

# Adults and Health Committee

## Agenda

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<b>Date:</b>	<b>Monday, 20th January, 2025</b>
<b>Time:</b>	<b>10.00 am</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 foot of each report.

It should be noted that Part 1 items of Cheshire East Council decision making meetings 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 - 14)

To approve as a correct record the minutes of the previous meeting held on 18 November 2024.

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For requests for further information

**Contact:** Sam Jones

**Tel:** 01270 686643

**E-Mail:** [samuel.jones@cheshireeast.gov.uk](mailto:samuel.jones@cheshireeast.gov.uk) with any apologies

#### 4. **Public Speaking/Open Session**

In accordance with paragraph 2.24 of the Council's Committee Procedure Rules and Appendix on Public Speaking, set out in the [Constitution](#), 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. **Third Financial Review 24/25** (Pages 15 - 104)

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

#### 6. **Future Options for Extra Care Catering** (Pages 105 - 114)

To consider a report which updates the Adults and Health Committee on the actions taken in respect of the Extra Care catering provision.

#### 7. **Medium Term Financial Strategy Consultation 2025/26 - 2028/29 Provisional Settlement Update (Adults & Health Committee)** (Pages 115 - 176)

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

#### 8. **Adult Social Care Transformation Programme** (Pages 177 - 188)

To receive a report which provides members with detail on how the Adult Social Care Transformation Programme will contribute to the savings proposed in the MTFS 2025/29.

#### 9. **Substance Misuse Recommission** (Pages 189 - 224)

To consider a report which seeks approval to award the All-Age Drugs and Alcohol Service through the Provider Selection Regime.

#### 10. **Smoking Cessation Incentive Scheme - Update** (Pages 225 - 232)

To consider a report which updates the committee on the pilot smoking cessation incentive scheme for pregnant women which was introduced by the Council in 2023.

#### 11. **Adults Service Score Card - November 24** (Pages 233 - 246)

To receive a briefing report which provides the Adults and Health Committee members with an overview of key activity and performance in Adults Social Care Services.

12. **Response to Notice of Motion – Winter Fuel Allowance** (Pages 247 - 258)

To consider a response to the Notice Of Motion which was raised at Full Council on 16<sup>th</sup> October 2024 regarding changes to the Winter Fuel Payment for 2024/2025.

13. **Minutes of the Cheshire East Health and Wellbeing Board** (Pages 259 - 264)

To receive the minutes of the Cheshire East Health and Wellbeing Board – 19 November 2024.

14. **Work Programme** (Pages 265 - 270)

To consider the Work Programme and determine any required amendments.

**Membership:** Councillors S Adams, J Clowes, S Gardiner, A Kolker, R Moreton, A Moran (Vice-Chair), H Moss, J Place, J Rhodes (Chair), J Snowball, R Vernon, L Wardlaw and B Wye

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**CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Adults and Health Committee**  
held on Monday, 18th November, 2024 in the Committee Suite 1,2 & 3,  
Westfields, Middlewich Road, Sandbach CW11 1HZ

**PRESENT**

Councillor J Rhodes (Chair)  
Councillor A Moran (Vice-Chair)

Councillors J Clowes, S Gardiner, A Kolker, R Moreton, H Moss, J Place,  
J Snowball, R Vernon and B Wye

**OFFICERS IN ATTENDANCE**

Helen Charlesworth-May, Executive Director Adults, Health, and Integration  
Jill Broomhall, Director of Adult Social Care  
Mark Hughes, Programme Lead Complex Needs  
Keith Evans, Head of Service: Learning Disabilities and Mental Health  
Mark Lobban, Interim Director of Commissioning  
Colin Jacklin, Head of External Funding, Complex Worklessness & Inclusion  
Nik Darwin, Acting Programme Lead, Thriving and Prevention/ Live Well for  
Longer  
Dr Matthew Atkinson, Public Health Consultant  
Professor Rod Thomson, Interim Consultant in Public Health  
Nikki Wood-Hill, Lead Finance Business Partner  
Jennie Summers, Legal Team Manager  
Samuel Jones, Democratic Services Officer

**24 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor S Adams and  
Councillor L Wardlaw.

**25 DECLARATIONS OF INTEREST**

In the interests of openness and transparency, Councillor Gardiner  
declared that, in relation to Item 5, he was the Council's representative on  
the Cheshire East Learning Disabilities Partnership Board.

**26 MINUTES OF PREVIOUS MEETING****RESOLVED:**

That the minutes of the meeting held on 23 September 2024 be approved  
as a correct record and signed by the Chair.

**27 PUBLIC SPEAKING/OPEN SESSION**

The public speaking procedure was noted. There were no members of the public registered to speak.

**28 CHESHIRE EAST LEARNING DISABILITIES PARTNERSHIP BOARD & CHESHIRE EAST PLACE LEARNING DISABILITIES PLAN (2024-2029)**

The Committee received an update and presentation on the Cheshire East Learning Disabilities Partnership Board & Cheshire East Place Learning Disabilities Plan (2024-2029) from Mark Hughes, Programme Lead Complex Needs, and Keith Evans, Head of Service: Learning Disabilities and Mental Health.

The Board's aim was to make life better for Cheshire East residents with a learning disability and their carers, and was made up of partners from a range of organisation's including the local authority, NHS, voluntary sector, community groups, carers and self-advocates.

The Committee received presentations from two self-advocates, Claire Hodgkinson and Andrea Dean, who provided the committee with information on what they liked to do, where they saw room for improvement and details on how the services had benefited them, with particular reference to the "staying up late" project which had enabled a self-advocate to attend a recent concert. Sarah Jacklin, Local Area Co-Ordinator, attended to speaking on behalf of Thomas Clapperton, self-advocate, who was unable to attend.

Councillor Gardiner, the Council's representative on the Cheshire East Learning Disabilities Partnership Board, thanked the self-advocates and their carers for attending and presenting at the meeting, and stated that he wanted to ensure that the services delivered to Learning Disabilities clients were not affected by the Council's financial difficulties.

The Committee were updated that Cheshire East Council performed well in providing supported living accommodation, with over 700 units of supported living including Mental Health and physical and sensory impairment, of which 442 are for learning disabilities, and new, high-quality accommodation in the pipeline which would be delivered shortly. There was also work ongoing with the independent sector to start to decommission some of the older, lower quality accommodation, and recommission newer accommodation. A report on strategic investment and provision of supported housing would be brought to a future Adults and Health committee.

There were a number of voluntary and community organisations providing evening activities and the Time Out Group has secured Lottery funding to provide 'Stay Up Late' activities. Further work was required to ensure that self-advocates could take full advantage of it, with the biggest challenge being to ensure all providers provide these opportunities for the people they support.

The Committee thanked the self-advocates for attending the committee meeting and noted their comments.

**RESOLVED:**

That the updates be noted.

**29 SUPPORTED EMPLOYMENT - PROPOSED POLICY POSITION**

The Committee received a report which set out the rationale for investing in supported employment, and the best practice approaches as the Council looked to ensure a consistent approach to the delivery of supported employment within the borough, from Mark Lobban, Interim Director of Commissioning, and Colin Jacklin, Head of External Funding, Complex Worklessness & Inclusion.

The Committee were updated that in 2025 there would be additional external funding to support the team, and the three main focus areas were:

1. Ensuring that right model for supported employment was used;
2. Emphasising the cost savings which this model can produce; and
3. Acknowledging that there would be a further report to Adults and Health committee which would detail the funding schemes for the policy – the Shared Prosperity Fund, and the “Connect to Work” scheme from the Department of Work and Pensions in 2025 which would provide up to £4.5 million to Cheshire East Council over a three year period.

The Committee were updated that Cheshire East Council has an active relationship with potential employers and worked closely with them on a person to person bases to ensure that the correct individual could be supported in each supported employment role. It was noted that employers were supportive of the scheme and there had been a number of instances where roles in hard to fill sectors had been filled with an individual from the supported employment scheme, and Cheshire East Council would be using its supportive apprenticeship scheme to ensure that roles were available within the Council.

The Committee were updated that the Cheshire East Council works with each potential employee to ensure that taking on a paid role would not impact their finances negatively in terms of any benefit entitlements.

**RESOLVED: (Unanimously)**

That the Adults and Health Committee:

1. Note the content of the report and request a further paper comes back to Adults and Health Committee when there is a substantive decision to be made.

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

The Committee received a report on the current forecast outturn for the financial year 2024/25 based on income, expenditure and known commitments as at the end of August 2024, which also identified actions being taken to address adverse variances to urgently address the financial sustainability, from Nikki Wood-Hill, Lead Finance Business Partner.

The Committee were updated that, despite making further savings, it was unlikely that the forecast outturn for Adults would reduce significantly from £20.7m. Interventions which had been made had brought the projections down from £28m to £20.7m and the figures were being recalculated on a weekly basis.

It was noted that activity had largely stabilised, and had been steady for a number of years. As a result of the work which “front door” services had undertaken, the number of people receiving a social service from Cheshire East Council had not increased in the way in which would have been predicted. However, it was noted that, since the covid-19 pandemic the service had seen increases to prices as a result of a national increase to wages, inflation, and a general demand for workforce.

The service was proactively investing in services such as Falls Prevention and in the primary care and voluntary sector, to enable people to stay at home for as long as possible and reduce the likelihood of people being hospitalised and requiring longer term care.

The Committee were updated that Cheshire East Council were being rigorous on price increases from providers and as a result were starting to receive notice of ending placements from providers, but were actively working to find new placements for those who had been given notice. Cheshire East Council could not meet price increases which providers were seeking and would not fund price increases where providers could not evidence as a transparent justification, or which didn't run ahead of costs.

The Committee were updated that no additional requests for exceptional financial support had been made, and that the Chartered Institute of Public Finance and Accountancy (CIPFA), who had undertaken a review of Cheshire East Council as part of due diligence for the Ministry of Housing, Communities and Local Government (MHCLG), had provided feedback on the Adults element which was positive - everything they could think of Cheshire East Council were already doing, and they acknowledged that the issues it faced were largely national factors.

It was noted that Cheshire East Council could assist individuals with negotiations with providers for those who self-funded their care, and would offer advice on the most appropriate facility.

**RESOLVED: (Unanimously)**

That the Adults and Health Committee:

1. Review the factors leading to a forecast adverse Net Revenue financial pressure of £20.1m against a revised budget of £395.4m (5.1%). 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 £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.

4. Approve the Supplementary Revenue Estimate Request for Allocation of Additional Grant Funding over £500,000 up to £1,000,000 as per Annex 1, Section 3, Table 2.

**31 MEDIUM TERM FINANCIAL STRATEGY CONSULTATION 2025/26 - 2028/29**

The Committee received a report on the Medium-Term Financial Strategy (MTFS) which set out how the Council would resource the achievement of the Council Plan, from Nikki Wood-Hill, Lead Finance Business Partner.

The Finance Sub-committee approved the financial assumptions underpinning the current MTFS at their meeting in June 2024, with a further funding update received in September 2024. It was noted the report had been published prior to the Chancellor's budget on 30 October 2024, and the impact of increase in wages and national insurance had not been factored in.

The Committee were updated that, in terms of the MTFS for Adults, Health and Integration, most of the savings would be delivered via the Transformation Plan, and the details if this would be provided at Adults and Health Committee in January 2025.

The Committee were updated that Cheshire East Council was looking into alternative options for the provision of Extra Care and school meals. Cheshire East Council had not entered into formal consultation about this and would not be able to do so until the current provision had been withdrawn. It was noted that if the service was to be withdrawn, then an interim solution would be looked in to for the two Extra Care facilities in Cheshire East, which would cover the period from January to April 2025, following which a permanent solution would be in place. A formal consultation regarding Extra Care would take place between January and April 2025. It was noted that if any individual had a social care assessment

that stated they required a meal, then adult social care would find an alternative way of meeting their needs assessment.

**RESOLVED:**

That the Adults and Health 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.

**32 CHESHIRE AND MERSEYSIDE COMMITMENT TO HIV FAST TRACK CITIES APPROACH**

The Committee received a report requesting their support for Cheshire East to become part of the Cheshire and Merseyside work to end new HIV transmission in the sub-region by 2030, from Dr Matthew Atkinson, Public Health Consultant. In joining this sub-regional work, the Council would sign up to the HIV Fast Track Cities agenda, and therefore commit to the Paris and Sevilla declarations. All nine local authorities in Cheshire and Merseyside intended to make this pledge.

The Committee were updated that being part of the fast-track approach would bring an increased focus on HIV and would allow Cheshire East Council to benefit from expertise from international networks, and the Cheshire and Merseyside Public Health Collaborative.

It was noted that although HIV could also be contracted via intravenous drug use, this report did not cover that in detail, and Cheshire East Council would be working closely with partners in substance misuse services also.

It was noted that although stigma associated with HIV had decreased, there were still a number of groups of people who would be uncomfortable talking about the disease, and projects would be planned to specifically help those in groups who were not comfortable with discussing it, or did not deem themselves to be at risk. There would also be more work to protect women from contracting the disease.

The report noted a significant number of those identified as having HIV were not diagnosed until a later stage of the disease. The concern regarding individuals presenting late with the disease was noted, and the Committee were informed that there could be a number of reasons for this; in localities where the risk of HIV was relatively low, the population may be

less likely to consciously think of the risk, or have less access to testing. It was noted that, as HIV had been under more control, there had been a rise in sexually transmitted diseases other than HIV.

Education was noted as critical element to the approach. It was noted that most schools have Personal, Social, Health and Economic (PSHE) Education on their curriculum but it is not explicit what has to be taught and different schools will teach different aspects, however, a young person can access sexual health services and GPs confidentially.

It was noted that due to the remaining stigma regarding HIV, individuals may choose to get tested away from their local area. The Committee was notified that there were reciprocal health care arrangements in place in neighbouring Boroughs to encourage testing.

It was noted that Cheshire East Council had started a “needs assessment” which would inform the recommission of the Service in two years’ time.

**RESOLVED: (Unanimously)**

That the Adults and Health Committee:

1. Support the sign up to the HIV Fast Track Cities agenda, and therefore commit to the Paris and Sevilla declarations. All nine local authorities in Cheshire and Merseyside intend to make this pledge.
2. Put forward a Consultant in Public Health as a key representative from our local sexual health and HIV partnership to be the nominated ‘Key Opinion Lead’ for Cheshire East.
3. Support the Cheshire & Merseyside Sexual Health and HIV Commissioners Network as the main strategic group to map needs and gaps and develop a relevant regional plan, reporting to Directors of Public Health on a minimum quarterly basis.
4. Support the planning and delivery of an HIV Fast Track launch event for Cheshire and Merseyside (date to be confirmed).

**33 RE-PROCUREMENT OF CORE SYSTEMS FOR ADULT AND CHILDREN SERVICES**

The Committee received a report on the Service’s requirement to continue with the existing case management, financial systems, and online provision for Adult and Children services, from Helen Charlesworth-May, Executive Director of Adults, Health and Integration. An exercise has started to re-procure a new contract as the current system contracts would expire at the end of March 2025.

The Committee were updated that, due to the requirement of the department to focus on its transformation programme, balancing the

finances, and the wider improvements taking place with regards to generative AI and technology in the sector, it would not be a good time for the Service to be procuring a new system. The Executive Director of Adults, Health and Integration had commissioned IT colleagues to undertake an 18-month project to plan for the future of the Service's IT requirements, and to help determine what would be required in four years' time.

It was noted that the Service has a level of ongoing improvement with the system, and it worked with its own internal IT department and System C to find solutions to issues with the current software and to ensure that it continued to be fit for purpose. It was noted that the personal information which was used in the system was held on Cheshire East's servers, and in the last three months there had been an exercise to test what would happen in case of a cyber security attack on the system, to best inform the security which was attached to the system.

**RESOLVED: (Unanimously)**

That the Adults and Health Committee:

1. Authorise the Executive Director of Adults, Health and Integration, in consultation with Children Services and Corporate Services, to award and enter into a contract to deliver core systems for case management, financial payments, online services.

**34 CHESHIRE EAST DRUGS AND ALCOHOL PLAN**

The Committee received a report seeking approval for the new drugs and alcohol plan for Cheshire East, from Nik Darwin, Acting Programme Lead, Thriving and Prevention/ Live Well for Longer, and Professor Rod Thomson, Interim Consultant in Public Health. The report aligned with the priority within the Cheshire East Corporate Plan of: "a council which empowers and cares about people". It also aligned with the Government's 10-year drug strategy: "From harm to hope" and with the Cheshire East Joint Local Health and Wellbeing Strategy 2023-2028.

The Committee were updated that the team were working with local drug project groups and that the commissioned services provided services around needle exchange and screening for blood borne viruses. It was noted that there were instances where people used substances as a means of self-medication and the service would be supportive to them and their issues, and older people who have had long-term alcohol problems, or were habitual users would require different treatment.

It was noted that there were over 14,000 people classed as "high risk" with regards to alcohol consumption across Cheshire East, and 3500 who were alcohol dependent.

The increase in cannabis users in local areas was raised by Members. It was noted that trying to persuade users not to use drugs was a difficult process, but users hearing from those who have dealt with their own issues could be effective and tailored to individual cases.

It was noted that the Service would need to work together with partners to make the best use of the resources available, and Cheshire East Council would work with providers to ensure that programmes were successfully delivered and to help address issues before they become major problems.

**RESOLVED: (Unanimously)**

That the Adults and Health Committee:

1. Approve the new drugs and alcohol plan – Reducing drug and alcohol harm in Cheshire East.

**35 CARE QUALITY COMMISSION ASSURANCE PROCESS - SELF ASSESSMENT**

The Committee received a report and briefing providing the self-assessment submitted to the Care Quality Commission (CQC) as the first stage of the local authority adult social care assurance process, from Jill Broomall, Director of Adults Social Care Operations.

It was noted that the Care Quality Commission would be with Cheshire East Council week commencing 20 January 2025 and officers were undertaking briefings for Members in preparation.

Members requested that information from officers be made available to them, and were encouraged to complete their Safeguarding Training before January 2025.

**RESOLVED:**

That the update be noted.

**36 MINUTES OF THE CHESHIRE EAST HEALTH AND WELLBEING BOARD**

**RESOLVED:**

That the minutes of the Cheshire East Health and Wellbeing Board held on 24 September 2024 be received and noted.

**37 WORK PROGRAMME**

The committee considered the Work Programme.

Members were asked to review the work programme and contact the Chair or Democratic Services with any suggestions of scrutiny items that they would like to put forward for the Committee.

The following was noted:

- There would be a focus at the January 2025 committee on the budget, transformation plan and the Service Strategy. There would also be a paper on the Smoking Cessation Scheme.
- There was a need to add a further update on the Care Quality Commission Assurance Process, but until the feedback timelines were known this could not be added to the Work Programme yet, but would be in due course.
- There was further work to do on the transformation programme and the timelines for implementation; when these were known a timetable of reports would be produced for the committee.
- An informal committee briefing would be arranged on finance papers in advance of the next committee.
- Officers would look to identify any agenda items which could be deferred from the January 2025 Work Programme.

**RESOLVED:**

That the work programme be noted.

The meeting commenced at 10.01 am and concluded at 12.48 pm

Councillor J Rhodes (Chair)

OPEN

**Adults and Health Committee**

**Monday, 20 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: AH/13/24-25**

**Ward(s) Affected: Not applicable**

**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 Adults and Health 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. 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.

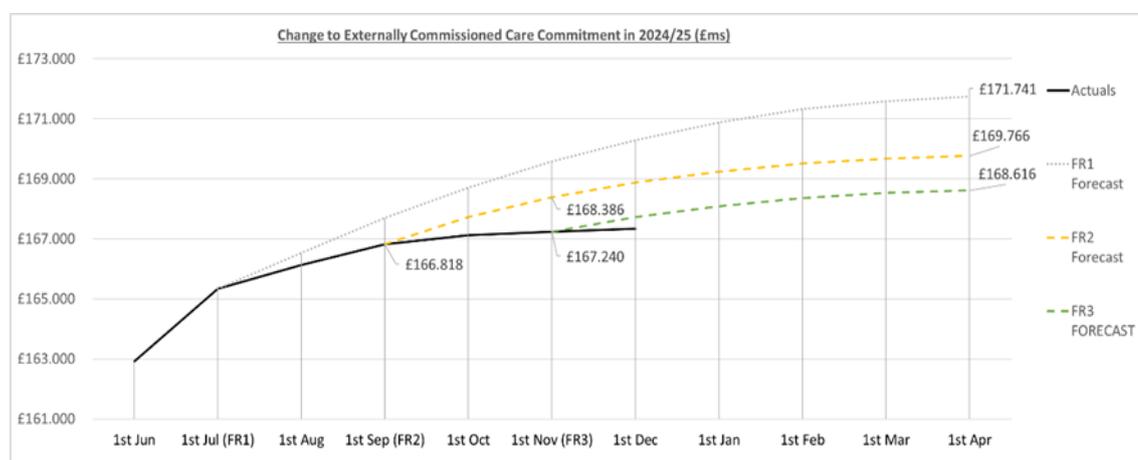
## Key issues causing the pressures

- 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 e 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

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<b>GENERAL FUND RESERVE TOTAL</b>	<b>5,580</b>	<b>(1,051)</b>	<b>0</b>	<b>(4,066)</b>	<b>463</b>
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- 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.

Table 10 Share of Council Tax Collectable Rates	Band D Charge	Collectable Rates £m
<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.m 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.

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<b>Access to Information</b>	
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Appendices:	<p><b>Annex 1 including:</b></p> <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> <p><b>Annex 2 – 2024/25 Capital Monitoring</b></p>
Background Papers:	<p>The following are links to key background documents:</p> <p><a href="#">Medium-Term Financial Strategy 2024-2028</a></p> <p><a href="#">First Financial Review 2024/25</a></p>

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# **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.

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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.*

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	<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	

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	<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

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	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

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					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

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					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.

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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.

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	<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%

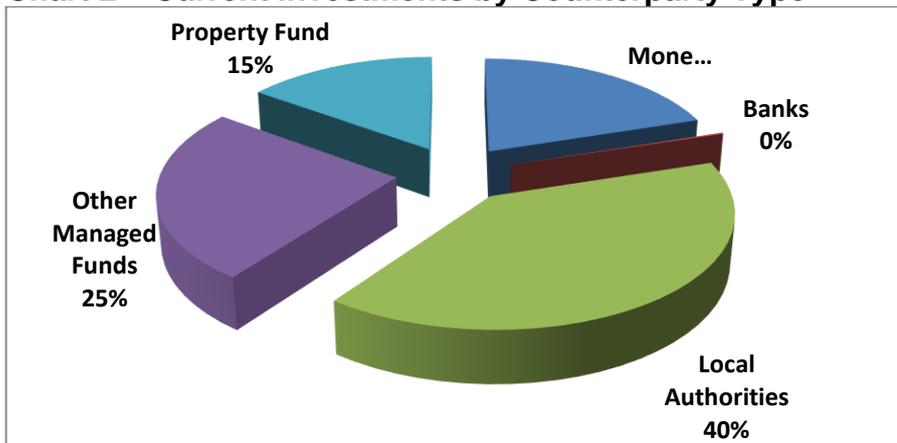
6.29. As the Authority holds reserves and working capital, £20m of this has been placed in strategic investments in order to benefit from higher income returns whilst spreading risk across different asset classes.

