

Finance Sub-Committee

Agenda

Date: Wednesday, 9th November, 2022
Time: 2.00 pm
Venue: Committee Suite 1, 2 & 3, Westfields, Middlewich Road,
Sandbach CW11 1HZ

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

It should be noted that Part 1 items of Cheshire East Council decision making 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 and non-pecuniary interests in any item on the agenda.

3. **Public Speaking/Open Session**

In accordance with paragraph 2.24 of the 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 Sub-Committee on any matter relating to this agenda. Each member of the public will be allowed up to two minutes to speak; 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.

4. **Minutes of Previous Meeting** (Pages 5 - 26)

To approve as a correct record the minutes of the meeting held on 7th September 2022.

Contact: Paul Mountford, Democratic Services
Tel: 01270 686472
E-Mail: paul.mountford@cheshireeast.gov.uk

5. **Financial Review 2022/23** (Pages 27 - 178)

To consider a report which provides an overview of the Cheshire East Council forecast outturn for the financial year 2022/23.

6. **The Grants Register** (Pages 179 - 194)

To consider a report on the full Grants Register (unringfenced and ringfenced revenue grants) for 2022/23, including an update on the Shared Prosperity Fund.

7. **Business Rates Discretionary Schemes** (Pages 195 - 268)

To consider a report which provides an overview of the Business Rates system, requests approval of the Discretionary Business Rates Policy for Cheshire East Council, and provides an update on the Government's review of Business Rates.

8. **Governance of the Cheshire & Warrington DF (GP) Ltd** (Pages 269 - 278)

To consider a report which asks the Sub-Committee to make an appointment to the Board of Cheshire and Warrington DF (GP) Limited.

9. **Review of Wholly-Owned Companies' Business Plans** (Pages 279 - 290)

To consider a report which asks the Sub-Committee to re-establish the Shareholder Working Group, to review the Business Plans of Ansa Environmental Services and Orbitas Bereavement Services, for the period 2023/24-2026/27, and related performance reports.

10. **Work Programme** (Pages 291 - 296)

To consider the Work Programme and determine any required amendments.

11. **Procurement Pipeline** (Pages 297 - 308)

To receive an update on the procurement pipeline for the Council and any contracts to be considered as business as usual, the contracts awarded since April 2022 and other procurement activity.

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

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

The Committee may decide that the press and public be excluded from the meeting during consideration of the following items pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1, 2, 3 and 5 of Part 1 of Schedule 12A to the Local Government Act 1972 and public interest would not be served in publishing the information.

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

13. **Procurement Pipeline** (Pages 309 - 336)

To receive details of the waivers referred to in the Procurement Pipeline report.

14. **Ansa Environmental Services - Retention Payments** (Pages 337 - 356)

To consider the report.

15. **ANSA Household Waste Centre Procurement** (Pages 357 - 370)

To consider the report.

Membership: Councillors D Brown, S Carter (Vice-Chair), J Clowes, S Gardiner, N Mannion, B Puddicombe, A Stott (Chair) and M Warren

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CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Finance Sub-Committee**
held on Wednesday, 7th September, 2022 in Committee Suite 1, 2 & 3,
Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor A Stott (Chair)
Councillor S Carter (Vice-Chair)

Councillors D Brown, J Clowes, S Gardiner, N Mannion, B Puddicombe and
M Warren

OFFICERS

Alex Thompson, Director of Finance and Customer Services
David Brown, Director of Governance and Compliance
Julie Gregory, Legal Team Manager – Place/Corporate
Lianne Halliday, Senior Manager – Procurement
Paul Mountford, Democratic Services

22 DECLARATIONS OF INTEREST

There were no declarations of interest.

23 PUBLIC SPEAKING/OPEN SESSION

There were no public speakers.

24 MINUTES OF PREVIOUS MEETING**RESOLVED**

That the minutes of the meeting held on 6th July 2022 be approved as a correct record.

25 REVIEW THE MEDIUM-TERM FINANCIAL STRATEGY RESERVE

The Sub-Committee considered a report on the use of the Medium-Term Financial Strategy (MTFS) reserve to date and its forecast use within the MTFS 2022 to 2026. The purpose of the report was to improve the Sub-Committee's awareness of the approach to managing the Council's MTFS Reserve, including its creation and ongoing governance.

RESOLVED (unanimously)

That the Sub-Committee

1. notes the reporting to date in respect of the MTFS reserve;

2. notes the forecast movements within the reserve over the next four years; and
3. notes the level of the reserve as part of the overall Reserves Strategy, having regard to the s.25 Report of the Chief Financial Officer (Annex A to the report).

26 **WORK PROGRAMME**

The Sub-Committee reviewed its work programme for 2022/23.

Officers reported that an item would be added to the work programme for the November meeting to appoint a working group to review the business plans of the wholly-owned companies.

Members discussed whether an item should be added to the work programme to consider the impact on the Council's finances and services of the developing cost of living crisis. On reflection, it was agreed that this would be a cross-cutting issue affecting all Council services and should probably sit with the Corporate Policy Committee. The Chair suggested that this should perhaps be addressed as part of the MTFs process rather than as a discrete agenda item.

With regard to the currently unallocated item relating to Section 106/CIL Oversight, members commented on the need for this to be allocated to a meeting as soon as possible and for information on S106 monies to be readily available.

RESOLVED (unanimously)

That subject to the proposed amendments and additional items discussed at the meeting, the work programme be noted.

27 **PROCUREMENT PIPELINE**

The Sub-Committee considered an update report on the procurement pipeline for the Council, the contracts awarded since April 2022 and procurement activity. The detailed waivers referred to in the report would be considered in Part 2 of the meeting.

At its meeting on 6th July 2022, the Sub-Committee had appointed a working group comprising Councillors Councillor S Carter, J Clowes and N Mannion to review several completed procurements and report back to the Sub-Committee. The working group had met on 5th August, with Councillor Mannion acting as chair. Councillor Mannion reported that the working group had considered an overview of the current procurement process, preparations for changes required by new legislation currently going through Parliament, and a close look at a small range of varied procurement exercises. The quality and clarity of the process was seen to be very good, with consistent application and compliance across the

authority. The group was also satisfied that the lessons learned were being accepted and that preparation for the forthcoming post-Brexit changes were well understood and implemented. The working group felt that there would be potential value in holding another such review at a future date. Councillor Clowes added that any changes to the procurement process would need to be reflected in the Constitution.

The Chair thanked the working group for its work.

RESOLVED (unanimously)

That the Sub-Committee

1. notes the procurement pipeline of activity in Appendix 1 to the report;
2. approves the two new pipeline projects in Appendix 1 as business as usual;
3. notes the contracts awarded by the Council since April 2022, Appendix 2;
4. notes the reason for seven waivers approved between 1st June 2022 and 31st August 2022 (13 in total in 2022/23); and
5. notes the report of the procurement working group.

28 COMMENCEMENT ASDV GOVERNANCE REVIEW

The Sub-Committee considered a report proposing immediate changes to governance and reporting arrangements of the Council's wholly-owned companies following a review of recently-published CIPFA good practice guidance on local authority-owned companies and the findings of Public Interest Reports on the governance arrangements of various local authority companies. Appendix 4 to the report contained exempt information and would be considered in Part 2 of the meeting.

