70,363	46,779	14,611	0	0	8,973	70,363
Mill Street Corridor - Station Link Project	1,534	92	900	542	0	0	1,442	858	284	0	0	300	1,442
North-West Crewe Package	51,366	43,108	7,058	300	300	600	8,258	0	8,258	0	0	0	8,258
Old Mill Road / The Hill Junction	1,325	187	0	1,137	0	0	1,137	0	1,137	0	0	0	1,137
Poynton Relief Road	54,849	46,283	2,623	1,096	1,146	3,700	8,566	2,236	3,138	0	1,000	2,191	8,566
Sydney Road Bridge	10,501	10,111	25	200	165	0	390	0	390	0	0	0	390
<b>Strategic Transport and Parking</b>													
A538 Waters Roundabout Pedestrian and Cyclist Crossing	140	87	53	0	0	0	53	53	0	0	0	0	53
Active Travel Fund	2,861	729	951	1,181	0	0	2,132	2,132	0	0	0	0	2,132
Active Travel (Cycling / Walking Route) Investment	3,329	2,765	564	0	0	0	564	499	0	0	0	65	564
Available Walking Routes	151	0	151	0	0	0	151	151	0	0	0	0	151
Bollin Valley / Greater Bollin Trail	100	89	11	0	0	0	11	11	0	0	0	0	11
LEVI Capital Fund 23/24	2,172	0	0	543	543	1,086	2,172	2,172	0	0	0	0	2,172
On-street Residential Charging	551	258	293	0	0	0	293	251	0	0	0	42	293
Park Lane – Ayresshire Way, Congleton Walking and Cycling	250	14	236	0	0	0	236	236	0	0	0	0	236
Route 55 Middlewood Way on Black Lane	700	694	6	0	0	0	6	6	0	0	0	0	6
Sustainable Travel Access Prog	2,438	2,038	200	200	0	0	400	400	0	0	0	0	400
Sustainable Modes of Travel to Schools Strategy (SMOTSS)	1,117	756	361	0	0	0	361	361	0	0	0	0	361
Public Transport Infrastructure	1,815	1,134	681	0	0	0	681	681	0	0	0	0	681
Local Access - Crewe Transport Access Studies	400	88	100	212	0	0	311	311	0	0	0	0	311
Local Access - Macclesfield Transport Access Studies	300	61	100	139	0	0	239	239	0	0	0	0	239
Middlewich Rail Study	20	0	20	0	0	0	20	20	0	0	0	0	20
LTP Development & Monitoring Studies	900	430	50	200	221	0	471	471	0	0	0	0	471
Digital Car Parking Solutions	140	93	19	27	0	0	47	0	0	0	0	47	47
Pay and Display Parking Meters	620	607	13	0	0	0	13	0	0	0	0	13	13
Car Parking Improvements (including residents parking)	322	266	0	56	0	0	56	0	0	0	0	56	56
<b>Total Committed Schemes</b>	<b>625,533</b>	<b>388,628</b>	<b>46,744</b>	<b>38,134</b>	<b>27,448</b>	<b>124,578</b>	<b>236,904</b>	<b>162,053</b>	<b>50,728</b>	<b>0</b>	<b>1,000</b>	<b>23,123</b>	<b>236,904</b>

# Highways & Transport

# CAPITAL

## CAPITAL PROGRAMME 2024/25 - 2027/28

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Total Forecast Budget 2024-28 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
<b>New Schemes</b>													
<b>Highways</b>													
**Managing and Maintaining Highways	4,712	0	0	4,712	0	0	4,712	0	0	0	0	4,712	4,712
Pothole Funding	17,397	0	0	5,799	5,799	5,799	17,397	17,397	0	0	0	0	17,397
Integrated Block - LTP	6,009	0	0	2,003	2,003	2,003	6,009	6,009	0	0	0	0	6,009
**Maintenance Block - LTP	19,476	0	0	7,878	5,799	5,799	19,476	17,397	0	0	0	2,079	19,476
Incentive Fund - LTP	4,350	0	0	1,450	1,450	1,450	4,350	4,350	0	0	0	0	4,350
<b>Strategic Transport and Parking</b>													
Car Parking Review	895	0	895	0	0	0	895	0	0	0	0	895	895
<b>Total New Schemes</b>	<b>52,839</b>	<b>0</b>	<b>895</b>	<b>21,842</b>	<b>15,051</b>	<b>15,051</b>	<b>52,839</b>	<b>45,153</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,686</b>	<b>52,839</b>
<b>Total Highways &amp; Transport</b>	<b>678,372</b>	<b>388,628</b>	<b>47,639</b>	<b>59,976</b>	<b>42,499</b>	<b>139,629</b>	<b>289,743</b>	<b>207,206</b>	<b>50,728</b>	<b>0</b>	<b>1,000</b>	<b>30,809</b>	<b>289,743</b>



OPEN

## **Economy and Growth Committee**

**Tuesday, 14 January 2025**

**Medium Term Financial Strategy  
Consultation 2025/26 - 2028/29  
Provisional Settlement Update  
(Economy & Growth Committee)**

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**Report of: Adele Taylor, Interim Executive Director of Resources  
(s151 Officer)**

**Report Reference No: EG/14/24-25**

**Ward(s) Affected: All Wards**

**For Decision or Scrutiny: Both**

### **Purpose of Report**

- 1 The Economy and Growth Committee is being asked to provide feedback, as consultees, on the development of the Cheshire East Medium-Term Financial Strategy 2025/26 to 2028/29. Feedback is requested in relation to the responsibilities of the Committee.
- 2 The Medium-Term Financial Strategy (MTFS) sets out how the Council will resource the achievement of the Council Plan and the budget change proposals within that report are subject to consultation and approval on an annual basis.
- 3 Developing the MTFS requires a wide range of stakeholder engagement. Members are key stakeholders in their capacity as community leaders and also have specific responsibilities as decision makers in setting the Council's budget.
- 4 All feedback will be collated and provided as evidence to the Corporate Policy Committee on 6 February 2025.

- 5 Final approval of the 2025/26 budget will take place at full Council on 26 February 2025 following recommendation from the Corporate Policy Committee.
- 6 This report is being considered in full by all Service Committees. However, please note that Appendix C Provisional Local Government Finance Settlement and Appendix D Council Tax Benchmarking and scenarios are to be scrutinised by the Finance Sub Committee but are being included as overall context for all other committees.

### **Executive Summary**

- 7 Financial and corporate strategies underpin how Cheshire East Council will allocate resources, achieve the Cheshire East Plan and provide in the region of 500 local services every day. The strategies must be affordable, based on robust estimates and balanced against adequate reserves.
- 8 Committees are responsible for overseeing the achievement of the Council's priorities contained within the Plan. Resources for the 2024/25 financial year, including Revenue, Capital and Reserves were allocated by the Finance Sub-Committee in March 2024, following the budget Council that approved the overall budget in February 2024. All resources are allocated to a specific Service Committee or the Finance Sub-Committee.
- 9 The November 2024 Corporate Policy Committee received a report on the overall medium term financial position and list of proposed budget changes at that time, but they did not go far enough to balance the budget for 2025/26. At that time the reported budget gap for 2025/26 was £31.4m.
- 10 The Corporate Policy Committee also noted the approach to budget consultation and engagement. The majority of proposals do not require formal consultation as they are achievable within existing policies or do not require any statutory consultation. However, it is good practice to give all stakeholders the opportunity to provide feedback on the proposals and draft budget, to help generate additional ideas and provide Members with insights into the potential wider impacts of their decisions.
- 11 Stakeholders, businesses and residents are invited to give feedback on the overall approach to budget setting including the principles, from 19 December 2024 to 19 January 2025. Feedback will be provided to this committee verbally as the consultation will still be running and live, and to the other service committees during January. There will also be an opportunity during the January cycle of committee meetings to give formal feedback, from each committee, to the Corporate Policy Committee, ahead of the full Budget Council meeting in February 2025.

- 12 Since November there have been various funding announcements that have improved the reported position including the better than anticipated funding for the Extended Producer Responsibility of £7m for 2025/26. There has also been a favourable early forecast for the new pension scheme triannual valuation period which will be announced in March 2025 and comes into effect in April 2026. This will have the effect of reducing pension contributions from 2026/27 when compared to the previous MTFS in February 2024. There are however other announcements and impacts that are not favourable and these have also been built into the model.
- 13 The Provisional Local Government Settlement was received on 18 December 2024. This resulted in an improvement to the funding envelope when compared to the November position by £4.5m. This includes the Employers National Insurance grant (£3.0m estimate) that sits outside of the specific confirmed funding announcements at this time. The actual grant allocation will be announced as part of the Final Local Government Settlement in February 2025 and at that time it will then be included in the Core Spending Power total. It should be noted that the grant is only anticipated to cover around 80% of the estimated additional direct costs (c.£3.7m).
- 14 Appendix C sets out the Core Spending Power funding announcements and comparison to the net funding envelope as reported to the Corporate Policy Committee in November 2024.
- 15 The latest funding position and other movements identified above, has the result of improving the forecast gap for 2025/26 by £6.1m and is now £25.3m as per the table below.

<b>Table 1: Summary position for 2025/26 to 2028/29</b>	<b>Revised Budget 2024/25 £m</b>	<b>Estimated Net Budget 2025/26 £m</b>	<b>Estimated Net Budget 2026/27 £m</b>	<b>Estimated Net Budget 2027/28 £m</b>	<b>Estimated Net Budget 2028/29 £m</b>
Childrens	89.0	98.5	103.6	109.3	115.7
Adults	137.5	158.9	157.8	159.3	160.8
Place	92.5	91.4	95.5	97.0	104.1
Corporate	41.5	42.6	47.0	48.8	50.3
Council Wide Transformation savings		-13.5	-34.2	-45.2	-45.2
<b>Total Service Budgets</b>	<b>360.5</b>	<b>377.9</b>	<b>369.7</b>	<b>369.2</b>	<b>385.7</b>
<i>CENTRAL BUDGETS:</i>					
Capital Financing	28.5	38.2	41.9	45.3	46.8
Income from Capital Receipts	-1.0	-1.0	-1.0	-1.0	-1.0
Contingency Budget	0.0	9.3	20.6	26.7	33.1
Risk Budget	0.0	0.0	3.5	1.9	0.7
Pension adjustment	0.0	-0.7	-0.7	-0.7	-0.7
Use of (-) / Top up (+) Reserves	-12.2	5.0	5.0	5.0	5.0
<b>Total Central Budgets</b>	<b>15.2</b>	<b>50.7</b>	<b>69.2</b>	<b>77.1</b>	<b>83.8</b>
<b>TOTAL: SERVICE + CENTRAL BUDGETS</b>	<b>375.7</b>	<b>428.6</b>	<b>438.9</b>	<b>446.4</b>	<b>469.6</b>
<i>FUNDED BY:</i>					
Council Tax	-287.1	-307.3	-325.6	-345.0	-365.5
Business Rate Retention Scheme	-56.6	-57.1	-57.1	-57.1	-57.1
Revenue Support Grant	-0.4	-0.8	-0.8	-0.8	-0.8
Specific Unring-fenced Grants	-31.6	-38.0	-34.1	-34.1	-34.1
<b>TOTAL: FUNDED BY</b>	<b>-375.7</b>	<b>-403.2</b>	<b>-417.7</b>	<b>-437.1</b>	<b>-457.6</b>
<b>Funding Position (+shortfall)</b>	<b>0.0</b>	<b>25.3</b>	<b>21.3</b>	<b>9.3</b>	<b>12.0</b>

- 16 An urgent report was received by full Council on 11 December 2024, which was necessitated following a request from the Ministry of Housing, Communities and Local Government (MHCLG) received on 4 December 2024 to submit a formal request and supporting evidence for any Exceptional Finance Support (EFS) for future years by Friday 13 December 2024. At the same time, any revisions to previous in-principle decisions also needed to be submitted for the current year.
- 17 The revised gap for 2025/26 of £25.3m contained in the table above now revises down the Exceptional Financial Support required for 2025/26 by £6.1m. The paper also gave delegated permission to the S151 officer to liaise with MHCLG on any changes following the finance settlement which she will continue to do to advise them of the changes.
- 18 As well as being in the form of a capitalisation directive, Exceptional Financial Support could also take the form of increased Council Tax above the current referendum limit of 4.99%. There is no current policy in place in this regard.
- 19 However, as part of the recent Policy Statement from central government, it was announced that, where a council is in need of exceptional financial support and views additional council tax increases as critical to maintaining their financial sustainability, the government will continue to consider requests for bespoke referendum principles. Local proposals will be considered on a case-by-case basis. In considering any requests, the government will take account of councils' specific

circumstances, for example their existing levels of council tax relative to the average, the potential impact on local taxpayers, and the strength of plans to protect vulnerable people.

- 20 Appendix D sets out some benchmarking data on the level of Council Tax and Core Spending Power at Cheshire East compared to the average of our statistical nearest neighbouring authorities. The appendix also highlights the amount of Council tax foregone as a result of accepting the Council Tax freeze grant during the period 2011/12 to 2015/16. This committee should consider the information and scenarios provided and the impacts a request could have on the overall financial sustainability of the council.
- 21 The full list of draft budget changes and a short explanation of each item is included at Appendix A.
- 22 Appendix B details the proposed list of new Capital Growth Items - summarised in the table below:

Capital Growth Requests	2025-26 £000	2026-27 £000	2027-28 £000	2028-29 £000	Total £000
Adults	-	-	-	-	-
Children & Families	-	-	-	-	-
Corporate	5,356	3,505	3,554	200	12,615
Economy & Growth	1,758	3,451	3,916	6,899	16,024
Environment & Neighbourhood	7,402	250	250	-	7,902
Highways & Transport	8,130	12,422	12,883	11,501	44,936
	<b>22,646</b>	<b>19,628</b>	<b>20,603</b>	<b>18,600</b>	<b>81,477</b>
<b>Funded by</b>					
Government Grants	8,918	800	800	800	11,318
External Contributions	1,042				1,042
Revenue Contributions	6,110				6,110
Capital Receipts			60		60
Prudential Borrowing	6,576	18,828	19,743	17,800	62,947
	<b>22,646</b>	<b>19,628</b>	<b>20,603</b>	<b>18,600</b>	<b>81,477</b>

- 23 The revenue implications of the capital growth and funding EFS from borrowing can be seen in the table below:

Capital Financing Budget (CFB) Position	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
CFB requirement for Current programme	32,148	35,958	37,065	37,855	37,612
Additional requirement for Capital growth requests	-	545	1,578	3,457	5,527

Additional requirement for EFS to fund current gap	-	1,700	3,277	3,990	3,704
	<b>32,148</b>	<b>38,203</b>	<b>41,921</b>	<b>45,302</b>	<b>46,844</b>

*Note: Additional requirement for EFS to fund current gap: This is based on a capital repayment profile of 20 years and is subject to any further guidance and also consideration of the strategic approach to balancing the 2025/26 budget and MTFs 2025/26-2028/29.*

## RECOMMENDATIONS

The Economy and Growth Committee is being asked to:

- (a) Recommend to the Corporate Policy Committee, for their meeting on 6 February 2025, all proposals within Appendix A, as related to the Committee's responsibilities, for inclusion on the Council's budget for 2025/26.
- (b) Identify any further budget change proposals, as related to the Committee's responsibilities, that could assist Corporate Policy Committee in presenting an overall balanced budget to Council for 2025/26.
- (c) Note the capital growth items listed in Appendix B and the revenue implications noted in paragraph 23. These will be reviewed by the Capital Review Programme Board in January before a final list is brought to Corporate Policy committee in February.
- (d) Note the contents of Appendix C – Provisional Local Government Settlement 2025/26 (Finance Sub Committee).
- (e) Note the contents of Appendix D – Council Tax benchmarking and scenarios (Finance Sub Committee) and consider what the impact of any requests for a change of Council Tax policy would be

## Background

- 24 The Council's financial resources are provided from a combination of local taxes, government grants, investment returns on asset and other direct contributions from individuals or organisations. Financial plans are based on estimated spending and income over the next four years and the report of the Chief Finance Officer brings Members' attention to the processes and risks associated with developing these estimates.
- 25 The Council aims to achieve value for money based on Economy (how much we pay for things), Efficiency (how well we use things) and Effectiveness (how we use things to achieve outcomes). Public feedback and internal and external scrutiny create the necessary framework to hold the Council to account for achieving these aims.