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>

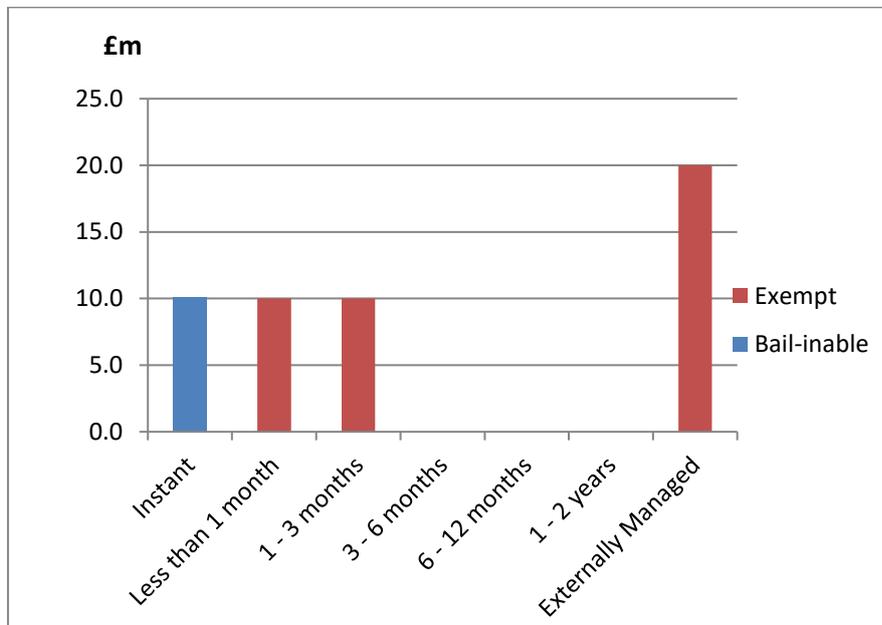
- 6.31. The value of these investments does vary. Fund values had been affected by high inflation, the effects of the war in Ukraine and low levels of GDP. However, the 8 month period to September 2024 has shown a gradual improvement, particularly to the equity funds. All funds continue to deliver good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

## **Adults and Health Committee**

**20 January 2025**

### **Future Options for Extra Care Catering**

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**Report of: Helen Charlesworth-May, Executive Director – Adults, Health and Integration**

**Report Reference No: AH/29/2024-25**

**Ward(s) Affected: Handforth, Middlewich**

**For Decision or Scrutiny: Both**

#### **Purpose of Report**

- 1 The purpose of this report is to update the Adults and Health Committee on the actions taken in respect of the extra care (EC) catering provision following the decision that the Council's school meals service should cease trading, and to propose next steps for the review of the future of the EC catering provision.

#### **Executive Summary**

- 2 The schools catering service has run the restaurant and catering services in Oakmere (Handforth) and Willowmere (Middlewich) since 2009. They also ran the service in Beechmere (Crewe), but this closed in 2019, following the fire which destroyed the scheme. In April 2024, the Children and Families Committee decided that the schools catering service, a traded service, should cease trading from 01 April 2025, and consequently, the EC catering services closed on 03 January 2025.
- 3 Engagement took place with stakeholders and residents in June-August 2024 over the possible closure of the service, followed by further engagement in early December 2024 over the then planned closure of the service on Friday 03 January 2025 and the interim arrangements that had been made to continue the provision.
- 4 Interim arrangements have been made for hot meals to be delivered to the schemes from Monday 06 January 2025, as well as additional sessional activities twice a week to promote community cohesion. These interim arrangements have been put in place pending a full review of the service at a cost of approximately £3,800 per month, paid to two voluntary organisations.

- 5 The 2024/25 budget line for catering in the two extra care schemes is £330,000. It is expected that the operational funding from Adults & Social Care supporting the previous arrangements will total around £150,000. There will also be a one-off contribution from this budget towards the redundancy costs of the staff who were providing the service in the schemes. A small (~10%) underspend is expected in 2024/25.
- 6 The Medium-Term Financial Strategy contains a proposal to make significant savings in 2025/26 by reducing the budget line available to support catering in the schemes. Based on the interim arrangements, it is thought that retaining approximately £60,000 of the budget, pending a full review of the service and its future, would be appropriate.
- 7 It is planned to submit the results of this review and proposals for the future of the EC catering provision the Adults and Health Committee later this year.

### **RECOMMENDATIONS**

The Adults and Health Committee is recommended to:

1. Acknowledge the actions taken since the decision to close the school meals service.
2. Agree the interim arrangements that have been put in place whilst a full review of the EC catering provision is carried out.

### **Background**

- 8 Oakmere and Willowmere EC housing schemes were commissioned by Cheshire County Council in 2007 as part of a Private Finance Initiative (PFI) arrangement that also includes two schemes in Cheshire West and the former Beechmere EC scheme. When the PFI Agreement was negotiated, the County Council took on the responsibility for operating the catering facilities in the five schemes across Cheshire and this was written into the contract.
- 9 Most of the communal areas of these EC schemes are open to the public (some areas are resident only) and the schemes act as community hubs in their local areas. Whilst the majority of the restaurant customers are believed to have been scheme residents, the restaurants were also open to the public.
- 10 There was no obligation on residents to use the restaurant in their scheme or on the restaurant to provide a specific service to residents or to specific residents.
- 11 In April 2024, Cheshire East's Children and Families Committee decided that the school meals service should cease trading from 01/04/2025. This decision has impacted the EC catering provision in Oakmere and Willowmere because the school meals service operated the restaurants in both schemes, as well as providing in-scheme catering for events and activities. The school meals

service provided all back-office support for the scheme catering services including management of the service, provision and management of the staff and access to financially beneficial provisions contracts. At the end of November 2024, a decision was taken to cease providing the catering service in both schemes after 03 January 2025, partially due to the progressive loss of the back-office support as the school meals service winds down but also to allow time for staff to redeploy to other parts of the schools' service, if they wished to do so.

- 12 Whilst Children and Families Committee was the appropriate Committee to make the decision in respect of the school catering service it would have been appropriate to have submitted the paper to the Adults and Health Committee for information so that members were made fully aware of the situation and its impact on both areas. Unfortunately, this did not happen and as a result members were likely unaware of the impact that the schools catering decision would have on the EC catering provision.
- 13 Since the decision was made to close the school meals service, officers have been engaging with residents and other stakeholders, with meetings being held with stakeholders in June and July, followed by face-to-face meetings with residents in August, the launch of a survey (August/September), a letter in October and further face-to-face meetings in December 2024.
- 14 Following the initial engagement in August, and after analysis of the resident survey, officers have worked with voluntary sector providers and made arrangements for hot meals to be delivered to both schemes 5 days per week, with an additional one or two meals available on Fridays that can be reheated over the weekend. This interim arrangement started on Monday 06 January 2025 and will be in place until a review of the service is completed and Members agree future arrangements. The interim arrangements will be monitored and reviewed regularly with feedback being sought from the providers and the users.
- 15 It is anticipated that the interim arrangements will satisfy the demand in each scheme. The monthly cost of the interim arrangements is compared to the cost of the service provided in 2023/24 in the table below.

<b>MONTHLY COSTS</b>	<b>2023/2024 Actual</b>	<b>Interim Arrangements</b>
<b>OAKMERE</b>		
Total Cost of Provision	£7,751	£2,000
Cost to Customers of 2-course meal	£5.50	£6.50
<b>WILLOWMERE</b>		
Total Cost of Provision	£10,603	£1,792
Cost to Customers of 2-course meal	£4.95	£5.90

- 16 The 2024/25 budget line for support to the EC catering provision is £330,000. In 2023/2024, the total recharge to Adults for the service was £138,269, and the operational recharge for 2024/25 is expected to be similar. The

operational recharge covers approximately 60% of the costs of running the service, with sales income making up the balance. In 2024/25, there will be further exceptional costs due to an agreement for Adults to contribute to redundancy payments for the staff who worked in the schemes, but it is still anticipated that the budget will be underspent.

- 17 As part of the MTFs, it has been proposed that the budget line for 2025/26 should be reduced from the current level to an amount sufficient to fund the interim arrangements that have been put in place pending a full review of the provision. It is hoped that future arrangements will be self-sustaining and future increases in this funding can be avoided or at least reduced.
- 18 The full review of the provision will include whether, or to what extent, customers' meals should be subsidised and if so, the basis for this, as well as addressing equity issues including how vulnerable people elsewhere in the borough are supported. Also included in the review will be proposals for the future of the provision, with a view to making it sustainable and self-funding.
- 19 Once the review has been completed, members will be asked to decide on the future of the provision – this will probably be in September 2025.

### **Consultation and Engagement**

- 20 Initial engagement took place with the PFI provider, housing management and the landlord in June 2024. Whilst sympathetic to the issues faced by the Council in providing the extra care catering, they were unable to offer more than general advice and understanding of the difficulties in providing such services
- 21 This was followed by face-to-face meetings with residents on 16 August 2024 and the launch of a survey to obtain residents views on the options for the future of the service and to discover what was important to them.
- 22 The survey results were summarised and fed back to residents in a letter in October 2024, together with the information that it was now proposed to close the service on 03 January 2025. The majority of the survey responses from both schemes favoured a continuation of the current service and the message from both the August meetings and the survey was that residents valued hot, nutritious meals, and the role of the restaurant as a "community hub".
- 23 Formal consultation with the school catering staff led by Children's Services was carried out in October and November 2024 and, following this consultation, it was confirmed that the EC services would close on 03 January 2025. The timing of the closure was based on the intention to support the redeployment of EC catering staff into vacant school positions prior to TUPE transfers to other organisations, but these were subsequently not deemed suitable.
- 24 Further face-to-face meetings were held with residents on 05 December 2024, confirming the closing date of the restaurant services as 03 January 2025 and informing residents about the alternative interim arrangements that had been made following the August feedback.

### Reasons for Recommendations

- 25 Members are asked to acknowledge the actions taken to date, including the consultation and engagement with residents and other stakeholders, and the provision of the alternative arrangements from 06<sup>th</sup> January 2025. These arrangements were designed following feedback received from residents and other stakeholders and are intended to stay in place until the review is concluded.

### Other Options Considered

- 26 The options in the table below are those considered following receipt of notice from Children's Services that the school meals service would cease trading from 01/04/2025.

Option	Impact	Risk
Do Nothing	The service would cease, and no alternative would be arranged.	Residents would have had to find alternative arrangements for a hot nutritious meal.
Interim Hot Meals Service with sessional activities that bring the community together, whilst a full review of the service is undertaken.	Hot meals will be available on a first-come-first served basis, with residents currently assisted to use the restaurant by the care provider prioritised.	This interim service will bridge the gap between the closure of the current service and the implementation of longer-term arrangements whilst a wide-ranging review takes place. The initial cost of these arrangements is approx. £3,800 per month.

- 27 Longer term options will be dependent on the review that will be carried out between now and September 2025, the level of financial support available and whether there is appetite in the provider market to provide a service in the schemes.

### Implications and Comments

#### *Monitoring Officer/Legal*

- 28 In 2007, Cheshire County Council (CCC) commissioned Avantage to design, build and manage five extra care housing schemes across Cheshire under a Private Finance Initiative (PFI) arrangement. As part of the PFI Agreement, CCC was responsible for the catering services in each scheme. The "catering obligation" for the schemes was passed to the successor Councils; of which CEC was one, when the County Council was dissolved in 2009. The Council provides catering in Oakmere and Willowmere. The Council is obliged to provide the catering (as opposed to the landlord) but the contract does not dictate how the meals are to be provided. Any provision which is commissioned from a third-party provider should be on an arms-length basis and avoid any subsidy on the part of the Council.

- 29 Cheshire East Council has statutory responsibilities to provide Adult Social Care services under Care Act 2014, including promoting wellbeing, protecting adults at risk of abuse or neglect, preventing the need for care and support, and providing information and advice.

*Section 151 Officer/Finance*

2024/25

- 30 The net cost of catering in the Extra Care schemes, up-to Jan 2025, will be funded from the base budget of £330k. It is possible that the closure of the service in-year may result in savings, but it is likely that any savings will be used to fund redundancy payments to the Council employees who provided the service.
- 31 The interim arrangements which started in January 2025, are part of grant-funded proposals from two voluntary organisations to provide sessional activities in the extra care schemes to promote community wellbeing and cohesion. Participation in the hot meals delivery and the sessional activities is optional and individuals will pay the provider for the meals they consume.
- 32 Therefore, for January 2025 – March 2025, the interim arrangements will be funded from existing investment from the UK Shared Prosperity Fund.

2025/26 Onwards

- 33 The UKSPF is fully committed up to May 2025. Base budget of £60k is required for 2025/26 onwards to fund the continuation of the interim arrangements & to provide resource for a long-term solution.
- 34 Longer term options will be evaluated as part of the review taking place over the next few months.

*Policy*

<b>An open and enabling organisation</b> <b>(Include which aim and priority)</b>	<b>A council which empowers and cares about people</b> <b>(Include which aim and priority)</b>	<b>A thriving and sustainable place</b> <b>(Include which aim and priority)</b>
	P2.1: The interim arrangements have been made having listened to feedback from residents and other stakeholders and aim to support people to be strong and resilient.	
	P2.3: The interim arrangements have been made to help support adults at risk from neglect.	
	P2.8: The interim arrangements have been made to help residents who may not be able to shop or prepare meals for themselves live in extra care for longer, thus reducing reliance on long term care.	

*Equality, Diversity and Inclusion*

- 35 The Equality Impact Assessment is under review and will be published on Cheshire East's website shortly.

*Human Resources*

- 36 The decision to close the EC catering service on 03 January 2025 was made to allow time for the potential redeployment of five council staff who worked in the EC service, to a service where TUPE transfers would apply on the closure of the school meals service.

*Risk Management*

- 37 Finance
- MTFS

The current MTFs proposal is to reduce the budget supporting the EC catering service retaining £30,000 for 2025/26. As an alternative, Members are asked to support the retention of approx. £60,000 of this budget to cover interim arrangements whilst a full review takes place. It is anticipated that this review will be concluded and reported to Members in September 2025.

- Additional costs for residents

Some residents may be asked to pay more for their care, for example, if they choose to replace visiting the restaurant without assistance with an option that requires assistance from the care provider. Whilst they may make a private arrangement with the care provider to do this, recharges to meet any assessed, eligible needs would be subject to their individual financial assessment.

All of these factors will be taken into account when developing a business case for any new service.

### 38 Operational

- Additional care calls

The nature of the possible additional care calls (i.e. to replace the lunchtime meal service) means that it is likely that most residents would want the calls at a similar time. This may cause logistical issues for the onsite care provider.

- Resources for Assessments

Initial assessment and exploration of options with residents are being carried out by the onsite care provider, although some residents may request more formal assessment in due course.

- Self-Neglect

It is possible that some residents may not make alternative arrangements or may make decisions that are not sustainable for more than a limited time. However, the onsite care provider has oversight of all residents with current care packages and should be able to identify issues at an early stage.

As noted above these factors will be taken into account when developing a business case for any new service.

### 39 Reputational

- Media coverage

There has been considerable media coverage on this issue. This is being managed by the Council's Media Team.

- Attractiveness of living in EC schemes

It is possible that the closure of the restaurants in the EC schemes may make them less attractive to potential residents. The schemes rely on attracting the people who would most benefit from the services/facilities available in them and a reduction in the onsite facilities may have longer term negative consequences.

*Rural Communities*

40 There are no implications to rural communities of this report.

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

41 There are no direct implications for Children and Young People in this report as the main customer base for the restaurants was residents in housing for over 55s.

*Public Health*

42 Potentially, the interim arrangements may not suit all the residents who relied on the restaurant and catering service in Oakmere or Willowmere. However, there are other options that are available to them including other hot meals delivery services, commercial frozen meal delivery services and supermarket ready meals, and arrangements can be made with the onsite care provider to assist those who need it.

*Climate Change*

43 The daily delivery of hot meals rather than being cooked on site will increase road traffic.

<b>Access to Information</b>	
Contact Officer:	Dan Coyne, Head of Service, Communities and Integration <a href="mailto:Daniel.Coyne@cheshireeast.gov.uk">Daniel.Coyne@cheshireeast.gov.uk</a>  Sophie Middleton <a href="mailto:Sophie.Middleton@cheshireeast.gov.uk">Sophie.Middleton@cheshireeast.gov.uk</a>
Appendices:	
Background Papers:	Report of Decision on the Future Delivery of the School Catering Service made by Children and Families Committee on 26 <sup>th</sup> April 2024. <a href="https://moderngov.cheshireeast.gov.uk/ecminutes/documents/s116716/School%20Catering%20Report.pdf">https://moderngov.cheshireeast.gov.uk/ecminutes/documents/s116716/School%20Catering%20Report.pdf</a>

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OPEN

## **Adults and Health Committee**

**Monday, 20 January 2025**

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

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

**Report Reference No: AH/15/24-25**

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

**For Decision or Scrutiny: Both**

### **Purpose of Report**

- 1 The Adults and Health 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 Adults and Health 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

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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			

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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

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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.					
	<p><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.</p>	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 contribution/capital receipt	Internal Contribution	Borrowing
	<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**

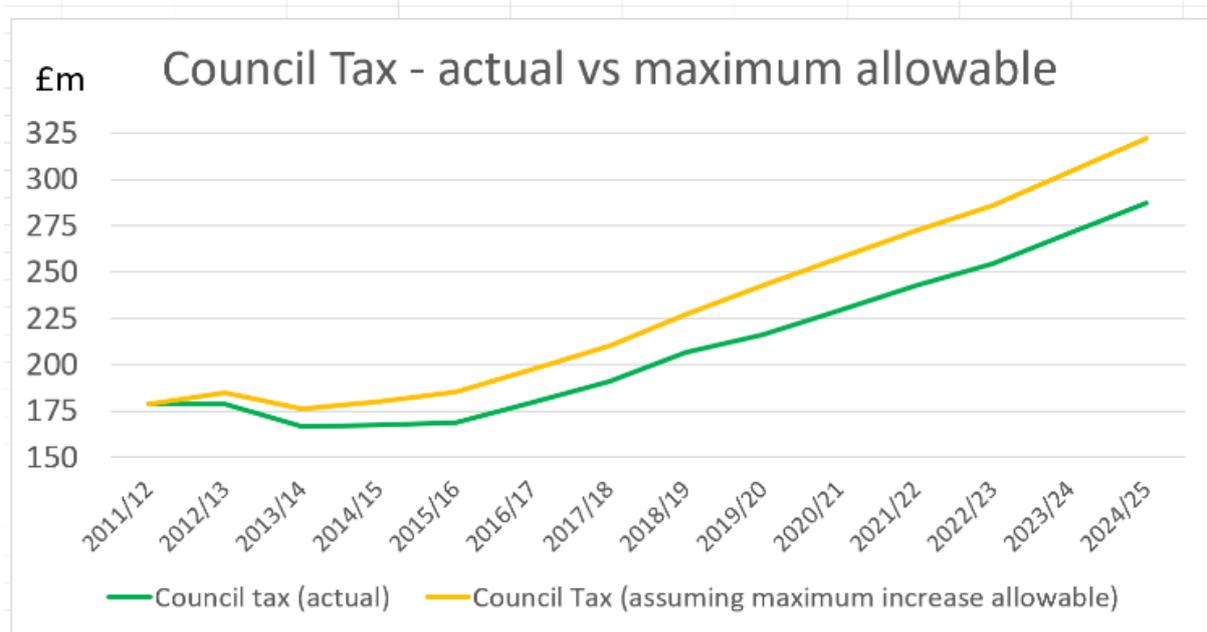
Cheshire East council tax compared to (average of) nearest neighbours – Average Band D of all NNs: £1,827.30 (CEC is 1.94% lower than the average).

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>

OPEN

## **Adults and Health Committee**

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

### **Adult Social Care Transformation Programme**

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**Report of: Helen Charlesworth-May, Executive Director of Adults, Health and Integration**

**Report Reference No: AH/28/2024-25**

**Wards Affected: All Wards**

**For Decision or Scrutiny: Scrutiny**

#### **Purpose of Report**

- 1 To provide members with greater detail on how the Adult Social Care Transformation Programme will contribute to the savings proposed in the MTFS 2025/29.
- 2 This is aligned to the following Corporate Plan objectives:
  - Increase the opportunities for children, young adults and adults with additional needs
  - A council which empowers and cares about people
- 3 The content of this report is also aligned to the endorsed policies presented to Corporate Policy Committee on 21 March 2024: “Cheshire East Approach to Transformation” and the 21 August 2024 “Cheshire East Council Transformation Plan”. These policies will support the Council to address the 4-year funding gap of £100m as outlined in the MTFS 2025/29
- 4 This report sets out an approach to delivering better outcomes for adults whilst delivering significant cost savings by 2029.

#### **Executive Summary**

- 5 We have too many older people receiving long term support in care homes and our average costs for supporting people with a learning disability and autism are high (although paradoxically our hourly rates are low compared to our neighbours). To address these significant priorities, we have implemented an ambitious Adult Social Care Transformation Programme.

*Prevent, Reduce and Enable (PRE)*

- 6 We need to ensure that we have the right support for people to remain at home and avoid permanent care home placements. There are many services available, but there is a need to increase capacity, fill gaps and ensure consistent decision making.
- 7 We will need to ensure that short term interventions are managed correctly, to allow time for recovery whilst lowering contributory factors that mean people get admitted into Care Homes, considering ongoing care costs and negotiating best price. The Prevent, Reduce and Enable Project will ensure that we continue to promote wellbeing, prevention, independence, and self-care for people across Cheshire East.

#### *Learning Disabilities and Autism (LDA) Services*

- 8 We need to transform the way that we provide accommodation with care and support for people with a learning disability. A detailed analysis will underpin both short and longer-term opportunities.
- 9 In the short term we will reduce voids, review night cover and shared hour arrangements. In the longer term we will develop modern accommodation with efficient staffing ratios, increase shared lives, developed trusted strategic partner arrangements that can deliver independent living with choice and control whilst balancing cost and efficiency.

### **Recommendations**

#### **RECOMMENDATIONS**

The Adults and Health Committee is recommended to:

1. Note the content of the report and that further papers will be brought to Adults and Health Committee when there are significant decisions to be made.

### **Background**

- 10 On the 21 August 2024 the Corporate Policy Committee approved the Council's Transformation Plan. The Plan contains high-level information about how the Council will approach, resource and deliver the changes needed to become a radically different organisation that delivers better outcomes for residents whilst spending £100million less by 2028.
- 11 The Council has now established six transformation programmes on:
  - Workforce
  - Social care
  - Place
  - Early intervention, prevention and customer

- Digital
- Special projects

12 Under each programme there are a number of projects that need to be delivered to improve outcomes and make the savings required. Adult Social Care has 2 major projects within the Social Care Transformation Programme:

- Prevent Reduce and Enable
- Learning Disability and Autism Services

### **Prevent Reduce & Enable**

13 Local Authorities have a duty under section 2 of the Care Act (2014) to prevent, reduce, and delay the need for long term care and support. The Care Act highlights prevention as one of seven key responsibilities for local authorities, with a link to the fundamental principle of promoting wellbeing. It is also an expectation under the Care Quality Commission (CQC) Single Assessment Framework Theme 1 – Working with People, that local authorities have a prevention offer in line with the Care Act duties.

14 This means that local authorities have a statutory obligation to provide a clear prevention offer to support people. Best practice shows that where preventative approaches are asset-based, strength based, community based, and focussed on building personal and community networks, they can reduce or delay the need for care and support in adult social care. Examples can include community interventions that are person-centred and give people more choice and control.

15 The current spend on adult commissioned care home placements and care at home is circa £87m. The expenditure currently funds 1458 permanent care home placements and 21,974 hours per week of domiciliary care, which equates to 1494 people per week being supported at home. The focus for this project will be to target how we significantly transform and redesign a range of interventions that support people to stay in their own homes for longer, aligned to a person-centred approach.