Kevin Melling, Managing Director of Ansa and Orbitas, attended the meeting and, at the invitation of the Chair, spoke on this matter.

Members commented that the review of governance arrangements should include Tatton Park Enterprises.

RESOLVED (unanimously)

That the Sub-Committee

1. supports the contents of the CIPFA Guidance (Local Authority Companies: a good practice guide, 2022), Public Interest Reports and the Governance reports (Appendix 3 to the report);

2. agrees the appointment of a member of the Finance Sub-Committee as a shareholder representative and an observer to the board of each company, with access to all information, the members appointed being:

Councillor A Stott - Ansa
Councillor D Brown - Orbitas
Councillor S Gardiner - Tatton Park Enterprises

3. agrees that all Directors of wholly-owned companies immediately receive formal training and that both Cheshire East Council and each company provides the shareholder with a programme of training and implementation dates;
4. agrees that arrangements be put in place for:
 - (a) quarterly reporting of Company Accounts to the Corporate Leadership Team (CLT) and the Shareholder (via the Shareholder Working Group); and
 - (b) annual reporting of Company Accounts to the Audit and Governance Committee;
5. agrees the terms of reference for the governance review at Appendix 2, subject to an amendment to provide that a working Group of 7, comprising 5 elected members and 2 officers (the latter representing the Finance and Legal services respectively), be appointed to undertake a full review of the structure and governance of the Council's wholly-owned companies in line with the Guidance (and toolkit for undertaking strategic and governance reviews), following which a further report will be brought before the Committee;
6. agrees that the working group referred to in resolution 5 comprise the following elected members:

Councillor D Brown
Councillor S Carter
Councillor S Handley
Councillor S Pochin
Councillor L Smetham

7. confirms the closure of Cheshire East Residents First (CERF) and delegates authority to the Director of Governance and Compliance, in consultation with the working group where appropriate, to make any consequential changes to the governance structure of the Council's ASDVs, their respective governance documents (including the Shareholders Agreements) and the Constitution of the Council as necessary in order to implement the revised arrangements.

29 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded from the meeting during consideration of the following items pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1, 2 and 3 of Part 1 of Schedule 12A to the Local Government Act 1972 and the public interest would not be served in publishing the information.

30 COMMENCEMENT ASDV GOVERNANCE REVIEW

The Sub-Committee considered Appendix 4 to the ASDV Governance Review report.

RESOLVED

That the Appendix be noted.

31 PROCUREMENT PIPELINE

The Sub-Committee considered details of the waivers referred to in the Procurement Pipeline report.

With regard to a waiver referred to on page 295 of the agenda, members asked if there was funding from the CCG. Officers undertook to provide a written response.

RESOLVED

That the details of individual waivers be noted.

The meeting commenced at 2.00 pm and concluded at 3.36 pm

Councillor A Stott (Chair)

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Abbreviations

| Term | Meaning |
|-------|--|
| ASC | Adult Social Care |
| ASDV | Alternative Service Delivery Vehicles – part of the Council’s commissioning approach to funding services |
| BCF | Better Care Fund |
| BRRS | Business Rates Retention Scheme – the system of local authority funding introduced on 1 st April 2013 |
| CAG | Corporate Assurance Group |
| CDRP | Crime and Disorder Reduction Partnership |
| CEC | Cheshire East Council |
| CEFS | Cheshire East Family Support |
| CERF | Cheshire East Residents First |
| CFB | Capital Financing Budget |
| CFR | Capital Financing Requirement |
| CIPFA | Chartered Institute of Public Finance and Accountancy |
| CPI | Consumer Price Index |
| CSC | Children's Social Care |
| CTS | Council Tax Support |
| DfE | Department for Education |
| DSG | Dedicated Schools Grant – grant received from Government to fund schools |
| EqIA | Equality Impact Assessment |
| EIP | Early Intervention and Prevention |
| ERP | Enterprise Resource Planning |
| ESG | Education Support Grant |
| FQR | First Quarter Review (not produced for 2020/21) |
| FTE | Full Time Equivalent |
| GP | General Practitioner |

| Term | Meaning |
|-------|--|
| GVA | Gross Value Added |
| HLBC | High Level Business Case |
| HM | Her Majesty's |
| HR | Human Resources – one of the Council's corporate service areas |
| ICT | Information and Communication Technology – the service responsible for computers, networks, software, phones, etc. |
| LA | Local Authority |
| LED | Light Emitting Diode |
| LGA | Local Government Association |
| LOBO | Lenders Option Borrows Option |
| LSCB | Local Safeguarding Children's Board |
| MARS | Mutually Agreed Resignation Scheme |
| MHCLG | Ministry of Housing, Communities and Local Government (formerly Department for Communities and Local Government – DCLG) |
| MRP | Minimum Revenue Provision |
| MTFS | Medium Term Financial Strategy |
| MYR | Mid-Year Review |
| NEETs | Not in Education, Employment or Training |
| NFF | National Funding Formula |
| NHB | New Homes Bonus Grant |
| NHS | National Health Service |
| NJC | National Joint Council |
| NNDR | National Non-Domestic Rates – the contribution to general local authority costs by businesses. The rate is set by central Government |
| PHE | Public Health England |
| PiP | Partners in Practice |
| PWLB | Public Works Loan Board – a Government agency providing loans to public bodies for capital works |
| RPI | Retail Price Index |
| RSG | Revenue Support Grant |
| S151 | Section 151 (Officer) |
| SAGC | Skills and Growth Company |

| Term | Meaning |
|-------|---|
| SBRR | Small Business Rate Relief |
| SCIES | Safeguarding Children in Education Settings |
| SEN | Special Educational Needs |
| SEND | Special Educational Needs and Disabilities |
| SLA | Service Level Agreement |
| SLE | Separate Legal Entity – a delivery model for delivering services in a different way |
| SOS | Signs of Safety |
| SSB | Supporting Small Business |
| TC | Town Centre |
| TQR | Third Quarter Review |
| TUPE | Transfer of Undertakings (Protection of Employment) regulations |
| VIC | Visitor Information Centres |

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Glossary of Terms

Accounting Period

The period of time covered by the accounts which, for local authorities, is the twelve months commencing 1st April. The 31st March is the end of the accounting period and the balance sheet date.

Accruals

The concept that income and expenditure are recognised as they are earned or incurred, not as cash is received or paid.

Agency Services

These are services provided by the Council to a third party on behalf of another organisation.

Appropriations

Amounts transferred between the Comprehensive Income and Expenditure Statement and revenue or capital reserves.

Asset Valuation

The Council's property, plant and equipment are valued in the balance sheet using the following measurement bases:

- Infrastructure, community assets, assets under construction – depreciated historical cost
- Dwellings – current value, determined using the basis of existing use value (EUV)
- Surplus assets – fair value
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value or EUV).

Assets Held for Sale

An asset is deemed as 'held for sale' if it meets the following criteria:

- the asset must be available for immediate sale in its present condition subject to terms that are usual and customary for sales of such assets;
- the sale must be highly probable, the appropriate level of management must be committed to a plan to sell the asset and an active programme to locate a buyer and complete the plan must have been initiated; and
- the asset must be actively marketed for a sale at a price that is reasonable in relation to the current value.