- 26 All councils are legally required to set a balanced budget each year and therefore the immediate focus will be on balancing the 2025/26 financial year rather than on the whole medium term. This reflects the extremely challenging circumstances all councils are currently facing.
- 27 The Council's general budget pressures are associated with a number of factors, including, but not limited to:
- (a) Demand-led pressures, including those for statutory adult and child social care services for those most in need of our support, continuing to rise beyond the rate of funding increases;
  - (b) The ongoing impact of inflation and interest rates on all aspects of our budget, including revenue spend, borrowing costs and cost of capital schemes, as well as the revenue costs of our deficit on the Dedicated Schools Grant from the impact of increased SEND costs;
  - (c) Revisions to funding mechanisms;
  - (d) The need to invest in improvements within Children's Services.
- 28 Strategic Finance Management Board introduced weekly meetings, chaired by the S151 Officer and has led on a number of key tasks to urgently reduce spend and identify additional savings, including:
- (a) Line-by-line reviews of all budgets to further identify immediately any underspends and/or additional funding;
  - (b) Stop any non-essential spend;
  - (c) Actively manage vacancies, particularly agency usage and reduce any overspends on staffing as soon as possible;
  - (d) Review of Section 106 legacy budgets, the effects of which are partly reflected in the FR3 forecast outturn as a one-off contribution to reserves;
  - (e) Review of capital receipts available and potential surplus assets that can be sold (for best consideration);
  - (f) Identification of any other areas of discretionary spend including grants awarded, where spend can be reduced or stopped;
  - (g) Review Debt management/overall level of bad debt provision – work undertaken to date, focussing on the Adult Social Care bad debt provision, has identified through adopting a new approach to reviewing and monitoring these debts, an improvement (reduction) of the Council's bad debt provision of £1.07m, further work is ongoing and will be updated at Outturn.



- (h) Any directorate that is identified as being off target by more than 5% is subject to a detailed finance and performance review on a weekly basis through a financial recovery review process. This process has been put in place for Adults Services and Children and Families and is being chaired by the S151 Officer.
- 29 Capital Programme Review was implemented to also try to reduce revenue costs:
- (a) Reduce, delay or remove schemes funded by borrowing;
  - (b) Focus on existing contractual commitments, fulfilling statutory services and public safety requirements;
  - (c) Prioritise the capital projects that will have most beneficial impact on the revenue budget in the medium term;
  - (d) Remove forward funding;
  - (e) Reprioritise use of grants and apply appropriate S106 contributions to schemes.
- 30 Whilst the review has reduced and removed some borrowing from the total programme the new growth asks far outweigh any savings.
- 31 In order for the Council to maintain a more sustainable capital financing budget there must be a reduction in the overall level of borrowing to fund capital programmes. The future aim must be to add less to the total borrowing load in a year than we are paying off in that year so that the total revenue burden from the cost of borrowing starts to fall. If we do not, it will continue to rise.
- 32 At present the cost of borrowing £5 million pounds for 15 years to fund a capital project in 2025/26 will lead to an approximate revenue cost of £475,000 in 2026/27 onwards. This revenue cost is made up of both the interest cost of the borrowing as well as the Minimum Revenue Provision that needs to be made annually to pay back a proportion of the principle amount borrowed.
- 33 A Capital Programme Review Board made up of senior officers is being established in January 2025 and will review the business cases for the capital growth requests that are listed in Appendix B. It is intended that this Board will function in the following ways:
- (a) To be a gatekeeper of new proposals – consider how the request supports overall council objectives, seek assurance on business cases, assess the impact of long-term financial burden for borrowing,



before recommendations are made to CLT then on to Members for approval to be added to the Programme;

- (b) To set clear guidance on strategic priorities for the capital programme and how programmes are to be funded with a view to restricting borrowing except for schemes that meet certain criteria;
- (c) To monitor progress on delivery at a high level, including issues of delays and funding variances; to support delivery by managers but also routine in-year and also 'by exception' issue reporting to Members;
- (d) To consider rolling programmes and future financing options, including reviewing revenue vs capital options to reduce impacts of future borrowing decisions.

#### 34 Capital Receipts Forecast

Forecast – Prudent View	2025/26 £m	2026/27 £m	2027/28+ £m
Forecast (Prudent view)	9.07	10.94	12.75
Already included in MTFS / Capital Programme	(2.25)	(2.75)	(5.0)
<b>Additional Receipts Forecast</b>	<b>6.82</b>	<b>8.19</b>	<b>7.75</b>

35 The table above sets out the latest prudent forecast for future year capital receipts based on the disposal programme. It allows for some slippage /timing differences around actual receipts and adjustments for receipts already included in the currently approved MTFS 2024/25 either within the capital programme or as part of the Capital Financing Budget. As part of the strategic approach to balancing the 2025/26 budget and MTFS for 2025/26-2028/29, consideration will be given to the available capital receipts and their utilisation to support:

- Investment of transformational activities (e.g. revenue growth)
- Funding Exceptional Financial Support costs – instead of additional borrowing
- Invest to save capital projects (E.g. Transformation)

36 An urgent report was received by full Council on 11 December 2024, which was necessitated following a request from the Ministry of Housing, Communities and Local Government (MHCLG) received on 4 December 2024 to submit a formal request and supporting evidence for any Exceptional Finance Support (EFS) for future years by Friday 13

December 2024. At the same time, any revisions to previous in-principle decisions also need to be submitted, for the current year.

- 37 It was agreed at that meeting that the Chief Executive could finalise and submit a request for exceptional financial support in the form of an in-principle capitalisation direction for 2024/25 for up to £17.6m.
- 38 It was also agreed that the Chief Executive could finalise and submit a request for exceptional financial support in the form of an in-principle capitalisation direction of up to £31.4m for 2025/26 and indications of a potential request of up to £23.7m for 2026/27.
- 39 Approval was also given to delegate to the Interim Executive Director of Resources (S151 Officer) the ability to update those requests once further financial information from the local government finance settlement was received. This will be in consultation with the Chief Executive and will be reported at the earliest opportunity to the relevant committee(s).
- 40 The Provisional Local Government Settlement was received on 18 December 2024. This resulted in a betterment of the funding envelope when compared to the November position by £4.5m. Appendix C sets out the Core Spending Power funding announcements and comparison to the net funding envelope as reported to the Corporate Policy Committee in November 2024.
- 41 The budget is currently based on the Provisional Local Government Finance Settlement for 2025/26. The final settlement is expected in early February 2025 with a debate by Members of Parliament in the House of Commons expected in mid-February (after the publication date of this report to Committee) to agree the final position.
- 42 The provisional settlement set out the Core Spending Power for the authority, based on the assumption that council tax is forecast to be increased in line with the maximum allowable before a referendum would have to be held (4.99%). Some of the grants included in the Core Spending Power calculation are ringfenced for use within the relevant service.
- 43 The latest funding position has the result of improving the forecast gap for 2025/26 by £6.1m and is now £25.3m as per Table 1 in the Executive Summary. The Exceptional Financial Support now required for 2025/26 could be up to £25.3m to balance the budget for 2025/26.
- 44 As well as being in the form of a capitalisation directive, Exceptional Financial Support could also take the form of increased Council Tax above current referendum limit of 4.99%. There is no current policy in place in this regard, however, the recent Policy Statement from central

government noted that it would once again be considering any requests for increases above the standard referendum limit.

- 45 Appendix D sets out some benchmarking data on the level of Council Tax and Core Spending Power at Cheshire East compared to the average of our statistical nearest neighbouring authorities.
- Cheshire East council tax compared to (average of) nearest neighbours – Average band D of all nearest neighbours (NNs): £1,827.30 (CEC is 1.94% lower than the average).
  - Cheshire East core spending power compared to (average of) nearest neighbours – Average CSP per dwelling of all NNs: £2,202.36 (CEC is 5.77% lower than the average).
  - Council Tax income in 2024/25 if using Cheshire West and Chester Band D rate and CEC taxbase: Would equate to an extra £14.7m in 2024/25.
- 46 The appendix also highlights the amount of Council tax foregone as a result of accepting the Council Tax freeze grant during the period 2011/12 to 2015/16.
- 47 Appendix D also shows the amounts of extra Council Tax that could be raised by increases above 4.99% under a number of scenarios.
- 48 Further balancing options:
- Use of available Capital Receipts – consideration will be given to the available capital receipts and their utilisation to support either Transformational activities (revenue or capital) and/or to fund the costs of Exceptional Financial Support.
  - Following a Balance Sheet Review by our Treasury Advisors, Arlingclose Ltd, we are reviewing our current Minimum Revenue Provision (MRP) and Capital Financing Requirement (CFR) policy with a view to bringing it in closer alignment with CIPFA Guidance. Such changes are likely to have a positive impact on our Revenue position during the period of the MTFS and if changes are proposed then these will be reported to the Corporate Policy Committee in February 2025 and the effects of the change on future years will be included within the MTFS.
  - Further identification of savings or generation of income to further reduce the forecast requirement for use of EFS in 2025/26 and 2026/27.

- 49 The full list of draft budget changes and a short explanation of each item is included at Appendix A.
- 50 The list of draft additional Capital Programme changes including a short explanation of each item is included at Appendix B.

### **Consultation and Engagement**

- 51 This report forms part of the consultation and engagement process for Members on the budget setting for 2025/26. Each committee will receive the same report and will focus on items within their own area of responsibilities.
- 52 The Corporate Policy Committee in November 2024 noted the approach to budget consultation and engagement. Stakeholders, businesses and residents were invited to give feedback on the overall approach to budget setting including the principles, from 19 December 2024 to 19 January 2025. Feedback will be provided to this committee verbally and to the service committees during January. There will also be an opportunity during the January cycle of committee meetings to give formal feedback, from each committee, to the Corporate Policy Committee, ahead of the full Budget Council meeting in February 2025.
- 53 All feedback from each committee will be presented to the Corporate Policy Committee on 6 February. That committee will then make recommendations on spending and income estimates for 2025/26 to the full Council meeting on 26 February 2025.
- 54 This report and other committee meeting debates will form part of a series of engagement events with wider stakeholders to gather opinion and collate feedback on the final budget for 2025/26.
- 55 Any changes made as a result of the engagement process and further debate will be reported to Members at the Council meeting on 26 February 2025.

### **Reasons for Recommendations**

- 56 In accordance with the Constitution, Committees play an important role in planning, monitoring and reporting on the Council's finances. Each Committee has specific financial responsibilities.
- 57 The Council's annual budget must be balanced. The proposals within it must be robust and the strategy should be supported by adequate reserves. The assessment of these criteria is supported by each Committee having the opportunity to help develop the budget and financial proposals before they are approved by Full Council.

## Other Options Considered

- 58 The Council has a legal duty to set a balanced annual budget taking regard of the report from the Chief Finance Officer. As such options cannot be considered that would breach this duty. Any feedback from the Committee must still recognise the requirement for Council to fulfil this duty.
- 59 There is no option to “do nothing”. The Council has statutory obligations to provide certain services, which would be unaffordable if the Council failed to levy an appropriate Council Tax and also consider the allocation of our resources.

## Implications and Comments

### *Monitoring Officer/Legal*

- 60 The Council must set the budget in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility. Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget and require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.
- 61 The provisions of section 25 of the Local Government Act 2003, require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the chief finance (s.151) officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.
- 62 The Council should therefore have robust processes in place so that it can meet statutory requirements and fulfil its fiduciary duty. It must ensure that all available resources are directed towards the delivery of statutory functions, savings and efficiency plans. Local authorities are creatures of statute and are regulated through the legislative regime and whilst they have in more recent times been given a general power of competence, this must operate within that regime. Within the statutory framework there are specific obligations placed upon a local authority to support communities. These duties encompass general and specific duties and there is often significant local discretion in respect of how those services or duties are discharged. These will need to be assessed and advised on as each circumstance is considered.
- 63 The financial position of the Council must therefore be closely monitored, and Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered, and that new expenditure

is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings or alternative mitigations.

- 64 This report provides an update towards the setting of the budget for 2025/26 and clarifies the proposals going forward. It would be appropriate to consult on the proposals beyond the statutory consultation requirements, if possible, as this may help to facilitate early implementation of proposals once the budget is set.

#### *Section 151 Officer/Finance*

- 65 The current financial position and draft budget changes contained within this report provide up-to-date information on the Council's MTFs progress for the period 2025/26 to 2028/29, specifically aimed to setting the budget for 2025/26 which legally has to be completed by March 2025. Further details are contained within the body of this report.

#### *Policy*

- 66 The Cheshire East Plan 2021-25, refreshed for 2024/25 approved in July 2024, has driven and informed Council policy and priorities for service delivery. A new Cheshire East Plan 2025-29 is now being developed in parallel to the budget as the MTFs is essentially the resource plan for its delivery. The draft Cheshire East Plan will follow the same timeline as the MTFs and be taken to Corporate Policy Committee and full Council in February 2025. The Plan will set out the vision and priorities for Cheshire East, building on the existing transformation and improvement plans in the short-term and setting out the longer-term ambitions for residents, businesses and visitors.

#### *Equality, Diversity and Inclusion*

- 67 Under the Equality Act 2010, decision makers must show "due regard" to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation;
  - (b) Advance equality of opportunity between those who share a protected characteristic and those who do not share it; and
  - (c) Foster good relations between those groups.
- 68 The protected characteristics are age, disability, sex, race, religion and belief, sexual orientation, gender re-assignment, pregnancy and maternity, and marriage and civil partnership.



- 69 Having “due regard” is a legal term which requires the Council to consider what is proportionate and relevant in terms of the decisions they take.
- 70 The Council needs to ensure that in taking decisions on the Medium-Term Financial Strategy and the Budget that the impacts on those with protected characteristics are considered. The Council undertakes equality impact assessments where necessary and continues to do so as proposals and projects develop across the lifetime of the Council Plan and the MTFS. The process assists us to consider what actions could mitigate any adverse impacts identified. Completed equality impact assessments form part of any detailed Business Cases.
- 71 The proposals within the MTFS may include positive and negative impacts for individuals, groups and communities. A separate Equality Impact Assessment for the budget as a whole is routinely included in the full MTFS report each year.
- 72 The Cheshire East Plan’s vision reinforces the Council’s commitment to meeting its equalities duties, promoting fairness and working openly for everyone. Cheshire East is a diverse place and we want to make sure that people are able to live, work and enjoy Cheshire East regardless of their background, needs or characteristics.

#### *Human Resources*

- 73 Consultation on the budget change proposals will include staff. Any changes involving staff will be managed in consultation with staff and Trade Unions.