16 As part of the assessment process for Prevent Reduce Enable we need to understand current and best practice, informing a renewed focus on how we prevent and reduce the contributory factors that mean people get admitted into care homes. We also need to ensure that our adult social care teams have the right suite of interventions to support people to remain at home and avoid permanent care home placements where possible. This will be achieved by:

- Establishing the effectiveness of existing interventions and understand whether interventions require additional capacity to provide greatest benefit.
- Identifying gaps in resources, and services within the community.
- Care at home service provision, refine procurement specifications and re-procure a diverse set of community-based service options such as technology-based care.

- Seeking out opportunities to standardise decision-making to ensure an equitable, efficient, approach, enabling people to get the right level of support at the right time.
- Better understanding of demand and considering where resource is best allocated.
- Promoting wellbeing, independence, and self-care for people across Cheshire East.
- Continue to maximise the role of the Local Area Co-Ordinator's (LACs) to get the greatest possible increase in well-being and independence for those adults, families, carers and communities who need support.

### *Progress To Date*

17 The Prevent Reduce Enable project has:

- Reviewed and analysed available council data which provides insight into how decisions are made relating to people's care and support, the menu of available services; and the contributory factors leading to a service.
- Conducted a series of engagement sessions to gain a deep understanding of the current approach to commissioned care decisions, the range of services the council offers to prevent, reduce, and enable, and to identify opportunities for better ways of working.
- Documented and analysed all the insights gathered through the above exercises, producing an extensive list of service opportunities.
- Developed and agreed high-level opportunities that will prevent, reduce, and delay commissioned care referrals and enable people to live more independently for longer.
- Begun drafting the case for these opportunities in a PRE Outline Business Case, which is due to be discussed at Transformation Board in the new year.

18 Through our assessment, we have identified five key areas where adult social care can effectively apply prevention, reduction, and enablement ways of working to reduce expenditure on commissioned care. They revolve around five key areas – Reablement, Occupational Therapy, Community Connectors / Local Area Coordinators, Technology Enabled Care (TEC) & Community Equipment, and Self-Funders.

### *Reablement Capacity*

19 To help residents live more independently for longer and reduce reliance on commissioned care, we propose expanding reablement capacity in line with the recommendations from the demand and capacity analysis. Additionally, we suggest reallocating some of this capacity to front-line teams to enable earlier reablement interventions, promoting greater independence from the outset.

### *Occupational Therapy Capacity*

20 The Proportionate Care pilot has demonstrated the significant value of involving OTs in care decisions. By positioning OTs' expertise, a number of

'double-handed' care packages have been successfully reduced through training and the provision of better equipment. Building on this success, we propose expanding OT capacity to enable earlier involvement in care package decisions, ultimately helping to reduce reliance on domiciliary care hours.

#### *Community Connector & Local Area Coordinator Alignment*

21 Community connectors play a crucial role in hospitals by signposting patients to voluntary, community and faith services. To enhance this support, we propose aligning two community connectors and two local area coordinators with the front-door teams. This will enable signposting at the initial point of contact where appropriate, helping to delay entry into adult social care services and reduce dependence on traditional commissioned care options.

#### *TEC & Community Equipment Review*

22 The deployment of TEC and community equipment can significantly enhance an individual's independence, reducing reliance on traditional commissioned care options. To explore this further, we propose establishing a dedicated task and finish group of subject matter specialists to assess the availability and practical application of TEC and community equipment, ensuring these solutions are effectively integrated into care strategies.

#### *Self-Funder Guidance*

23 There is currently an issue where self-funders and their families may not have the sufficient knowledge of the types of technology, equipment and care available to meet their needs when they require more support to live independently. This can lead to people having significant packages of care at home or moving into accommodation with care earlier than necessary. The impact of this can be to deplete their personal funds for care earlier, thus leading to the responsibility being transferred to the Council. The Social Care Assessor / Financial Officer (SCA FO) pilot aims to address this by offering better guidance to self-funders to prevent this situation. We propose a thorough evaluation of the pilot's effectiveness by assessing how well it prevents self-funders from relying on adult social care support and determining the feasibility of scaling it up to reduce the financial burden on the Council.

24 The next steps for the Prevent Reduce Enable project is to continue to gather additional data and produced an evidenced base business case which outlines a proposed set of opportunities for consideration.

### **Learning Disability and Autism Services**

25 The Learning Disability Transformation Project comprises of three main areas:

- LD Accommodation Review
- Shared Lives
- Community and Technology Enabled Care

LD Accommodation Review

*Context*

- 26 The Council spends £45.7m externally on care home placements and supported living for 534 people with a Learning Disability (£12.1m on 97 care home placements with 52 out of area and £33.6m on care for 437 people within supported living with 25 out of area). The Council only funds the care element of supported living provision, housing related costs are claimed separately via housing benefit.
- 27 For residential and nursing care, CEC has the seventh highest weekly average spend, £2,400, in the North West for Learning Disability placements and the third highest total weekly spend.
- 28 When transforming services for people with a learning disability there are 2 major issues to be addressed:
- The Learning Disability cost paradox - high spend with a low hourly rate. Regional and local data shows that the CEC average weekly cost for Learning Disability supported living is £1,478 which is the 4th highest in the Northwest. National data also shows that the standard hourly rate of £18.52 is one of the lowest nationally.
  - The condition of many properties and the need to create homes fit for the future. Supported living is still delivered within a significant amount of historic shared properties in the borough. These are 2/3/4 bed properties with shared facilities and some of these properties are of poor quality, in need of modernisation and are carrying significant levels of voids.
- 29 There are 44 supported living care providers. **Table 1** lists 9 providers who are responsible for delivering 75.8% of the support within Cheshire East. Care providers work with a number of registered housing providers such as Guinness, Hilldale, Lets for Life, Onward, Plus Dane, Sanctuary and Your Housing.

Table 1

Provider	No. LD tenants	No. of settings
Alternative Futures	56	19
Rosendale Hall	53	7
Choice Support	36	21
1st Enable Ltd	29	6
Accomplish Group	29	11
Next Step	21	6
Lifeways	15	6
Honnete Support Services	12	4
Valleywood Care	11	11
Total	262	91

- 1 CARE4CE provide supported living in 61 properties with 140 rooms (82% of this is within shared properties consisting of 2,3 and 4 bedrooms, with the rest consisting of single properties. These are located across 5 local networks. As of December 2024, there were 126 people supported in the networks with 14 voids. The CARE4CE supported living network has an annual budget of £12.4m per annum.

#### *Reviewing the current support arrangements*

- 2 We need to consider how best to provide support to people living in the same building or within close proximity to each other – whilst recognising the independence of each individual and respecting their choice and control over their daily lives.
- 3 To address the paradox of high spend and low hourly rate we need transparency between what is currently commissioned and delivered. Once we understand this, we need to work with providers and residents to agree how care and support might be delivered differently.
- 4 A sustainable service will only be possible if we create a win: win situation for the Council and providers whereby hourly rates are increased but overall hours delivered (and therefore cost) comes down.
- 5 The following sources of information will be considered:
  - Case management system data on placements and voids

- Benchmarking of placement costs using a widely used cost of care tool (Carecubed)
  - Service-level knowledge and operational feedback
  - Fee strategy
- 6 By analysing the various sources of information, a proposal will be produced to discuss with each provider.
- 7 Working through the approach has identified common themes:
- Delivered hours can be less than commissioned
  - Enhanced housing benefit may need to be claimed in some settings
  - Process for filling voids more quickly could be improved
  - Shared hours might be deployed more efficiently
  - Technology could be used to reduce care hours
  - Some people over 65 might be better supported in an alternative setting

*Creating homes for the future*

- 8 The negotiations with providers will seek to agree immediate actions to deliver a more efficient service over the next 2 years. However, a sustainable future will only be achieved if we plan now for the next 10 years.
- 9 The Council will need to consider a range of options for how it facilitates the development of supported living schemes. An LDA Accommodation Strategy will need to engage with landlords to review options for refurbishing / reconfiguring existing sites as well as identifying potential sites for new developments.
- 10 The LDA Accommodation Strategy will be produced working with Housing, NHS, providers and developers to include the following:
- Appraisal of existing accommodation in terms of future suitability
  - Design standards to inform potential developers of the Council's requirements.
  - New styles of provision offering hub and spoke so that core staffing can be effectively deployed.
  - Clear messages to the residential care market on what is required in terms of specialist care
  - Development of new service provision to meet the needs of young people transitioning from Children's Services (including developing the offer of information, advice and guidance to those not eligible for adult social care)
  - Development of accommodation options for older people with LD
  - Alignment to supported living options for people with mental ill health to ensure any opportunities are maximised and competing priorities considered.
- 11 The council currently has a pipeline of 40 supported living units for individuals with learning disabilities, which are due to go live in 2025 and 2026 (**Table 2**). This provision is funded by private social finance (in the absence of capital

funding) working with Registered Housing Providers (apart from 3 units in Macclesfield which are funded by NHS England Capital Funding).

Table 2

<b>Learning Disability and Autism - Supported Living (SL) Schemes and Residential Care Homes (RCH) due to go live in 2025/2026</b>			
<b>Location</b>	<b>SL Units</b>	<b>RCH Beds</b>	<b>Client Group(s)</b>
Congleton	6	0	Transition
Crewe	10	6	Complex Needs
Crewe	4	0	Complex Needs
Nantwich	5	0	Complex Needs
Crewe	12	0	Learning Disabilities/Autism
Macclesfield	3	0	Transforming Care
<b>Total</b>	<b>40</b>	<b>6</b>	<b>N/A</b>

12 As part of our future commissioning approach, we will continue to work with delivery partners who access private social finance working in partnership with registered housing providers. We will also work more closely with developing registered housing providers to access capital funding through the Affordable Homes Programme (AHP) administered by Homes England. This will allow us to better meet locally identified needs; in terms of location and design suitability and ensure sustainability by reducing the costs associated with higher exempt rents.

### Shared Lives

13 Shared Lives is a form of support and accommodation for adults. In this arrangement an adult is matched with a carefully approved Shared Lives carer. It can be an alternative to living in a care home or housing with care.

14 There are currently 16 long-term shared lives placements in Cheshire. This number is lower than national best practice examples, e.g. Lancashire where 11% of their Learning Disability cohort are supported through shared lives and Reading who are targeting an increase in long term placements from 43 to 73 by 2027. These examples, along with other national good practice examples highlight that shared lives placements can support local authorities to deliver positive person-centred care while also delivering cost benefits when compared to alternative housing and support options.

15 The Shared Lives Project Business Case is recommending the following three elements:

- Targeting an increase in the number of long-term placements,
- Increasing carer pay for long-term placements to support recruitment and retention, and
- Recruiting a dedicated Marketing and Placements Officer to meet placement targets.

### Community and Technology Enabled Care

16 Technology Enabled Care (TEC) in Cheshire East is being reviewed to understand how the current offer is being used by teams and where there are further opportunities to support people with TEC. This exercise has involved working with front-line social work teams and commissioners to map needs and outcomes and explore whether the current offer is able to meet these needs, or where alternative solutions can be identified. Insights from this activity have highlighted that there is an opportunity to relaunch the current offer with support to embed TEC into social care practice.

### **Consultation and Engagement**

17 The approach outlined in this report will be shared with staff, service user groups and provider forums. Feedback will be used to shape the required business cases.

### **Reasons for Recommendations**

18 Members will need to consider further papers as and when there are substantive decisions to be made.

### **Other Options Considered**

19 None. This report is to ensure Members of the Committee are sighted on the detailed approach to Adult Social Care Transformation as outlined in the MTFS 2025/29 report.

### **Implications and Comments**

#### *Monitoring Officer/Legal*

20 Agreed proposals must be implemented in accordance with the Council's responsibilities under the Care Act 2014 and any other relevant legislation and the Council's Constitution and Contract Procedure Rules. The Service has confirmed that Legal Services will be engaged appropriately in the drafting of any business cases so that legal advice and support informs the process. Where any of the review outcomes and proposed changes are deemed significant (by reference to the definition of Significant in the Constitution) then a report will need to be brought to Committee for decisions on those specific matters.

#### *Section 151 Officer/Finance*

21 The MTFS 2025/29 report shows that the combined savings from Learning Disability and the PRE projects totals £15m. As such, these represent a major part of the Council's wider transformation programme and it will be important

that planned savings are maximised given overall financial pressures currently being faced by the Council.

Savings Project	25/26	26/27	27/28	28/29
Prevent, Reduce, Enable	£ 1,500,000	£ 2,833,000	£ 2,833,000	£ 2,833,000
Learning Disability and Autism Provision	£ 2,500,000	£ 2,500,000		
<b>Total</b>	<b>£ 4,000,000.00</b>	<b>£ 5,333,000.00</b>	<b>£ 2,833,000.00</b>	<b>£ 2,833,000.00</b>

22 The figures in the MTFs are based upon benchmarking and national best practice and are subject to refinement as business cases are developed.

### **Policy**

23 The approach set out within this report is in line with and part of the Council's Transformation Plan. The approach also will also contribute to the Corporate Plan aim "A council which empowers and cares about people". It also fully aligns with the objectives of the Cheshire East Learning Disability Plan 2024/29.

### **Equality, Diversity and Inclusion**

24 A draft EIA will be completed as business cases are developed. However, it is anticipated that the recommendations will have a positive impact on people from protected characteristic groups.

### **Human Resources**

25 Workforce considerations will be fully considered, both internally and externally as business cases are developed.

### **Risk Management**

26 As part of the MTFs and Transformation processes risks are assessed and reported on a regular basis, and remedial action taken if required.

### **Rural Communities**

27 The report provides details of service transformation across the borough.

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

28 The transformation projects align to the priority within the Cheshire East Corporate Plan 2021-2025 to increase opportunities for all children and young adults with additional needs.

### **Public Health**

29 These proposals will have a positive overall impact on the health and wellbeing of Cheshire East residents.

**Climate Change**

30 There are no direct implications for climate change.

<b>Access to Information</b>	
Contact Officer:	Mark Lobban mark.lobban@cheshireeast.gov.uk
Appendices:	None
Background Papers:	MTFS 2025/29 report (Adult & Health Committee 20/01/25)  Cheshire East Approach to Transformation (Corporate Policy Committee 21/03/24)  Cheshire East Council Transformation Plan (Corporate Policy Committee 21/08/24)

**OPEN**

## **Adults and Health Committee**

**Monday, 20 January 2025**

### **Substance Misuse Recommission**

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**Report of: Helen Charlesworth-May, Executive Director – Adults, Health and Integration**

**Report Reference No: AH/25/2024-25**

**Ward(s) Affected: All**

**For Decision or Scrutiny: Decision**

#### **Purpose of Report**

1. To seek approval from Adults and Health Committee to award the All-Age Drugs and Alcohol Service (also known as the Substance Misuse Service) through the Provider Selection Regime.
2. This work aligns with the priority within the Cheshire East Corporate Plan of: “a council which empowers and cares about people’. It also aligns with the Government’s 10-year drug strategy: “From harm to hope” and with the Cheshire East Joint Local Health and Wellbeing Strategy 2023-2028.

#### **Executive Summary**

3. The All-Age Drugs and Alcohol Service provides prevention, early intervention, treatment and recovery, community prescribing, and harm reduction services to those with substance addiction in Cheshire East.
4. The service enables the Council to meet its statutory duty to protect the health of the local population under the Health and Social Care Act 2012. Moreover, there is pronounced need for this service as reflected in population health data.
5. This report details the engagement and coproduction that underpins the commissioning intentions and discusses evidence of population need relating to drugs and alcohol.

## RECOMMENDATIONS

The Adults and Health committee is recommended to:

1. Approve the procurement of the Cheshire East Substance Misuse Service through the Provider Selection Regime
2. Delegate authority to the Executive Director – Adults, Health and Integration to award the contract.

### Background

6. In Cheshire East, an estimated 14,000 residents are considered higher risk drinkers, with 3,500 being alcohol dependent. However, only 1 in 3 are currently in treatment. Additionally, around 1,400 Cheshire East residents are thought to have substance misuse issues involving opiates or crack cocaine (processed cocaine which is smoked), with 62% receiving treatment.
7. For younger populations, approximately 1,100 boys and 1,200 girls aged 11-15 may have used drugs in the past year. Among 16–24 year-olds, up to 7,000 are estimated to have taken drugs, with cannabis being the most common, followed by nitrous oxide and ketamine.
8. Cheshire East has higher rates of alcohol-specific hospital admissions than the England average and this rate has been steadily increasing since 2008/09. Alcohol-specific hospital admissions in under-18-year-olds are also significantly worse than the national average.
9. The health and wider societal costs to society in England of illegal drug use is approximately £20 billion per year, with the harms from alcohol use estimated to cost another £25 billion. Since 2012, the number of drug-related deaths has more than doubled, and there are now approximately 5,000 UK deaths annually due to drug misuse <sup>1</sup>. In addition, there are over 10,000 annual UK deaths from alcohol, a figure which has been rising since 2019 <sup>2</sup>.
10. People who misuse substances are more likely to live in areas of high socio-economic deprivation and to experience a range of other risk factors, including adverse childhood experiences (ACEs), housing problems and homelessness, unemployment and crime. Drug misuse is highest among groups with a household income of less than £10,000 or more than £50,000, but the substances of choice are very different <sup>3</sup>.

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<sup>1</sup> UK Government, Addiction Healthcare Goals, 6 December 2024

<sup>2</sup> Office for National Statistics, Alcohol-specific deaths in the UK: registered in 2022, April 2024

<sup>3</sup> Cheshire East Council, Cheshire East Substance Misuse, JSNA, September 2023

11. Substance use is a source of health inequality, and some research suggests that this is greater than the impact of socioeconomic inequality <sup>4</sup>.
12. The current substance misuse service was commissioned in 2018 and is delivered by Change Grow Live (CGL). This contract runs until March 2025. The service delivers prevention, early intervention, treatment, community prescribing, and harm reduction services to those in need of drug/alcohol support in Cheshire East. CGL have also subcontracted Emerging Futures; who led on delivering psychosocial (PSI) groupwork, and The Growth Company; who deliver education, training and employment opportunities to those who are receiving substance misuse treatment.
13. There are currently 2,024 adults in treatment and 104 children and young people (CYP) Additional investment throughout the length of the contract has supported the provider to engage more and more people with the service.
14. CGL have been consistently performing well and achieving positive outcomes for the residents of Cheshire East since they commenced the contract in 2018. This includes exceeding performance targets. Highlights include (for October 23- September 2024):
  - Success in continuity of care - in Cheshire East, 75% of prison leavers are accessing treatment within three weeks of leaving, performing higher than the England average (rolling 12-month data).
  - Being above the England average for numbers showing substantial progress within treatment - Cheshire East currently has 51% showing substantial progress.
  - A total of 32% of people reported to be in paid work, which is higher than the England average.
  - A lower unmet mental health need for both children and young people and adults than the England average.
  - A higher percent of successful completions (27%) than the England average. Alcohol and drug conditions require intensive long-term treatment and support, so this is a positive result locally.
  - A huge 3,674 CYP attending substance misuse information, advice and guidance sessions across Cheshire East, delivered at schools, colleges, and community events.
15. Of additional note, is that in May 2024, CGL marked the significant public health achievement, of achieving micro-elimination of hepatitis C among its Crewe clients. This milestone signifies a major step forward in protecting the

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<sup>4</sup> Advisory Council on the Misuse of Drugs Report, 2018

health of the community and reducing the burden of this chronic liver disease. This achievement is a result of the combination of vaccination and syringe exchange programmes run locally.

16. Further performance data, including feedback and case studies, can be found in Appendix 1. This assessment follows the approach required under the Provider Selection Regime (see paragraph 39).
17. CGL are well established in Cheshire East and have worked hard to build relationships with key system partners. They have also been an integral part of the work done to co-produce our local drugs and alcohol plan and are committed to working in partnership to achieve required outcomes.
18. CGL promote their service through a range of networks. This includes through close work with youth services, community mental health teams, schools, police networks and by attending community events. They also deliver training to professionals, which promotes the support the service can offer.
19. In 2021, the Government introduced a 10-year drug strategy, 'From harm to hope,' focusing on prevention, enforcement, treatment, and recovery, with three main goals: breaking drug supply chains, delivering a world-class treatment and recovery system, and reducing drug demand.
20. The Cheshire East drugs and alcohol plan for 2024-2029 aligns with this strategy, incorporating national actions and insights from extensive local engagement. The plan emphasises early intervention, prevention, and harm reduction to improve health outcomes for individuals, families, and communities.
21. Recommissioning work on the substance misuse service follows the approval of the plan at Adults and Health Committee and Health and Wellbeing Board in November 2024. As such, it focuses on early intervention, prevention and harm reduction. It is also heavily informed by the Joint Strategic Needs Assessment (JSNA), which was published in September 2023.

### **The Proposed Service Model**

22. It is planned that the new service takes a whole-system approach to providing person-centred, recovery-orientated, high-quality care, which is safe, effective and represents value for money. The new service would retain the core treatment functions from the current model but would increase support in those areas highlighted as priorities in the Cheshire East plan and JSNA. This includes outreach, training and education as well as taking services to people. It would also have a stronger focus on collaboration with the wider system.
23. To support people where they are located, the new service would be delivered across the borough of Cheshire East as a 'hub and spoke' model. This would

make best use of multiple access points and locations including community-based venues. It will also provide support on both a virtual and a physical basis.

24. Offering a range of structured and brief interventions for all substances, the person-centred assessment and care planning process would address factors contributing to service user circumstances, with the service working collaboratively with system partners to support each service user to achieve their recovery goals. Alongside this, a range of interventions would be offered at the start of the treatment journey. This would include both one-to-one key worker sessions and interventions aimed at recovery, including group work.
25. The new model would see psychosocial support move from a subcontracted arrangement to be part of the main service. This will demonstrate better value for money whilst ensuring residents still get the key psychosocial support they need.
26. In addition to this, needle exchange, substitute prescribing, and supervised consumption would continue. The service would also offer a variety of options for detoxification and rehabilitation (including in-patient settings) and work collaboratively with primary care and other health partners to create a holistic treatment journey for service users.
27. The new service would see the shared care element being gradually phased out; this is currently only used by 1% of service users and will cause minimal disruption to service. Shared care involves GP's providing drug and alcohol treatment support for patients in collaboration with the provider. The phase out of shared care will take pressure off GP surgeries and ensure more consistent care for residents.
28. The Children and Families Treatment Team element would continue to offer a comprehensive range of specialist interventions. As part of this, the provider would take a holistic whole family person-centred approach, that is integrated with early years services, family support services, youth services and targeted and specialist services.
29. It is planned that the service will continue to work collaboratively with stakeholders across the system to identify opportunities to intervene early and mitigate risk of harm from substance misuse.
30. The provider will build on the existing offer to deliver consistent and accessible training and education support to increase the reach and impact of drug and alcohol information, upskill the workforce across all sectors and take a targeted approach where need is greatest. The new service would include the development of a modular training package tailored to specific audiences (including professionals and children and young people), taking a 'train the trainer' approach, to build confidence across the system workforce, raising awareness of services available whilst reducing stigma.