Associate Companies

This is an entity other than a subsidiary or joint venture in which the Council has a participating interest and over who's operating and financial policies the Council is able to exercise significant influence.

Balance Sheet

This statement shows the true and fair value of the assets and liabilities recognised by the Council at the balance sheet date (31st March). The net assets of the Council are matched by the reserves held. The following terms are used within the balance sheet:

- **Assets:** Items of worth that are measurable in terms of value. Long term (non-current) assets yield benefit to the Council for a period of more than one year, whereas current assets are cash and items which can be readily converted into cash.
- **Liabilities:** Amounts due to individuals or organisations. Current liabilities are usually payable within one year of the balance sheet date, whereas long term (non-current) liabilities will not become payable for over one year.
- **Net Assets:** The total value of the Council's assets less total liabilities.
- **Reserves:** These are either usable or unusable, see entry for Reserves.

Budget

A statement of the Council's planned service provision, income and expenditure in respect of the financial year.

Capital Transactions (excluding reserves)

- **Capital Assets:** See Property, Plant and Equipment.
- **Capital Expenditure:** Expenditure on the acquisition of an item of Property, Plant or Equipment, or expenditure that extends the useful life or operational capability of an existing asset.
- **Capital Financing:** The means by which capital expenditure incurred by the Council is funded. Usually such funding comprises grants, contributions from third parties, receipts from the sale of assets, contributions from Council reserves and borrowing.
- **Capital Programme:** The planned capital schemes the Council intends to carry out over a specified period of time.
- **Capital Receipts:** Proceeds received from the sale of capital assets. The proceeds are set aside in the Capital Reserve in order to repay the Council's borrowings or to finance new capital expenditure.
- **Capitalisation:** The classification of expenditure as capital rather than revenue, subject to the condition that the expenditure yields a benefit to the Council for a period of more than one year.
- **Revenue Expenditure Funded from Capital Resources under Statute (known as REFCUS):** Expenditure incurred that may be capitalised although it does not create a non-current asset.

Cash and Cash Equivalents

This comprises cash in hand, cash overdrawn and short term investments that are readily convertible into known amounts of cash.

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The Statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash out flows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

CIPFA

The Chartered Institute of Public Finance and Accountancy is the accountancy body which recommends accounting practice for the preparation of local authority accounts.

Collection Fund

This is a statutory fund kept separate from the main accounts of the Council and provides details of Council Tax and Non-Domestic Rate transactions of precepting authorities. As a billing authority the Council will share the risks and rewards that the amount of Council Tax and Non-Domestic Rates collected could be greater or less than that anticipated.

Collection Fund terms include the following:

- **Billing Authority:** Cheshire East Council is classed as a billing authority as it has responsibility for collecting Council Tax and Non-Domestic Rates. It collects Council Tax on behalf of Cheshire Police and Crime Commissioner, Cheshire Fire Authority and Parish Councils (also known as precepting authorities) and collects Non-Domestic Rates on behalf of Central Government and Cheshire Fire Authority.
- **Council Tax:** The means of raising money locally to fund local Council services. This is a property-based tax where the amount levied depends on the valuation of each dwelling.
- **Non-Domestic Rates (NDR):** Also known as business rates, NDR is collected from businesses in the Council's geographic area. The rates are set nationally by the Government.
- **Precept:** The amount the Council is required to raise in Council Tax on behalf of other local authorities, for example Cheshire Police and Crime Commissioner.

Comprehensive Income and Expenditure Statement (CIES)

The CIES sets out the income and expenditure for all the Council's functions for the financial year, according to the CIPFA Service Reporting Code of Practice (SeRCOP).

The CIES has two sections:

- **Surplus or Deficit on the provision of Services** – the increase or decrease in the net assets of the Authority as a result of incurring expenses and generating income.
- **Other Comprehensive Income and Expenditure** – shows any changes in net assets which have not been reflected in the Surplus or Deficit on the provision of Services. Examples include the increase or decrease in net assets of the Authority as a result of movements in the fair value of its assets and actuarial gains or losses on pension assets and liabilities.

Consistency

The principle that the same accounting treatments are used from year to year so that useful comparisons can be made. Any significant change in policies must be declared in the accounting statements.

Constitution

The fundamental principles by which the Council operates and is governed.

Contingencies

Sums set aside to meet either the potential costs of activities expected to occur during the year, over and above those costs included in the services budgets, or items which are difficult to predict in terms of financial impact or timing.

Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control.

Contingent Liabilities

A contingent liability is either:

- a possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain events not wholly with the Council's control; or
- a present obligation arising from past events where it is probable that a transfer of economic benefits will be required, but the amount cannot be measured with sufficient reliability.

Creditors

These are financial liabilities arising from the contractual obligation to pay cash in the future for goods or services or other benefits that have been received or supplied and have been invoiced or formally agreed with the supplier.

Debtors

Debtors (or income due from third parties) are recognised in the balance sheet as an asset. The income is recognised at the point at which a service or good is provided; a debtor is raised for the cash or cash equivalent amount i.e. contract value.

Where there is a risk that a debtor cannot be recovered at its initial contract value, the asset will be reduced to the amount at which it can be recovered in the balance sheet. This is accounted for in a provision for impairment (bad debt) and included in the Comprehensive Income and Expenditure Account in the Surplus or Deficit on the Provision of Services.

Deficit

Arises when expenditure exceeds income or when expenditure exceeds available budget.

Delegated Budgets

Budgets for which schools and other services have complete autonomy in spending decisions.

Depreciation

Depreciation is a measurement of consumption of the service potential inherent in an item of property, plant or equipment and is recognised in the cost of services.

Exceptional Items

Items that derive from the ordinary activities of the Council and are material in terms of the Council's overall expenditure and not expected to recur frequently or regularly.

Financial Instruments

A financial instrument is any contract which gives rise to a financial asset for one party and a financial liability or equity instrument for the other. Terms relating to Financial Instruments include:

- **Amortised cost:** the amount at which the asset or liability is measured at initial recognition (usually 'cost'), minus any repayments of principal, minus any reduction for impairment or uncollectibility, plus or minus the cumulative amortisation of the difference between that initial amount and the maturity amount.
- **Effective rate of interest:** the rate of interest that is used to calculate the value today of any future investment.
- **Equity instrument:** A contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities (such as equity share in a company) – this will only apply to investments in other entities held by the Council.
- **Fair value:** The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction.
- **Financial asset and derivatives:** A right to future economic benefits controlled by the Council that is represented by:
 - cash;
 - an equity instrument of another entity;
 - a contractual right to receive cash (or another financial asset) from another entity; or
 - a contractual right to exchange financial assets or liabilities with another entity under conditions that are potentially favourable to the Council.
- **Financial liability:** An obligation to transfer economic benefits controlled by the Council that is represented by; a contractual obligation to deliver cash (or another financial asset) to another entity / a contractual obligation to exchange financial assets or liabilities with another entity under conditions that are potentially unfavourable to the Council.
- **Market value:** The monetary value of an asset as determined by current market conditions at the balance sheet date.
- **Soft loans:** The Council may sometimes make loans that are interest free or at less than market rates, where a service objective would justify the Council making a concession. Examples include:
 - Loans to lower tier authorities and voluntary organisations to aid service provision;
 - Local businesses to encourage economic development;
 - Employees as part of a relocation package.