#### *Risk Management*

- 74 Cheshire East recognises that in pursuit of its objectives and outcomes, it may choose to accept an increased degree of risk. Where the Council chooses to accept an increased level of risk it will do so, subject always to ensuring that the potential benefits and threats are fully understood before developments are authorised, that it has sufficient risk capacity and that sensible measures to mitigate risk are established.
- 75 The Council needs to reestablish a level of reserves that are adequate to protect the Council against financial risks, such as emergencies, which are not specifically budgeted for in individual years.
- 76 The Council will continue to be flexible about investing revenue funding in maintaining sustainable services and reflecting changes to the risks facing the Council. The full Budget Report will include a revised Reserves Strategy for 2025/26 to provide further detail on estimated balances and the application and top up of reserves in the medium term.

*Rural Communities*

77 The budget report, as approved at Council on 27 February 2024, provides details of current service provision across the borough. Appendix A sets out any future impacts for 2025/26 and beyond.

*Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)*

78 The budget report, as approved at Council on 27 February 2024, provides details of current service provision across the borough. Appendix A sets out any future impacts for 2025/26 and beyond.

*Public Health*

79 Public health implications that arise from activities that the budget report deals with will be dealt with as separate reports to Members or Officer Decision Records as required.

*Climate Change*

80 Any climate change implications that arise from activities funded by the budgets that the budget report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

<b>Access to Information</b>	
Contact Officer:	Adele Taylor Interim Executive Director of Resources (Section 151 Officer) <a href="mailto:adele.taylor@cheshireeast.gov.uk">adele.taylor@cheshireeast.gov.uk</a>
Appendices:	Appendix A – Draft Revenue Budget Change Proposals Appendix B – Draft Capital Programme Proposals Appendix C – Provisional Local Government Finance Settlement Appendix D – Council Tax Benchmarking and scenarios



<p>Background Papers:</p>	<p>The following are links to key background documents:</p> <p><a href="#"><u>Cheshire East Plan 2024/25</u></a></p> <p><a href="#"><u>Medium-Term Financial Strategy 2024-28</u></a></p> <p><a href="#"><u>Corporate Policy Committee 21 August 2024 - Approved Transformation Plan</u></a></p>
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## Children and Families

### **Responsibilities of the Committee:** Membership: 13 Councillors

- 1.1. The Children and Families Committee will be responsible for those services which help keep children and young people safe and enable them to achieve their full potential. The responsibility incorporates matters in relation to schools and attainment, early help and family support and social care for children and families. The Committee will oversee the work of the Cared for Children and Care Leavers Committee (formerly the Corporate Parenting Committee), which focuses on those children who are cared for by the local authority and for whom the Council has corporate parenting responsibility.
- 1.2. The Committee's responsibilities include:
  - Determining policies and making decisions in relation to the delivery of services to children and young people in relation to their care, well-being, education and health;
  - Discharging the Council's functions in relation to children in need and child protection including safeguarding and youth justice;
  - Discharging the Council's functions and powers in relation to the provision of education and Schools Forum;
  - Support to and maintenance of relationships with schools in relation to raising standards of attainment;
  - The Council's role as Corporate Parent;
  - Discharging the Council's functions in relation to Special Educational Needs and/or Disability (SEND);
  - Discharging the Council's functions in relation to early help and family support;
  - Provision and commissioning of domestic violence support services and quality assurance.
- 1.3. Oversight, scrutiny, reviewing outcomes, performance, budget monitoring and risk management of the Directorates of Prevention and Support, Education and 14-19 Skills and Children's Social Care including: Children's mental health, Prevention and early help, Children's transport, , Children Service Development and Children's Partnerships, Commissioning of support for children, Cared for Children and Care Leavers, Child in Need and Child Protection, Children with Disabilities and Fostering, Children's Safeguarding, Education Infrastructure and Outcomes, Education Participation and Pupil Support, Inclusion and SEND.

(Extract from Cheshire East Council Constitution - Dec 2024)

### **Overview**

- 1.4. The Children and Families Directorate is responsible for delivering the council's statutory duties and responsibilities in respect of children in need of help, support and protection and ensuring that all children have access to high-quality early years' provision, education and learning experience. The directorate is responsible for services and support to children with Special Educational Needs. These duties are spread across two directors for: Family Help and Children's Social Care, and Education, Strong Start and Integration. The directorate brings together the council's duties in relation to children identified and assessed to need help, support, protection, cared for by the council and young people with care experience (leaving care service). It includes a range of targeted services to support families and help to avoid the need for children to become 'looked after', together with Youth Justice Services and Adoption services.
- 1.5. These services are now supported by a third Directorate designed to ensure the Quality Assurance functions that ensure plans and assessments are suitably safe and effective across the wider partnership for which the Local Authority is the lead partner.
- 1.6. Approximately 45% of the overall children's revenue budget is committed to meeting the costs of care for our cared for children linked to the cost of providing homes for these children.

Appendix A – Draft Revenue Budget Change Proposals

- 1.7. The Education budget represents the council's responsibilities for education and learning funded by the Dedicated Schools Grant (DSG) and council's revenue budget. The council budget funds services including school admissions, place planning, home to school transport and school improvement.
- 1.8. Transport services make up 17% of the overall children's revenue budget. The remaining budget is for services such as additional responsibilities include new responsibilities in relation to school attendance and a wider remit for the Virtual School to include all children with a social worker and education psychology. The service also supports inclusion and other groups of vulnerable children.
- 1.9. Despite growth allocated within the MTFs process, significant in year pressures are evident. These are primarily a result of systemic deficits in the staffing structure unforeseen inflationary impacts and increases in demand in children's placements, and school transport budgets.
- 1.10. Whilst in-year mitigations and activity to avoid spend and reduce costs are in place, the forecast for the end of year is a deficit position. All indications are that demand, complexity and cost will continue to increase and therefore it has been vital to revisit the MTFs and ensure that the children services budget is right sized.
- 1.11. The Children's Directorate is committed to increasing the pace of implementing reforms and service improvements to make financial savings by reducing demand for expensive, reactive services by providing high quality support to children young people and their families at the earliest point.
- 1.12. Implementing the new children policy Keeping Children Safe Helping Families Thrive [Keeping children safe, helping families thrive - GOV.UK](#) will be embedded with our Improvement and Transformation Plans in the following ways.
- 1.13. A review of commissioned services - A review of delivery models across SEND, Family Hubs and wider commissioning of services.
- 1.14. A redesign of our services in line with new legislation and policy will see a wider range of practitioners integrated with multi agency colleagues working closely with our communities at a very local level.
- 1.15. A refreshed sufficiency strategy for children's homes – led by Right Child Right Home an ambitious programme to support children within their families where it is safe to do and to ensure a wider range of family based care locally.
- 1.16. A refreshed service offer for young people who are care experienced – offering a wider range of expertise and support within the Care Leaver service.
- 1.17. We will look to create an enhanced service that supports children and young people (from birth to 25 years of age) with complex needs or who are disabled as they grow into adults. This is so that our young people can progress smoothly at key stages of development in their life, rather than those changes being dictated by age.
- 1.18. In addition to the £93.0m council revenue budget for the Children's Directorate the service also oversees the £389.7m DSG budget of which £203.3m is given to academies and £79.9m is earmarked for council-maintained schools. £106.5m is used by the council and settings for education services such as admissions, early years education and special educational needs placements. The council spend on High Needs does not match the funding received due to the growth in the number of pupils with an Education Health and Care Plan and the costs in particular of Independent Special School places. This has resulted in a significant deficit DSG reserve which is permitted by a temporary accounting override announced by the Department for Levelling Up, Housing and Communities. This override has been extended to 31 March 2026. The DSG deficit is forecast to be £115.7m at the end of 2024/25.
- 1.19. Full list of change proposals for this committee are noted in the table below.

## Appendix A – Draft Revenue Budget Change Proposals

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	SRO/ Director	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	<b>Children and Families</b>		<b>+9.425</b>	<b>+5.166</b>	<b>+5.688</b>	<b>+6.373</b>
TBC	<p><b>Pension costs adjustment</b></p> <p>This item relates to pension contributions funded by the Council. This results from a successful financial strategy to secure stability in the funding of future pension liabilities. The effect is a reduction in overheads in pay cost budgets following a change in the employer's contribution rate confirmed by the Cheshire Pension Fund.</p>	Interim Executive Director of Resources	-0.537	-0.923	-0.155	-0.167
TBC	<p><b>Growth to deliver statutory Youth Justice service, and meet Safeguarding Partnership duties</b></p> <p>Partnerships are reviewed regularly to ensure that partners, including the council, are contributing at the right levels to ensure service performance and delivery in line with increased need. These increases in budget are to ensure that we are meeting our statutory duties through the partnerships.</p>	Interim Director of Family Help and Childrens Social Care	+0.203	+0.167	+0.031	+0.034
TBC	<p><b>Growth in School, SEND and Social Care Transport budget</b></p> <p>The cost and number of children and young people eligible for free school transport is continuing to increase. The main growth and higher costs relate to transport for those with special educational needs and disabilities (SEND), particularly in rural areas.</p>	Director of Education, Strong Start and Integration	+1.501	+1.548	+0.476	
TBC	<p><b>Pay Inflation</b></p> <p>The pay deal agreed for 2024/25 included a pay increase for individuals of the greater of £1,290 or 2.5%. This growth in budget reflects the shortfall compared to the flat percentage budget increase of 3% within original MTFS for 2024/25 now included in 2025/26 budget increase. Plus 2.5% inflation rate for 2025/26 onwards.</p> <p>National Insurance increase for 2025/26 onwards also included (to be offset in part by a grant from central government).</p>	Interim Executive Director of Resources	+2.624	+1.096	+1.124	+1.152
TBC	<p><b>Demand in Children's Placements</b></p> <p>The Council must have sufficient placements for children in care. This budget increase is driven by higher unit costs, which is a national challenge and higher numbers of children in care. The scarcity of placements nationally allows private companies to keep costs high.</p>	Interim Director of Family Help and Childrens Social Care	+4.645	+5.230	+5.889	+6.631
TBC	<p><b>Court Progression Improvement</b></p> <p>Improvement is required in this area of work to ensure there are not delays for children and young people when planning for their futures, in the context of court work. This budget growth will allow an increased focus on this important area of work.</p>	Interim Director of Family Help and Childrens Social Care	+0.023			

## Appendix A – Draft Revenue Budget Change Proposals

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	SRO/ Director	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
TBC	<p><b>Growth for annual contribution to the Regional Adoption Agency</b></p> <p>Regional Adoption Agencies bring together adoption professionals from councils across a region, providing expertise and support at every stage of the adoption journey. This increase in budget is to enable us to continue to deliver quality adoption services for vulnerable children.</p>	Interim Director of Family Help and Childrens Social Care	+0.213	+0.048	+0.048	+0.048
TBC	<p><b>Growth for Unaccompanied Asylum Seeking Children due to emerging pressures</b></p> <p>There is an expectation made by central Government that local authorities will care for Unaccompanied Asylum Seeking Children. This growth reflects this duty and the increases in unit costs of placements.</p>	Interim Director of Family Help and Childrens Social Care	+0.500			
TBC	<p><b>Reversal of a one year policy change for traded services</b></p> <p>In 2024/25, Council agreed a 3% levy for traded services in education to ensure that service delivery is not compromised. This growth in net budget is the result of removing that levy. A full review of traded services in education is taking place to ensure the services delivered have a full cost recovery in future years.</p>	Director of Education, Strong Start and Integration	+0.120			
TBC	<p><b>Schools Improvement</b></p> <p>This growth is to secure the full base funding of staff delivering school improvement functions, within the education department. The roles support schools and identify areas for improvement, support the development of a strategic plan and provide consultation on the school's journey to improving the quality of education in schools.</p>	Director of Education, Strong Start and Integration	+0.175			
TBC	<p><b>Funding the staffing establishment</b></p> <p>The staffing structure had (over recurrent recent years) been underfunded due to savings being allocated against it and no subsequent restructure plan coming forward. A review of requirements has been undertaken, and this investment sees these deficits eradicated. A full base build of service design will begin in 2025.</p>	Interim Executive Director of Childrens Services	+2.739		-1.000	-0.600
TBC	<p><b>Safe Walking Routes to School</b></p> <p>Building on 2023/24 MTFS savings proposals, we are identifying a robust portfolio of potential Safe Walking Routes to school and bringing new routes forward for delivery within 2025/26 and future years, (We will adopt a cross-directorate, coordinated approach and access potential grant funding opportunities, if possible, to off-set costs).</p>	Director of Education, Strong Start and Integration	-0.250			

## Appendix A – Draft Revenue Budget Change Proposals

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	SRO/ Director	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
TBC	<p><b>New accommodation with support offer for 16-25 young people</b></p> <p>This reduction in expenditure relates to commissioning work that has identified lower cost accommodation for this group of young people. Savings will be achieved through accessing lower unit cost places.</p>	Interim Director of Family Help and Childrens Social Care	-1.100	-0.700		
TBC	<p><b>Birth to Thrive</b></p> <p>These savings will result from redesign of the end-to-end pathway for young people transitioning between Children's and Adult's services, co-designed with users and partners and, developing a new transitions function across both Children's and Adult services that will bring changes through Council governance and drive activities and ongoing service improvement.</p>	Director of Education, Strong Start and Integration	-0.500			
TBC	<p><b>Right Child, Right Home</b></p> <p>This saving refers to work that actively reviews placements for cared for children and young people and agrees actions that meet the identified needs of children and young people but at a lower unit cost, and also identifies alternatives to being 'in care'.</p>	Interim Director of Family Help and Childrens Social Care	-1.320	-1.300	-0.725	-0.725
TBC	<p><b>Extended Rights to Free Transport</b></p> <p>The 'extended rights' grant, which is a contribution towards the cost of arranging home to school travel for children eligible on the grounds of low-income will be included in the Local Government Finance Settlement in future years. This budget alignment is to receive permanent budget for this area of expenditure.</p>	Director of Education, Strong Start and Integration	+0.389			
<p>*Values represent a +/- variation to the <a href="#">Cheshire East Council approved budget for 2024/25</a>.</p> <p>Subsequent years are the incremental change from the previous year. Negative numbers represent a budget saving or additional income. Positive numbers represent budget growth or reduced income.</p>						

## Adults and Health Committee

### Responsibilities of the Committee: Membership: 13 Councillors

- 1.20. The Adults and Health Committee will be responsible for community welfare, public health and adult social care services with a view to enabling all people to live fulfilling lives and to retain their independence. When discharging its functions the Committee shall recognise the necessity of promoting choice and independence.
- 1.21. The Committee's responsibilities include:
- Promotion of the health and well-being of residents and others;
  - determination of policies and making decisions in relation to people aged 18 and over (some young people up to the age of 25 may still be within Children's services as care leavers or with a Special Educational Needs and Disability) with eligible social care needs and their carers including;
  - Adult safeguarding, adult mental health, physical health, older people and learning disabilities and lifelong learning;
  - Determination of policies and making decisions in relation to Public Health in coordination with the Health and Wellbeing Board and the Scrutiny Committee;
  - Oversight of the Communities Strategy;
  - Provision and commissioning of domestic violence support services and quality assurance; and
  - Prevent reporting and Channel Panel counter terrorism oversight.
- 1.22. Oversight, scrutiny, reviewing outcomes, performance, budget monitoring and risk management of the Directorates of Adult Social Care Operations; Commissioning and Public Health including: Public Health, lifelong learning, health improvement and intelligence, Adult social care and safeguarding, Adult Mental Health and Learning Disability, Adult social care operations, Care4CE and commissioning of support for adults.