31. The new service would also work more collaboratively with mental health services to develop a holistic approach to supporting service users with co-existing conditions. Collocation would occur with primary and secondary mental health services to facilitate integrated assessment and support planning. CWP have been key partners in the development of our local plan and are committed to this more joined-up way of working moving forward.
32. Additionally, building on the current model, the service would create a new, visible, and thriving recovery community, adopting an asset-based approach to empower those with lived experience to have a strong voice and lead on the design, delivery and evaluation of the service model.
33. Dedicated outreach provision would be increased and will be integrated with Cheshire East Council's strategic Housing Services, taking an intensive and bespoke approach to engaging those hardest to reach. Outreach will also support those who disengage following detox, people with disabilities who struggle to access provision, and those in rural areas whose transport is a barrier to access.
34. The new contract would see the continuation of the work taking place in partnership with criminal justice agencies including Probation, the Prison Service and Police (currently this is subsidised with grant funding until March 2025 through the dependency and recovery grant).
35. The service would take an employment-first approach to the treatment and recovery journey, ensuring that those service users who can and wish to work/learn are supported to do so. This element would continue but be subcontracted to an employment specialist (currently subsidised with individual placement support until March 2026).
36. There are several grants that contribute to increased delivery within the service. This additional funding, along with additional Public Health payments, has supported the increase in capacity of the workforce. However, this new core model has been planned based on the Public Health grant only. Currently, we have further grant funding confirmed until March 2026 for the Supplementary Substance Misuse Treatment and Recovery grant, Individual Placement Support and Inpatient Detox. However, we are still awaiting confirmation of funding after this date.

### **Contract & Procurement**

37. It is currently proposed that the service will have an initial contract length of 5 years, plus two possible 12-month extensions.
38. The price envelope is circa £3,094,306 per annum funded through the Public Health Grant (this amount does not include any external grants). This is an increase of 5.5% from the previous value due to inflationary pressures. For instance, there has been a substantial rise in the national living wage raise of

just under 28% since 2021. Further financially related information can be found in Appendix 1, Section 2.

39. The new contract will be procured through the Provider Selection Regime (PSR). The PSR was introduced by regulations made under the Health and Care Act 2022 and is a new set of rules for procuring health care services in England. The regime is designed to promote collaboration, ensure decisions are made in the best interest of patients, and reduce bureaucracy.
40. The Office for Health Improvement and Disparities (OHID) Commissioning quality standards guidance for alcohol and drug treatment and recovery, advises – “In order to avoid instability in treatment provision, competitive tendering is only to be used if necessary”. They also state there is evidence to show that numbers in treatment drop during transition to a different provider, impacting service performance. Furthermore, it can be highly disruptive to service users in treatment and also mean increased costs.
41. With this in mind, and with the provider performing effectively against outcomes and key performance indicators, the current preferred route is to directly award to CGL (under direct award process C of the Provider Selection Regime). However, if this does not turn out to be viable, an alternative option such as running a competitive tender process would be used. Further information on the decision to direct award can be found in Appendix 1.

### **Consultation and Engagement**

42. The proposed new model for the new substance misuse service has been coproduced with a large range of stakeholders, including service providers, professionals (including health, social care and the police) and most importantly people with lived experience and their families.
43. Between March 2023 and August 2024, 43 focus groups and 33 one-to-one interviews were held with a total of 434 participants, to gain feedback around the recommission and to feed into the development of a local action plan. Insights-based discussions focussed on the following questions, seeking a breadth of intelligence from a wide range of stakeholders:
  - What are support and services for people with addiction currently like?
  - At its best, what does support for people with addiction look like?

Stakeholders engaged in this process are summarised below:

- |   |   |
|---|---|
| • Young people (Youth council, JIGSAW, Youth service) | • Substance misuse provider forum                                       |
| • Service user groups                                 | • Substance misuse providers, commissioned and non-commissioned (AA/NA) |
| • Service user family and friends                     | • LGBTQ+ residents  |
| • Police  |   |
| • Probation   |   |
-

- CWP
  - Health (CWP, 0-19, GP's)
  - Lived Experience Recovery organisations
  - Integrated Care Board
  - VCFSE Sector
  - Headteachers / Education
  - Care Communities
  - Family Hubs
  - Hospital trusts
  - Housing
  - Elected members.
- 

### **Reasons for Recommendations**

44. The Council has a statutory responsibility to improve the health of the population under the Health and Social Care Act 2012. The substance misuse service is a vital means by which this is achieved. There are also key indicators set in relation to this by the Office for Health Improvement and Disparities which the Council must achieve against.
45. There are numerous benefits to the health of the local population through the provision of substance misuse services. This includes reductions in hospital admissions for drug and alcohol related conditions and reductions in drug and alcohol related deaths. It will also reduce pressure on the health and social care system as a whole.
46. CGL have been consistently performing well and achieving positive outcomes for the residents of Cheshire East since they commenced the contract in 2018. Transferring to an alternative provider would cause unnecessary disruption and go against the advice provided by OHID.

### **Other Options Considered**

47. Decommissioning the service (do nothing): This would mean that there would be no drug and alcohol service in Cheshire East and no support for residents, therefore the Council could not help to deliver the government's 10-year strategy and there would be minimal early intervention capacity. This would lead to substantial pressure on Adult Social Care Services, Housing, Primary Care, Accident and Emergency, Mental Health Services, Police and Probation services.
48. The alternative option would be to go through a competitive tender, this would be against OHID advice and be disruptive for staff, partners and service users. There would also need to be consideration of a contract extension to allow this to happen which would need to be justifiable within the regulations of procurement law.

Option	Impact	Risk
Decommissioning the service (do nothing)	There would be no dedicated drug and alcohol treatment service.	Drug and alcohol use will increase, leading to worse health and social outcomes and pressures on other related services.
Competitive tender	Disruption for staff, service users and partners.	Disruption of care, cost implications from mobilisation.

## Implications and Comments

### *Monitoring Officer/Legal*

49. The procurement of the proposed services will be undertaken in accordance with one of the Direct Award procedures set out under the Health Care Services (Provider Selection Regime) Regulations 2023 (PSR).

- The intention is to rely on Direct Award process C which is set out in Regulations 6(5) and 9 of the PSR. This process will apply where:
- the relevant authority is not required to follow direct award processes A or B .
- the term of an existing contract is due to expire and the relevant authority proposes a new contract to replace the existing contract at the end of its term.
- The proposed contracting arrangements are not changing considerably.
- The relevant authority is of the view that the existing provider is satisfying the existing contract and will likely satisfy the proposed contract to a sufficient standard.

Once it has been ascertained that direct award process C can be used, commissioners are to follow the below steps:

- Publish a notice containing its intentions to award the contract to the chosen provider and observe the standstill period.
- Enter into a contract with the chosen provider after the standstill period has concluded
- Publish a notice confirming the award of the contract within 30 days of the contract being awarded.

50. Alternatively, commissioners may choose to award in reliance on the most suitable provider process (Regulations 6(6) and 10 or the competitive process (Regulations 6(7) and 11).

**Section 151 Officer/Finance**

51. The proposed service will be delivered within the designated service budget. The budget for this service is £3,094,306.56 per year and is funded from the Public Health Grant. This is a ring-fenced grant that is signed off on an annual basis by the Director of Public Health and either the Chief Executive or Section 151 Officer. As such, there are no implications for the Medium-Term Financial Strategy (MTFS).
52. The following grants have been awarded throughout the current contract duration:
- Supplementary Substance Misuse Treatment and Recovery grant - £1,224,775
  - In Patient Detox grant - £143,244
  - Individual placement support - £159,252.42
  - Criminal justice grant - £242,095
  - Rough sleeper grant (Strategic housing)- £204,790.

**Policy**

53. The all-age substance misuse service supports the Council’s aim to reduce inequalities, promote fairness and opportunity for all and supports our most vulnerable residents.

<p>An open and enabling organisation</p> <p>Promote and develop the services of the council through regular communication and engagement with all residents</p>	<p>A council which empowers and cares about people</p> <p>Work together with residents and partners to support people and communities to be strong and resilient</p> <p>Reduce health inequalities across the borough</p>	<p>A thriving and sustainable place</p> <p>A great place for people to live, work and visit</p> <p>Welcoming, safe and clean neighbourhoods</p>
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The all-age substance misuse service also supports the following outcomes of the Joint Health and Wellbeing Strategy 2023-2028 by

- Creating a place that supports wellbeing for everyone living in Cheshire East.
- Improving the mental health and wellbeing of people living and working in Cheshire East.
- Enabling more people to live well for longer.

### ***Equality, Diversity and Inclusion***

54. An Equality Impact Assessment has been completed in parallel with the extensive consultation and engagement exercise and recommissioning work (appendix 2).

### ***Human Resources***

55. At this stage, there are no human resources implications identified.

### ***Risk Management***

56. Procurement of the service would follow a project management approach which includes the identification of risks. Any significant risk will be controlled and escalated for action where appropriate.

### ***Rural Communities***

57. The service would operate a hub and spoke model, ensuring access for those in rural areas through the provision of support, both on a physical and digital basis. Work would also continue to take place with care communities.

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

58. Young people have been involved in the coproduction of this service and specialist services for young people and their families will be provided. This includes targeted work to support care leavers and support for those with SEN and disabilities.

### ***Public Health***

59. The recommissioning of the substance misuse service has had involvement from the Public Health team throughout and has been developed in line with the Joint Local Health and Wellbeing Strategy for Cheshire East 2023-2028, and the Cheshire East Substance misuse JSNA.
60. Substance misuse negatively affects health both directly and indirectly. The delivery of this service will reduce the health harms of drug and alcohol misuse and will support those in recovery to rebuild their lives through treatment and

employment opportunities. The service will focus on members of the population who are most in need and will be delivered as a hub and spoke model ensuring people can access services locally.

### ***Climate Change***

61. The design and delivery of the drug and alcohol service will be underpinned by environmental and sustainability considerations.
62. The services will be centrally located enabling service users to travel via public transport. It will also reduce the use of single use needles and will reduce the use of health care resources which have a substantial impact on the environment through single use equipment and incineration of waste practices.
63. The recommissioning process will include social value questions, including one specific to the environment.

<b>Access to Information</b>	
<b>Contact Officer:</b>	<b>Hannah Gayle</b> <a href="mailto:hannah.gayle@cheshireeast.gov.uk">hannah.gayle@cheshireeast.gov.uk</a>
<b>Appendices:</b>	Appendix 1 – Supporting Information Appendix 2 – Equality Impact Assessment
<b>Background Papers:</b>	<a href="#">Cheshire East Corporate Plan</a>  <a href="#">The Joint Local Health and Wellbeing Strategy for the population of Cheshire East 2023-2028)</a>  <a href="#">Cheshire East Drug and Alcohol JSNA</a>  <a href="#">From harm to hope: A 10-year drugs plan to cut crime and save lives</a>

## Appendix 1

### OPEN

#### Assessment of current provider against key criteria:

The Provider Selection Regime mandates a review of the provider's performance against five key criteria whenever a direct award is considered. The analysis below highlights why this option is recommended in this case. Note: this is not the formal assessment document itself.

Note – outcomes are drawn from the National Combating Drugs Outcomes Framework

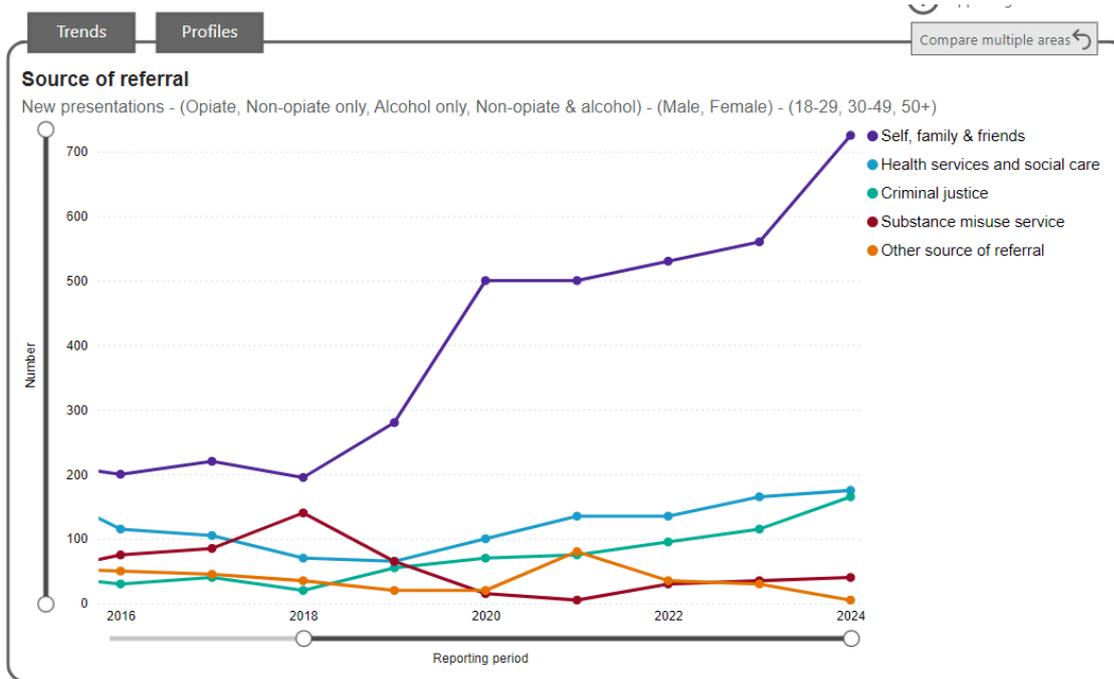
#### 1a. Quality – performance against National KPI's

##### Outcome 1) Increased engagement in treatment

Indicator	Cheshire East	England
Adults accessing treatment  <i>The number reflects both, progress in getting people into treatment and increased demand for these services. There has been a steady increase in numbers throughout the contract</i>	2,024 Baseline 1660	No average available
Unmet mental health need adults  <i>The percentage of adults in treatment that reported a mental health need who are not receiving mental health treatment or interventions</i>	13%	18%
Unmet mental health need CYP	CYP figures suppressed due to low numbers.	

#### Additional Information:

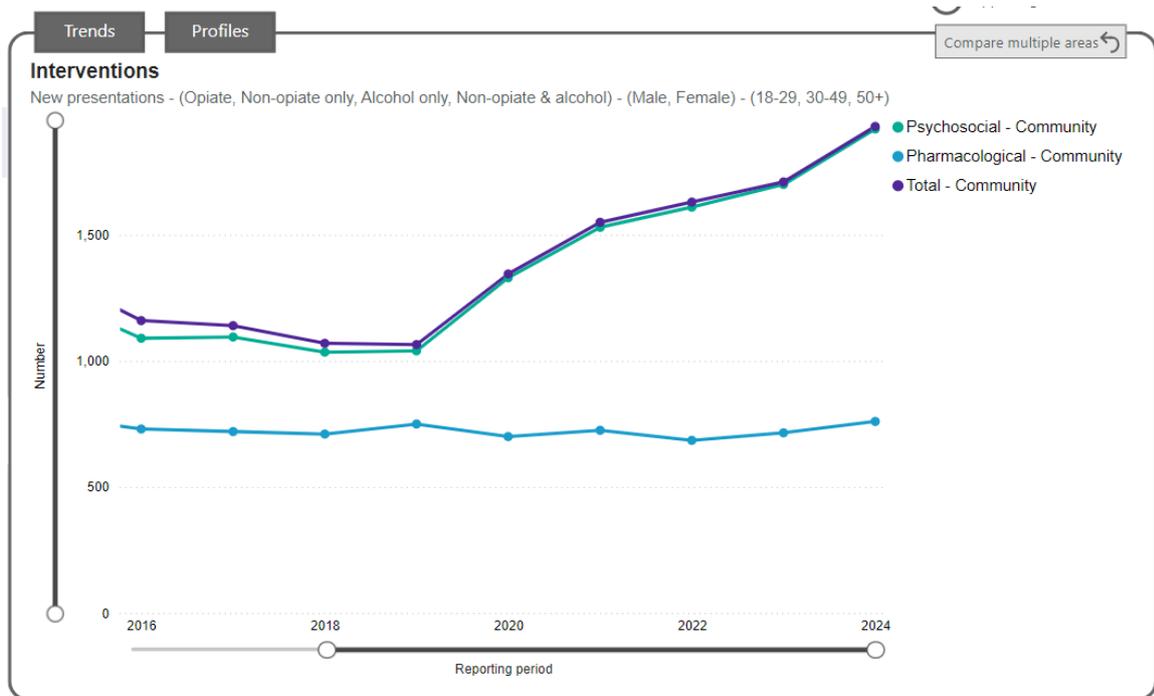
The graph below shows referral sources into treatment, which demonstrates a large increase in self-referrals into CGL. The numbers of health and social care and criminal justice referrals have also increased. This increase is illustrative of the work conducted by the provider to raise awareness of the service amongst local residents and professionals.



Source (NDTMS)

➤ Interventions

The graph below shows an increase in the uptake of psychosocial interventions and a consistent flow of pharmacological interventions since 2018. Psychosocial interventions are used to treat many different types of drug problems and behavioural addictions. They can be used at different stages of drug treatment to identify the problem, treat it and assist with social reintegration. They can address the underlying reasons that contribute to use of substances and promote resilience.



Source (NDTMS)

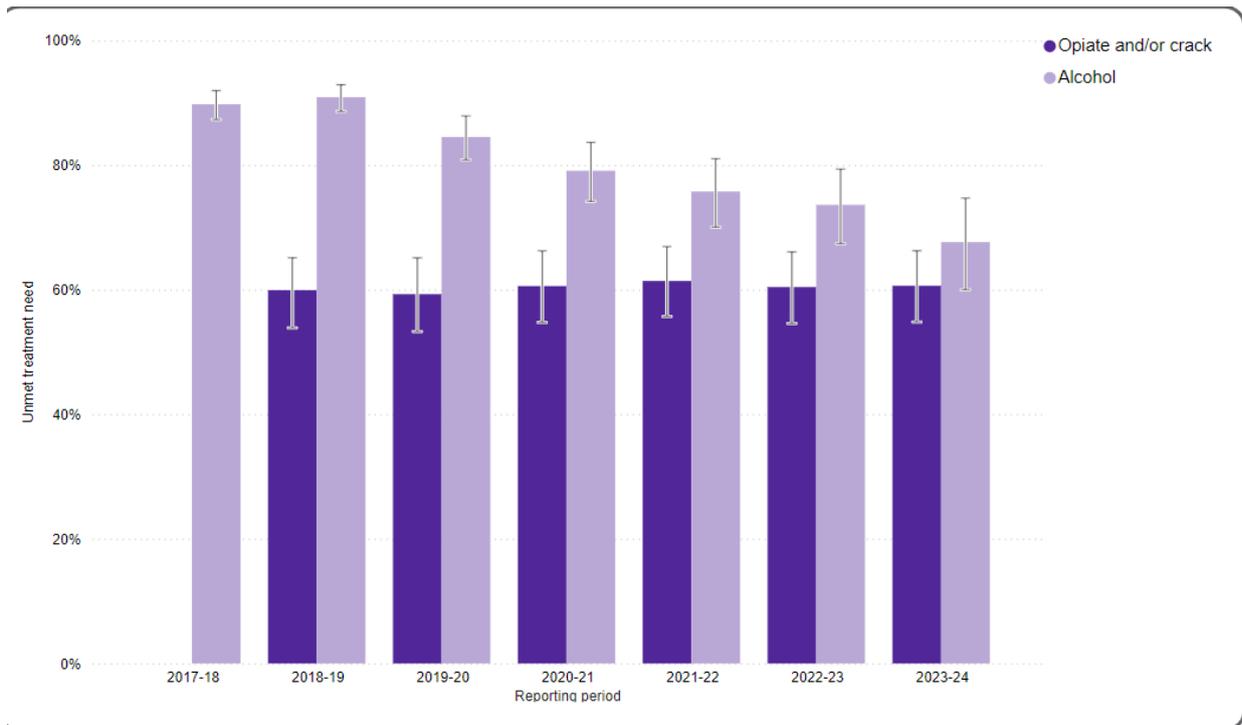
### Outcome 2) Reduced Drug Use

Indicator	Cheshire East	England
Successful completions <i>The number and proportion of clients in treatment in the latest 12 months</i>	27%	21%
In stable accommodation	91%	86%
Continuity of care (rolling 12 months) <i>The percentage of prison leavers with a continued treatment need picked up within the community within 3 weeks.</i>	93%	51%

Additional Information:

➤ Unmet need

The below graph demonstrates a reduction in unmet alcohol need within Cheshire East. This demonstrates that more people amongst our local population with this issue are being reached. The unmet need for opiates has remained unchanged, this reflects the national picture and is not unique to Cheshire East.



**Outcome 3) Reduced Drug-Related Deaths and Harm**

Indicator	Cheshire East	England
Deaths in Treatment <i>The percentage of people in treatment that have died during their time in contact with the treatment system</i>	1.04%	1.30%

**Outcome 4 - Improved Recovery Outcomes**

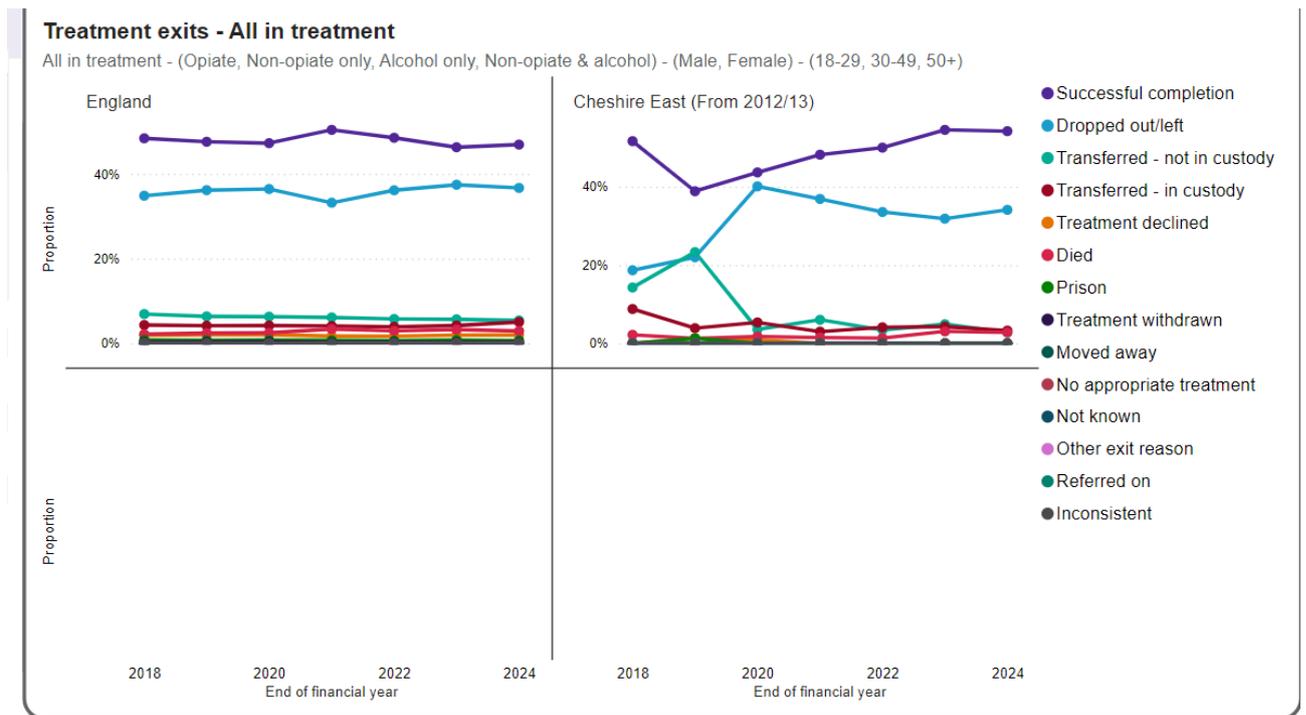
Indicator	Cheshire East	England
Paid employment <i>The percentage of people in treatment that have reported at least one days paid work in the last 28 days</i>	32%	25%
Parental support <i>The percentage of parents that have received specific family or parent interventions</i>	7%	15%

<p><i>Note – CGL have reported that this figure is partially down due to data entry issues.</i></p>		
<p>Young people accessing treatment</p> <p><i>The number of people under 24 in contact with services.</i></p> <p><i>Although there has been some fluctuation with this figure it has remained above or around baseline since January 2021.</i></p>	<p>104</p>	<p>No average available</p>

Additional Information:

- Treatment exits – The number of people exiting treatment in each year and the type of exit.