Government Grants

These are amounts received from Central Government towards funding the Council's activities. These represent a significant amount of Council income.

Grants and Contributions

Grants and contributions are defined as assistance in the form of transfers of resources to the Council in return for past or future compliance with certain conditions relating to the operation of activities. Most grants have stipulations as to how they are spent and consequences if resources are not applied in the manner authorised. There are a number of terms used to explain these:

- **Conditions:** specify what future economic benefits or service delivery/potential need to be achieved to avoid having to return funding or assets.
- **Restrictions:** limit what the funding / assets can be used for.
- **Stipulations:** where laws or other binding arrangements form part of the agreement between the grantor and the grantee.

Heritage Assets

Assets which are preserved in trust for future generations, or which are held for their contribution to knowledge and culture.

Impairment

Relates to a reduction in book value of either a physical or financial asset, for example:

- A reduction in the book value of an item of property, plant or equipment arising from physical damage to the asset, dilapidation or obsolescence; or
- A reduction in the book value of a financial asset for which the carrying value exceeds the estimated recoverable amount. Bad and doubtful debt falls into this category.

Income

Amounts which the Council receives, or expects to receive, from any source. Income includes Council Tax, Non-Domestic Rates, Revenue Support Grant and other Government grants, fees, charges, sales and capital receipts.

Intangible Assets

Expenditure incurred on those assets that do not have physical substance but which are separately identifiable and provide the Council with a right of use for a period in excess of one year.

International Financial Reporting Interpretations Committee

The IFRS Interpretations Committee is the interpretative body of the IFRS Foundation. Its mandate is to review on a timely basis widespread accounting issues that have arisen within the context of current International Financial Reporting Standards (IFRSs).

International Financial Reporting Standards

A set of international accounting standards which state how particular types of transactions and other events should be reported in financial statements. IFRS are issued by the International Accounting Standards Board.

Inventories

These assets are valued at the lower of cost and net realisable value. Inventories include:

- Materials or supplies to be consumed in the provision of services (e.g. road salt, transport fuel);
- Stocks held for sale or distribution (e.g. publications, leaflets).

Valuation Definitions:

- **Average Cost:** Where goods such as stocks may be purchased at different times and at different prices, an average cost is calculated to give a value to goods held at the balance sheet date.
- **Cost:** Purchase price, costs of conversion and other costs in bringing the inventories to their present location and condition.
- **Net Realisable Value:** the estimated selling price of an asset after all the costs attributed to bringing an asset to a point at which it can be sold, have been deducted.
- **Work in Progress:** The value of rechargeable work which has not been recharged at the end of the financial year.

Investment Properties

Assets which are held with a view to providing income, capital appreciation or both. Examples of investment properties are:

- Land held for long term capital appreciation;
- A building held under a finance lease and rented out;
- A property under construction or development / redevelopment for future use as an investment property.

Investments

Short-term investments comprise deposits of temporary surplus funds with banks or similar institutions. Long term investments comprise similar funds held for a period of more than one year.

Joint Venture

A Joint Venture is an arrangement under which two or more parties have contractually agreed to share control, such that decisions about the activities of the arrangement are given unanimous consent from all parties.

Leasing

A method of acquiring the use of a non-current asset by paying a rental for a specified period of time, rather than purchasing it outright. There are two categories for leasing:

- **Finance Lease:** An arrangement whereby the owner of an asset (the lessor) accepts a rental in return for allowing another party (the lessee) use of an asset for a specified period, such that substantially all of the risks and rewards associated with ownership are transferred to the lessee.
- **Operating Lease:** An arrangement similar to a finance lease but where the risks and rewards associated with ownership remain with the lessor.

Loans and Receivables

These are defined as financial assets (excluding derivatives) that have fixed or determinate payments and that are not quoted in an active market, other than those that the Council intends to sell immediately or in the near term and are classified as held for trading.

Long Term Borrowing

The main element of long term borrowing comprises loans that have been raised to finance capital expenditure projects.

Materiality

Materiality relates to the significance of transactions, balances and errors contained in the financial statements. Information is material if omitting it or misstating it could influence decisions that users make on the basis of financial information about the Council.

Minimum Revenue Provision (MRP)

The minimum amount (as laid down in statute) that the Council must charge to the accounts each year in order to meet the costs of repaying amounts borrowed.

Movement in Reserves Statement (MiRS)

The MiRS shows the movement in the year on the different reserves held by the Authority, analysed into 'usable' reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable' reserves.

Non-Distributed Costs

Costs which cannot be specifically applied to a service or services and are held centrally, comprising certain pension costs and the costs of unused shares of IT facilities and other assets.

Pensions

There are a number of terms used when accounting for pension costs:

- **Actuarial Assumptions:** Assumptions made by the Pension Fund Actuary in valuing the Fund's assets and liabilities.
- **Actuarial Gains and Losses:** A combination of the effects of changes in actuarial assumptions and experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred, including reflection of any funding valuation which has taken place since the last report).
- **Actuarial Valuation:** The valuation of the Pension Fund's assets and liabilities. The Actuary then calculates how much needs to be paid into the Fund by both the employer and contributing members to ensure there will be adequate funds to pay pensions when they become due.
- **Actuary:** An independent qualified professional who is engaged in the valuation of pension scheme assets and liabilities. The Local Government Pension Scheme Actuary reassesses the rate of employer contributions to the Pension Fund every three years.
- **Current Service Cost:** The increase in the present value of the defined benefit obligation resulting from employee service in the current period.
- **Curtailments:** costs arising from early payment of accrued pensions in respect of any redundancies during the year.
- **Deferred Benefits:** A future benefit which is being paid for in the current accounting period.
- **Defined Benefit Obligation:** the liability of a pension scheme, as shown on the balance sheet.
- **Defined Benefit Pension Scheme:** A pension scheme which is constructed to provide pre-determined pension benefits for retired members, with employers' and employees' contribution rates being calculated based on actuarial assumptions.
- **Defined Contribution Pension Scheme:** A pension scheme where the level of benefits depends on the value of the contributions paid in respect of each member and the investment performance achieved on those contributions.

- **Net Interest Expense:** The increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to payment.
- **Net Defined Benefit Liability:** the difference between the fair value of the scheme assets and the present value of the defined benefit obligation, shown as either an asset or liability on the balance sheet (depending on whether a surplus or deficit).
- **Past Service Cost:** The increase in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may either be positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).
- **Projected Unit Credit Method:** An accrued benefits valuation method in which the Fund liabilities make allowance for projected earnings.
- **Remeasurement Gains/Losses:** changes in the balance sheet value of a scheme liability relating to year on year changes in the assumptions applied by the actuary.
- **Settlements:** liabilities settled at a cost materially different to the IAS 19 reserve during the year.

Prepayments

Amounts paid by the Council in year that related to goods and services not received until the following year.

Prior Period Adjustments

Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. They do not include minor corrections or adjustments of accounting estimates made in prior years.

Private Finance Initiative (PFI)

A means of securing new assets and associated services in partnership with the private sector.

Property, Plant and Equipment (PPE)

This covers all assets held by the Council with physical substance (tangible assets) that are held for use in the provision of services, for rental to others or for administrative purposes.