(Extract from Cheshire East Council Constitution - Dec 2024)

### Overview

- 1.23. The 2024-28 MTFS report of 27th February 2024, highlighted several extraordinary challenges facing adult social care. These challenges have persisted throughout 2024/25 and will continue into 2025/26. Complexity of need continues to increase both amongst younger adults in need of care or support with autism or a learning disability transitioning from children's services, and amongst older people where there is an increasing demand for dementia services. Price inflation is also a significant driver of cost pressures in adult social care primarily due to the increase in the national living wage over the past three years. Finally, the need to support the NHS with hospital discharge continues to drive higher levels of activity in adult social care.
- 1.24. Throughout 2024/25 the whole council has been focused on the urgent action necessary to reduce a significant projected budget overspend. As of November 2024, adult social care is forecast to overspend by £20m, this is the major variance within the Council's overall position. The budget variance in 2024/25 is partially due to a higher level of commitment than originally planned when setting the MTFS in February 2024, this is the consequence of the full year impact of activity levels identified at the 2023/24 year-end outturn and the ceasing of one-off mitigations which alleviated the budget gap in the previous year.
- 1.25. In the face of these challenges, Cheshire East remains committed to delivering high-quality adult social care services that meet the increasing needs of our residents and recognises the vital role played by both internally and externally commissioned providers. The response to the challenges has been two-fold:



## Appendix A – Draft Revenue Budget Change Proposals

- Enhanced management processes have been introduced to ensure robust oversight and budgetary control. This improvement is enabling expenditure pressures to be managed more effectively, further promoting value for money with the necessity of safeguarding the long-term viability of our services.
  - The programme of transformation, which in adult social care is focused on:
    - Prevent, Reduce, Enable - work to ensure we continue to promote wellbeing, prevention, independence, and self-care for people across Cheshire East
    - Learning Disability service transformation - revision of the housing support model for adults with a learning disability to maximise value for money.
    - Preparing for Adulthood - developing new service models for young adults transitioning from children's social care services to adult social care services.
    - Brokerage and Commissioning – reforming the approach to purchasing care placements
    - Partnership working – developing alternative approaches to commissioned long-term care and support for people with a learning disability, in partnership with other local authorities and the NHS as appropriate.
- 1.26. Consolidating the savings made to-date alongside the rollout of the transformation programme from the MTFS proposals for adult social care. They build on the work of the past two years which have included the development and implementation of a new direct payments policy, reduction in the usage of short-term beds to aid hospital discharge and expansion of the reablement services and the occupational therapy service to support greater independence amongst older people. The service has also successfully implemented a new charging policy, and the full-year financial benefit of the policy are also built into the MTFS for 2025/26.
- 1.27. In preparing the 2025/26 budget growth of £33.3m has been provided, being funded through a mix of additional grant income, the increase in the adult social care precept and core council tax. This will address the full year impact of projected overspends for 2024/25 on externally commissioned care and staffing. It also includes a provision of £5m for growth arising from demographic changes including an ageing population and increased levels of need for care and support for adults of a working age, during 2025/26. Further work is being undertaken to produce a model of forecast demand through to 2030.
- 1.28. To support long-term strategic direction of the service and the next stage of transformation the service will be working to produce business cases for the development of and extra care housing and the expansion of supported living, which will require capital investment to stabilise the social care revenue position.
- 1.29. The risks for adult social care and therefore the overall council budget are not immaterial. Further inflationary pressures, driven by the National Living Wage and National Insurance changes, are significant whilst there is no indication that demand pressures associated with hospital discharge will abate in 2025. Issues of complexity as described above will also continue.
- 1.30. Finally, it should be noted that government grants for adult social care are allocated using the Adult Social Care Relative Needs Formula. However, when adjusted for full Council Tax Equalisation, Cheshire East will experience the largest grant reduction in the north of England. Council tax equalisation is a mechanism that recognises that council tax yields different amounts of income in different local authorities and adjusts grant allocations to take account of that difference. We do not yet know the financial consequence of government decisions in respect of grant allocations.
- 1.31. Full list of change proposals for this committee are noted in the table below.

## Appendix A – Draft Revenue Budget Change Proposals

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	SRO/ Director	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	<b>Adults and Health</b>		<b>+21.464</b>	<b>-1.104</b>	<b>+1.516</b>	<b>+1.480</b>
TBC	<b>Client Contributions</b> Increase in income from client contributions arising from the inflation increase for pensions and benefits paid to individuals, the full-year effect of charging policy changes and the additional income arising from an increase in placement costs. This is offset against expenditure growth proposals.	Interim Director of Commissioning	-5.182	-0.879	-1.654	-1.706
TBC	<b>Revenue Grants for Adult Social Care</b> Increase to income budget for the 'Market Sustainability and Investment Funding' grant. To match the value of confirmed allocation.	Executive Director of Adults, Health and Integration	-0.220			
TBC	<b>Market Sustainability Grant</b> To remove the grant from 2026/27 as allocations not yet confirmed for future years	Executive Director of Adults, Health and Integration		+1.100		
TBC	<b>Pensions Cost Adjustment</b> This item relates to pension contributions funded by the Council. This results from a successful financial strategy to secure stability in the funding of future pension liabilities. The effect is a reduction in overheads in pay cost budgets following a change in the employer's contribution rate confirmed by the Cheshire Pension Fund.	Interim Executive Director of Resources	-0.517	-1.019	-0.171	-0.184
TBC	<b>Demand in Adult Social Care</b> Forecast growth, arising from demographic changes including an ageing population and increasing complexity of need for care and support for adults of a working age.	Interim Director of Commissioning	+5.000	+5.000	+5.000	+5.000
TBC	<b>Pay Inflation</b> The pay deal agreed for 2024/25 included a pay increase for individuals of the greater of £1,290 or 2.5%. This growth in budget reflects the shortfall compared to the flat percentage budget increase of 3% within original MTFS for 2024/25 now included in 2025/26 budget increase. Plus 2.5% inflation rate for 2025/26 onwards.  National Insurance increase for 2025/26 onwards also included (to be offset in part by a grant from central government).	Interim Executive Director of Resources	+2.251	+1.142	+1.171	+1.200
TBC	<b>Funding the staffing establishment</b> Increases in the number of social care staff to maintain safe services and to meet increasing demands.	Director of Adult Social Care Operations	+3.800			

## Appendix A – Draft Revenue Budget Change Proposals

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	SRO/ Director	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
TBC	<b>Fully Funding current care demand levels 2024/25</b> Growth, recognising the full year effect of current pressures on the externally commissioned care budget	Interim Director of Commissioning	+24.500			
TBC	<b>Remodel extra care housing catering service</b> Remodelling the catering offer in extra care facilities to remove the funding subsidy.	Interim Director of Commissioning	-0.300			
TBC	<b>Prevent, Reduce, Enable - Older People</b> Continue the work to promote wellbeing, prevention, independence, and self-care for people across Cheshire East improving outcomes and reducing costs.	Interim Director of Commissioning	-1.500	-2.830	-2.830	-2.830
TBC	<b>Learning Disability service transformation</b> Revision of the housing support model for adults with a learning disability to maximise value for money.	Interim Director of Commissioning	-2.500	-2.500		
TBC	<b>Commissioning and brokerage transformation</b> Reforming the approach to purchasing care placements	Interim Director of Commissioning	-0.500	-0.250		
TBC	<b>Preparing for Adulthood</b> Developing new service models for young adults transitioning from children's social care services to adult social care services.	Director of Adult Social Care Operations	-0.868	-0.868		
TBC	<b>Health and Social Care Partnership Case Review</b> Developing alternative approaches to commissioned long-term care and support for people with a learning disability, in partnership with other local authorities and the NHS as appropriate.	Director of Adult Social Care Operations	-2.500			

\*Values represent a +/- variation to the [Cheshire East Council approved budget for 2024/25](#).

Subsequent years are the incremental change from the previous year. Negative numbers represent a budget saving or additional income. Positive numbers represent budget growth or reduced income.

Appendix A – Draft Revenue Budget Change Proposals

**Corporate Policy Committee**

**Responsibilities of the Committee:** Membership: 13 Councillors

- 1.32. The Corporate Policy Committee will provide strategic direction to the operation of the Council by developing and recommending the Corporate Plan to full Council and making decisions on policies and practice where such decisions are not reserved to full Council.
- 1.33. The Committee's responsibilities include:
- Formulation, co-ordination and implementation of the Corporate Plan and;
  - corporate policies and strategies, alongside the medium term financial plan (budget) which is the responsibility of the Finance Sub-Committee. In the discharge of those responsibilities the Committee shall determine such matters to the extent that they are not reserved to full Council;
  - Human Resources, Organisational Development and Health and Safety matters affecting the Council; including adopting HR policies and practices and assurance in relation to staffing related matters;
  - making recommendations to full Council in relation to the annual Pay Policy Statement and any amendments to such statement;
  - making recommendations to full Council in relation to decisions affecting the remuneration of any new post where the remuneration is or is proposed to be or would become £100,000 p.a. or more;
  - making decisions in relation to proposed severance packages with a value of £95,000 or more as appropriate (excluding contractual and holiday pay), subject to the need to obtain a approval from full Council and central Government if required;
  - exercising the functions relating to local government pensions, so far as they relate to Regulations made under sections 7, 12, or 24 of the Superannuation Act 1972 or subsequent equivalent legal provisions;
  - determining key cross-cutting policies and key plans that impact on more than one service committee;
  - determining policy matters not otherwise allocated to any other Committee;
  - determining any matter of dispute or difference between any Committees;
  - a coordinating role across all other committees and exercising a corporate view of outcomes, performance, budget monitoring and risk management;
  - determining any matter that has a major impact on a number of Council services or the Council as a whole;
  - oversight and monitoring of the Councillors' Allowances budget and keeping under review the scheme for the payment of allowances to Councillors through the appointment of an Independent Remuneration Panel (IRP) to advise full Council on the adoption and any proposed amendments to such scheme.
  - considering amendments to the Council's Constitution and the recommendation of any changes to full Council for approval except where specifically delegated to the Monitoring Officer;
  - considering recommendations and an Annual Report of the Council's involvement in ASDVs;
  - appointing representatives to serve on outside bodies and organisations (including education bodies and establishments) and reviewing the process for considering appointments to outside organisations;
  - appointing Lay Members (who shall not be Councillors) to serve on the Independent Admissions and Exclusion Appeals Panel as required under the relevant legislation; and
  - approving the payment of a reasonable and proper allowances and expenses for the work undertaken by the Council's Independent Persons.
- 1.34. Oversight, scrutiny, reviewing outcomes, performance, budget monitoring and risk management of the Directorates of Finance and Customer Services; Governance and Compliance Services

## Appendix A – Draft Revenue Budget Change Proposals

and Transformation including the following functions: Legal, Governance and Compliance; Audit and Risk; Transactional Services; Transformation; Business Change; B4B/ERP; Human Resources, ICT; together with Strategic Partnerships and shared services.

- 1.35. The Corporate Policy Committee shall be entitled to exercise: any function of the full Council not otherwise allocated; as well as the functions of all other Committees and Sub-Committees, particularly where plans, strategies or activities straddle a number of Committees.

(Extract from Cheshire East Council Constitution - Dec 2024)

### Overview

- 1.36. The proposals seek to address the underlying financial pressures in Corporate Services. These relate to the impact of pay inflation and increases in demand for enabling support services. The proposed approach seeks to absorb demand pressures where possible and to offset employee costs through vacancy management.
- 1.37. The Corporate Services area includes the new Resources Directorate as well as the Assistant Chief Executive and the Governance, Compliance and Monitoring Officer areas of responsibility. These are all important to the smooth running of the Council and ensuring that the Council governance is strong and supports sound decision-making.
- 1.38. This area also encompasses important resident focused areas of the Council including customer services and engagement, our welfare and collections services including Revenues and Benefits and is the place where Council Tax and Business rates are collected as efficiently as possible to provide the necessary finances to support the rest of the Council. This area also contains the strategic leadership around our staff, and so is fundamental to the smooth running of all our services.
- 1.39. As was highlighted in the 2024/25 budget setting, the only way this Council will become financially sustainable over the medium term is through transforming the way we work and deliver services, so a transformation plan has been developed and overall leadership of transformation sits within this area too.
- 1.40. Key proposals include investment in ICT to enable the delivery of cross Council digital savings and recognising unavoidable cost increases where budget changes are required. The project to achieve a new model for ICT shared services remains on track. This project is jointly run with Cheshire West and Chester Council and regularly reviewed by the Shared Services Committee.
- 1.41. There will be further across the board efficiencies and reductions in non-essential spending. In some cases, pressures will need to be managed in the short term given the Council's financial position.
- 1.42. Full list of change proposals for this committee are noted in the table below.

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	SRO/ Director	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	<b>Corporate Policy</b>		<b>+1.078</b>	<b>+4.396</b>	<b>+1.890</b>	<b>+1.485</b>
TBC	<b>Enforce prompt debt recovery and increase charges for costs</b>  Increase charges to debtors to ensure this reflects actual costs of the debt collection process, thereby further reducing net costs to the Council.	Head of Revenues and Benefits and *Acting Head of Customer Experience	-0.077			

## Appendix A – Draft Revenue Budget Change Proposals

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	SRO/ Director	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
TBC	<p><b>Pension costs adjustment</b></p> <p>This item relates to pension contributions funded by the Council. This results from a successful financial strategy to secure stability in the funding of future pension liabilities. The effect is a reduction in overheads in pay cost budgets following a change in the employer's contribution rate confirmed by the Cheshire Pension Fund.</p>	Interim Executive Director of Resources	-0.396	-0.685	-0.115	-0.124
TBC	<p><b>Pay Inflation</b></p> <p>The pay deal agreed for 2024/25 included a pay increase for individuals of the greater of £1,290 or 2.5%. This growth in budget reflects the shortfall compared to the flat percentage budget increase of 3% within original MTFS for 2024/25 now included in 2025/26 budget increase. Plus 2.5% inflation rate for 2025/26 onwards.</p> <p>National Insurance increase for 2025/26 onwards also included (to be offset in part by a grant from central government).</p>	Interim Executive Director of Resources	+1.494	+1.531	+1.570	+1.609
TBC	<p><b>Shared Services Review - Move to Hybrid Model for ICT</b></p> <p>Reversal of temporary resource in 24/25 within the shared ICT service.</p>	Director of Digital	-0.733			
TBC	<p><b>The achievement of additional Registration Service income, over and above that which is currently identified as required</b></p> <p>Recognising the additional performance of the Registration service income in the budget.</p>	Head of Democratic Services	-0.350			
TBC	<p><b>Recognising the annual receipt of £45k of Police and Crime Panel grant income</b></p> <p>An adjustment to service income budget for this grant.</p>	Registration and Civic Services Manager	-0.045			
TBC	<p><b>Remove unspent element of phones budgets in corporate services</b></p> <p>Taking the underspend on phones in corporate services (mobiles and rental) compared to budget</p>	Interim Executive Director of Resources	-0.060			
TBC	<p><b>Digital Acceleration Revenue Growth</b></p> <p>Investment in the acceleration of the Council's digital programme to maximise the use of digital technology to provide end-to-end service improvement and efficiencies through the accelerated use of emerging technologies. This includes the use of Artificial Intelligence and robotics capabilities to enhance on-line offering for customers, automated business processing improved reporting and case management.</p>	Director of Digital		+1.150		
TBC	<p><b>Digital Blueprint Revenue Growth</b></p> <p>Investment in the new business cases identified that will accelerate the Council's digital portfolio through fast-track validation and delivery of 30 plus targeted options. This will provide financial and business improvement opportunities across a diverse</p>	Director of Digital		+2.400	+0.435	



## Appendix A – Draft Revenue Budget Change Proposals

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	SRO/ Director	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	range of Cheshire East services. Solutions will be council-wide and maximise the use of digital technology solutions					
TBC	<b>Transactional Shared Services stabilisation plan</b> Staffing budget increase to enhance capacity and improve service quality standards, pending review of system and operational service support models.	Acting Director of Finance, Deputy Section 151	+0.270			
TBC	<b>Additional cost of External Audit Fees</b> Adjusting budget to reflect the latest estimate of external audit fees in 2025/26.	Acting Director of Finance, Deputy Section 151	+0.265			
TBC	<b>Reduce Members Allowances budget</b> Reduce Members Allowances budget for excess budget relating to a previous year's pay award that was not taken.	Head of Democratic Services	-0.100			
TBC	<b>Additional Cost of Bank Charges from 2025/26</b> Adjusting budget to reflect the latest estimate of bank charges in 2025/26.	Acting Director of Finance, Deputy Section 151	+0.120			
TBC	<b>Reverse reduction in leadership and management costs as posts are being retained</b> Reversal of 2024/25 budget saving, as superseded by senior management structure and future Target Operating Model savings.	Interim Executive Director of Resources	+0.540			
TBC	<b>Reinstatement of a one-off saving of £150,000 from election budgets, for the 2024/25 year</b> Planned reversal of a one-off reduction in 2024/25.	Head of Democratic Services	+0.150			

\*Values represent a +/- variation to the [Cheshire East Council approved budget for 2024/25](#).