The graphs below show the outcomes of treatment received. This demonstrates a higher percentage of successful completions in Cheshire East compared to England, and a lower percentage of people dropping out. There has also been a sustained rise in successful completions over time.



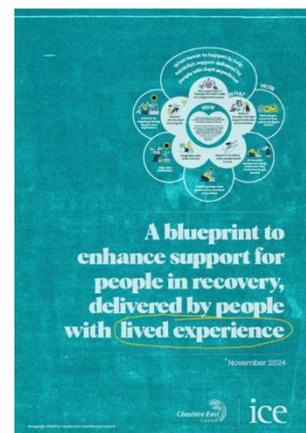
Source (NDTMS)

## 1b. Innovation

Demonstration of innovation by the provider is best illustrated by case studies. Two examples are given below.

- CGL supported volunteers to create ConNEXTions: a Lived Experience Recovery Organisation delivering drop-ins, groups (including Recovery In Cheshire East) and therapeutic activities (e.g. mindfulness/gardening) in Crewe.

CGL continue to provide guidance, referrals, promotion and funding for room hire to this organisation. They have also partnered with Cheshire East Council and behaviour change marketing organisation 'ICE', to create a co-produced blueprint for developing lived experience-led organisations/activities.



- CGL have introduced rapid prescribing; meaning someone can be referred, assessed, and receive a prescription within 24 hours. They have achieved this through both hubs having a daily appointment slot reserved for those who are new to treatment. This means if someone referred needs a prescription, they are offered that slot.

Assessment Workers and Prescribers then complete a joint comprehensive assessment (including naloxone advice/provision, BBV screening and safe storage advice/equipment). Once assessed, the Prescriber liaises with the pharmacy to arrange the individual's prescription. This can take as little as 30 minutes.

Rapid prescribing helps to keep people safe (particularly in the context of the increasing prevalence of New Synthetic Opioids nationally), improves access for a priority cohort and supports them to re-engage people who have dropped out of service. Opiate (only) new presentations to treatment prior to introducing rapid prescribing were at their lowest in over 6 years (18.44% of new presentations, Feb 2023). In June 2024, opiate (only) new presentations had increased to 25.71% (NDTMS).

## 2. Value

It is well evidenced that investment in public health provides good value for money over the longer term through the prevention of harm. National data shows that for drug and alcohol services, the return on investment is:

- £4 for every £1 invested in drug treatment (estimated to increase to £21 or every £1 invested over 10 years).
- £3 for every £1 invested in alcohol treatment (estimated to increase to £26 over 10 years).

However, in Cheshire East, the Drug and Alcohol Service for adults is achieving a higher return on investment. The service is currently delivering a social return on investment of over £4.70 for every £1 invested within one year (using OHID methodology specifically designed for drugs and alcohol services). This increases to more than £30 over 10 years. This reflects the social and economic benefit of bringing people into treatment for the individuals, the NHS, local authority, and criminal justice system. The 10-year social return on investment figure has been calculated using the provider's current caseloads.

Benchmarking has also taken place against neighbouring local authorities. This is always difficult for complex services due to variation both in service and place characteristics. However, the proposed price ranks at 8/12 Local Authority areas considered on a cost per user in structured treatment basis.

### **3. Integration, Collaboration and Service Sustainability**

#### ➤ 3a. Integration/Collaboration

CGL work collaboratively with system partners and people with lived experience. This includes:

- the Police - attend Integrated Offender Management meetings, support with county lines investigations
- Probation – co-locate to support those leaving prison or on Alcohol Treatment Requirement (ATR)/ Drug Rehabilitation Requirement
- Mental health services (CWP & CEC) - supporting a multi-disciplinary team approach to those with dual diagnosis
- Acute trusts - work with local trusts to support pathways into treatment, in response to high alcohol attributable admissions
- Housing - work with the rough sleeper team to support those with multiple disadvantage
- Northwest Ambulance Service - supporting the non-fatal overdose pathway practitioner role, improving the emergency response for people in Cheshire East.

CGL Cheshire East's training offer builds system-wide capacity. The Community Prevention and Education Practitioner delivers training to a broad range of agencies across Cheshire East, including BASE; Cheshire East Talking Therapies; The Kings Trust; GPs, and Cheshire and Merseyside Police. The 'Information and Brief Advice' training contributes to a 'no wrong door' approach.

The Community Prevention and Education Practitioner attends schools, alternative learning facilities and colleges across Cheshire East (e.g. Titherington Macclesfield, Adelaide Crewe, and Cheshire College South and West). They tailor content to age and can deliver information in different formats (e.g. assemblies, PSHE lessons, small groups/1:1s and pop-ups). This maximises the number of young people who receive judgement free advice and guidance about drugs and alcohol, supporting

young people into service where needed, and preventing escalation in their substance use requirements.

The Community Prevention and Education Practitioner also delivers training to teachers/staff (e.g. on county lines, following requests from pastoral staff). CGL's 'What's the Score?' tool supports professionals to identify young people with substance misuse needs and refer into support.

➤ 3b. Service Sustainability

CGL are a charity which has been in existence since 1977. Financial checks completed by the Council's Procurement Team have established that the service continues to enjoy financial sustainability including holding sufficient reserves.

Staffing has remained stable, with no major disruptions to service. Additionally, the service offer has also been improved through an increase in staff being funded through external grants.

#### **4. Improving access, reducing health inequalities and facilitating choice**

Change Grow Live Cheshire East improve access for service users and people with unmet need through:

- The provision of community satellites in areas of need - which supports place-based delivery (e.g. Open Arms group in Wilmslow; satellite hub in Beech House, Congleton)
- Mobile delivery - including needle exchange via Exchange Supplies mobile library bus
- Targeted engagement - e.g. attending Young Farmers groups in rural locations/ 'frequent flyers' meetings at Macclesfield Hospital
- Stigma-free delivery locations - e.g. Recovery Coordinators co-locating monthly at Broken Cross 'super-surgery' delivering shared care for people who would not attend hubs
- Peripatetic young people's support - meaning young people can engage wherever they feel comfortable (e.g. in community locations/schools)
- Partnership working - co-locating to identify unmet need, support people into service and jointly meet people's needs (e.g. at acute trusts, probation)
- Attendance at local events - promoting the service and having de-stigmatising conversations about drugs and alcohol with the local population (e.g. at Nantwich, Alsager and Knutsford Pride).

CGL were key partners in the production of the Cheshire East Joint Strategic Needs Assessment and work hard to reduce inequalities across Cheshire East. They do this in several ways:

- i) CGL provide nurse-led healthcare assessments at entry-into-service (refreshed annually) include blood borne virus screening, ECGs for at-risk cohorts and wound care;
- ii) where required, staff make onwards referral to primary and secondary care.
- iii) Staff liaise with service users' GPs (e.g. clinical staff screening medical summaries) and support individuals to access primary care services (e.g. support registering with GP and dental practices).
- iv) Integration with primary and secondary care is essential to meeting people's needs. Partnership arrangements to tackle health inequalities and increase service users' access to healthcare include:
  - Agreements with Leighton Hospital Hepatology to do monthly in-reach to CGL hubs for Hep-C treatment starts and reviews, supporting people who struggle to attend hospital appointments (e.g. due to stigma/accessibility issues).
  - Attending monthly multi-disciplinary teams with the Cheshire and Wirral Partnership NHS Foundation Trust Community Mental Health Teams, supporting information sharing (with consent) and joint risk management for shared service users.
  - Working to support those with multiple disadvantage in partnership with Strategic Housing.

## 5. Social Value

Note - Social value is a concept that emphasises the positive impact of an organisation or initiative on society beyond its core business activities. It goes beyond financial profit to consider the broader benefits created for local community and the environment.

CGL ensure their workforce is diverse, including people with lived/living experience. In 2018 when CGL were awarded the contract, none of the workforce (which included transferred staff) reported lived/living experience. Now, 13% of paid staff and 100% of volunteers are experts by experience, inspiring others and shaping service delivery.

They also provide an accredited volunteering training offer which supports people with lived experience to gain skills and experience to access paid employment with CGL or within Cheshire East's wider system. Several current members of staff have progressed through this pathway, starting in treatment, then going onto volunteering with CGL before entering paid employment.

In relation to environmental sustainability, CGL have a commitment to achieving net zero emissions by 2040 and have a number of energy saving initiatives in place to support achieving this.

**Additional information – Care Community data.**

Care Community	<i>Number in Structured Treatment</i>
Crewe	519
Nantwich and Rural	192
SMASH	383
Macclesfield	712
Congleton, Holmes Chapel	295
Knutsford	104
Alderley Edge, Chelford, Handforth, Wilmslow	214
Bollington, Disley, Poynton	109
Other	396
<b>Total</b>	<b>2924</b>

## **Equality Impact Assessment (EIA) Engagement and our equality duty**

Whilst [the Gunning Principles](#) set out the rules for consulting ‘everyone’, additional requirements are in place to avoid discrimination and inequality.

Cheshire East Council is required to comply with the Equality Act 2010 and the Public Sector Equality Duty. The Equality Act 2010 simplified previous anti-discrimination laws with a single piece of legislation. Within the Act, the Public Sector Equality Duty (Section 149) has three aims. It requires public bodies to have due regard to the need to:

- eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act, by consciously thinking about equality when making decisions (such as in developing policy, delivering services and commissioning from others)
- advance equality of opportunity between people who share a protected characteristic and people who do not share it, by removing disadvantages, meeting their specific needs, and encouraging their participation in public life
- foster good relations between people who share a protected characteristic and people who do not

The Equality Duty helps public bodies to deliver their overall objectives for public services, and as such should be approached as a positive opportunity to support good decision-making.

It encourages public bodies to understand how different people will be affected by their activities so that policies and services are appropriate and accessible to all and meet different people’s needs. By understanding the effect of their activities on different people, and how inclusive public services can support and open up people’s opportunities, public bodies are better placed to deliver policies and services that are efficient and effective.

Complying with the Equality Duty may involve treating some people better than others, as far as this is allowed by discrimination law. For example, it may involve providing a service in a way which is appropriate for people who share a protected characteristic, such as providing computer training to all people to help them access information and services.

The Equality Act identifies nine ‘protected characteristics’ and makes it a legal requirement to make sure that people with these characteristics are protected from discrimination:

## Appendix 2 – Equality Impact Assessment

- Age
- Disability
- Gender reassignment
- Marriage and civil partnerships
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation

### **Applying the equality duty to engagement**

If you are developing a new policy, strategy or programme you may need to carry out an Equality Impact Assessment. You may be able to ascertain the impact of your proposal on different characteristics through desk-based research and learning from similar programmes, but you also need to carry out some primary research and engagement. People with protected characteristics are often described as ‘hard to reach’ but you will find everyone can be reached – you just need to tailor your approach, so it is accessible for them.

Contacting the [Equality and Diversity mailbox](#) will help you to understand how you can gain insight as to the impacts of your proposals and will ensure that you help the Council to comply with the Equality Act 2010 and the Public Sector Equality Duty.

**Section 1 – Details of the service, service change, decommissioning of the service, strategy, function or procedure**

<b>Proposal Title</b>	Substance Misuse plan and service
<b>Date of Assessment</b>	27/08/2024
<b>Assessment Lead Officer Name</b>	Hannah Gayle
<b>Directorate/Service</b>	Thriving and prevention – Adults, Health and integration
<b>Details of the service, service change, decommissioning of the service, strategy, function or procedure.</b>	<p>1. All age substance misuse service. The substance misuse service delivers a number of recovery orientated, integrated, community substance misuse services across Cheshire east. This is a statutory public health service.</p> <p>2. Reducing drug and alcohol harm in Cheshire East - An integrated 5-year plan to improve treatment outcomes, address unmet need and build recovery capital.</p> <p>The plan will support the local authority in meeting its obligations within the national substance misuse plan ('From Harm to Hope'), which is set out in the national outcomes' framework: 'to agree a local drugs plan that reflects the national strategic priorities'.</p> <p>The new plan will then inform the specification of the substance misuse service that is being recommissioned, with the new service projected to commence on the 1st of April 2025.</p>
<b>Who is Affected?</b>	<p>The plan will shape the way that services are delivered under the new contract, as part of this resources may be changed or realigned to fit the changing needs of the residents of Cheshire East. There may be changes to existing services that individuals' access which could impact those around them and the wider network of services that feed into other services.</p> <p>However, the plan and delivery model will look to add value to the current model, realigning resources where they are not being utilised to the areas most in need. The plan will have a positive impact and no negative impact is perceived to the new model.</p> <p>The following protected characteristics highlight a notable risk from substance misuse.</p>

	<p>Age – Young people, young families and middle aged adults are disproportionately affected by substance misuse problems. This is reflected through NDTMS data, hospital admissions data and local and national survey data. The 16-24 age group is particularly associated with drug offences, substance misuse and alcohol problems.</p> <p>Disability - A high proportion of those who enter substance misuse services are also seeking help with their mental health. Nationally, people engaged in substance misuse services report a higher rate of disability than the general population (28.8% compared with 17.7%) <sup>1</sup>. Behaviour and emotional problems’ was the most reported disability (15.5%).</p> <p>Sex – Locally and nationally more males than females are engaged with substance misuse services, this is particularly the case for drugs services. <sup>1,2,3</sup></p> <p>Gender reassignment / sexual orientation - Research has found that sexual and gender minorities, including lesbian, gay, bisexual, transgender, queer, and intersex people (LGBTQI+), have higher rates of substance misuse and substance use disorders than people who identify as heterosexual. People from these groups are also more likely to enter treatment with more severe disorders <sup>4</sup>.</p> <p>1. Adult substance misuse treatment statistics 2021-2022 Adult substance misuse treatment statistics 2021 to 2022: report - GOV.UK (www.gov.uk)                  2. OHID/NDTMS Adult Drug Commissioning Support Pack, 2022-23, Cheshire East                  3. OHID/NDTMS Adult Alcohol Commissioning Support Pack, 2022-23, Cheshire East                  4. National institute of drug abuse</p>
<p><b>Links and impact on other services, strategies, functions or procedures.</b></p>	<p>The proposed model does not adversely impact upon delivery of other Council services, functions or procedures. The proposal links into the following strategies and policies:</p> <p>Cheshire East corporate plan                  All age carers strategy                  Homelessness and Rough Sleeping Strategy – now out of date                  Sustainable community strategy                  Neglect Strategy                  Early Help Strategy</p>

Appendix 2 – Equality Impact Assessment

	<p>Mental Health strategy Reducing Inequalities in Crewe strategy Cheshire East Place Partnership 5 year plan Vulnerable and Older Persons Housing Strategy</p> <p>This plan aims to reduce inequalities across the borough which is a priority within the corporate plan.</p>
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<p><b>How does the service, service change, strategy, function or procedure help the Council meet the requirements of the <a href="#">Public Sector Equality Duty</a>?</b></p>	<p>The new plan / substance misuse service helps the council to meet the requirements of the public sector equality duty by:</p> <ul style="list-style-type: none"> <li>• Working together to reduce stigma around drug and alcohol use which may discourage people from seeking help.</li> <li>• Ensuring the new service is inclusive to all, but where needed a targeted approach is considered to meet the needs of hard-to-reach groups.</li> <li>• Ensuring that cultures, beliefs, accessibility, and language are considered when planning services.</li> <li>• Considering the voice of those with protected characteristics to ensure services are planned with all in mind.</li> </ul>
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**Section 2 - Information – What do you know?**

What do you know?	What information (qualitative and quantitative) and/or research have you used to commission/change/decommission the service, strategy, function, or procedure?
<p><b>Information you used</b></p>	<ul style="list-style-type: none"> <li>• Cheshire East JSNA for drugs and alcohol.</li> <li>• Data from our current treatment provider (Change Grow Live) and NDTMS data.</li> <li>• Information from engagement with 434 people; this included 1-2-1 discussions and focus groups. This included the following people/ groups:                         <ul style="list-style-type: none"> <li>○ Young people (Youth council, JIGSAW, Youth service)</li> <li>○ Service user groups</li> <li>○ Service user family and friends</li> <li>○ Police</li> <li>○ Probation</li> <li>○ CWP</li> <li>○ Ethnic minorities (included in focus groups)</li> <li>○ Health (CWP, 0-19, GP's)</li> <li>○ Lived Experience Recovery organisations.</li> <li>○ Integrated Care Board</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ Substance misuse provider forum</li> <li>○ Substance misuse providers, commissioned and non- commissioned (AA/NA)</li> <li>○ LGBTQ+ (included in focus groups / 121 interviews)</li> <li>○ VCFSE Sector</li> <li>○ Headteachers / Education</li> <li>○ Care Communities</li> <li>○ Family Hubs</li> <li>○ Hospital trusts</li> <li>○ Housing</li> <li>○ Elected members.</li> </ul>
<b>Gaps in your Information</b>	No significant gaps identified

**3. What did people tell you?**

<b>What did people tell you</b>	<b>What consultation and engagement activities have you already undertaken and what did people tell you? Is there any feedback from other local and/or external regional/national consultations that could be included in your assessment?</b>
<b>Details and dates of the consultation/s and/or engagement activities</b>	<p>43 Focus groups and 33 one-to-one interviews were held with a total of 434 participants.</p> <p>Insights based discussions focussed on the following questions, seeking a breadth of intelligence from a wide range of stakeholders:</p> <ul style="list-style-type: none"> <li>▪ Support and services for people with addiction is currently like what?</li> <li>▪ At its best what does support for people with addiction look like?</li> </ul>

	<p>Several task and finish groups have been held involving key stakeholders and those with lived experience, with the aim of designing a Cheshire East wide action plan which informed the new service model. The action plan was presented to members of the Combatting Drugs Partnership and elected members. This has included discussing intelligence gathered from the engagement work. There was also the opportunity to feedback.</p> <p>People have told us that the main issues when accessing substance misuse services are:</p> <ul style="list-style-type: none"> <li>• Lack of education and knowledge around drug and alcohol harms</li> <li>• Lack of awareness of services and how to access them</li> <li>• Getting substance misuse support with very poor mental health and vice versa</li> <li>• Lack of specialist support for those people with multiple and complex needs</li> <li>• Uncertainty of process pathways between organisations</li> <li>• Not enough peer support.</li> </ul> <p>The following key objectives within Reducing Drug and Alcohol Harm in Cheshire East plan aim to address these issues:</p> <ul style="list-style-type: none"> <li>• Provide a consistent and accessible training and education offer to a wide range of audiences including professionals and children &amp; young people</li> <li>• Improve communication and build relationships across they system</li> <li>• Facilitate collaborative support to those with coexisting substance misuse and mental health issues</li> <li>• Take a targeted approach to engaging cohorts who are at risk of unmet need</li> <li>• Refine system pathways to improve continuity of care and ease of access to services</li> <li>• Reduce stigma and change attitudes so that people view substance misuse as an illness and feel confident to approach services without fear of shame or judgement</li> <li>• Capitalise on and celebrate lived experience to build capacity in the recovery community and show those in treatment that their recovery goals are achievable.</li> </ul>
<p><b>Gaps in consultation and engagement feedback</b></p>	<p>The co-production process was extensive and gathered comprehensive feedback from a range of individuals with protected characteristics. There is still a need to continue engagement throughout the lifespan of the plan.</p> <p>As highlighted in the plan, more target work needs to be done with the following groups to better understand local need and potential barriers to accessing services, looking at early intervention and prevention, harm reduction, treatment and recovery.</p>

Appendix 2 – Equality Impact Assessment

	<ul style="list-style-type: none"><li>• Children in care</li><li>• Children living with family members experiencing substance misuse</li><li>• Homeless families in temporary accommodation</li><li>• Victims of domestic abuse</li><li>• Children excluded from school</li><li>• Children at risk of child sexual exploitation</li><li>• SEND / mental health</li><li>• LGBTQ+.</li></ul>
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**4. Review of information, consultation feedback and equality analysis**

<b>Protected characteristics groups from the <a href="#">Equality Act 2010</a></b>	<b>What do you know?</b> Summary of information used to inform the proposal	<b>What did people tell you?</b> Summary of customer and/or staff feedback	<b>What does this mean?</b> Impacts identified from the information and feedback (actual and potential). These can be either positive, negative or have no impact.
<b>Age</b>	The co-production process was inclusive of all ages. Adults, children, and young people were involved through engagement work in the development of the plan.	Services, training and education need to be age appropriate. Some targeted work needs to be done to support Children not accessing mainstream education. Children and young people are confused about who to go to if they need support and would like to learn more about the harms of drugs and alcohol.	<p><i>The plan and substance use service aims to increase the reach of information and advice about substance use and services available to all people by increasing the training and education offer.</i></p> <p><i>The plan and new service will include targeted work being done to ensure those vulnerable young people not accessing mainstream education are able to access educational sessions and support.</i></p>
<b>Disability</b>	The co-production process was inclusive, and people of all abilities were involved through engagement work in the development of the plan.	Services need to be accessible, materials available in a variety of formats and buildings need to be accessible to all. Some people may need home visits or support accessing services due to disabilities. Having local services rather than having to travel would be preferred.	The plan highlights an intention to do some targeted work to support people who are neurodiverse, and to look at the accessibility of services for people with disabilities. Specialist outreach provision will support those people who are unable to attend services in person. The service will work with partners to support improvements in this area.

Appendix 2 – Equality Impact Assessment

<p><b>Gender reassignment</b></p>	<p>The co-production process was inclusive of all genders and those identifying as transgender were involved through engagement work in the development of the plan.</p>	<p>Services need to be non-judgemental and aware of the barriers that trans people face in accessing services including LGBTQ+ binge drinking culture, mental illness and gender dysphoria.</p> <p>Services need to be inclusive of all genders.</p> <p>Services need to be trauma informed.</p>	<p>The plan highlights an intention to do some targeted work to ensure services are inclusive to people identifying as LGBTQI+. The service will work with partners to support improvements in this area.</p>
<p><b>Pregnancy and maternity</b></p>	<p>The co-production process was inclusive of those who are and are not pregnant and included those who are supporting pregnant mothers.</p>	<p>Stigma is at its highest within this group and services need to be sensitive when working with pregnant residents who misuse substances. A targeted approach may be needed in this area.</p>	<p>The plan will look to address stigma around access to substance use services. This will include further work around pregnancy and maternity. The service will work with partners to support improvements in this area.</p>
<p><b>Race/ethnicity</b></p>	<p>The co-production process was inclusive of people who identify as ethnic minorities.</p>	<p>Religious / cultural/language barriers may prevent people from accessing services. People may need information in different languages or some help with translation when accessing services.</p>	<p>The plan highlights a need to do more work to engage with those from minority ethnic groups to understand barriers to accessing services. The service will work with partners to support improvements in this area.</p>
<p><b>Religion or belief</b></p>	<p>The co-production process was inclusive of people with varying religions and beliefs.</p>	<p>Religious / cultural /language barriers may prevent people from accessing services. This will need to be considered when communicating with certain religious groups.</p>	<p>The plan highlights a need to do more work to engage with those from minority ethnic groups to understand barriers to accessing services. This will include work to understand how beliefs may impact access to services. The service will work with partners to support improvements in this area.</p>

<b>Sex</b>	The co-production process involved engagement with people of all genders. Currently, treatment figures suggest that males are more likely to engage in treatment.	There was no disparity in feedback across all genders, with all genders highlighting the same gaps in service.	The plan looks to address gaps in services for all genders.
<b>Sexual orientation</b>	The co-production process was inclusive of all genders and those identifying as LGBTQ+ were involved through engagement work in the development of the plan.	Services need to be non-judgemental and aware of LGBTQ+ issues which may lead them to accessing services.	The plan highlights an intention to do some targeted work to ensure services are inclusive to people identifying as LGBTQI+. The service will work with partners to support improvements in this area.
<b>Marriage and civil partnership</b>	This service proposal is inclusive to this protected characteristic group.	No issues raised in relation to this area.	The plan is inclusive regardless of marriage / civil partnership status.