Key Definitions used for PPE:

- **Accumulated Depreciation:** The cumulative accounting estimate (excluding the current year) relating to the consumption of a non-current asset.
- **Amortisation:** The process of writing down capitalised expenditure (usually on intangible assets) to the Cost of Services over the estimated useful life of the asset.
- **Community Assets:** Assets that the Council intends to hold in perpetuity, that have no determinable finite useful life and in addition may have restrictions on their disposal (e.g. parks and historic buildings).
- **Depreciated Historic Cost:** The value of an asset shown in the balance sheet calculated from the original cost less depreciation to date.
- **Depreciation:** The process of writing down capitalised expenditure (usually on Plant and Equipment) to the Cost of Services over the estimated useful life of the asset.
- **Disposals:** the value of assets which have been disposed of or decommissioned.
- **Existing Use Value (EUV):** The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing. The fair value of land and buildings is to be interpreted as the amount that would be paid for an asset in its existing use.
- **Gross Book Value:** The historical cost or the revalued amount of the asset before depreciation.
- **Infrastructure Assets:** Cheshire East Council's network of roads, pavements, and bridges included within Property, Plant and Equipment.
- **Net Book Value:** The amount at which assets are included in the balance sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.
- **Net Current Replacement Cost:** The estimated cost of replacing or recreating the particular asset in its existing condition and in its existing use, i.e. the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset.
- **Net Realisable Value:** The expected proceeds from the sale of an asset when sold on the open market between a willing buyer and a willing seller less all the expenses incurred in selling the asset.
- **Rateable Value:** The annual assumed rental value of a property that is used for business purposes.

Provisions

Amounts set aside to meet costs that are likely or certain to be incurred but where the amount of cost or timing of payment is uncertain.

Prudential Code

The Prudential Code for Capital Finance in Local Authorities (2011) (Prudential Code) was introduced in 2004 and was developed as a professional code of practice to support local strategic planning, asset management planning and proper option appraisal for local authorities when developing their programmes for capital investment in fixed assets.

Public Works Loan Board (PWLB)

The Public Works Loan Board (PWLB) is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. Its function is to lend money from the National Loans Fund to local authorities, and to collect the repayments.

Receipts in Advance

Amounts received by the Council during the year relating to goods or services to be delivered in the following year.

Related Party

A person or organisation who or which has influence and control over another person or organisation.

Reserves

Specific amounts set aside for future policy purposes or to cover contingencies. There are two types of reserve:

- **Usable Reserves:** These include the revenue and capital resources at the Council's disposal which can be used to fund expenditure or reduce local taxation. Usable reserves include:
 - Capital Receipts Reserve
 - Capital Grants Unapplied
 - Reserves and Balances Held by Schools
 - General Fund Earmarked Reserves (various)
 - General Fund Reserve.

- **Unusable Reserves:** These include unrealised gains and losses, particularly in relation to the revaluation of property, plant and equipment where the value of the asset would only become available to fund the provision of services if the asset was sold. Also included are adjustment accounts used to absorb the difference between the outcome of applying proper accounting practices and the requirements of statutory arrangements for funding expenditure. Unusable Reserves include:
 - Revaluation Reserve
 - Available for Sale Financial Instruments Reserve
 - Capital Adjustment Account
 - Capital Receipts Deferred
 - Financial Instrument Adjustment Account
 - Pensions Reserve
 - Collection Fund Adjustment Account
 - Accumulated Absences Account.

Revenue Expenditure

Revenue expenditure is spending on the day to day running costs of the Council. It includes expenditure on employees, premises, transport and supplies and services.

Section 151 Officer

An Officer appointed under Section 151 of the Local Government Act 1972 which requires every local authority to appoint a suitably qualified officer to assume overall responsibility for the administration of the financial affairs of the Council and preparation of the Statement of Accounts.

Share Accruals

These are the proportional amounts of Net Profit / (Loss) which are shared in accordance with the profit sharing agreement made between Cheshire East Council and its subsidiary and or joint venture entities.

Shared Services

This is a process of merging functions with other organisations to streamline mainstream services, standardise functions and deliver more efficient and effective services. This also enables the Council to have greater leverage and buying power within Government.

Slippage

This is when delays occur in capital works and therefore payments are not made in the financial year originally anticipated.

Subsidiary

This is an entity over which the Council is able to demonstrate it has control, such as a shareholding or representation on the entity's Board of Directors.

Surplus

Arises when income exceeds expenditure or when expenditure is less than available budget.

Surplus Assets

Property, plant and equipment held by the Council which are not currently used in the provision of Council services.

'The Code'

The Code is a code of practice on Local Authority accounting that has been developed by the CIPFA/LASAAC Code Board under the oversight of the Financial Reporting Advisory Board. The Code is based on International Financial Reporting Standards (IFRS), on which local authority accounts are now required to be based.

Transfer Payments

Relates to payments for which no goods or services are received by the Council e.g. rent allowances.

Trust Funds

Accounts for which the Council acts as trustee but for which it is not financially responsible and does not own. These amounts are not included within the Council's balance sheet.



Working for a brighter future together

Finance Sub-Committee

| | |
|-----------------------------|--|
| Date of Meeting: | 9 November 2022 |
| Report Title: | Financial Review 2022/23 |
| Report of: | Alex Thompson: Director of Finance and Customer Services |
| Report Reference No: | FSC/6/22-23 |
| Ward(s) Affected: | Not applicable |

1. Purpose of Report

- 1.1.** This report provides members with an overview of the Cheshire East Council forecast outturn for the financial year 2022/23 as reported to Corporate Policy Committee on 6 October 2022. This report gives all service committees an opportunity to consider the First Review forecasts and the associated Action Plans.
- 1.2.** Members are being asked to note the financial challenges being experienced by the Council and to recognise the importance of ongoing activity to minimise the impact on services. The report also requests approval for financial changes taking place during the year that require authorisation in-line with the Constitution.
- 1.3.** The report highlights the negative impact of increasing inflationary pressures on the Council's budget since it was set in February 2022. It also highlights ongoing costs of Covid-19 scarring, where expenditure is still increased due to the effects of the pandemic.
- 1.4.** 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 Corporate Plan 2021 to 2025. In particular, the priorities for an open and enabling organisation, ensure that there is transparency in all aspects of council decision making.