Subsequent years are the incremental change from the previous year. Negative numbers represent a budget saving or additional income. Positive numbers represent budget growth or reduced income.

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	SRO/ Director	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	<b>Corporate Policy – Council-wide Transformation</b>		-13.452	-20.730	-11.030	-
TBC	<b>Digital Customer Enablement Invest to Save</b> The Digital Enablement Framework is a key enabler for the delivery of the Customer Experience Strategy, putting customer considerations at the centre of service delivery. It also provides transformational capabilities for continuous improvement	Director of Digital (pending reallocation to Service budgets)	-0.750	-0.750	-0.700	

## Appendix A – Draft Revenue Budget Change Proposals

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	SRO/ Director	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	<p>providing efficiencies and improvement opportunities within the end-to-end service delivery processes.</p> <p>These savings will be validated and allocated to individual service areas based on business cases agreed with each service manager or Transformation Board.</p>					
TBC	<p><b>Digital Acceleration Invest to Save</b></p> <p>Acceleration will maximise the use of emerging Digital technologies to transform ways of working across the entire range of council services. The benefits realised will be council-wide and enabled through the adoption of AI solutions by service operations across the Council including Adults, Health and Integration, Children's Services, Place, Resources (inc Customer Services) directorates, and Chief Executive's Office.</p> <p>These savings will be validated and allocated to individual service areas based on business cases agreed with each service manager or Transformation Board.</p>	Director of Digital (pending reallocation to Service budgets)	-0.600	-6.250	-5.250	
TBC	<p><b>Digital Blueprint - Invest to Save</b></p> <p>The Digital Blueprint initiative will provide financial and quality improvements across Cheshire East services. Benefits realised will be council-wide and enabled through developing priority propositions across several dimensions including;</p> <ul style="list-style-type: none"> <li>Improved quality of service outcomes,</li> <li>Cheshire East operations and customer experience, and</li> <li>Improved efficiency in service delivery, reducing friction and transactional costs</li> </ul> <p>These savings will be validated and allocated to individual service areas based on business cases agreed with each service manager or Transformation Board.</p>	Director of Digital (pending reallocation to Service budgets)	-4.000	-6.000	-4.500	
TBC	<p><b>Target Operating Model (TOM)</b></p> <p>Design and implementation of a new target operating model for the council, setting a framework and principles for how the council functions linked to the LGA's Peer Challenge and Decision Making Accountability (DMA) assessment.</p>	Interim Assistant Chief Executive	-3.000	-7.000		
TBC	<p><b>Agency Staffing</b></p> <p>Decrease reliance on agency workers through recruitment, potential changes to delivery models, in-house resourcing services / external partnership. Decrease overall expenditure on agency workers through on-going review of agency recruitment, hours worked and rates paid (more closely aligned to job evaluated rate for the job role).</p>	Director of People	-0.352			



## Appendix A – Draft Revenue Budget Change Proposals

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	SRO/ Director	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
TBC	<p><b>Workforce Productivity</b></p> <p>Reduction in sickness absence rates and lost opportunity costs.</p> <p>Reduction in staff turn over</p> <p>Implement improved recruitment and selection processes / practices, enhanced and consistent performance management from start of employment lifecycle.</p> <p>Review of terms and conditions of employment.</p> <p>Review of staffing structures aligning with the target operating model.</p>	Director of People	-1.000			
TBC	<p><b>Fees and Charges</b></p> <p>As part of the Transformation Programme, a review of service fees and charges will compare our existing prices with those of other councils across the country, to identify opportunities to maximise income and fully recover costs of delivery. As specific areas of additional income are identified, the related service income budget will be increased.</p>	Acting Director of Finance, Deputy Section 151  (pending reallocation to Service budgets)	-0.750	-0.040	-0.040	
TBC	<p><b>Third Party Spend</b></p> <p>As part of the Transformation Programme, a review of spend with suppliers will realise savings and drive increased value for money. As specific areas of saving are identified, the related service income budget will be increased.</p>	Head of Procurement  (pending reallocation to Service budgets)	-3.000	-0.690	-0.540	
<p>*Values represent a +/- variation to the <a href="#">Cheshire East Council approved budget for 2024/25</a>.</p> <p>Subsequent years are the incremental change from the previous year. Negative numbers represent a budget saving or additional income. Positive numbers represent budget growth or reduced income.</p>						

## Economy and Growth Committee

**Responsibilities of the Committee:** Membership: 13 Councillors

- 1.43. The Economy and Growth Committee will be responsible for developing policies and making decisions on matters relating to delivering inclusive and sustainable economic growth.
- 1.44. The Committee's responsibilities include:
- Determination of policies and making of decisions in relation to housing management and delivery;
  - Determination of policies and making of decisions in relation to economic development, regeneration, skills and growth;
  - Development and delivery of the Council's estates, land and physical assets policies;
  - Determination of policies and making decisions in relation to the rural and cultural economy; and
  - Compulsory purchase of land to support the delivery of schemes and projects promoted by the Committee.
- 1.45. Oversight, scrutiny, reviewing outcomes, performance, budget monitoring and risk management of the Directorate of Growth and Enterprise including: Facilities Management; Assets; Farms; Economic Development; Housing; Rural and Cultural Management; Tatton Park; Public Rights of Way; Cultural Economy; Countryside; and the Visitor Economy.

(Extract from Cheshire East Council Constitution - Dec 2024)

### Overview

- 1.46. The proposals seek to address the continuing and challenging financial pressures in the Place Directorate.
- 1.47. These focus on seeking to address and contain increasing prices and cost inflation as much as possible, and by rationalising the property estate, reducing the energy burden and to reduce and control Facilities Management costs including non-essential maintenance throughout the Council's building portfolio.
- 1.48. In response to the impact of pay inflation and continuing the savings made to offset it, the focus will continue to address existing employee costs through proactive vacancy management, prioritising statutory services and income generating roles.
- 1.49. Going forward there is a clear opportunity to address through a restructure plan to better align the related services and management across all of Place, as well as further continuing to explore and identify core efficiencies and restricting aspects of non-essential spend and seek to continue to review contracts.
- 1.50. Following the decision made by Committee around the future of the Westfields office, Sandbach, the Directorate will continue to progress consolidation and reprofiling of the Council's core property portfolio, and to engage opportunities for additional income regeneration.
- 1.51. Managing capacity with the prioritisation of resources across all of the Growth and Enterprise department will enable existing capacity to be sustained and seek to provide focus to maximise access to external funding options and programmes such as UK Shared Prosperity Funding
- 1.52. Full list of change proposals for this committee are noted in the table below.

## Appendix A – Draft Revenue Budget Change Proposals

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	SRO/ Director	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	<b>Economy and Growth</b>		<b>+0.534</b>	<b>+0.695</b>	<b>+0.432</b>	<b>+0.328</b>
TBC	<p><b>Office estate rationalisation</b> This item relates to rationalisation of the Council's office space buildings to reflect increased hybrid working, and to secure reduction of business rates and holding costs. Surplus assets will be considered for alternative use to generate income through rental or a capital receipt.</p> <p>Westfields, Sandbach and Municipal Offices, Crewe have been closed in 24/25. Savings will be generated from reduction of expenditure, and income generated from alternative use.</p>	Director of Growth and Enterprise	-0.150			
TBC	<p><b>Pension Costs Adjustment</b> This item relates to pension contributions funded by the Council. This results from a successful financial strategy to secure stability in the funding of future pension liabilities. The effect is a reduction in overheads in pay cost budgets following a change in the employer's contribution rate confirmed by the Cheshire Pension Fund.</p>	Interim Executive Director of Resources	-0.164	-0.313	-0.053	-0.057
TBC	<p><b>Tatton Park ticketing and EPOS upgrade</b> This relates to maintenance and support of the new electronic point of sale (EPOS) system at Tatton Park which was introduced in September 2024. The new system will future proof both revenue collection, management and financial analysis, and provide better customer insight and targeting capabilities. Streamlining customer transactions will better enable us to maximise revenue at all customer interaction points.</p>	Director of Growth and Enterprise	+0.001	+0.001	+0.001	+0.001
TBC	<p><b>CEC Archives</b> This growth represents the ongoing revenue costs of the new Archives facility being developed in Crewe which is expected to open in late 2026.</p>	Director of Growth and Enterprise	+0.014	+0.093	+0.004	
TBC	<p><b>Rural and Visitor Economy Electricity costs</b> This provides additional funding to manage increased costs. This reflects inflation in the price of materials and the staffing required to maintain a statutory standard of upkeep to existing public rights of way, and to maintain heritage buildings within Tatton Park.</p>	Director of Growth and Enterprise	-0.021			
TBC	<p><b>Minimum energy efficiency standards (MEES) - Estates - Revenue Adjustment</b> All the Council's leased out properties will be required to meet new / phased Energy Efficiency Legislation from 1 April 2023 up to 1 April 2030. This means that to continue to lease out properties the Estates Service will need to improve the energy performance certificate (EPC) rating in line with the Government recommendations. After assessment, and in order to obtain a certificate, identified improvements will need carrying out prior to properties being leased out. Cost estimates are based on average current improvement costs, the list of identified</p>	Director of Growth and Enterprise	+0.023		-0.055	-0.047

## Appendix A – Draft Revenue Budget Change Proposals

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	SRO/ Director	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	properties requiring new EPC certificates, and phasing as determined by the legislation.					
TBC	<p><b>Pay Inflation</b></p> <p>The pay deal agreed for 2024/25 included a pay increase for individuals of the greater of £1,290 or 2.5%. This growth in budget reflects the shortfall compared to the flat percentage budget increase of 3% within original MTFS for 2024/25 now included in 2025/26 budget increase. Plus 2.5% inflation rate for 2025/26 onwards.</p> <p>National Insurance increase for 2025/26 onwards also included (to be offset in part by a grant from central government).</p>	Interim Executive Director of Resources	+1.064	+0.429	+0.440	+0.450
TBC	<p><b>Maintenance and operation of new assets in Crewe town centre</b></p> <p>New revenue budgets are required to ensure that new facilities / assets / spaces being created in Crewe town centre can be operated and maintained to a reasonable standard to meet user expectations, ensure compliance with statutory requirements and ensure that they are operable for their expected lifespan without the need for closure / removal / replacement.</p>	Director of Growth and Enterprise	+0.205	+0.279	+0.118	+0.006
TBC	<p><b>Land Fill Site Assessments Revenue Adjustment - Estates – Review and Risk Assessment of Council owned Landfill sites (53 sites) Review and Risk Assessment completions</b></p> <p>The Council must demonstrate safe monitoring and compliance across its property portfolio. The CE Contaminated Land Officer has recommended options following risk assessments on c.53 landfill sites owned by the Council. Essential improvements/ monitoring/management works are essential to understanding and managing risk and demonstrating compliant management.</p>	Director of Growth and Enterprise	+0.010			
TBC	<p><b>Tatton Park Estate Dwellings Refurbishment</b></p> <p>The current 5-year quinquennial plan for the conservation of Tatton Park covers the upkeep of the residents' dwellings on site but there is no provision for response maintenance issues. Each of the dwellings (8 in total) are in continuing need of attention to rectify problems and additional funding is critical to ensuring these properties meet standards required as part of tenancy agreements and the National Trust lease.</p>	Director of Growth and Enterprise	+0.015			
TBC	<p><b>Improving Crewe Rented Housing Standards</b></p> <p>To achieve a well-functioning private rented sector that supports the health and wellbeing of Cheshire East residents through improved living standards, it is necessary to carry out targeted activity to inspect homes and carry out enforcement action. This 12-month project will enable us to evidence whether this is sufficient action to avoid the need for a selective licensing scheme.</p>	Director of Growth and Enterprise	+0.188	-0.188		

## Appendix A – Draft Revenue Budget Change Proposals

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	SRO/ Director	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
TBC	<p><b>Maximise potential of Countryside Access Management System</b></p> <p>Transform the current desk-based system to a digital mobile application and Asset Management database. This will enable cost savings through more efficient planning of works, budget control and Public Rights of Way officer resource. Additional environmental benefits will be realised through reduction in officer car usage and printing.</p>	Director of Growth and Enterprise	+0.020	-0.018		
TBC	<p><b>Assets - building and operational – Energy</b></p> <p>A reduction in energy budgets is proposed. A budget increase was requested when energy prices were at peak rates, alongside significantly high inflation rates. The unit price rates for gas and electricity have now stabilised and the Council has been able to mitigate the overall impact, particularly on gas, using green, low carbon technologies energy solutions, as well as an overall reduction in the portfolio as properties are being vacated / sold.</p>	Director of Growth and Enterprise	-0.860			
TBC	<p><b>Assets - building and operational – Maintenance</b></p> <p>The cost of managing and maintaining the Council's property portfolio continues to rise, with the residual impact of high inflation rates, shortages of skilled labour, availability of key components and material prices, increase the costs of undertaking works. Balancing the condition of premises and overall backlog of maintenance, against available budgets remains a challenge. Cost increases cannot be avoided entirely, and mitigation measures are in place currently to ensure the Council will only spend on maintenance where there is a specific Health and Safety risk that must be mitigated.</p>	Director of Growth and Enterprise	+0.465	+0.533		
TBC	<p><b>Tatton Park - Increase Fees and Charges</b></p> <p>These planned savings result from income generated through ongoing review and investment in the facilities at Tatton Park, which will improve the visitor experience and reduce the overall subsidy the Council makes to Tatton Park.</p>	Director of Growth and Enterprise	-0.126	-0.021	-0.023	-0.025
TBC	<p><b>Corporate Landlord Model Refresh</b></p> <p>A review / refresh of the existing corporate landlord operational model is proposed as one of the Council's transformation projects to deliver additional benefits through efficiency savings on a phased programme approach.</p>	Director of Growth and Enterprise	-0.050			
TBC	<p><b>Asset Strategy Refresh</b></p> <p>A review / refresh of the existing approach to strategic asset management of the Council's land and property assets is proposed as one of the Council's transformation projects. An</p>	Director of Growth and Enterprise	-0.100	-0.100		

Appendix A – Draft Revenue Budget Change Proposals

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	SRO/ Director	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	estimated target of revenue savings is proposed based on a list identified as part of the Capital disposals programme and the repurposing of sites for SEN / Housing framework provisions.					
<p>*Values represent a +/- variation to the <a href="#">Cheshire East Council approved budget for 2024/25</a>.                      Subsequent years are the incremental change from the previous year. Negative numbers represent a budget saving or additional income. Positive numbers represent budget growth or reduced income.</p>						

## Environment and Communities Committee

**Responsibilities of the Committee:** Membership: 13 Councillors

- 1.53. The Environment and Communities Committee is responsible for developing policies and making decisions on matters relating to the delivery of inclusive and sustainable growth, improving the quality of the environment and delivering improvement in key front-line services.
- 1.54. The Committee's responsibilities include:
- Development and delivery of the Council's strategic objectives for Environmental Management, sustainability, renewables and climate change;
  - The development and delivery of the Council's Environment Strategy and Carbon Neutral Action Plan;
  - Development and delivery of the Local Development Framework including the Local Plan, Supplementary Planning Documents, Neighbourhood Plans, the Brownfield Land Register, Conservation Areas, Locally Listed Buildings, the Community Infrastructure Levy, and Statement of Community Involvement;
  - Regulatory functions including external health and safety good practice and enforcement including instituting proceedings and prosecutions;
  - Determination of policies and making decisions, in relation to waste collection and disposal, recycling, fly tipping, parks and green spaces, community strategy and community hub, leisure, libraries and sports development, bereavement services, trading standards, environmental health, emergency planning, CCTV, nuisance and anti-social behaviour, public space protection orders, community enforcement, animal health and welfare, food safety, licensing, pest control, contaminated land and air quality;
  - Compulsory purchase of land to support the delivery of schemes and projects promoted by the Committee.
- 1.55. Oversight, scrutiny, reviewing outcomes, performance, budget monitoring and risk management of the Directorate of Environment and Neighbourhood, including: the Planning Service; Environmental Services; Regulatory Services; Neighbourhood Services and Emergency Planning.