**5. Justification, Mitigation and Actions**

<b>Mitigation</b>	<b>What can you do?</b>
Please provide justification for the proposal if negative impacts have been identified? Are there any actions that could be undertaken to mitigate, reduce or remove negative impacts?	Actions to mitigate any negative impacts or further enhance positive impacts  There are no negative impacts identified. The proposed plan and service model is entirely co-produced by people with lived experience, their families, professionals, and stakeholders so there will be positive rather than negative impacts on service delivery, as the proposed service will go further to meet changing need in Cheshire East.

Appendix 2 – Equality Impact Assessment

<p>Have all available options been explored? Please include details of alternative options and why they couldn't be considered?</p> <p>Please include details of how positive impacts could be further enhanced, if possible?</p>	<p>The alternative was not producing a local plan and corollary redesigned service, which would be against the recommendations of the Government's 10-year plan.</p> <p>The action plan that has been formed from the plan, addresses areas for improvement that have been highlighted through engagement. Completing an annual review of the plan will ensure that actions are still appropriate and relevant.</p>
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6. Monitoring and Review -

<p><b>Monitoring and review</b></p>	<p><b>How will the impact of the service, service change, decommissioning of the service, strategy, function or procedure be monitored? How will actions to mitigate negative impacts be monitored? Date for review of the EIA</b></p>
<p><b>Details of monitoring activities</b></p>	<p>The impact of the new proposal will be monitored through regular meetings, quarterly reviews, feedback from service users, feedback from providers, partners and stakeholders. It will also be monitored through quarterly combatting drugs partnership meetings.</p>
<p><b>Date and responsible officer for the review of the EIA</b></p>	<p>Review by Hannah Gayle – Project Manager, Thriving and Prevention, 1<sup>st</sup> March 2025</p>

7. Sign Off

When you have completed your EIA, it should be sent to the [Equality, Diversity and Inclusion Mailbox](#) for review. If your EIA is approved, it must then be signed off by a senior manager within your Department (Head of Service or above).

Once the EIA has been signed off, please forward a copy to the Equality, Diversity and Inclusion Officer to be published on the website. For Transparency, we are committed to publishing all Equality Impact Assessments relating to public engagement.

## Appendix 2 – Equality Impact Assessment

<b>Name</b>	<b>Nik Darwin – Programme Lead</b>
<b>Signature</b>	Nik Darwin
<b>Date</b>	Updated 20/12/24

### 8. Help and Support

For support and advice please contact [EqualityandInclusion@cheshireeast.gov.uk](mailto:EqualityandInclusion@cheshireeast.gov.uk)

OPEN

## Adult and Health Committee

20<sup>th</sup> January

### Smoking Cessation Incentives Scheme – Update

Report of: Helen Charlesworth-May, Executive Director of Adults, Health and Integration

Report Reference No: AH/26/2024-25

Ward(s) Affected: All

For Decision or Scrutiny: Both

#### Purpose of Report

1. The purpose of this report is to update on the pilot smoking cessation incentive scheme for pregnant women which was introduced by the Council in 2023.

#### Executive Summary

2. Smoking is the leading cause of premature, preventable death worldwide, and the leading cause of health inequality in the UK. Smoking in pregnant women is a significant risk factor for stillbirth, miscarriage and pre-term birth, and household smoking contributes to childhood illnesses and deaths.
3. The Council introduced a pilot incentive scheme in partnership with local maternity services and the commissioned provider, which was aimed at pregnant women and people living within their household in 2023. Its chief purpose was to reduce the impact of tobacco on the health of the mother and the unborn child, by encouraging people to quit smoking.
4. This report summarises the effectiveness of the scheme and suggests only continuing the household element, given that a national stop smoking in pregnancy scheme is launching.

#### RECOMMENDATIONS

The Adult and Health Committee is recommended to:

1. Approve continuation of the incentive scheme for household members.

## Background

- 5 Adults and Health Committee approved the introduction of a financial incentive scheme to help pregnant women to quit smoking as well as people within their household at Committee in [July 2022](#).
- 6 The scheme involved vouchers of increasing value being provided to pregnant women and/or their household members for successfully reaching specific quit milestones, as validated through carbon monoxide testing. Implementation has involved the Council, both local acute trusts and One You Cheshire East.
- 7 The maximum voucher a pregnant women could receive was £400, with household members (due to the impacts of passive smoking on the unborn child) receiving up to £200. This compares with an average cost of over fifteen pounds for twenty cigarettes <sup>1</sup>.
- 8 A key reason for implementing the scheme was the evidence base for its effectiveness. For instance, a comprehensive review of studies previously carried out concluded that there was 'moderate certainty evidence' that such schemes improve smoking cessation rates <sup>2</sup>. The majority of schemes covered were from the USA, with only a single study from the UK.
- 9 The pilot scheme has operated in two phases:

### *February 2023 – March 2024*

- Smoking cessation support was delivered solely by the One You Cheshire East service (for pregnant women and household members);

### *May 2024 – onwards*

- Smoking cessation support for pregnant women was delivered by smoking cessation practitioners based within acute trust maternity units (with implementation being phased in due to hospital staff capacity).

Note - the change in smoking cessation model took place due to a release of stop smoking funding from the Department of Health for maternity units and a decision by the Local Authority in conjunction with the acute trusts that this in-house approach was likely to be more effective. This shift reduced the risk of loss of contact with pregnant women, by eliminating the need for external referrals.

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<sup>1</sup> ASH (2024), Factsheet: How much does it cost to smoke? (2024). Available at: [https://ashscotland.org.uk/wp-content/uploads/2024/06/Cost-of-Smoking-factsheet\\_April-2024.pdf](https://ashscotland.org.uk/wp-content/uploads/2024/06/Cost-of-Smoking-factsheet_April-2024.pdf)

<sup>2</sup> Notley, C., Gentry, S., Livingstone-Banks, J., Bauld, L., Perera, R. and Hartmann-Boyce, J. (2019). Incentives for smoking cessation. *The Cochrane database of systematic reviews*, [online] 7(7), p.CD004307

10 Data for phase 1:

- 238 pregnant women were referred to the scheme
- 54 set a quit date
- 21 quit at 4 weeks, 39% quit rate
- 19 confirmed to have quit at 12-14 weeks after the quit date
- 10 confirmed to have quit at 34-38 weeks after the quit date

Data for phase 2:

- 92 women were referred to the scheme
- 49 set a quit date
- 17 4-week quits were achieved, 35% quit rate
- 12 confirmed to have quit at 12-14 weeks after the quit date
- 2 confirmed to have quit at 34-38 weeks after the quit date

Household Members:

- 8 household members were referred
- 8 set a quit date
- 4 quit at 4 weeks, 50% quit rate
- 4 confirmed to have quit at stage 3 (12-14 weeks after the quit date)
- 3 confirmed to have quit at stage 4 (24-28 weeks after the quit date)

- 11 The primary aim of the scheme was to incentivise people to start and then continue their quit journey. Quit rates under phase 1 (39%) and phase 2 (35%) are above the current national average which is 25% for England<sup>3</sup> (both the national and local figures required carbon monoxide validation). Locally, the proportion of women setting a quit date is 52% in phase 2 of the project (it was 22% in phase 1). This compares with 44% in England.
- 12 Similar comparison for household members is unfeasible as the national quit rate is not measured for this cohort. However, the quit rate in England for smokers in general is 12%.
- 13 Comparison with a similar incentive scheme in Glasgow and Clyde shows that the validated quit rate for pregnant women achieved in Cheshire East is higher at 4 weeks (35% compared to 31%) but slightly lower at 12 weeks (24% compared to 26%)<sup>4</sup>. Data on non-validated quits (requiring self-reporting) has not been routinely collected.
- 14 Therefore, the project appears to have had some success. Ideally, comparison would also have taken place with local rates prior to the start of the incentive scheme. However, this is not possible, due to issues with data recording by the previous provider (prior to 2023).

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<sup>3</sup> NHS England, Statistics on Local Stop Smoking Services, April-June 2024

<sup>4</sup> Tappin D, Bauld L, Purves D, Boyd K, Sinclair L, MacAskill S et al. Financial incentives for smoking cessation in pregnancy: randomised controlled trial *BMJ* 2015; 350

- 15 The cost of a four week quit under the Cheshire East incentive scheme in vouchers is £378. ASH (an independent public health charity) produce a ready reckoner tool which allows the impact of smoking on a local area to be estimated<sup>5</sup>. This states that the social care cost of smoking is £74.6M, with the Healthcare cost being £8.91M in Cheshire East.
- 16 The Government has now started a national financial incentives scheme for pregnant women. Cheshire East has provided input into this work. This scheme uses the same total of £400 shopping vouchers as the current local scheme, but vouchers are provided at different intervals. The learning that has taken place provides good grounding for implementation of this new scheme and will increase its chances of success.
- 17 The Council has provisionally agreed with maternity units that the local incentive scheme for pregnant women will stop once the national scheme commences locally. The timescale is unclear around this. However, it is likely to be introduced at Mid-Cheshire Hospital Trust early in 2025, with practicalities still being discussed with East Cheshire Trust.
- 18 Under this initiative, future voucher costs would be funded by the Department of Health. However, household members who smoke (who are included in the local scheme) are not covered. Therefore, it is proposed that the local scheme continues for household members given the low expenditure required and the impact of passive smoking on the unborn child. Voucher spend to date on this element has been circa £800.
- 19 A report will be produced which evaluates the pilot in further detail. This will be shared regionally and nationally and will serve as useful intelligence for future incentive led projects.
- 20 Following a decision by Adults and Health Committee in [March 2024](#), the One You Cheshire East service was recommissioned using a competitive procurement process, with the new contract commencing in November 2024 under Everybody Health and Leisure. Smoking cessation capacity has been expanded under this new contract due to a new stop smoking grant from the Office for Health Improvement and Disparities. This includes more locations for access, greater ability to target groups of smokers e.g. from areas of deprivation, routine and manual workers, and improved ability to provide tailored support. The contract also encompasses supporting the local incentive scheme.
- 21 Of additional note, is that the proportion of women who smoke at time of delivery has decreased in Cheshire East in recent years. This is 7.2% for 2023/24 in comparison to 7.4% England which is encouraging. However, as more smokers quit, it is likely that those remaining will have ever more engrained habits. This will make reducing numbers further a continuing challenge, as evidenced to some extent in implementation of the incentive scheme pilot.

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<sup>5</sup> Shinyapps.io. (2024). Available at: [https://ashresources.shinyapps.io/ready\\_reckoner/](https://ashresources.shinyapps.io/ready_reckoner/).

## Consultation and Engagement

- 22 Engagement took place with maternity units as part of the introduction of the scheme. Ongoing meetings have also taken place to progress this further.
- 23 Feedback is also taken from people participating in the scheme in order to understand successes and barriers.

## Reasons for Recommendations

- 24 Maternity units plan to join the Department of Health's national incentive scheme so that they are aligned with other areas. As such, it is effectively their decision for this local scheme to end. It also makes sense to have consistency between areas.
- 25 The incentive scheme for household members costs a minimal amount and evidence shows that this is a useful tool to encourage quitting.
- 26 There are clear consequences from second-hand smoke exposure for the unborn child as a result of someone smoking from within the same household. It is estimated that sudden infant death is 45% more likely due to second-hand smoke exposure. It is also estimated that birth weight will be 30-40g lower on average <sup>6</sup>.

## Other Options Considered

27

Option	Impact	Risk
Stop the scheme entirely	This would achieve an insignificant financial saving	We would lose the opportunity to further incentivise household members to quit

## Implications and Comments

### *Monitoring Officer/Legal*

- 28 As per the Health and Social Care Act 2012, it is incumbent on the Council to take steps aimed at improving the health of the local population. This report in updating the committee as to current activity with regard to smoking cessation initiatives calls for no further legal comment.

### *Section 151 Officer/Finance*

- 29 The project has made use of funding obtained from Public Health CHAMPS. This forms part of the Public Health ring-fenced which goes through an annual certification process. Spend has been limited due to take up (circa £16K to date). The aim would be to continue to utilise these existing monies to fund vouchers for household members. This will allow more time for this phase of the pilot to be evaluated for value for money.

<sup>6</sup> <https://ash.org.uk/resources/view/smoking-pregnancy-and-fertility>

*Policy*

30 The activity outlined in this report supports the following aim and priority with then [Corporate Plan](#):

**A council which empowers and cares about people**

**Aim 2:**  
**We aim to reduce inequalities, promote fairness and opportunity for all and support our most vulnerable residents.**

**Priority 2.2**  
**Reduce health inequalities across the borough**

*Equality, Diversity and Inclusion*

31 An Equality Impact Assessment was completed when the One You Cheshire East service was recommissioned covering stop smoking activity.

*Human Resources*

32 None.

*Risk Management*

33 Risks are managed by the project team with mitigation put in place where necessary.

*Rural Communities*

34 Stop smoking support for household members is provided via the Council's commissioned One You Cheshire East service. This includes online and face to face support in a variety of locations including rural communities.

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

35 The project positively impacts on health outcomes for children.

*Public Health*

36 Smoking is the leading cause of preventable death and disease worldwide, and the leading cause of health inequality in the UK. A co-ordinated system wide approach with the ambition of enabling a Smokefree Cheshire East has the potential to have significant Public Health benefits on a population level and to help to reduce health inequalities across the Borough.

*Climate Change*

37 By encouraging and supporting more Cheshire East residents to quit smoking, the Council will be contributing to the efforts to reduce the total carbon and environmental footprint of the tobacco industry.

<b>Access to Information</b>	
Contact Officer:	Nik Darwin, Programme Lead <a href="mailto:nik.darwin@cheshireeast.gov.uk">nik.darwin@cheshireeast.gov.uk</a>
Appendices:	N/A
Background Papers:	<a href="#">Corporate Plan (cheshireeast.gov.uk)</a>

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OPEN

## **BRIEFING REPORT**

### **Adults and Health Committee**

**20 January 2025**

### **Adults Service Score Card - November 2024**

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**Report of: Jill Broomhall – Director of Adults Social Care Operations**

**Report Reference No: AH/30/2024-25**

#### **Purpose of Report**

- 1 The purpose of this report is to provide Adults and Health Committee members with an overview of key activity and performance in Adults Social Care Services.
- 2 This aligns with the corporate aim of a Fair council and the key strategic objective of a council which empowers and cares about people

#### **Executive Summary**

- 3 The score card is produced to provide the adults service senior management team with an overview of demand and activity within the operational services on a month by month basis. It also provides a comparison with the previous full year outturn to show an indication of direction of travel
- 4 The report also contains commentary on changes and highlights any areas for consideration

#### **Background**

- 5 The score card is received monthly at Adults Health and Integration Extended Leadership Team and Adults Social Care Senior Management Team meetings. Exceptions or key changes are highlighted by Business Intelligence for discussion and consideration which enable the management team to consider whether changes are needed to services and resources to deliver against presenting needs and demands
- 6 The score card contains 41 indicators split into 5 key areas of service delivery. There is also some high level financial information and trending information provided, together with analysis of change over time.

## Briefing Information

7 The following areas the committee may wish to consider:

### Page 1

- October saw an unusually high number of contacts to the Adults Social care which was impacted by a 37% increase in requests from hospitals linked to discharges of patients. This was also magnified by a significantly higher number of requests from hospitals outside of the Cheshire East area where Cheshire East Residents had been admitted. To mitigate this risk we have increased our available staff to support out of area hospitals.
- The numbers of people waiting for an assessment or service is now monitored and reported to senior managers. We actively risk assess all of these cases and maintain regular contact with the individual to ensure that their situation has not worsened, where there have been risks identified measure have been taken to reduce harm, for example we have increased our resource to meet the demands as above.

### Page 2

- Highlights the success rate of the reablement services in reducing the long term requirements of social care support where this can be provided in a timely fashion.

### Page 3

- Provides an overview of the overall number of individuals being supported by services and the change over time.
- The impact of the changes and agreed direction of travel for Direct Payments following agreement by Committee is yet to feed through into our performance, however new rates and revised policy are now implemented.

### Page 5

- Provides an overview of safeguarding activity and the work ongoing to ensure that individuals are safe and supported whether using service or in their home/ setting.
- In November our success rate against the Adults Social Care Outcomes Framework measure - % of S42 Enquiries where a risk was identified and was removed or reduced was 95.8% which reflects the good work completed by the team.
- The number of Mental Health Act Assessments has reduced during November from previous months, however the weekly average for assessments remains significantly higher than our pre pandemic averages.

Page 6 -8

- This provides an overview of the gross financial costs on a period by period basis together with a snap shot picture of key drivers and influencers that affect overall expenditure.

Overall Summary

- Performance has been maintained at acceptable levels there are some areas that have required interventions to mitigate risks, the trends demonstrate that the actions taken to manage the budget are identifying results albeit slowly.

## **Implications**

*Monitoring Officer/Legal*

8 None this is for information only.

*Section 151 Officer/Finance*

9 None this is for information only.

*Policy*

10 None this is for information only.

*Equality, Diversity and Inclusion*

11 None this is for information only.

*Human Resources*

12 None this is for information only.

*Risk Management*

13 None this is for information only.

*Rural Communities*

14 None this is for information only.

*Public Health*

15 None this is for information only.

*Climate Change*

16 None this is for information only.

<b>Access to Information</b>	
Contact Officer:	Bev Harding – Business Intelligence Manager Bev.harding@cheshireeast.gov.uk
Appendices:	Appendix 1 - Adults Scorecard – November 2024
Background Papers:	None

## Adult Services Scorecard - Page 1 (Monthly)

Year

2024 ▼

Benchmarking Indicators	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD	Last Year
Total number of individuals currently in permanent residential/ nursing care 18-64	177	173	173	173	173	173	176	178					178	177
Total number of individuals currently in permanent residential/ nursing care 65+	1289	1283	1296	1299	1292	1296	1283	1281					1281	1259
Total number of individuals currently in short-term residential/ nursing care	97	95	88	94	90	84	88	80					80	95
Weekly number of Domiciliary Care hours	20,101	20,451	21,096	21,644	21,436	21,427	21,177	21,449					21,449	20,459

- The overall position is one of a small downward shift , however we need to ensure that placements are loaded in a timely fashion to ensure that the snap shot positions reflect the most accurate position at anyone time.

Core Service Activity	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD	Last Year
Number of New case Contacts	1069	1085	1075	1235	1027	1098	1373	1159					9121	12320
Percentage of all new contacts (other than safeguarding) where the Client had any other Contact in the previous 12 months	36.9%	37.5%	37.6%	36.8%	37.3%	38.5%	38.9%	38.8%					38.8%	34.7%
Number of Contacts resulting in a New Referral	636	597	609	643	510	564	711	685					4955	9063
Number of Assessments completed in period	242	218	234	225	204	190	217	177					1707	2814
Assessments that result in any commissioned service (including long-term, short-term and telecare)	174	156	170	172	153	138	162	126					1251	2132
Number of Support Plan Reviews completed	296	305	246	312	271	274	307	271					2282	3435
Percentage of Clients who have received Long Term Support for 24 months continuously that have been reviewed in the last 24 months	83.1%	82.4%	82.1%	81%	80.7%	79.4%	78.8%	78.1%					78.1%	83.7%
Proportion of service users in receipt of a community based service	78%	78.1%	78.1%	78.2%	78.2%	78.2%	78.2%	78%					80.7%	82.8%
Number of service users in receipt of a community based service	4614	4615	4623	4660	4646	4642	4607	4568					4568	4502
Number of service users waiting for a needs assessment						251	251	251					251	

- Following a spike last month there appears to have been a drop in contacts in November albeit still at slightly higher levels that seen in previous months. October and November 2024 have also been noticeably higher than the same period in the preceding 2 years.

## Appendix 1 - Adults Scorecard – November 2024

- Further to discussions at the Adults Social Care SMT, a detailed breakdown was provided to managers to understand the reason for the October spike. In summary there had been a 31% increase in Community contacts, a 37% increase in hospital discharge requests and a 27% increase in contacts tagged as “other”.
- Also of note: whilst hospital discharges increased from hospitals in our own area we also saw unusual spikes from Stepping Hill and Wythenshawe as shown below:-

Hospital Discharges Only			
	Sept	Oct	Nov
Stepping Hill Hospital (HSP0025)	16	34	13
Wythenshawe Hospital (HSP0022)	5	20	6

- Whilst contacts have dropped in November the % converting to a referral has increased from around 51% in the previous 2 months to 59%. Although assessments are only being completed when absolutely necessary the conversion rate from assessment to a service being required is consistently over 70%
- The % of long term support clients with a review in the last 2 years has dropped by over 5% since the end of last year.
- We have checked the number of clients awaiting assessment throughout the month which is fluctuating so it would appear that although the snap shot looks like there has been no change this is just a co-incidence.

Care4CE	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD	Last Year
Number of community support reablement referrals received	127	117	114	133	96	107	147	129					970	1042
Number of community support reablement referrals received (Portal)	29	29	36	36	41	38	41	37					287	885
Number of mental health reablement referrals received	226	241	243	327	258	251	305	201					2052	2889
Number of dementia reablement referrals received	91	78	94	98	91	91	110	118					771	1078
Percentage of community support reablement completed with no ongoing package of care	72.7%	68.9%	76.7%	72.1%	73.5%	65.5%	71.9%	71.8%					71.6%	66.9%

- Whilst dementia referrals are steadily on the up there has been a drop across the other referrals with the most noticeable being the MH reablement referrals. Do we understand whether this is a reduction in need or because we are unable to accommodate the level of numbers being previously seen?