2. Executive Summary

- 2.1.** The Council operates a financial cycle of planning, monitoring and reporting. This review is part of the monitoring cycle providing the forecast outturn position and any impacts on planning for next year's budget. This report supports the Council priority of being an open and enabling organisation, ensuring that there is transparency in all aspects of council decision making.
- 2.2.** The Council set its 2022/23 annual budget in February 2022. The budget was balanced, as required, and included important planning assumptions about spending in the year. The budget is part of the Medium-Term Financial Strategy (MTFS) 2022 to 2026.
- 2.3.** The provisional financial outturn for 2021/22 was reported in July 2022 and highlighted good financial management in that year, with an overall revenue outturn favourable variance of £1.1m (0.4% of the net budget). The report also recognised emerging pressure within the final quarter of the year, particularly from rising inflation and complexity of demand for care. It was also acknowledged specific risks remained unmitigated in respect of the Council's Private Finance Initiative and High Needs within the Dedicated Schools Grant. The report also highlighted the end of Covid-19 grant funding. The ongoing assumption was that carried forward grant funding would have to be used to fund ongoing Covid-19 related pressure.
- 2.4.** In monitoring the 2022/23 financial year the national increase in inflation, from 0.4% in February 2021 to 10.1% in July 2022, is having a significant impact on the cost of Council services as well as on the cost of living for local residents. Inflation is affecting several critical areas:
- 2.4.1.** Service demand and contract inflation: Care needs are demand led, but care costs are rising due to increasing complexity of need as well as rising provider costs linked to staff shortages and utility and fuel prices. Fuel prices are also causing increases in transport and waste services.
- 2.4.2.** Pay inflation: Assumptions about achieving target inflation at a national level are not realistic in the short to medium term. This is creating cost of living increases that are subsequently leading to increasing wage demands. Pay negotiations for Council staff are impacted by this too, but are carried out at a national, not local, level. The main Trade Unions are balloting their members on the Employers' final pay offer of a flat figure increase which averages at 6%. The outcome of the pay negotiations are expected in early November.
- 2.4.3.** Covid-19 scarring: Although government funding for Covid-19 related costs has ended there remains an ongoing impact on care services and some services funded from fees and charges. Waste services are also experiencing ongoing tonnage increases from changed behaviour linked to the pandemic.

- 2.5. The findings of this financial review present a need to mitigate emerging financial pressures. The MTFS recognises that the Council has relatively low levels of reserves as funding is instead utilised to manage ongoing service demand. Mitigation can focus on several areas:
- 2.5.1. Appropriate use of balances: Carried forward Covid-19 funding, MTFS Reserve, General Reserves and specific service and company reserves levels are being reviewed and funding released to support essential services where practical. Flexible use of Capital receipts is also under review, which can allow eligible one-off revenue transformation expenditure by services to be funded from the proceeds of asset sales.
- 2.5.2. Efficiencies and Income generation: Services continue to review non-essential spending requirements to release efficiencies, delay spending or generate additional income from key stakeholders.
- 2.6. The financial pressure being experienced by Cheshire East Council is not unique. Local authorities, including Cheshire East Council, continue to liaise with government departments over the severity of so many emerging financial issues. The Council achieves this liaison either directly or through professional or political networks. The County Councils Network's most recent analysis of the costs of inflation warn that "any moves to cut their budgets next year would be 'worse than austerity' and result in 'devastating' reductions in local services – with local authorities offering just the bare minimum" ([CCN News 2022](#)).
- 2.7. The report sets out details of the latest Financial Review of the Council's forecast financial performance for 2022/23, including the forecast revenue position as reported to Corporate Policy Committee on 6 October 2022, and most recent updates to the Capital programme and grant funding received:

Annex 1: Financial Review 2022/23

- **Financial Stability:** Provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2022/23 is being funded, including the positions on overall service budgets, centrally held budgets, council tax and business rates. Further details are contained in the appendices.
- **Appendices:**
 - Appendix 1** Adults and Health Committee.
 - Appendix 2** Children and Families Committee.
 - Appendix 3** Corporate Policy Committee.
 - Appendix 4** Economy and Growth Committee.
 - Appendix 5** Environment and Communities Committee.
 - Appendix 6** Finance Sub-Committee.
 - Appendix 7** Highways and Transport Committee.
 - Appendix 8** Update to the Treasury Management Strategy.
 - Appendix 9** Update to the Investment Strategy.

3. Recommendations

Finance Sub-Committee is asked to:

- 3.1. Note the forecast adverse Net Revenue financial pressure of £11.6m against a revised budget of £328.4m (3.5%) as reported to Corporate Policy Committee on 6 October 2022.
- 3.2. Note the forecast Capital Spending of £179.6m against an approved MTFS budget £185.2m due to slippage carried forward from the previous year.
- 3.3. Endorse the approach of Senior Officers to mitigate the adverse forecasts through the activities outlined in each 'Action Plan' contained in Annex 1 (Appendices 1 to 7), which include:
 - Managed restriction of in-year spending, whilst retaining essential services, in consultation with the relevant Committee.
 - Reviewing the level of spending on key contracts and reviewing the need for contract renewals during 2022/23.
 - Pricing and grant reviews to ensure income is being fully recovered on related activity.
 - Enhanced vacancy forecasting and management.
 - Re-alignment of, and appropriate use of balances, such as earmarked reserves, General Reserves and capital receipts.
 - Review and reprofile the Capital Programme to prevent any impact of related inflation on the revenue budget.
- 3.4. Note the contents of Annex 1 and each of the appendices, and note that any financial mitigation decisions requiring member approval will be presented to the appropriate Committee.
- 3.5. Approve supplementary capital estimates up to and including £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 6, Section 5 Capital Strategy, Table 5**.
- 3.6. Set up a Task Group to review the financial assumptions that will underpin the preparation of the Medium-Term Financial Strategy 2023/24-2026/27.
- 3.7. Note that Council will be asked to approve:
 - 3.7.1. Fully funded supplementary revenue estimates for specific grants coded directly to services over £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 6, Section 3 Corporate Grants Register, Table 1**.
 - 3.7.2. Supplementary capital estimates over £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 6, Section 5 Capital Strategy, Table 6**.
- 3.8. Recommend Service Committees to:

- 3.8.1. Note the financial update and forecast outturn relevant to their terms of reference.
- 3.8.2. Note that officers will seek to improve the financial outturn across all Committees to mitigate the overall forecast overspend of the Council.
- 3.8.3. Approve supplementary revenue estimates for specific grants coded directly to services up to and including £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 2 Children and Families Committee, Section 3 Corporate Grants Register, Table 2.**

4. Reasons for Recommendations

- 4.1. The overall process for managing the Council's resources focuses on value for money, good governance and stewardship. The approach to these responsibilities is captured in the Medium-Term Financial Strategy.
- 4.2. 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.
- 4.3. This report provides strong links between the Council's statutory reporting requirements and the in-year monitoring processes for financial and non-financial management of resources.
- 4.4. In approving the Cheshire East Council Medium-Term Financial Strategy members of the Council had regard to the robustness of estimates and adequacy of reserves as reported by the s.151 Officer. The s.151 Officer's report highlighted the importance of each element of the MTFs and the requirement to achieve all the proposals within it. The recommendations of this report highlight the need for ongoing activity to manage the financial pressure being experienced by the Council.

5. Other Options Considered

- 5.1. 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. Activity is required to ensure the Council balances its expenditure and income without serious impact on essential Council services.

6. Background

- 6.1. Managing performance is essential to the achievement of outcomes. This is especially important in evidencing the achievement of value for money across an organisation the size of Cheshire East Council. The Council is the third largest Local Authority in the Northwest of England, responsible for approximately 500 services, supporting over 398,000 local people. Gross

annual spending is over £700m, with a revised net revenue budget for 2022/23 of £328.4m.