(Extract from Cheshire East Council Constitution - Dec 2024)

### Overview

- 1.56. The past year has been one of considerable decision and change in Environment and Communities, where significant pressures are further being experienced in a number of areas across the departmental budget.
- 1.57. Financial pressure continues to be a challenge:
- Waste collection and disposal costs – this is due to inflation across both internal and externally procured prices, uncertainty caused by the lack of clarity around the National Waste Strategy and also the continued high cost of fuel duty which has had a significant impact on fleet running costs.
  - Pay inflation – the nationally negotiated pay awards as well as being applicable to Council staff also apply across the wholly owned companies which collectively have large staffing establishments in their own right.
  - Planning income – Increased costs of financing development in multiple sectors, has seen an impact on the number of planning applications generating key income. Of applications that are received each year, currently a high percentage of these are not major applications and therefore this impacts through the shortfall of income against target.

## Appendix A – Draft Revenue Budget Change Proposals

- 1.58. The budget strategy for this area continues to focus on containing prices and cost inflation as much as possible, through amongst other things enhanced financial monitoring, robust procurement activities and alternative ways of working.
- 1.59. There will be continued alignment to other areas of the Place directorate in providing the response to the impact of pay inflation, the focus will be to seek to offset existing employee costs through proactive vacancy management, prioritising statutory services and ensuring that income generation opportunities are maximised.
- 1.60. Opportunities through restructuring will continue and seek to address further improvement and alignment of related services and management across all of Place, as well as continuing to explore and identify operational efficiencies in how key frontline services interface.
- 1.61. The key areas of focus for Environment and Communities will be:
- Continuing to deliver on current MTFs budget commitments such as delivery of stage 2 of the Strategic Leisure Review;
  - Development and implementation of a Libraries Strategy;
  - Returning existing wholly owned companies;
  - Rationalising the increasing costs of waste collection, disposal and treatment and;
  - Work to continue to expand commercialisation opportunities to generate additional income for the Council.
- 1.62. Where appropriate, advance opportunities to work with communities, and specifically Town and Parish Councils to explore options to support, supplement, and contribute to, the delivery of services at a local level.
- 1.63. Full list of change proposals for this committee are noted in the table below.

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	SRO/ Director	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	<b>Environment and Communities</b>		<b>-2.742</b>	<b>+3.269</b>	<b>+0.982</b>	<b>+6.792</b>
TBC	<b>Strategic Leisure Review (Stage 2)</b> The second stage of the Strategic Leisure Review will focus on the medium-term financial sustainability of the commissioned leisure services. This includes, but is not limited to: reviewing pricing for leisure services across the borough; reduction in corporate landlord costs via asset transfer; exploring potential invest to save capital schemes; removing all current programme allocations that cannot be delivered on an invest to save basis; removal of historical subsidies relating to free car parking; use of public health and other one off grants; and partnership working with Town Councils to secure contributions towards safeguarding provisions in their local area.	Interim Director of Planning and Environment	+0.403	-0.203	-0.166	
TBC	<b>Libraries Strategy - Stage 1</b> The ongoing impact of the stage 1 review. As part of the Strategy approved by E&C Committee on 27th November 2024, implementation now ongoing with revised opening hours at Tier 3 sites going live from January 2025 and Tier 2 sites as of 1st April 2025.	Interim Director of Planning and Environment	-0.100			
TBC	<b>Reduce revenue impact of carbon reduction capital schemes</b> Capital financing costs of capital schemes to reduce carbon emissions.	Head of Environmental Services	+0.171			



## Appendix A – Draft Revenue Budget Change Proposals

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	SRO/ Director	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
TBC	<p><b>Pay Inflation</b></p> <p>The pay deal agreed for 2024/25 included a pay increase for individuals of the greater of £1,290 or 2.5%. This growth in budget reflects the shortfall compared to the flat percentage budget increase of 3% within original MTFS for 2024/25 now included in 2025/26 budget increase. Plus 2.5% inflation rate for 2025/26 onwards.</p> <p>National Insurance increase for 2025/26 onwards also included (to be offset in part by a grant from central government).</p>	Interim Executive Director of Resources	+2.270	+1.380	+1.409	+1.436
TBC	<p><b>Pension Costs Adjustment</b></p> <p>This item relates to pension contributions funded by the Council. This results from a successful financial strategy to secure stability in the funding of future pension liabilities. The effect is a reduction in overheads in pay cost budgets following a change in the employer's contribution rate confirmed by the Cheshire Pension Fund.</p>	Interim Executive Director of Resources	-0.159	-0.315	-0.053	-0.057
TBC	<p><b>Explore a Trust delivery model for Libraries and other services</b></p> <p>Reverse of growth item to cover one off costs relating to implementation of alternative delivery model(s) for libraries service. Aligned to development of Libraries Strategy.</p>	Interim Director of Planning and Environment	-0.150			
TBC	<p><b>Land Charge Income Adjustment</b></p> <p>Due to national legislative changes where some land charges services will be delivered by HM Land Registry, there will a reduction in income to the Council.</p>	Interim Director of Planning and Environment	+0.147			
TBC	<p><b>Local Plan Review</b></p> <p>It is a statutory requirement to review the Local Plan within prescribed timescales. This will determine amongst other things the amount and location of future housing and other economic development in the Borough. It is highly complex requiring significant technical evidence, significant public consultation and three stages of formal examination by Government inspectors.</p>	Interim Director of Planning and Environment	+0.315	-0.090	+0.005	-0.005
TBC	<p><b>Review of CCTV service - service efficiencies and income generation from existing services</b></p> <p>Opportunities for additional income generation – the £40,000 saving in 2025/26 is a current estimate subject to additional service improvements / investment.</p>	Interim Director of Planning and Environment	-0.040			
TBC	<p><b>Environmental Services Growth 2025/26 onwards</b></p> <p>This line recognises the pressures expected within the service from waste volumes, varying recycling income rates, increased costs of service change relating to weekly food waste collections, increased costs of operating the Environmental Hub, fleet etc.</p>	Head of Environmental Services	+3.041	+1.882	+0.690	+0.710

## Appendix A – Draft Revenue Budget Change Proposals

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	SRO/ Director	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
TBC	<p><b>Environmental Services Savings 2025/26 onwards</b></p> <p>This growth recognises the savings expected within the service from annual increases in income e.g. green waste, expected transition grants for weekly food waste, efficiencies due to the change of delivery model for currently commissioned services</p>	Head of Environmental Services	-2.367	-2.580	-1.181	-0.549
TBC	<p><b>Environmental Services Growth - Pensions</b></p> <p>This item is to bring the service budgets for all staffing up to the same point regarding pension contributions. This has a net nil impact for the Council as a whole.</p>	Head of Environmental Services	+0.727	-0.395	-0.066	-0.071
TBC	<p><b>Environmental Services – expected income from Extended Producer Responsibility for packaging</b></p> <p>Estimated grant income from the new scheme which tapers out over the life of the MTFS as the scheme is expected to evolve and waste tonnages change. The detail is based on the announcements made at the end of November 2024 and a detailed forecast model of potential future years impacts, to be regularly reviewed.</p>	Head of Environmental Services	-7.000	+3.590	+0.344	+5.328

\*Values represent a +/- variation to the [Cheshire East Council approved budget for 2024/25](#).

Subsequent years are the incremental change from the previous year. Negative numbers represent a budget saving or additional income. Positive numbers represent budget growth or reduced income.

## Highways and Transport Committee

**Responsibilities of the Committee:** Membership: 13 Councillors

- 1.64. The Highways and Transport Committee shall be responsible for developing policies and making decisions on matters relating to highways and transport as they affect the area of the Council taking into account regional and national influences.
- 1.65. The Committee's responsibilities include:
- Formulation, co-ordination and implementation of corporate policies and strategies in connection with all car parking, transport and accessibility matters;
  - Determination of any matter affecting the Council's interests in relation to national infrastructure matters, for example HS2, Northern Powerhouse Rail and the National Road Network;
  - Discharge of the Council's responsibilities as Highway Authority; local transport authority; parking authority; and lead local flood authority;
  - Determination of policies and making decisions in relation to flooding and accessibility, in co-ordination with the Scrutiny Committee;
  - Compulsory purchase of land to support the delivery of schemes and projects promoted by the Committee; and
  - In respect of public rights of way:
    - discharge all the functions of the Council in relation to public rights of way (except the determination of non-contentious Public Path Order applications which has been delegated to the Executive Director – Place);
    - discharge of Commons and Town and Village Greens functions;
    - being apprised of, approve, and comment on a range of policies, programmes and practices relating to Rights of Way, Commons, Town and Village Greens and countryside matters including:
    - progress reports on implementation of the Rights of Way Improvement Plan (part of the Annual Progress Review for the Local Transport Plan);
    - Statement of Priorities;
    - Enforcement Protocols;
    - Charging Policy for Public Path Order applications.
- 1.66. Oversight, scrutiny, reviewing outcomes, performance, budget monitoring and risk management of the Directorate of Highways and Infrastructure including: Transport Policy; Transport Commissioning; Carparking; Highways; Infrastructure and HS2.

(Extract from Cheshire East Council Constitution - Dec 2024)

### Overview

- 1.67. The proposals identified in this area provide an ongoing response to seek to address the continuing financial pressures in the Place Directorate.
- 1.68. The Highways and Transport department has responsibility for a number of key service areas with the overall aim of providing a safe, available, integrated and sustainable transport network across Cheshire East and the wider region. Delivering this meets the Council's statutory duties to manage and maintain transport infrastructure, supports the economic growth of the borough and contributes to the Council's net zero climate commitment.
- 1.69. Highway maintenance services are almost entirely either statutory or essential to delivering statutory obligations. The service is significantly affected by the revenue impact of a shortfall in capital investment; reductions to either revenue or capital will have downstream consequences in revenue costs and may risk statutory compliance. The proposed business cases therefore go towards ensuring that those revenue implications are met.

## Appendix A – Draft Revenue Budget Change Proposals

- 1.70. In response to the impact of pay inflation and continuing the savings made last year to offset it, the focus will continue to address existing employee costs through proactive vacancy management, prioritising statutory services and income generating roles.
- 1.71. Going forward there is a clear opportunity to address through a restructure plan to better align the related services and management across all of Place, as well as further continuing to explore and identify core efficiencies and restricting aspects of non-essential spend, and seek to continue to review contracts.
- 1.72. To support the Council's underlying financial pressures a number of cost saving proposals are being consulted upon, which aim to provide the financial base to enable the continued support and retention of core local services
- 1.73. Full list of change proposals for this committee are noted in the table below.

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	SRO/ Director	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	<b>Highways and Transport</b>		<b>+1.061</b>	<b>+0.152</b>	<b>+0.068</b>	<b>+0.030</b>
TBC	<b>Increase parking charges</b> This item relates to the extension of parking charges to formerly free car parks and the adoption of a policy to increase parking tariffs annually in line with inflation.	Director of Transport and Infrastructure	-0.450	-0.186	-0.191	-0.197
TBC	<b>Safe Haven outside schools (Parking)</b> This items relates to the annual cost of licences for the enforcement of Keep Clear zones at school gates using ANPR cameras.	Director of Transport and Infrastructure	+0.010			
TBC	<b>Parking PDA / Back Office System contract - fall out of one off set up cost</b> This saving relates to the cost efficiencies arising from procurement of a new system to manage the electronic payments for parking and the processing of Penalty Charge Notices.	Director of Transport and Infrastructure	-0.030			
TBC	<b>Parking - Part-year effect of strategy changes</b> This item relates to the impact (part year) of recent changes to the arrangements for Pay and Display car parking in formerly "free towns" across the borough.	Director of Transport and Infrastructure	-0.720			
TBC	<b>Parking - Staff and member parking</b> The Council expects to achieve savings in the costs of staff and member parking permits through changes to the policies on issuing permits to provide better alignment with the Corporate Travel Plan.	Director of Transport and Infrastructure	-0.250			
TBC	<b>Transport and Infrastructure Strategy Team – Restructure</b> This item relates to the saving arising from changes to the Strategy Teams, which fill existing staff vacancies and reduce reliance on agency consultancy staff. The approach is intended to improve organisational capacity for transport planning, improving responsiveness and resilience.	Director of Transport and Infrastructure		-0.150		
TBC	<b>Local Bus</b> This growth relates to the expected changes in the Councils costs of procuring contracts for local supported bus routes, which are expected to be impacted by cost inflation	Director of Transport and Infrastructure	+1.545			