## Appendix 1 - Adults Scorecard – November 2024

Active Service Users	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD	Last Year
Total number of individuals on the visual impairment register	2381	2399	2416	2437	2466	2495	2525	2547					2547	2430
Total number of Clients with an active service other than Telecare (18-25)	241	240	243	242	240	240	243	238					238	241
Total number of Clients with an active service other than Telecare (26-64)	1445	1456	1447	1471	1468	1461	1451	1446					1446	1436
Total number of Clients with an active service other than Telecare (65-84)	1707	1713	1732	1752	1741	1751	1753	1738					1738	1685
Total number of Clients with an active service other than Telecare (85+)	1321	1325	1346	1358	1349	1354	1342	1342					1342	1340
Total number of Clients only receiving a Telecare service	1210	1187	1171	1154	1145	1144	1124	1093					1093	1249
Total number of Clients receiving a Telecare service as part of a wider package	621	633	643	648	639	630	609	605					605	635
Total number of Clients receiving a Telecare service	1831	1820	1814	1802	1784	1774	1733	1698					1698	1884
Total number of Clients receiving any service - including Telecare (65+)	4144	4130	4154	4172	4143	4156	4127	4085					4085	4174
Total number of Clients receiving a Direct Payment (not Carer DP)	460	467	461	459	454	449	448	438					438	
Total number of Clients receiving a Carer Direct Payment	57	57	56	56	57	57	56	58					58	

Active Service Users	Oct	Nov	Change
Total number of Clients with an active service other than Telecare (18-25)	243	238	-5
Total number of Clients with an active service other than Telecare (26-64)	1451	1446	-5
Total number of Clients with an active service other than Telecare (65-84)	1753	1738	-15
Total number of Clients with an active service other than Telecare (85+)	1342	1342	0
Total number of Clients only receiving a Telecare service	1124	1093	-31
Total number of Clients receiving a Telecare service as part of a wider package	609	605	-4
Total number of Clients receiving a Telecare service	1733	1698	-35
Total number of Clients receiving any service - including Telecare (65+)	4127	4085	-42
Total number of Clients receiving a Direct Payment (not Carer DP)	448	438	-10
Total number of Clients receiving a Carer Direct Payment	56	58	2

- Whilst we have seen a drop across the board in terms of clients since last month we still need to keep an eye on the 65-84 age bracket which remains 53 higher than the outturn last year and understand whether this is at the lower or high end of the age bracket and what this might mean as a result in terms of long term package needs.
- Likewise clients just receiving telecare continues on a downward trajectory both for those only receiving it and as part of a wider package. As part of our commissioning activity we need to fully analyse whether our provider is able to meet client requirements and where the gaps are.

## Service Provisions - Monthly Trends (Active Services)

Snapshot Date

01/04/2023 30/11/2024



Provider

All

Service Group

All

Contract Type

All

Service Type

All

Age Band

All

Primary Support Reason

All

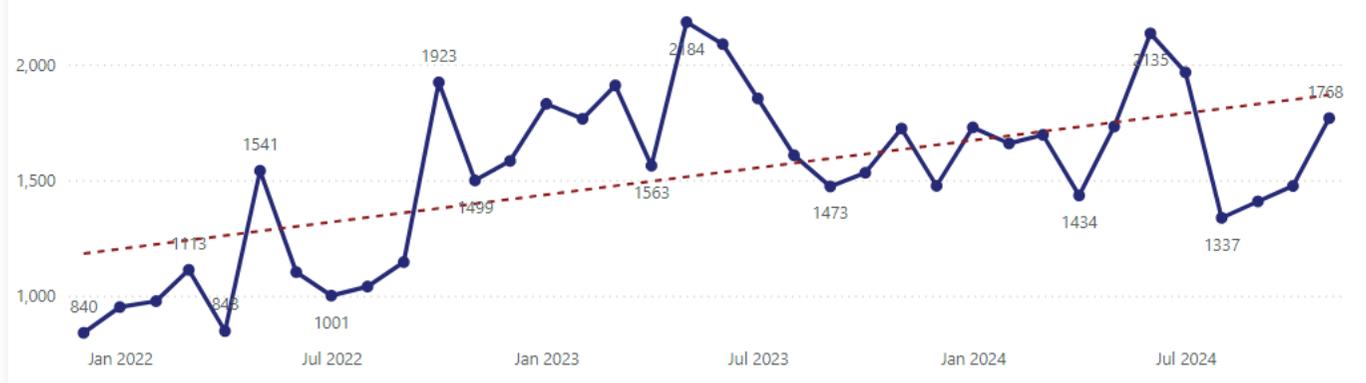
Show Info

Show Clients

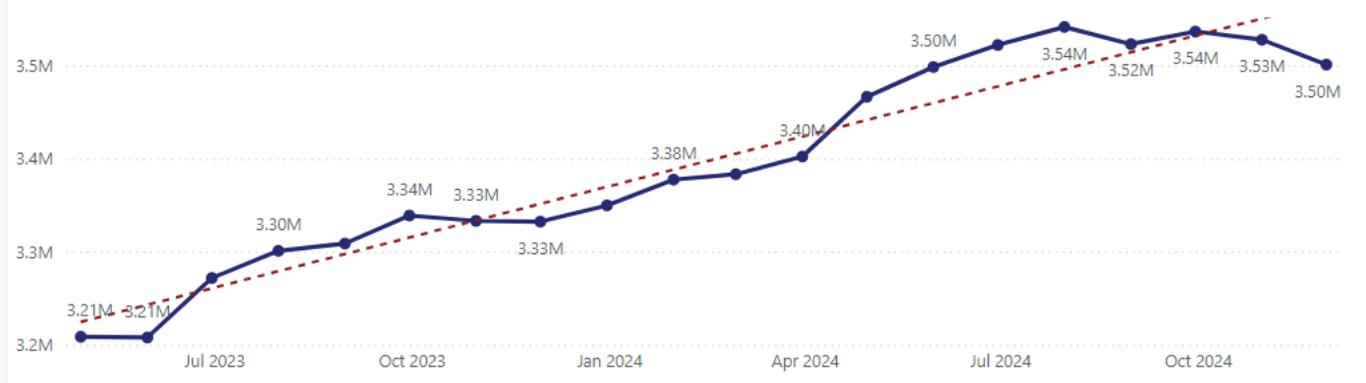
Show Hours

New Hours

New Dom Care Hours during Month



Weekly Cost at Snapshot Date



## Appendix 1 - Adults Scorecard – November 2024

Risk Enablement	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD	Last Year
Number of mental health act assessments completed	68	62	83	69	61	63	56	48					510	745
Number of S117 clients (includes Z65 MH Aftercare)	1090	1095	1103	1105	1109	1114	1115	1115					1115	1092
Number of Substantiated (including Partially Substantiated) S42 Enquiries concluding with a 'Type' of Domestic Abuse	4	4	6	8	12	9	8	6					57	60
Number of new Safeguarding Concerns received in a period (events not individuals)	510	575	508	635	510	530	584	456					4308	6161
Number of new S42 Safeguarding Enquiries starting in period	118	106	128	149	118	121	122	82					944	1205
Number of new Other (Non-S42) Safeguarding Enquiries starting in period	6	9	2	7	7	6	3	1					41	93
Number of S42 Enquiries Concluded in the period	118	108	113	160	104	124	137	105					969	1207
S42 Enquiries Concluded for which the client expressed their desired outcomes	75	69	73	110	83	89	96	76					671	797
Of S42 Enquiries Completed that the client expressed their desired outcomes, the number that were fully achieved (not partially achieved)	42	32	42	68	59	48	50	48					389	450
Number of concluded S42 enquiries where outcome of enquiry was substantiated/ partially substantiated	81	72	73	100	71	84	88	73					642	775
ASCOF 4B - Percentage of S42 Enquiries where a risk was identified and risk removed or reduced	86.4%	88.7%	81.9%	90.9%	86.8%	88.9%	87.4%	95.8%					88.4%	

- There has been a noticeable drop in the number of MH act assessment completed. Are we confident that this is due to a reduction in need rather than a lack of capacity within teams?
- There has also been a significant drop in safeguarding concerns received. The last time it was this low was April 2023, albeit we did see a similar number (481) in the same month last year. Do we understand if there is any specific training/ support being provided that is influencing this?
- Likewise are we confident that the drop in S42 enquiries is sound and not due to risks not being identified or capacity to undertake the work required.
- Please note we have added in the ASCOF measure to the indicators being reported which demonstrates a strong performance in addressing risk when identified.

## Adult Services Scorecard - Finance

### All Costs (Gross Actuals)

Year	P1 Cost	P2 Cost	P3 Cost	P4 Cost	P5 Cost	P6 Cost	P7 Cost	P8 Cost	P9 Cost	P10 Cost	P11 Cost	P12 Cost	P13 Cost	Total Cost
2022	£10,664,583	£10,802,795	£10,954,377	£11,105,492	£11,331,075	£11,456,445	£11,605,960	£11,685,386	£11,770,081	£11,806,968	£11,851,028	£11,962,580	£12,043,312	£149,040,081
2023	£12,472,821	£12,697,509	£12,739,375	£12,854,582	£13,021,253	£13,056,874	£13,174,406	£13,242,653	£13,220,619	£13,168,844	£13,312,804	£13,364,649	£13,417,037	£169,743,425
2024	£13,572,191	£13,739,704	£13,851,228	£13,932,303	£14,014,484	£13,970,157	£13,997,613	£13,931,227	£13,868,632	£10,242,453	£0	£0	£0	£135,119,991

### External Costs

Year	P1 Cost	P2 Cost	P3 Cost	P4 Cost	P5 Cost	P6 Cost	P7 Cost	P8 Cost	P9 Cost	P10 Cost	P11 Cost	P12 Cost	P13 Cost	Total Cost
2022	£9,982,317	£10,111,109	£10,262,954	£10,384,819	£10,616,094	£10,743,167	£10,882,938	£10,952,759	£11,022,928	£11,081,965	£11,114,306	£11,203,219	£11,275,601	£139,634,175
2023	£11,717,566	£11,947,855	£11,980,007	£12,083,949	£12,250,230	£12,289,594	£12,422,544	£12,490,827	£12,455,739	£12,454,614	£12,587,916	£12,631,835	£12,674,356	£159,987,036
2024	£12,843,022	£12,997,790	£13,105,699	£13,179,711	£13,271,718	£13,241,102	£13,259,831	£13,195,592	£13,152,075	£9,690,258	£0	£0	£0	£127,936,799

### Internal Costs

Year	P1 Cost	P2 Cost	P3 Cost	P4 Cost	P5 Cost	P6 Cost	P7 Cost	P8 Cost	P9 Cost	P10 Cost	P11 Cost	P12 Cost	P13 Cost	Total Cost
2022	£676,530	£685,906	£686,604	£714,746	£712,455	£709,974	£715,825	£727,281	£731,893	£712,699	£717,843	£735,294	£731,811	£9,258,862
2023	£729,696	£727,816	£740,625	£752,216	£754,589	£750,936	£735,559	£735,620	£748,511	£699,347	£710,989	£721,523	£731,494	£9,538,922
2024	£716,401	£727,090	£730,583	£737,571	£727,641	£713,833	£722,708	£720,376	£703,511	£540,796	£0	£0	£0	£7,040,510

### Other

Year	P1 Cost	P2 Cost	P3 Cost	P4 Cost	P5 Cost	P6 Cost	P7 Cost	P8 Cost	P9 Cost	P10 Cost	P11 Cost	P12 Cost	P13 Cost	Total Cost
2022	£5,736	£5,780	£4,818	£5,926	£2,526	£3,304	£7,197	£5,346	£15,260	£12,305	£18,880	£24,066	£35,900	£147,045
2023	£25,558	£21,838	£18,742	£18,417	£16,433	£16,344	£16,303	£16,205	£16,369	£14,882	£13,899	£11,291	£11,186	£217,467
2024	£12,768	£14,824	£14,946	£15,020	£15,125	£15,222	£15,074	£15,259	£13,045	£11,399	£0	£0	£0	£142,682

### Current Weekly Cost of Open Services

Internal/External	Total Weekly Cost
External	£3,310,240.81
Internal	£184,231.67
<b>Total</b>	<b>£3,494,472.48</b>

### Currently Unauthorised (or awaiting activation) Support Plans

Existing Service User	Distinct Clients
Existing Active Service user	129
Not Active Service User	99
<b>Total</b>	<b>228</b>

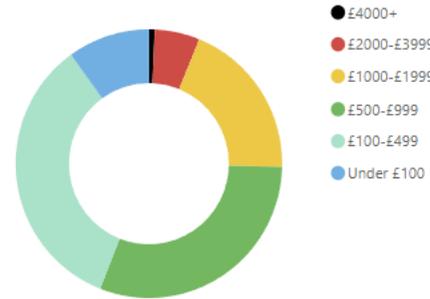
- The average period gross costs appears to have stabilised around £13.8 - £13.9 million. Based on the 9 full completed periods (period 10 likely to be incomplete) the indicative gross outcome for 24/25 is around £180.3 mil which is around £10.6 mil higher than last year. When you consider that a significant proportion of this will simply be attributable to uplifts to providers on existing packages it demonstrates how much has been achieved to reduce costs wherever possible.

# Active Clients Package Costs - Weekly Package Costs (Excludes packages below £2)

Average Cost by Primary Support Reason



Package Cost Category



4572 Packages	£764.73 Average Cost
£3.50M Total Cost	£4.63 Lowest Cost
1161 Packages over 1k	£7.66K Highest Cost

PSR	Package Cost (Total)
Learning Disability Support	£1,254,329.73
Physical Support - Personal Care Support	£1,034,904.37
Support with Memory and Cognition	£685,021.96
Mental Health Support	£298,524.36
Physical Support - Access and Mobility Only	£133,991.97
Social Support - Support for Social Isolation / Other	£39,683.96
Sensory Support - Support for Visual Impairment	£27,471.36
Sensory Support - Support for Dual Impairment	£8,541.69
Social Support - Substance Misuse Support	£6,190.98
Sensory Support - Support for Hearing Impairment	£5,791.27
Social Support - Support to Carer	£1,901.72
<b>Total</b>	<b>£3,496,353.37</b>

Residential / Community	Package Cost (Total)
Community	£1,957,223.36
Residential	£1,539,130.01
<b>Total</b>	<b>£3,496,353.37</b>

Age Band	Female	Male	Total
18-64	£637,845.52	£947,340.46	<b>£1,585,185.98</b>
65-74	£179,002.47	£176,669.11	<b>£355,671.58</b>
75-84	£450,424.79	£276,849.15	<b>£727,273.94</b>
85+	£625,330.83	£202,891.04	<b>£828,221.87</b>
<b>Total</b>	<b>£1,892,603.61</b>	<b>£1,603,749.76</b>	<b>£3,496,353.37</b>

## Appendix 1 - Adults Scorecard – November 2024

### Summary of weekly package cost changes

Age Band	Total Cost Mid Jun	Total Cost Mid Jul	Total Cost Mid Aug	Total Cost Mid Sep	Total Cost Mid Oct	Total Cost Mid Nov	Total Cost Mid Dec	Difference since last mth
18-64	£1,551,346.85	£1,565,625.96	£1,562,627.61	£1,565,334.94	£1,566,467.48	£1,572,651.70	£1,585,185.98	£12,534.28
65-74	£352,376.70	£349,811.22	£352,526.96	£347,458.45	£350,326.18	£360,760.15	£355,671.58	<b>-£5,088.57</b>
75-84	£718,669.05	£736,623.60	£732,388.54	£735,396.53	£730,867.69	£718,643.10	£727,273.94	£8,630.84
85+	£821,134.38	£834,362.93	£837,768.20	£830,667.01	£840,033.79	£829,699.74	£828,221.87	<b>-£1,477.87</b>
Total	£3,443,526.99	£3,486,423.71	£3,485,311.31	£3,478,856.94	£3,487,695.14	£3,481,754.70	£3,496,353.37	£14,598.67

- There has been a small increase in the number of packages over £1k per week up from 1157 to 1161 individuals.
- The latest extract is also showing a significant increase in the weekly cost of packages in the 18-64 age bracket, and is the highest seen for a number of months. This will likely have a disproportionately adverse effect on the base budget requirements as will likely be much longer term package requirements.
- The average cost of a package is also up by around £5 per week compared to the last extract taken and is now £764.70 (£759.71 in last extract). This will likely continue as we continue to focus support on those most in need. We may also want to consider what the impact on returning self funders in very high cost placement is having on driving up average costs.

## Brokerage Case Form - Statistics

It is the responsibility of users of this report to be aware of, and comply with, the Data Protection Act 2018. The content of this report must be treated as you would any other elements of an individual's case record and not be disclosed to a third party unless there is a safeguarding concern or you have the appropriate legal right or consent to do so.

Date of Referral

Type of Referral

Status

Single/Double handling

New Provider

Referral Route

Case Worker Team

Form Status

Current Situation

Current Situation	Packages	Hours per Week
AWC - Long Term	9	11
AWC - Short Term	11	0
CAH Provider	5	42
Congleton - Hospital	2	44
D2A - Leighton	1	0
D2A - Macclesfield	1	16
DTA Bed	2	14
Family Support	1	34
Home First - Routes	2	3
Home with Support	1	11
Home without Support	4	70
Incomplete	3	0
Informal Care	6	5
Leighton - Hospital	2	16
Leighton Hospital	2	28
Macclesfield - Hospital	10	85
Non Commissioned CAH Provider	3	22
Reablement	3	66
Supported Living with Accommodation	3	8
<b>Total</b>	<b>73</b>	<b>490</b>

Patch	Packages	Hours per Week
Congleton, Holmes Chapel	7	46
Crewe	11	92
Knutsford, Wilmslow & Poynton	16	114
Macclesfield	18	143
Nantwich and Rural	3	0
SMASH	6	30
Unknown	12	64
<b>Total</b>	<b>73</b>	<b>490</b>

Support Required	Packages	Hours per Week
Care at Home	27	397
Day Opportunities	3	3
Incomplete	12	83
Long Term Nursing Dementia	4	0
Long Term Nursing Older People	5	0
Long Term Residential Dementia	6	0
Long Term Residential Older People	4	0
<b>Total</b>	<b>73</b>	<b>490</b>

- There is a continued downward trend in the number of packages we are trying to source with this months snap shot being well below a 100 and 27 less than last month.
- Since mid October the snap shot is 90 less packages and nearly 1200 less hours.

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OPEN

## Adults and Health Committee

20<sup>th</sup> January 2025

### Response to Notice of Motion – Winter Fuel Allowance

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**Report of: Helen Charlesworth May, Executive Director, Adults, Health and Integration**

**Report Reference No: AH/23/2024-25**

**Ward(s) Affected: All**

**For Decision or Scrutiny: Decision**

#### **Purpose of Report**

- 1 The purpose of this report is to respond to the [Notice Of Motion raised at Full Council on 16<sup>th</sup> October 2024](#):

This Council is dismayed at the Labour Government's recent decision, in the absence of a full impact assessment, to restrict the Winter Fuel Payment to only those pensioners in receipt of Pension Credit or similar benefit, with immediate effect this winter.

This means that many vulnerable Cheshire East pensioners this year, will lose between £200 and £300, dependent on circumstances, that they have relied upon to keep their homes warm and hot food prepared.

Nationally, Age UK has identified that up to two million pensioners who badly need this money, will now not receive it.

In addition, as many as 800,000 pensioners who are eligible for Pension Credit, do not claim it and will therefore remain ineligible for the Winter Fuel Allowance. As elected members, we have already received letters of concern from affected, older residents, including, for example, a petition from fifty members of the Congleton Widows Group.

Vulnerable Cheshire East Pensioners on limited means, but either not claiming Pension Credit or with incomes just above the Pension Credit threshold, will face desperate choices this winter; to "heat or eat" - decisions that pose a significant threat to health and life.

This Council therefore resolves:

- That Group Leaders write jointly to the Chancellor of the Exchequer and the Secretary of State for Work and Pensions, expressing this Council's deep concerns regarding the impact of this decision on Cheshire East's most vulnerable residents and asking that the Winter Fuel Allowance is reinstated with immediate effect. This to remain in place, pending the results of a full impact assessment and the evaluation of an alternative scheme that will protect the most vulnerable and middle-income pensioners at risk during Winter months.
- To bring forward a refreshed Council-led, local awareness campaign, via digital, targeted mail and via related services and venues (for example; GP surgeries, Community facilities, places of worship), to support all those eligible, to apply for Pension Credit, before 21st December 2024. This date is critical if they are to register for Winter Fuel Allowance this Winter and so avoid fuel poverty.
- That the Leader and Deputy Leader of Council write to all Members of Parliament representing Cheshire East constituencies, explaining this Council's concerns and to request their support in raising them in Westminster, on behalf of Cheshire East's most vulnerable pensioners. Age UK responds to the Chancellor's announcement to means test the Winter Fuel Payment.

### Executive Summary

- 2 The UK government has revised the Winter Fuel Payment for 2024/2025, limiting it to pensioners receiving Pension Credit or similar benefits. This change will affect some pensioners in Cheshire East, who will no longer be eligible to claim the payment, which ranges from £200 to £300 dependent on individual circumstances.
- 3 People must claim Pension Credit in order to be eligible to receive the Winter Fuel Allowance. The recommendations of this report respond to the [Notice Of Motion raised at Full Council on 16<sup>th</sup> October 2024](#) and informs of the Council's local awareness campaign.

### RECOMMENDATIONS

The Adults and Health Committee is recommended to:

1. Ask group leaders, to write jointly to the Chancellor of the Exchequer and the Secretary of State for Work and Pensions, expressing this Council's concerns regarding the impact of this decision on Cheshire East residents and asking that the Winter Fuel Allowance is reinstated with immediate effect.

2. Note the Council's local awareness campaign, to support all those eligible, to apply for Pension Credit, before 21st December 2024 so they are able to receive the Winter Fuel Allowance this Winter.
3. Ask the Leader and Deputy Leader of Council write to all Members of Parliament representing Cheshire East constituencies, explaining this Council's concerns and to request their support in raising them in Westminster, on behalf of Cheshire East pensioners.

## Background

- 4 The UK government has made changes to the Winter Fuel Payment for 2024/2025 which restricts the Winter Fuel Payment to those pensioners in receipt of Pension Credit or similar benefit, with immediate effect this winter.
- 5 Some Cheshire East pensioners will no longer be eligible to receive the Winter Fuel Payment which ranges from £200 to £300, dependent on individual circumstances. Nationally, Age UK has identified up to 800,000 pensioners who are eligible for Pension Credit, do not claim it and will therefore remain ineligible for the Winter Fuel Allowance.
- 6 Cheshire East Council runs an awareness campaign which has helped to address the changes to Winter Fuel Payments. There are a number of local components that make up the programme, which are detailed in the table of appendix 1. Examples include the Household Support Fund, Cost of Living Community Response Grants and webpages, Affordable Warm Grants and a proactive support to assist take up with possible pension credit clients.
- 7 The Council took a targeted approach aiming to increase winter fuel payment eligibility, by proactively contacting potential claimants using the Council's benefit database. The Council has contacted customers directly, carrying out a Pension Credit check and then supporting them to claim Pension Credit if relevant.
- 8 To date, we have proactively contacted 1027 residents regarding Pension Credit, 239 were possibly eligible for Pension Credit following the check, 39 requested help to claim, 13 cases have had Pension Credit confirmed so far. We are aware that the Pension Service have over a six week delay on claims, and this is rising due to the influx of claims being made.
- 9 We had 3270 Pensioner Council Tax Support claims, 1375 claims with income over the Pension Credit threshold have not been contacted. We have targeted those who may qualify.

## Consultation and Engagement

- 10 Not applicable - the purpose of this report respond to the [Notice Of Motion raised at Full Council on 16<sup>th</sup> October 2024](#) which made observations regarding the impact of the Government's decision to restrict the Winter Fuel Payment to those pensioners in receipt of Pension Credit or similar benefit, with immediate effect this winter.

**Reasons for Recommendations**

- 11 The reason for the recommendations that are outlined in section 2 and 3 of this report is to respond to the Notice of Motion raised at Full Council on 16th October 2024 which made observations regarding the impact of the Government’s decision to restrict the Winter Fuel Payment to those pensioners in receipt of Pension Credit or similar benefit, with immediate effect this winter.
- 12 The recommendations also highlight the awareness campaign to support those eligible, to apply for Pension Credit, before the deadline of 21st December 2024 so they are able to receive the Winter Fuel Allowance this Winter.

**Other Options Considered**

13

Option	Impact	Risk
Do nothing	Older people who may potentially be eligible for further support, miss out on payments which could have been claimed.	Older people may be unaware of support available in their local communities and may be unaware of which benefits they’re entitled to.