- 6.2. 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.
- 6.3. The political structure of the Council is organised into six committees, with a single sub-committee, all with financial responsibilities acutely aligned to the management structure. Performance against the 2022/23 Budget within each Committee, and the sub-committee, is outlined in Table 1 below.
- 6.4. **Table 1 – Revenue Outturn Forecast split by the Six Service Committees and the Finance Sub-Committee as reported to Corporate Policy Committee 6 October 2022**

| 2022/23 (GROSS Revenue Budget £474.2m) | Revised Budget (NET) £m | Forecast Outturn £m | Forecast Variance £m |
|---|-------------------------------|------------------------|-------------------------|
| Service Committee | | | |
| Adults and Health | 120.9 | 132.6 | 11.7 |
| Children and Families | 74.5 | 78.0 | 3.5 |
| Economy and Growth | 23.6 | 23.8 | 0.2 |
| Environment and Communities | 44.3 | 46.2 | 1.9 |
| Highways and Transport | 13.8 | 14.3 | 0.5 |
| Corporate Policy | 39.8 | 40.6 | 0.8 |
| Sub-Committee | | | |
| Finance Sub | (316.9) | (323.9) | (7.0) |
| TOTAL | - | 11.6 | 11.6 |

- 6.5. The Council set a balanced net revenue budget of £327.7m at its meeting in February 2022. Current forecasts against the revised budget of £328.4m, shows a potential net expenditure of £340.0m.
- 6.6. This position reflects the increase in demand led pressures in social care in both the Children’s Services Directorate and Adults, Health and Integration Directorate. This mirrors national events and the County Council’s Network has recently reported that forecast increases in care costs could be more than double those reported as recently as 2021.
- 6.7. There are further pressures due to increased costs relating to rising inflation and the current national pay offer. The Council, in-line with most public sector organisations, relies on government inflation targets when calculating

budgets, target inflation remains at 2% but actual inflation is currently exceeding 10%. Some predictions say it may reach 13% by the end of the year. The Council actually forecast local pay increases of 2.5% recognising potentially higher increases for local lower paid workers. However, current national pay negotiations could see wages rise in excess of 6% for some lower paid workers.

- 6.8.** General Reserve balances are risk assessed and it was highlighted in the MTFS that emerging risks such as inflation and particularly the DSG deficit, as having no alternative funding. To address the issue of emerging financial pressure Senior Officers at the Council have set up Action Plans, which will continue to be developed to identify activities required to bring spending back in line with the MTFS.
- 6.9.** The emerging Action Plans reflect the Committee Structure to allow member oversight of the activities being carried out to manage in-year spending. Any appropriate decisions required from members will be brought to the Committee's attention via the Action Plans, to ensure appropriate context is provided.
- 6.10.** There is a clear ambition for each Committee to achieve spending in-line with the approved MTFS. However, in some cases, given the seriousness of the financial pressure being put on the Council, Committee members should consider options to exceed financial performance targets to retain an overall balanced position.
- 6.11.** Whilst some inflation factors may be temporary, the Action Plans must also consider the medium-term resilience of mitigation activity. For example, the use of one-off balances, to mitigate in-year spend, may be effective in the short term, but would not be effective if spending is likely to recur in later years.
- 6.12.** The Government is currently set to announce its Autumn Statement on 17 November 2022 and it may be helpful, in this very challenging environment, in providing some further information to assist local authorities in their business and financial planning
- 6.13.** As noted at recommendation 3.6 of this report, Finance Sub Committee are being asked to set up a task group to review the financial assumptions that will underpin the preparations of the Medium-Term Financial Strategy 2023/24 to 2026/27. This is vital to ensure that all current assumptions are reviewed and revised where necessary to reflect ongoing and emerging changes to the assumptions contained within the approved MTFS from February 2022.
- 6.14.** The intention is to report an updated Financial Review report to Corporate Policy Committee on 1 December 2022 which will be informed by the latest forecasts, and any information that may come from the Government's 17 November 2022 Autumn Statement.

7. Consultation and Engagement

- 7.1.** 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.

8. Implications

8.1. Legal

- 8.1.1.** The legal implications surrounding the process of setting the 2022 to 2026 Medium-Term Financial Strategy were dealt with in the reports relating to that process. The purpose of this paper is to provide a progress report for 2022/23.
- 8.1.2.** Other implications arising directly from this report relate to the internal processes of approving supplementary estimates and virements referred to above which are governed by the Finance Procedure Rules.
- 8.1.3.** Legal implications that arise when activities funded from the budgets that this report deals with are undertaken, but those implications will be dealt with in the individual reports to Members or Officer Decision Records that relate.

8.2. Finance

- 8.2.1.** 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 help to ensure that resources are used effectively, and that business planning and financial decision making are made in the right context.
- 8.2.2.** 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.
- 8.2.3.** 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.
- 8.2.4.** 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.

- 8.2.5. 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.

8.3. Policy

- 8.3.1. This report is a backward look at Council activities and predicts the year-end position.

- 8.3.2. The forecast outturn position, ongoing considerations for future years, and the impact on general reserves will be fed into the assumptions underpinning the 2023 to 2027 Medium-Term Financial Strategy.

8.4. Equality

- 8.4.1. 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.

8.5. Human Resources

- 8.5.1. This report is a backward look at Council activities and states the forecast 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.

8.6. Risk Management

- 8.6.1. Performance and risk management are part of the management processes of the Authority. Risks are captured at Strategic and Operational levels, both in terms of the risk of underperforming and risks to the Council in not delivering its objectives for its residents, businesses, partners and other stakeholders.
- 8.6.2. Financial risks are assessed and reported on a regular basis, and remedial action taken if and when required. Risks associated with the achievement of the 2021/22 budget and the level of general reserves were factored into the 2022/23 financial scenario, budget and reserves strategy.

8.7. Rural Communities

- 8.7.1. The report provides details of service provision across the borough.

8.8. Children and Young People/Cared for Children

- 8.8.1. The report provides details of service provision across the borough.

8.9. Public Health

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

8.10. Climate Change

8.10.1. Climate change implications that arise from activities that this report deals with will be dealt with as separate reports to Members or Officer Decision Records as required.

| Access to Information | |
|------------------------------|---|
| Contact Officer: | Alex Thompson Director of Finance and Customer Services (Section 151 Officer) alex.thompson@cheshireeast.gov.uk 01270 685876 |
| Appendices: | Annex 1 including: Section 1 provides information on the overall financial stability and resilience of the Council. Further details are contained in the appendices. Appendix 1 Adults and Health Committee. Appendix 2 Children and Families Committee. Appendix 3 Corporate Policy Committee. Appendix 4 Economy and Growth Committee. Appendix 5 Environment and Communities Committee. Appendix 6 Finance Sub-Committee. Appendix 7 Highways and Transport Committee. Appendix 8 Update to the Treasury Management Strategy. Appendix 9 Update to the Investment Strategy. |
| Background Papers: | The following are links to key background documents: Medium-Term Financial Strategy First Financial Review, Item No.14 |



Financial Review 2022/23

November 2022

This report receives scrutiny and approval from Members of Cheshire East Council. As a public report, the Council welcomes feedback to the information contained here.

Anyone wanting to comment is invited to contact the Council at:

shapingourservices@cheshireeast.gov.uk

Introduction

Cheshire East Council is the third largest Council in the Northwest of England, supporting over 398,000 local people with annual spending of over £470m.

Local government is going through a period of financial challenges, with a combination of the impact of increasing demand for services and rising costs due to inflation. There is also increasing uncertainty associated with income from business rates and government grants.