## Appendix A – Draft Revenue Budget Change Proposals

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	SRO/ Director	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	arising from higher operating costs, staff and fuel. The expected pressure is £1.5m above existing budgets of £2.8m.					
TBC	<p><b>FlexiLink Service Improvement Plan - invest to save</b></p> <p>This item relates to the Council's plans to extend and modernise its demand-responsive transport service – FlexiLink. Investment is needed to adopt a new digital booking system, a dynamic route planning system and modern customer information and publicity. Introduction of fares will lead to the new services generating income in future years.</p>	Director of Transport and Infrastructure	+0.592	+0.294	-0.003	-0.135
TBC	<p><b>Advertising Income. Initial project scoping work being undertaken to understand scale/complexity and resourcing needs</b></p> <p>Maximise opportunities to sell targeted advertising through use of council assets, focusing on high value opportunities. This includes Bus Stop advertising.</p>	Director of Transport and Infrastructure	-0.025	-0.075	-0.050	
TBC	<p><b>Pension Costs Adjustment</b></p> <p>This item relates to pension contributions funded by the Council. This results from a successful financial strategy to secure stability in the funding of future pension liabilities. The effect is a reduction in overheads in pay cost budgets following a change in the employer's contribution rate confirmed by the Cheshire Pension Fund.</p>	Interim Executive Director of Resources	-0.055	-0.108	-0.018	-0.020
TBC	<p><b>Pay Inflation</b></p> <p>The pay deal agreed for 2024/25 included a pay increase for individuals of the greater of £1,290 or 2.5%. This growth in budget reflects the shortfall compared to the flat percentage budget increase of 3% within original MTFS for 2024/25 now included in 2025/26 budget increase. Plus 2.5% inflation rate for 2025/26 onwards.</p> <p>National Insurance increase for 2025/26 onwards also included (to be offset in part by a grant from central government).</p>	Interim Executive Director of Resources	+0.228	+0.111	+0.114	+0.117
TBC	<p><b>Flood and Water Management Act 2010 SuDS and SABs Schedule 3 Implementation</b></p> <p>The introduction of Schedule 3 mandates local authorities in England to establish SuDS (Sustainable Drainage Systems) Approval Bodies (SABs) for approving and adopting sustainable drainage systems. To prepare, the council, as Lead Local Flood Authority (LLFA) needs to grow and train the team and other services staff in preparation for the additional duties, responsibilities and processes this will bring.</p>	Director of Transport and Infrastructure		+0.050	+0.050	+0.100
	<p><b>Highways: Revenue Service</b></p> <p>This provides investment in highway infrastructure that will arrest the deterioration of the asset. This will reduce costs of reactive maintenance, improve safety and reduce risks of significant incidents. It will also control revenue budget pressures and work towards</p>	Director of Transport and Infrastructure	+0.216	+0.216	+0.216	+0.216

## Appendix A – Draft Revenue Budget Change Proposals

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	SRO/ Director	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	addressing customer dissatisfaction. Subject to capital investment being available.					
	<b>Highways: Depots</b> The highways depots need investment to reduce the risk that facilities could be unusable for reactive and winter maintenance. Investment will enable some operational efficiencies, providing winter service resilience and a reduction in highways depots from 3 to 2, delivering a capital receipt.	Director of Transport and Infrastructure			-0.050	-0.051

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## Appendix A – Draft Revenue Budget Change Proposals

**Finance Sub Committee (central budgets)**

1.74. Central Budgets and general Council funding are not specifically related to services that residents use but are important in resourcing the overall budget. The following proposals in the next two tables relate to Council borrowing, investments and forecast income from general grants and local taxation.

1.75. Full list of change proposals for this committee are noted in the tables below.

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	SRO/ Director	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	Finance Sub (central budgets)		<b>+35.481</b>	<b>+18.510</b>	<b>+7.919</b>	<b>+6.695</b>
TBC	<b>Capital Financing - Minimum Revenue Provision</b> The revenue impact of capital spending also results in annual spending. Inflation, high interest rates on borrowing, including the interest that the Council is paying for holding the Dedicated Schools Grant deficit on the balance sheet (£5.6m) and an ambitious capital programme results in increased need for annual revenue.	Interim Executive Director of Resources	+9.695	+3.718	+3.381	+1.542
TBC	<b>Use of Earmarked Reserves (reversal of 2024/25 one off use of central EMRs)</b> Reversal of the planned one-year use of central earmarked reserves budgeted to be used in 2024/25.	Interim Executive Director of Resources	+0.579			
TBC	<b>Use of General Reserves (reversal of one off use in 2024/25)</b> Reversal of the planned one-year use of General Reserves budgeted to be used in 2024/25.	Interim Executive Director of Resources	+11.654			
TBC	<b>Top up General Reserves</b> This is a planned annual contribution to General Reserves to replenish up to a minimum target of £20m by the end of the medium term.	Interim Executive Director of Resources	+5.000			
TBC	<b>Creation of Contingency Budget</b> To cover inflation risks across the council including changes resulting from recent national budget changes impacting on our contractors	Interim Executive Director of Resources	+9.280	+11.342	+6.098	+6.363
TBC	<b>Risk of unachievable budget savings or growth demands exceeding estimates</b> This is based on 10% of the budget changes related to budget savings in each year.	Interim Executive Director of Resources		+3.450	-1.560	-1.210
TBC	<b>Pension adjustment – linked to E&amp;C growth item</b> This item is to bring the service budgets for all staffing up to the same point regarding pension contributions. This has a net nil impact for the Council as a whole.	Interim Executive Director of Resources	-0.727			

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## Appendix A – Draft Revenue Budget Change Proposals

## Finance Sub Committee (funding budgets)

MTFS Ref No	Detailed List of Proposed Budget Changes (incremental)	SRO/ Director	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m
	Finance Sub (funding budgets)		<b>-27.499</b>	<b>-14.451</b>	<b>-19.391</b>	<b>-20.515</b>
TBC	<p><b>Council Tax increase % growth.</b></p> <p>Council Tax currently provides 76% of the net funding for Council services and is paid by occupiers and owners of domestic property within the borough. The MTFS includes increases of 4.99% in every year from 2025/26 to 2028/29.</p>	Interim Executive Director of Resources	-14.326	-15.290	-16.204	-17.214
TBC	<p><b>Council Tax increase base growth.</b></p> <p>The Council Taxbase is increasing each year due to ongoing housing development. The calculation of additional Council Tax from the growth in the taxbase also reflects any changes in discounts, exemptions, premiums and Council Tax Support. The increase in housing numbers in the MTFS is currently forecast to be 2,000 in 2025/26 and 1,800 each year thereafter to fall back in line with the Local Plan estimates.</p>	Interim Executive Director of Resources	-5.852	-3.037	-3.187	-3.301
TBC	<p><b>Business Rates Retention –</b></p> <p>This value relates to the inflationary increase forecast to be received as part of the Settlement Funding Assessment (part of the Provisional Local Government Finance Settlement due late December).</p>	Interim Executive Director of Resources	-0.495			
TBC	<p><b>Unringfenced general grants change.</b></p> <p>See Appendix C Provisional Local Government Finance Settlement – Impact for further breakdown</p>	Interim Executive Director of Resources	-3.847	+3.876		
TBC	<p><b>National Insurance increase contribution.</b></p> <p>Grant income estimated to help towards the direct costs associated with the increase in employers National Insurance from April 2025. Final allocations will be announced as part of the Final Local Government Settlement in February 2025.</p> <p>Direct costs have been estimated to be c.3.7m</p>	Interim Executive Director of Resources	-2.979			

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Appendix B – Draft Capital Programme Proposals

**Corporate Policy Committee**

1.1. Full list of capital proposals for this committee are noted in the table below.

MTFS Ref No	Detailed List of Proposed Capital Programme Additions	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m	Total £m	Grant	External contribution	Internal contribution	Borrowing
	<b>Corporate Policy</b>	<b>+5.356</b>	<b>+3.505</b>	<b>+3.554</b>	<b>+0.200</b>	<b>+12.615</b>				<b>+12.615</b>
TBC	<p><b>Accelerate Digital – (Digital efficiencies) Capital</b></p> <p>Acceleration of the Council's ongoing digital programme to maximise the use of digital options to provide end-to-end service improvement and efficiencies through the accelerated use of emerging technologies. Including the use of Artificial Intelligence and robotics capabilities to enhance on-line offering for customers, automated business processing, improved reporting and case management. <b>Associated revenue savings will be allocated to individual service areas based on business cases agreed with each service manager.</b></p>	+1.532	+1.350	+1.377		+4.259				+4.259
TBC	<p><b>Digital Blueprint - Capital</b></p> <p>Development of a strategic fast track opportunities to deliver financial benefits across all directorates. The Digital Blueprint initiative will accelerate the Council's digital portfolio through fast-track validation and delivery of 30 plus targeted options. These options will provide financial and improvement opportunities across a diverse range of Cheshire East Business services.</p> <p><b>Associated revenue savings will be allocated to individual service areas based on business cases agreed with each service manager</b></p>	+3.490	+1.663	+1.377		+6.530				+6.530
TBC	<p><b>Core Business Systems</b></p> <p>Previously referred to as Core Financials, this relates to the Council's core business systems; mainly Unit4 ERP in respect of HR &amp; payroll, purchasing and sales invoicing as well as accounting.</p> <p>The proposals here include improvements following the HR and payroll health check and anticipated migration to ERPx (the next significant upgrade of the system).</p>	+0.334	+0.492	+0.800	+0.200	+1.826				+1.826

Appendix B – Draft Capital Programme Proposals

**Economy and Growth Committee**

1.2. Full list of capital proposals for this committee are noted in the table below.

MTFS Ref No	Detailed List of Proposed Capital Programme Additions	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m	Total £m	Grant	External contribution	Internal contribution	Borrowing
	<b>Economy and Growth</b>	<b>+1.758</b>	<b>+3.451</b>	<b>+3.916</b>	<b>+6.899</b>	<b>+16.024</b>	<b>+3.336</b>			<b>+12.688</b>
TBC	<b>Green Structures investment (Public Rights of Way)</b> Capital investment is required on a growing number of structures - currently 30 - which carry Green Infrastructure (Public Rights of Way and Countryside Ranger Service) assets over or adjacent to waterways, for example. Investment is required for replacement or maintenance to comply with statutory duties and for public safety.		+0.300	+0.116	+0.250	+0.666				+0.666
TBC	<b>Disabled Facilities Grant</b> Statutory Disabled Facilities Grants support people with disabilities to live independently in the home of their choice by making their home more suitable, preventing admission to hospital, residential and nursing care. Grants are means tested and provided to disabled people following an assessment of their physical and health needs.	+0.936	+0.800	+0.800	+3.600	+6.136	+3.336			+2.800
TBC	<b>Septic Tanks</b> Initial capital funding identified to mitigate identified statutory compliance issues with several domestic sewage treatment and septic tanks located around the borough, where the Council has retained management and maintenance responsibilities, post the disposal of former Council housing estates.				+0.049	+0.049				+0.049
TBC	<b>Premises Capital</b> Essential funding to ensure the Council's estate is kept in a safe and compliant condition and ensure that premises can remain operational.	+0.822	+2.351	+3.000	+3.000	+9.173				+9.173

Appendix B – Draft Capital Programme Proposals

**Environment and Communities Committee**

1.3. Full list of capital proposals for this committee are noted in the table below.

MTFS Ref No	Detailed List of Proposed Capital Programme Additions	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m	Total £m	Grants	External Contribution/capital receipt	Internal Contribution	Borrowing
	<b>Environment and Communities</b>	<b>+7.402</b>	<b>+0.250</b>	<b>+0.250</b>		<b>+7.902</b>		<b>+1.042</b>	<b>+6.110</b>	<b>+0.750</b>
TBC	<b>Weekly Food Waste Collections - Additional Capital Requirement</b> New Statutory obligation on the Council announced under original Simpler Recycling legislation to introduce weekly food waste collections to all properties by April 2026. The funding is required to secure infrastructure investment, fleet and waste bins in order to implement this mandatory service. The costs of borrowing are included within the business plan and hence MTFS growth line item for Environmental Services.	+5.510				+5.510			+5.510	
TBC	<b>Macclesfield Cemetery Second Chapel</b> Investment into creation of a second chapel at Macclesfield Cemetery in order to create additional capacity for bereavement services offered to residents as a known demand, hence securing additional income for the organisation. The revenue costs of borrowing will be covered by increased income generation created as a result of enabling this additional capacity.	+0.600				+0.600			+0.600	
TBC	<b>Parks</b> Various infrastructure investment works at park and green space sites across the borough, fully funded from s106 contributions	+1.042				+1.042		+1.042		
TBC	<b>Strategic Transport Model</b> This project will provide the evidence base for Council's new Local Plan (Spatial Strategy) and Infrastructure Delivery Plan responding to governments new planning regulations. The approach will ensure that robust	+0.250	+0.250	+0.025		+0.750				+0.750

Appendix B – Draft Capital Programme Proposals

MTFS Ref No	Detailed List of Proposed Capital Programme Additions	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m	Total £m	Grants	External Contribution/capital receipt	Internal Contribution	Borrowing
	decisions on site selections, environmental impacts and infrastructure requirements can be made.									

Appendix B – Draft Capital Programme Proposals

**Highways and Transport Committee**

1.4. Full list of capital proposals for this committee are noted in the table below.

MTFS Ref No	Detailed List of Proposed Capital Programme Additions	2025/26 £m*	2026/27 £m	2027/28 £m	2028/29 £m	Total £m	Grant	External contribu- tion/capi- tal receipt	Internal Contribu- tion	Borrowi- ng
	<b>Highways and Transport</b>	<b>+8.130</b>	<b>+12.422</b>	<b>+12.883</b>	<b>+11.501</b>	<b>+44.936</b>	<b>+7.982</b>	<b>+0.060</b>		<b>+36.894</b>
TBC	<b>Highways Maintenance Capital</b> This provides investment in highway infrastructure that will arrest the deterioration of the asset. This will reduce costs of reactive maintenance, improve safety and reduce risks of significant incidents. It will also control revenue budget pressures and work towards addressing customer dissatisfaction.	+7.340	+11.501	+11.501	+11.501	+41.843	+7.982			+33.861
TBC	<b>Booth's Bridge Plumley</b> Relaces the bridge that has been demolished for safety reasons.	+0.790				+0.790				+0.790
TBC	<b>Highways: Depots</b> The highways depots need investment to reduce the risk that facilities could be unusable for reactive and winter maintenance. Investment will enable some operational efficiencies, provides winter service resilience and a reduction in highways depots from 3 to 2, delivering a capital receipt.		+0.921	+1.382		+2.303		+0.060		+2.243

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Appendix C – Provisional Local Government Settlement 2025/26

Grant / income stream	Treatment	Core Spending Power (CSP) Allocation (Dec 2024) £m	Revised Net Revenue Funding Envelope (Dec 2024) £m	Comment on difference between CSP and Net Funding Envelope	Forecast Net Revenue Funding Envelope (CPC Nov 2024) £m	Value / Reason for change in funding compared to November estimate £m / text
Council Tax requirement excluding parish precepts	Unringfenced	305.1	307.3	Difference due to MHCLG assumed taxbase increase included in CSP rather than actual increase	307.3	No change
Settlement Funding Assessment – Baseline Funding Level (excluding RSG)	Unringfenced	46.5	57.1	Shown in MTFS as Business Rates Retention Scheme funding	57.1	No change
Compensation for under indexing the business rates multiplier	Unringfenced	9.4	-	Grant income included in (£57.1m) total above along with proportion of other S31 business rates grants	-	No change
Revenue Support Grant	Unringfenced	0.8	0.8		0.4	<b>+0.4</b> Extended rights to free transport rolled into RSG (previously outside the CSP calculation)
Social Care Grant	Unringfenced	29.5	29.5		27.3	<b>+2.2</b> Additional funding compared to October Budget statement plus only partial council tax precept equalisation resulting in more grant than estimated
New Homes Bonus	Unringfenced	3.0	3.0		3.0	No change

Appendix C – Provisional Local Government Settlement 2025/26

Services Grant	Unringfenced	-	-		0.3	<b>-0.3m</b> Grant no longer exists from 2025/26
Children's Social Care Prevention Grant	Unringfenced	0.8	0.8			<b>+0.8m</b> New grant from 2025/26
Targeted deprivation funding stream	Unringfenced	-	-		1.6	<b>-1.6m</b> Estimated funding based on October Budget statement headlines. This has been superseded by other named grants
Recovery Grant	Unringfenced	-	-	Do not qualify to receive this grant	-	-
Funding Floor	Unringfenced	-	-	Do not qualify to receive this grant	-	-
Rural Services Delivery Grant	Unringfenced	-	-	Do not qualify to receive this grant	-	-
Housing Benefit Administration	Unringfenced	-	0.7	Not included in CSP	0.7	-
NNDR Admin Grant	Unringfenced	-	0.6	Not included in CSP	0.6	-
Local Reform and Community Voices	Unringfenced	-	0.2	Not included in CSP	0.2	-
Social Care in Prisons	Unringfenced	-	0.1	Not included in CSP	0.1	-
War Pension Scheme Disregard	Unringfenced	-	0.1	Not included in CSP	0.1	-
Domestic Abuse Safe Accommodation Grant	Ringfenced	0.8	-	Ringfenced income included in ASC service budget – previously outside of the CSP calculation	-	No change
Improved Better Care Fund + Discharge Funding (now rolled together)	Ringfenced	10.7	-	Ringfenced income included in ASC service budget	-	No change
ASC Sustainability and Improvement Fund	Ringfenced	6.3	-	Ringfenced income included in ASC service budget	-	No change



Appendix C – Provisional Local Government Settlement 2025/26

Contribution towards National Insurance employer increase	Unringfenced	-	<b>3.0 (estimated)</b>	Not included in CSP settlement. Will be included as part of the final settlement	-	Costs associated with the increase have been estimated to be c.£3.7m
<b>Core Spending Power Total</b>		<b>413.1</b>				
<b>Net Revenue Budget Funding Envelope</b>			<b>403.2</b>		<b>398.7</b>	<b>+4.5m</b> Net improvement to the funding envelope compared to the position reported to Corporate Policy Committee November 2024
<i>Core Spending per dwelling</i>		<i>£2,173</i>		<i>Based on 190,079 homes</i>		
<i>Net Revenue Funding Envelope per dwelling</i>			<i>£2,105</i>	<i>Based on 190,079 homes</i>		

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This Appendix provides contextual information in regards to national Council Tax Policy as well as the impact on the finances of Cheshire East Council.