**Implications and Comments**

*Monitoring Officer/Legal*

- 14 Minute 52 Notices of Motion of the meeting of the Council on Wednesday 16th October recorded that Motion 1 Winter Fuel Allowance which had been submitted in accordance with the Council’s Procedural Rules be referred to the Adults and Health Committee for consideration. Committee and sub- committee Procedure Rules 2.39 and 2.40 Chapter 3- Part 1: Section 2 sets out the relevant procedural rules at Committee.
- 15 There are no direct legal implications arising from this report.

*Section 151 Officer/Finance*

- 16 Notice of motion is being discussed at Adults and Health committee in accordance with the Council’s Procedural Rules be referred to the Adults and Health Committee for consideration. Committee and sub- committee Procedure Rules 2.39 and 2.40 Chapter 3- Part 1: Section 2 sets out the relevant procedural rules at Committee and has no direct impact on the MTFs.
- 17 The awareness campaign's activity has been funded by the Council's existing financial resources, resulting in no additional cost.

*Policy*

- 18 Notice of motion is being discussed at Adults and Health committee in accordance with the Council’s Procedural Rules be referred to the Adults and Health Committee for consideration. Committee and sub- committee Procedure

Rules 2.39 and 2.40 Chapter 3- Part 1: Section 2 sets out the relevant procedural rules at Committee

*Equality, Diversity and Inclusion*

- 19 Advice and support has been targeted at pensioners that could be impacted by the change in Winter Fuel Payments and towards those pensioners that may be eligible to claim pension credit and receive the winter fuel payments.

*Human Resources*

- 20 No implications, notice of motion is being discussed at Adults and Health committee in accordance with the Council's Procedural Rules.

*Risk Management*

- 21 There is a risk that older people may be unaware of support available in their local communities and may be unaware of which benefits they're entitled to which could result in older people who may potentially be eligible for further support, missing out on payments which could have been claimed.

*Rural Communities*

- 22 None, notice of motion is being discussed at Adults and Health committee in accordance with the Council's Procedural Rules.

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

- 23 No impact on Children, Young people including Cared for Children and Children with special educational needs and disabilities.

*Public Health*

- 24 Raising awareness of the changes in Winter Fuel Allowance and of benefits available to pensioners will have a positive overall impact on the health and wellbeing of older Cheshire East residents.

*Climate Change*

- 25 No direct impact on climate change.

<b>Access to Information</b>	
Contact Officer:	Dan Coyne, Head of Service, Communities and Integration <a href="mailto:Daniel.Coyne@cheshireeast.gov.uk">Daniel.Coyne@cheshireeast.gov.uk</a> Lynsey Cooper, Senior Community Development Officer <a href="mailto:Lynsey.cooper@cheshireeast.gov.uk">Lynsey.cooper@cheshireeast.gov.uk</a>
Appendices:	Appendix 1 - Components of Cheshire East Awareness Campaign
Background Papers:	<a href="#">Notices of Motion – Council, 16<sup>th</sup> October 2024</a> <a href="#">Winter Fuel Payment Overview</a> <a href="#">The Council's Constitution, Chapter 3 – Rules of Procedure</a>

## OPEN

## Appendix 1 - Components of Cheshire East Awareness Campaign

Intervention	Details	Website link
Affordable Warmth Grant	<p>Grant for up to 75% of the cost of work, up to £2,000, for urgent heating improvements (such as boiler repairs, replacement boilers or new heating appliances). To qualify, you must be a homeowner living in the property, have a gross household income of no more than £31,000 and savings of no more than £23,250.</p> <p>This grant is also available to owner occupiers needing urgent heating to be able to come home from hospital.</p>	<a href="#">Help with heating your home</a>
Cost of Living Community Response Grants	<p>64 grants awarded to Voluntary, Community, Faith and Social Enterprise sector organisations to:</p> <ul style="list-style-type: none"> <li>• Support the VCFSE sector in Cheshire East by helping them to recover from the Cost-of-Living impact by thinking how they may make efficiencies whilst also responding to the needs of their beneficiaries.</li> <li>• Support the VCFSE sector to develop sustainable food solutions and long-term support to reduce the dependence on food banks.</li> <li>• Enable those adversely impacted by the Cost of Living to access the right help and support at the right time.</li> </ul> <p>There have been 23,852 service uses to date.</p> <p>Examples of outcomes achieved include:</p> <p>Older people have been supported to safely access the internet, to arrange online deals with energy providers and search for best deals on various financial dealings and services.</p> <p>Increased wellbeing, improved social networks, and new skill development</p>	<a href="#">Grant funded projects</a>

	<p>Signposting for participants - helping them to access the appropriate services to alleviate their worries and concerns.</p> <p>Low-cost, high-quality food provided via a community supermarket where people are able to take home a wide variety of groceries (worth circa £30) for a £5 donation.</p>	
Cost of Living Webpages	<p>Comprehensive source of information about support available, captured on one webpage.</p> <p>16,572 page visits in the past 12 months.</p> <p>Anticipated outcome is that residents are well informed of services in place that can help to alleviate some of the pressures of the Cost-of-Living Crisis.</p>	<a href="https://www.cheshireeast.gov.uk/livewell/education-employment-and-money/money-matters/cost-of-living.aspx">https://www.cheshireeast.gov.uk/livewell/education-employment-and-money/money-matters/cost-of-living.aspx</a>
ECO and ECO Flexible Eligibility	<p>Major gas and electricity suppliers have to provide funding towards energy efficiency such as heating or insulation; those in receipt of welfare benefits you may qualify for help.</p> <p>ECO Flex Funding is available through ECO for people who don't receive one of the qualifying benefits but does meet the criteria in Cheshire East's Flexible Eligibility Statement of Intent.</p>	<a href="#">Help with heating your home</a>
Energy Outreach Project	<p>Funded nationally by Citizens Advice, the Energy Outreach Project is a collaboration of locally delivered advice projects, spanning England and Wales. The project starts each year in summer and runs through to the end of March. Local organisations can deliver an "Energy Champion" project, and/or a "Regional Energy Lead" project, each contributing to the national targets, in different ways.</p>	<a href="#">Energy Outreach Project 2024-25   Energy Projects Plus</a>
Gas Safe Charity	<p>Small grants of up to £200 are available if you are concerned about gas safety in your home.</p>	<a href="#">Help with heating your home</a>
Home Upgrade Grant	<p>Warm Homes Local Grant scheme will be delivered from April 2025, subject to government funding.</p>	<a href="#">Help with heating your home</a>

	Warm Homes Local Grants will be available for homes which have an Energy Performance Certificate (EPC) that is Band D, E, F or G.	
Household Support Fund	<p>An extension to the Household Support Fund (HSF) was announced by the UK government on 02 September 2024. The fund covers the period from 1 October 2024 to 31 March 2025.</p> <p>In Cheshire East, the HSF grant provides crisis support to financially vulnerable households most in need. The fund is also available to support those adults and families who are struggling to afford household basics including food, energy, and wider essentials.</p> <p>A range of support is available to help financially vulnerable adults, children and their families living in Cheshire East:</p> <ul style="list-style-type: none"> <li>• Food and energy support</li> <li>• Support for household essentials covering white goods, bedding and basic refurbished furniture items (if available)</li> <li>• Exceptional cost support</li> </ul>	<a href="#">Household Support Fund</a>
Local Energy Advice Project	LEAP offers free Home Energy Visits or in-depth advice calls to people who are vulnerable to living in a cold home.	<a href="#">LEAP   Energy Projects Plus</a>
Private Rented Sector housing standards	<p>If you rent your home from a private landlord and you are unhappy about disrepair or the condition of the property, we can:</p> <ul style="list-style-type: none"> <li>give you advice about how to resolve the issues with your landlord</li> <li>inspect your home and rate any hazards using the Housing Health and Safety Rating System</li> <li>liaise with your landlord to get the repairs carried out</li> <li>take enforcement action to get the repairs carried out</li> </ul>	<a href="#">Housing standards</a>
Proactive take up with possible PCG clients	To date, we have proactively contacted 1027 residents regarding Pension Credit, 239 were possibly eligible for Pension Credit following the check, 39 requested help to claim, 13 cases have had Pension Credit confirmed so far. We are aware that the Pension Service have an over 6-	<a href="#">Benefits</a>

	<p>week delay on claims, and this is rising due to the influx of claims being made.</p> <p>We had 3270 Pensioner Council Tax Support claims, 1375 claims with income over the Pension Credit threshold have not been contacted. We have targeted those who may qualify and aim to contact another 100 before the 21.12.24.</p>	
Save Energy Advice Line	<p>Save Energy Advice Line (SEAL), offers free and impartial energy efficiency advice to residents across Cheshire &amp; Merseyside.</p> <p>A team of qualified energy efficiency advisors offer advice on domestic energy efficiency and renewable energy.</p>	<a href="#">Save Energy Advice Line   Energy Projects Plus</a>
Supporting Community Wellbeing Fund	<p>14 grants awarded to Voluntary, Community, Faith and Social Enterprise sector organisations to</p> <p>To allow organisations to recruit, co-ordinate and train volunteers who are supporting vulnerable residents to stay in their own homes, in the community, that will in turn reduce health inequalities and the demand in social care.</p> <ul style="list-style-type: none"> <li>• To increase the number of organisations that can match volunteers to vulnerable people needing support in their communities.</li> <li>• To support vulnerable individuals that are discharged from hospital to rehabilitate in their own home.</li> <li>• To provide accessible and affordable transport to services and appointments for vulnerable people, across all areas of Cheshire East that creates a diverse community transport offer that gives options for individuals with different circumstances.</li> <li>• Support the VCFSE sector to develop sustainable food solutions and long-term support to reduce the dependence on food banks.</li> <li>• Enable those adversely impacted by the Cost of Living to access the right help and support at the right time.</li> </ul>	<a href="#">Grant funded projects</a>

	<ul style="list-style-type: none"> <li>To allow organisations to manage their basic governance, risk and compliance processes, utilising software licences and/or systems (applications can be made for up to £500 for this objective)</li> </ul>	
Warm Places	<p>32 (to date) registered Warm Places including CE Libraries</p> <p>By signing up to the Warm Places Charter, organisations agree to:</p> <ul style="list-style-type: none"> <li>Provide a warm and welcoming space for the community</li> <li>Treating everyone equally, with dignity and respect</li> <li>Ensuring your Warm Place is a safe place at all times</li> <li>Not disclosing any personal information regarding anyone who uses your services or attends your Warm Place</li> <li>Not judging anyone on the circumstances on why they require your services</li> </ul>	<a href="#">Warm places - keeping Cheshire East warm</a>
Warmth 4 Health	<p>Through funding from Cadent Foundation, the Warmth 4 Health project covers all of Cheshire and Merseyside with advice and support for residents whose homes might be contributing to their ongoing ill-health.</p> <p>The continuing Cost of Living Crisis is causing millions of households to underheat their homes. Unfortunately, while this can help keep bills low, cold spots in underheated rooms can attract condensation.</p> <p>A specialist team of qualified Energy Advisors are trained to diagnose likely causes of condensation, damp, and mould, and provide recommendations to the resident.</p>	<a href="#">Warmth 4 Health   Energy Projects Plus</a>
Winter Wellbeing allocation of items	Items available for vulnerable persons from CE libraries such as hats, gloves, socks, thermal underwear, duvets, hot water bottles.	NA

	Referrals can be made via CE Local Area Coordinators, community development officers, homelessness teams.	
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## **CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Cheshire East Health and Wellbeing Board**  
held on Tuesday, 19th November, 2024 in the Committee Suite 1,2 & 3,  
Westfields, Middlewich Road, Sandbach CW11 1HZ

### **PRESENT**

#### **BOARD MEMBERS**

Councillor Sam Corcoran (Chair), Cheshire East Council  
Councillor Carol Bulman, Chair of Children and Families Committee,  
Cheshire East Council  
Helen Charlesworth-May, Executive Director Adults, Health and Integration  
Councillor Janet Clowes, Cheshire East Council  
Michelle Davies, Guinness Partnership  
Richard Nash, Interim Director of Family Help and Children's Social Care,  
Cheshire East Council  
Councillor Jill Rhodes, Chair of Adults and Health Committee, Cheshire East  
Council  
Peter Skates, Acting Executive Director Place, Cheshire East Council  
Kathryn Sullivan, Chief Executive, CVS Cheshire East  
Mark Wilkinson, Place Director, NHS Cheshire and Merseyside Integrated  
Care Board  
Isla Wilson, Chair of Cheshire East Health and Care Place Partnership

#### **OFFICERS IN ATTENDANCE**

Guy Kilminster, Corporate Manager, Health Improvement  
Dr Rod Thomson, Public Health Consultant  
Dr Susie Roberts, Public Health Consultant  
Dan McCabe, Head of Integrated Urgent Care  
Nik Darwin, Senior Commissioning Manager  
Hannah Gayle, Project Manager – Thriving and Prevention  
Rachel Graves, Democratic Services Officer

The Chair congratulated the Green Spaces for Wellbeing team who had won the best health initiative award from the Green Flag scheme for their work in Queens Park, Crewe. The initiative had got people involved in working outside in green spaces with others on a community project in an area of the Borough and it was contributing to addressing the wider determinants of health and reducing health inequalities.

The Chair reported that Item 8 – Cancer Alliance, had been deferred until the next meeting of the Board in January 2025.

**24 APOLOGIES FOR ABSENCE**

Apologies were received from Denise Bowman (Cheshire Fire and Rescue Service), Louise Barry (Healthwatch Cheshire), Dr Paul Bishop (NHS Cheshire and Merseyside Integrated Care Board), Superintendent Claire Jesson (Cheshire Constabulary) and Theresa Leavy (Interim Executive Director Children Services, Cheshire East Council).

Richard Nash, Interim Director of Family Help and Children's Social Care, Cheshire East Council, attended as a substitute for Theresa Leavy.

**25 DECLARATIONS OF INTEREST**

In the interest of openness, Councillor S Corcoran declared an interest by virtue of his wife being a GP.

**26 MINUTES OF PREVIOUS MEETING**

**RESOLVED:**

That the minutes of the meeting held on 24 September 2024 be confirmed as a correct record.

**27 PUBLIC SPEAKING TIME/OPEN SESSION**

There were no public speakers.

**28 HOUSING AND HEALTH**

The Board received a presentation on Housing and Health from Karen Carsberg, Head of Housing, Cheshire East Council and Michelle Davis, Regional Head of Customer Services (North West), Guinness Partnership.

The presentation highlighted the link between poor housing conditions and health conditions such as respiratory problems, mental health issues and slower physical development in children. Statistics showed that 9% of private housing and 5.4% of social housing in England suffered from damp. Another area of concern was that many residents faced fuel poverty.

The Board commented that there was a reluctance by tenants to report issues due to the fear of eviction and that it was important to engage with tenants and landlords to set out their responsibilities. It was suggested that housing assistance and promotion of government programmes and grants should be made more user friendly and accessible for all tenants, especially vulnerable groups. Engagement with voluntary sector partners, and the fire service, police and health care providers for outreach and support would be ways of doing this

**RESOLVED:**

That the presentation be noted.

**29 CHESHIRE AND MERSEYSIDE CHILD POVERTY REPORT**

The Board received a report on a recent analysis of child poverty across Cheshire and Merseyside undertaken on behalf of the CHAMPs Public Health Collaborative.

The analysis had shown that there were persistent high levels of child poverty across Cheshire and Merseyside, which reflected the national trend. In 2022-23 14.7% of children under 16 in Cheshire East lived in relative low-income families, with two thirds of these children being in working families which showed the limits of employment in addressing poverty. Child poverty was linked to health inequalities, reduced life expectancy and poor mental health.

It was noted that the Cheshire and Merseyside Integrated Care Board was working with partners on prevention and had allocated additional funding. The Board highlighted the importance of local initiatives such as family hubs and targeted community programmes and that multi-sector interventions were required to help prevent the causes of poverty, these included the provision of housing, transport and education. Policy changes at a national level, such as the re-evaluation of the child benefit cap, would also help towards reducing child poverty.

**RESOLVED:**

That the Health and Wellbeing Board note the findings and recommendations within the recently published rapid situational analysis paper.

**30 JOINT STRATEGIC NEEDS ASSESSMENT (JSNA) UPDATE**

The Board received an update on the progress with the Joint Strategic Needs Assessment work programme.

It was reported that work had been focusing on loneliness and social isolation, care of older people, special education needs and disability, sexual health, lifestyle and a Macclesfield place-based review.

It was noted that future reviews would be deferred due to staff shortages and resources constraints and the pressure to complete the Pharmaceutical Needs Assessment for formal consultation.

**RESOLVED:** That the Health and Wellbeing Board

- 1 note the progress on the Joint Strategic Needs Assessment work programme and current capacity challenges across the system.

- 2 continue to use the Joint Strategic Needs Assessment to inform decision making across the system.

### 31 **CANCER ALLIANCE**

This item was deferred until the next meeting of the Health and Wellbeing Board.

### 32 **CHESHIRE EAST DRUGS AND ALCOHOL PLAN**

The Board received a report on the Cheshire East Drugs and Alcohol Plan.

The Plan provided a clear set of actions to address recommendations outlined in the Drugs and Alcohol Joint Strategic Needs Assessment. The Plan had been co-produced with a wide range of stakeholders and information gathered from focus groups and 1-to-1 interviews. The Plan focused on areas of training and education, communication, reducing stigma and reducing supply and demand.

The Plan had been approved by the Combating Drugs Partnership and would be considered by the Adults and Health Committee on 18 November 2024. Monitoring of the Plan would be carried out by the Combating Drugs Partnership using measurable targets.

The issue of Minimum Unit Pricing was raised and whether a sub-regional approach could be taken on this. It was reported that it was on the agenda at the Cheshire and Merseyside Alcohol Programme Board but was awaiting national government direction on minimum unit pricing.

It was noted that alcohol related issues spanned across all communities, including affluent areas. It was asked what barriers were there to those that needed help. In response it was stated that these included resource limitations, stigma and inadequate referral pathways. It was felt that an emphasis should be on an inclusive approach to treat mental health and substance misuse together. It was suggested that a co-ordinated practical integrated response involving health, education, housing and social care would benefit those that had alcohol and drugs issues.

#### **RESOLVED:**

That the Health and Wellbeing Board note the 'Cheshire East Drugs and Alcohol Plan – Reducing Drug and Alcohol Harm in Cheshire East'.

### 33 **NHS TEN-YEAR PLAN ENGAGEMENT**

The Board considered a report on the draft Cheshire East Council's response to the Ten-Year Plan engagement exercise.

In October the Government and NHS England had launched their engagement exercise to inform the new Ten-Year Plan for Health. The Cheshire East Council's response had been drafted and was shared with the Board for comment, prior to internal sign off and submission before the deadline of 2 December. Partner organisations were encouraged to respond individually.

**RESOLVED:**

That the Health and Wellbeing Board note the draft Cheshire East Council response to the Ten-Year Plan engagement exercise.

**34 THE CHESHIRE EAST WINTER PLAN**

The Board received a presentation on the Cheshire East Winter Plan.

The purpose of the Winter Plan was to ensure that plans had been put in place to manage the increased activity during the Winter period. The Plan had been developed in partnership with Cheshire East system partners across the place and considered the impact and learning from last winter.

The Board provided feedback and comments in respect of

- insufficient funding and workforce shortages to meet projected demand
- ways to improve the involvement of the voluntary sector
- suggestion that the focus should be on preventative measures such as vaccinations and falls prevention.

**RESOLVED:**

That the Winter Plan be noted.

The meeting commenced at 2.00 pm and concluded at 4.00 pm

Councillor S Corcoran (Chair)

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## Adults & Health Work Programme 2024-25

Adults & Health Committee	Report Reference	Title	Purpose of Report	Corporate Plan Priority	Lead Officer	Exempt Item	Consultation	Equality Impact Assessment	Part of Budget and Policy Framework	Is the report for decision or scrutiny?
<b>March 25</b>										
24/03/25		Service Budgets 2025/26 (Adults & Health Committee)	The purpose of this report is to set out the allocation of approved budgets for 2025/26 for services under the Committee's remit, as determined by Finance Sub Committee	Open	Director of Finance and Customer Services	No	No	No	Yes	Decision
<b>June 25</b>										
		Final Outturn 2024/25	This report outlines how the Council managed its resources to achieve both positive outcomes and value for money in the delivery of services during the 2024/25 Financial Year. The purpose of the report is to note and comment on the final financial and performance outturn position and (if necessary) to approve	Open	Director of Finance and Customer Services	No	No	No	Yes	Scrutiny

## Adults & Health Work Programme 2024-25

Adults & Health Committee	Report Reference	Title	Purpose of Report	Corporate Plan Priority	Lead Officer	Exempt Item	Consultation	Equality Impact Assessment	Part of Budget and Policy Framework	Is the report for decision or scrutiny?
			Supplementary Estimates and Virements.							
<b>September 25</b>										
		First Financial Review of 2025/26	To note and comment on the First Financial Review and Performance Position of 2025/26, including progress on policy proposals and material variances from the MTFS and (if necessary) approve Supplementary Estimates and Virements.	Open	Director of Finance and Customer Services	No	No	No	Yes	Scrutiny
<b>November 25</b>										
		Second Financial Review of 2025/26	To note and comment on the Second Financial Review and Performance position of 2025/26, including progress on policy proposals and material variances from the MTFS and (if	Open	Director of Finance and Customer Services	No	No	No	Yes	Scrutiny

## Adults & Health Work Programme 2024-25

Adults & Health Committee	Report Reference	Title	Purpose of Report	Corporate Plan Priority	Lead Officer	Exempt Item	Consultation	Equality Impact Assessment	Part of Budget and Policy Framework	Is the report for decision or scrutiny?
			necessary) approve Supplementary Estimates and Virements.							
		Medium Term Financial Strategy Consultation 2026/27 - 2029/30	All committees are being asked to provide feedback in relation to their 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 to the current financial strategy.	Open	Director of Finance and Customer Services	No	No	No	Yes	Scrutiny
January 26										

## Adults & Health Work Programme 2024-25

Adults & Health Committee	Report Reference	Title	Purpose of Report	Corporate Plan Priority	Lead Officer	Exempt Item	Consultation	Equality Impact Assessment	Part of Budget and Policy Framework	Is the report for decision or scrutiny?
		Third Financial Review of 2025/26	To note and comment on the Third Financial Review and Performance position of 2025/26, including progress on policy proposals and material variances from the MTFS and (if necessary) approve Supplementary Estimates and Virements.	Open	Director of Finance and Customer Services	No	No	No	Yes	Scrutiny
		Medium Term Financial Strategy Consultation 2026/27 - 2029/30 Provisional Settlement Update	All Committees are being asked to provide feedback in relation to their financial responsibilities as identified in 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 in	Open	Director of Finance and Customer Services	No	No	No	Yes	Scrutiny

## Adults & Health Work Programme 2024-25

Adults & Health Committee	Report Reference	Title	Purpose of Report	Corporate Plan Priority	Lead Officer	Exempt Item	Consultation	Equality Impact Assessment	Part of Budget and Policy Framework	Is the report for decision or scrutiny?
			making recommendations to Council on changes to the current financial strategy. Finance Sub Committee will also receive an update on the Local Government Financial Provisional Settlement							
<b>March 26</b>										
		Service Budgets 2026/2027	The purpose of the report is to set out the allocation of budgets for 2026/27, for all Committees, following Council's approval of the Medium Term Financial Strategy in February 2024, as determined by Finance Sub Committee.	Open	Director of Finance and Customer Services	No	No	No	Yes	Scrutiny

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