## **Local government finance policy statement 2025 to 2026**

Published 28 November 2024 (Ministry of Housing Communities and Local Government)

### **Council Tax referendum limits**

Council tax referendum principles must strike a balance between the burden on the taxpayer and funding local authority need, whilst acting as an additional local democratic check and balance. Whilst we recognise that council tax is a critical part of local government's funding, worth more than 50% of the Settlement, the government is also committed to protecting local taxpayers from excessive council tax increases.

The council tax referendum principles we are proposing are consistent with the assumptions made by the previous government and the Office for Budget Responsibility (OBR). They are not a cap, nor do they force councils to set taxes at the threshold level. The decisions on the level to set, or whether to hold a referendum to go beyond the referendum principle, sit squarely with local authorities, which must consider the pressures many households are facing, as well as their requirement to set a balanced budget. The proposed referendum principles are:

- A core council tax referendum limit for local authorities of up to 3%;
- An adult social care precept of 2% for all local authorities responsible for adult social care services;

### **Exceptional financial support**

The government is under no illusions about the scale of the issues facing local government, and this Settlement will begin to address the pressures that councils are under. But this is a long-term project to deliver financial security for councils, and we recognise that we may see some continued instability as we adjust to the new system.

Any council concerned about its financial position or its ability to set or maintain a balanced budget should make contact with MHCLG. The government has a framework in place to support councils in the most difficult positions. As part of this, we will not seek to replicate conditions that made borrowing more expensive.

Where a council in need of exceptional financial support views additional council tax increases as critical to maintaining their financial sustainability, the government will continue to consider requests for bespoke referendum principles. Local proposals will be considered on a case-by-case basis. In considering any requests, the government will take account of councils' specific circumstances, for example their existing levels of council tax relative to the average, the potential impact on local taxpayers, and the strength of plans to protect vulnerable people.

Appendix D – Council Tax benchmarking and scenarios

**Council Tax benchmarking - Cheshire East compared to others**

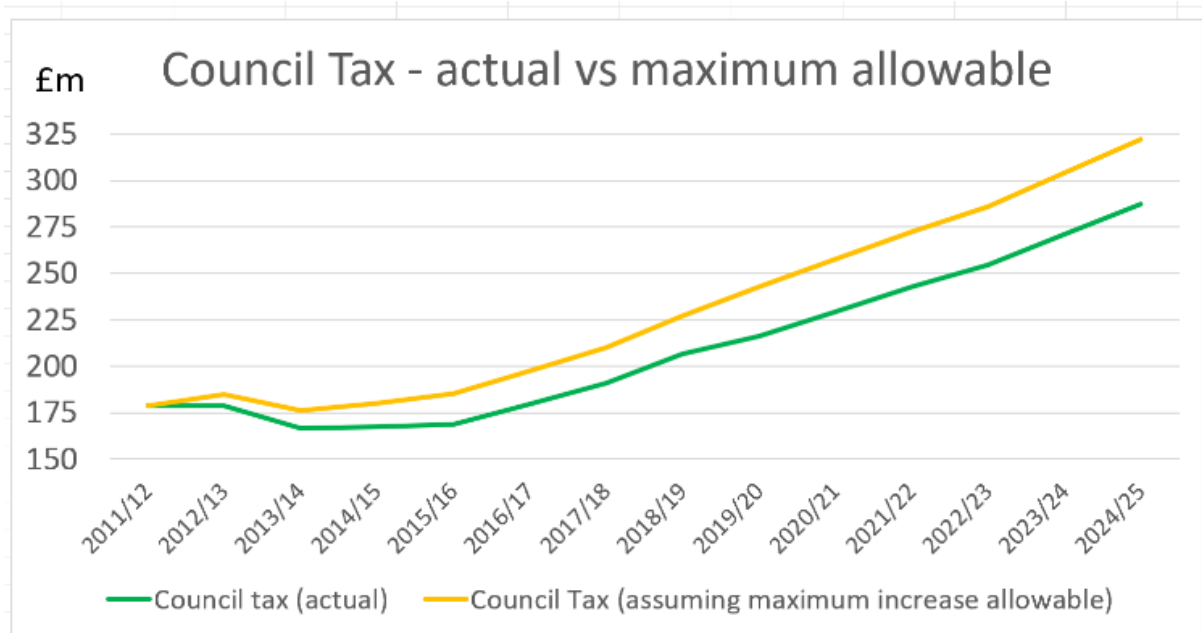
Cheshire East council tax compared to (average of) nearest neighbours – Average Band D of all NNs: £1,827.30 (CEC is 1.94% lower than the average).

Cheshire East core spending power compared to (average of) nearest neighbours – Average CSP per dwelling of all NNs: £2,202.36 (CEC is 5.77% lower than the average).

Council Tax income in 2024/25 if using Cheshire West and Chester Band D rate and CEC taxbase: Would equate to an extra £14.7m in 2024/25.

The chart below shows the amount of council tax foregone due to not raising council tax to the maximum referendum level. Results for this are a cumulative shortfall in income since 2011/12 of at least £120m, after taking account of the funding received via the Council Tax freeze grants (the assumption is that each annual grant then rolled into Formula grant/Settlement funding assessment (SFA) in some way with no future funding cuts).

The graph shows that for 2024/25, if we had increased council tax income to the maximum referendum limit every year then by the time we get to the 2024/25 year we would have had £35m more in council tax income for this year (albeit SFA may have been lower. RSG already almost nil).



## Appendix D – Council Tax benchmarking and scenarios

**Council Tax some indicative scenarios**

When raising Council Tax in one year, the impact has a cumulative benefit in future years. Below are a number of indicative scenarios and the impact on the overall funding available to the council if the Council wished to request additional council tax flexibilities as part of its Exceptional Financial Support.

In the tables below, “Taxbase” is the number of “Band D” equivalent properties that the Council has. This will grow over time with housing growth but does also take into account the number of people receiving discounts such as Single Person Discount, Council Tax Support etc.

The increase of 4.99% is made up of both the general Council Tax increase and the allowed Social Care precept. Our current assumptions are that this will remain at this level across the life of the MTFS period.

For Cheshire East, 1% Council Tax rise is equivalent to c.£3m additional funding.

**Current MTFS assumption -**

<b>Council Tax Income</b>	<b>2024/25 Actual</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
Taxbase	160,151.52	163,261.10	164,776.94	166,292.79	167,808.63
	£	£	£	£	£
Band D	1,792.59	1,882.04	1,975.95	2,074.55	2,178.07
Increase	4.99%	4.99%	4.99%	4.99%	4.99%
Council Tax revenue	£287.1m	£307.3m	£325.6m	£345.0m	£365.5m

**Extra 5% in 2025/26 only**

This scenario is based on the same taxbase growth but with a one-off request for an additional 5% Council Tax in 2025/26. In this scenario whilst the current MTFS gap is not fully closed for either 2025/26 and 2026/27, it would close gaps for the years after that. It would reduce the amount of Exceptional Finance Support (and subsequent borrowing required) in the first two years of the MTFS.

<b>Council Tax Income</b>	<b>2024/25 Actual</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
Taxbase	160,151.52	163,261.10	164,776.94	166,292.79	167,808.63
	£	£	£	£	£
Band D	1,792.59	1,971.67	2,070.06	2,173.35	2,281.80
Increase	4.99%	9.99%	4.99%	4.99%	4.99%
Council Tax revenue	£287.1m	£321.9m	£341.1m	£361.4m	£382.9m
Additional Council Tax (compared to current MTFS assumptions)		+£14.6m	+£15.5m	+ £16.4m	+£17.4m
<b>Cumulative 4 year impact</b>					<b>+£63.9m</b>

## Appendix D – Council Tax benchmarking and scenarios

**Extra 2% in 2025/26, 2% in 2026/27 and 1% in 2027/28**

This scenario is based on the same taxbase growth but with a one-off request for an additional 5% Council Tax but spread over the first three years. In this scenario whilst the current MTFS gap is not fully closed for either 25/26 and 26/27, it would close gaps for the years after that. It would reduce the amount of Exceptional Finance Support (and subsequent borrowing required) in the first 2 years of the MTFS. It would provide less overall funding.

<b>Council Tax Income</b>	<b>2024/25 Actual</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
Taxbase	160,151.52	163,261.10	164,776.94	166,292.79	167,808.63
	£	£	£	£	£
Band D	1,792.59	1,917.89	2,051.95	2,174.86	2,283.39
Increase	4.99%	6.99%	6.99%	5.99%	4.99%
Council Tax revenue	£287.1m	£313.1m	£338.1m	£361.7m	£383.2m
Additional Council Tax (compared to current MTFS assumptions)		+£5.9m	+£12.5m	+ £16.7m	+£17.7m
<b>Cumulative 4 year impact</b>					<b>+£52.8m</b>

## Economy and Growth Committee Work Programme 2024/25 and 2025/26

Report Reference	Title	Purpose of Report	Lead Officer	Consultation	Equality Impact Assessment	Corporate Plan Priority	Part of Budget and Policy Framework	Exempt Item	Decision or Scrutiny
<b>11 March 2025</b>									
EG/04/24-25	Handforth Garden Village Delivery Strategy	To receive an update on the high-level business case for Handforth Garden Village and advise of options appraisal and recommended delivery strategy	Acting Executive Director of Place	No	Yes	Open; Green; Fair	TBC	No	Scrutiny and Decision
EG/20/24-25	Macclesfield Car Parking feasibility Study	To seek agreement to exploring options for reuse of any confirmed surplus car parking in Macclesfield Town Centre and to utilise delegated authority to proceed with the identified preferred option	Acting Executive Director of Place	TBC	No	Open	No	TBC	Decision
EG/12/24-25	Service Budgets 2025/26	To set out the allocation of approved budgets for 2025/26 for services under the Committee's remit, as determined by Finance Sub Committee	Interim Executive Director of Resources, Section 151 Officer	No	No	Open	Yes	No	Scrutiny and Decision
EG/11/24-25	Rural Action Plan	To update Members on progress on the Rural Action Plan 2022-2026	Head of Rural and Cultural Economy	No	No	Green	No	No	Scrutiny and Decision

EG/22/24-25	Notice of Motion: Protecting Family Farms and Preserving Rural Communities across Cheshire East	To consider the Notice of Motion referred by full Council on 11 Dec 2024	Head of Rural and Cultural Economy	No	No	Open	No	No	Decision
<b>3 June 2025 (draft date)</b>									
EG/09/24-25	Farms Review	To brief Members on the review and future options for CEC Farms	Head of Rural and Cultural Economy	No	TBC	Green	No	TBC	Scrutiny and Decision
EG/01/25-26	Final Outturn	To note and comment on the final financial and performance outturn positions 2024/25 and (if necessary) to approve Supplementary Estimates and Virements	Interim Executive Director of Resources, Section 151 Officer	No	No	Open	Yes	No	Scrutiny
EG/08/25-26	Home Repairs and Adaptations for Vulnerable People Policy 2021-2026	To approve the Home Repairs and Adaptations for Vulnerable People Policy	Head of Housing	No	Yes	Open	No	No	Decision
EG/09/25-26	Housing Strategy 2025-28	To approve the Housing Strategy 2025-2028	Head of Housing	No	Yes	Open	No	No	Decision
<b>9 September 2025 (draft date)</b>									
EG/02/25-26	First Financial Review of 2025/26	To note and comment on the First Financial review and Performance proposals of 2025/26, including progress on policy proposals and	Interim Executive Director of Resources, Section 151 Officer	No	No	Open	Yes	No	Scrutiny



		material variances from the MTFFS and (if necessary) approve Supplementary Estimates and Virements							
<b>11 November 2025 (draft date)</b>									
EG/07/25-26	Second Financial Review 2-25/26	To note and comment on the Second Financial Review and Performance position of 2025/26, and (if necessary) approve Supplementary Estimates and Virements	Interim Executive Director of Resources, Section 151 Officer	No	No	Open	Yes	No	Scrutiny
EG/06/25-26	Medium Term Financial Strategy Consultation 2026/27 - 2029/30	To provide feedback in relation to financial responsibilities as identified within the Constitution and linked to the budgets approved by the Finance Sub-Committee in 2025. Responses to the consultation would be reported to the Corporate Policy Committee to support that Committee in making recommendation to Council on changes	Interim Executive Director of Resources, Section 151 Officer	No	No	Open	Yes	No	Scrutiny

		to the current financial strategy							
<b>13 January 2026 (draft date)</b>									
EG/04/2025-26	Third Financial Review 2-25/26	To note and comment on the Second Financial Review and Performance position of 2025/26, and (if necessary) approve Supplementary Estimates and Virements	Interim Executive Director of Resources, Section 151 Officer	No	No	Open	Yes	No	Scrutiny
EG/05/25-26	Medium Term Financial Strategy Consultation 2026/27 -2029/30 Provisional Settlement Update	To provide feedback in relation to their financial responsibilities as identified within the Constitution and linked to the budget alignment approved by the Finance Sub-Committee	Interim Executive Director of Resources, Section 151 Officer	No	No	Open	Yes	No	Scrutiny and Decision

10 March 2026 (draft date)									
EG/03/25-26	Service Budgets 2026/27	To set out the allocation of approved budgets for 2026/27 for services under the Committee's remit, as determined by Finance Sub Committee	Interim Executive Director of Resources, Section 151 Officer	No	No	Open	Yes	No	Scrutiny

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