Demand for Council services is increasing, with more individuals and families needing support and services than ever before. This reflects an increase in population but also reflects changes in demographics and the national cost of living increases. This demand is resulting in forecast outturn of £340.0m against a net revenue budget of £328.4m, with the most significant impact within the rising complexity of needs in Adult Social Care.

When the 2022/23 budget was set, in February 2022, it was highlighted that the use of reserves was not sustainable in the medium term. Net spending therefore needs to be contained within the estimates of expenditure that form the budget. The forecasts at first review highlight pressures due to demand, inflation and pay negotiations. These will almost certainly affect the medium term finances of the Council. This situation must be addressed now and as part of the MTFS process for 2023 to 2027.

To support openness and transparency, and provide evidence of strong governance, the report has a main section, to provide background and context, and then nine supporting appendices with detailed information about allocation and management of public money during 2022/23:

The **Financial Stability** section provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2022/23 is being funded, including the positions on overall service budgets, centrally held budgets, council tax and business rates. Further details are contained in the appendices.

- **Appendix 1** Adults and Health Committee.
- **Appendix 2** Children and Families Committee.
- **Appendix 3** Corporate Policy Committee.
- **Appendix 4** Economy and Growth Committee.
- **Appendix 5** Environment and Communities Committee.
- **Appendix 6** Finance Sub-Committee.
- **Appendix 7** Highways and Transport Committee.
- **Appendix 8** Update to the Treasury Management Strategy.
- **Appendix 9** Update to the Investment Strategy.

Alex Thompson

Director of Finance and Customer Services
(Section 151 Officer)

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2022/23 Outturn Forecast - Financial Position

| 2022/23 (GROSS Revenue Budget £474.2m) | Revised Budget (NET) £m | Forecast Outturn £m | Forecast Variance £m | For further information please see the following sections |
|---|-------------------------------|------------------------|-------------------------|---|
| SERVICE DIRECTORATES | | | | |
| Adult, Health and Integration | 120.9 | 132.6 | 11.7 | Appendix 1 Section 2 |
| Children's Services | 74.5 | 78.0 | 3.5 | Appendix 2 Section 2 |
| Place | 81.7 | 84.3 | 2.6 | Appendix 4, 5 & 7 Section 2 |
| Corporate Services | 39.8 | 40.6 | 0.8 | Appendix 3 Section 2 |
| CENTRAL BUDGETS | | | | |
| Capital Financing | 18.9 | 18.9 | - | Appendix 6 Section 5 |
| Transfer to/(from) Earmarked Reserves | (2.7) | (8.7) | (6.0) | Appendix 6 Section 6 |
| Corporate Contributions / Central Budgets | (4.7) | (5.7) | (1.0) | Appendix 6 Section 2 |
| TOTAL NET EXPENDITURE | 328.4 | 340.0 | 11.6 | |
| Business Rates Retention Scheme | (49.1) | (49.1) | - | Section 1 - Paragraphs 19-22 |
| Specific Grants | (24.6) | (24.6) | - | Appendix 6 Section 3 |
| Council Tax | (254.7) | (254.7) | - | Section 1 - Paragraphs 8-18 |
| Net Funding | (328.4) | (328.4) | - | |
| NET (SURPLUS) / DEFICIT | - | 11.6 | 11.6 | |

Financial Stability

Introduction

1. The Council has a track record of sound financial management. Nevertheless, in common with all UK local authorities the Council finds itself in a position where pressures on the revenue budget are intensifying as a result of rapid inflation, the legacy impact of the Coronavirus pandemic and increasing cost of living pressure on households. These issues have the effect of increasing the demand for services and increasing costs of services.
2. Complexity and market sustainability in Adults' and Children's Social Care remains the most significant financial pressure for the Council in the medium term. Rising inflation in fuel, utilities and wage levels are affecting costs across all services.
3. **Table 1** provides a service summary of financial performance. The current forecast is that services will be £18.6m over budget in the current year. The Action Plans provide further details and changes to service net budgets since the Medium-Term Financial Strategy are analysed in the **Appendices 1-7**.
4. Further items impacting on the level of the Council's balances are detailed in **Table 2** below on Central Budgets and Funding.

Table 1 - Service Revenue Outturn Forecasts

| 2022/23 | Revised Budget | Forecast Outturn | Forecast Variance | FOR INFO COVID Costs Included in Totals |
|---|----------------|------------------|-------------------|---|
| (GROSS Revenue Budget £474.2m) | (NET) | | | |
| | £m | £m | £m | £m |
| SERVICE DIRECTORATES | | | | |
| Adult Social Care - Operations | 117.5 | 128.5 | 11.0 | 4.9 |
| Commissioning | 3.4 | 4.1 | 0.7 | - |
| Public Health | - | - | - | - |
| Adult, Health and Integration | 120.9 | 132.6 | 11.7 | 4.9 |
| Directorate | 1.0 | 0.9 | (0.1) | - |
| Children's Social Care | 46.6 | 48.5 | 1.9 | 0.1 |
| Strong Start, Family Help and Integration | 8.3 | 8.3 | - | 0.1 |
| Education & 14-19 Skills | 18.6 | 20.3 | 1.7 | 0.5 |
| Children's Services | 74.5 | 78.0 | 3.5 | 0.7 |
| Directorate | 0.8 | 0.7 | (0.1) | - |
| Environment & Neighbourhood Services | 44.3 | 46.2 | 1.9 | 2.3 |
| Growth & Enterprise | 22.8 | 23.1 | 0.3 | 0.1 |
| Highways & Infrastructure | 13.8 | 14.3 | 0.5 | 1.6 |
| Place | 81.7 | 84.3 | 2.6 | 4.0 |
| Directorate | 1.9 | 1.9 | - | - |
| Finance & Customer Services | 11.9 | 12.3 | 0.4 | - |
| Governance & Compliance Services | 11.7 | 11.2 | (0.5) | - |
| Communications | 0.7 | 0.7 | - | - |
| HR | 2.4 | 2.2 | (0.2) | - |
| ICT | 9.3 | 10.4 | 1.1 | - |
| Policy & Change | 1.9 | 1.9 | - | - |
| Corporate Services | 39.8 | 40.6 | 0.8 | - |
| | | | | <i>For Info</i> |
| TOTAL SERVICES NET EXPENDITURE | 316.9 | 335.5 | 18.6 | 9.6 |

Table 2 – Central Budgets and Funding Outturn Forecasts

| 2022/23 | Revised Budget | Forecast Outturn | Forecast Variance |
|---|----------------|------------------|-------------------|
| (GROSS Revenue Budget £474.2m) | (NET) | | |
| | £m | £m | £m |
| CENTRAL BUDGETS | | | |
| Capital Financing | 18.9 | 18.9 | - |
| Transfer to/(from) Earmarked Reserves | (2.7) | (8.7) | (6.0) |
| Corporate Contributions / Central Budgets | (4.7) | (5.7) | (1.0) |
| Central Budgets | 11.5 | 4.5 | (7.0) |
| Business Rates Retention Scheme | (49.1) | (49.1) | - |
| Specific Grants | (24.6) | (24.6) | - |
| Council Tax | (254.7) | (254.7) | - |
| Net Funding | (328.4) | (328.4) | - |

Outturn Impact

- The financial impact of the outturn forecast could decrease balances by £11.6m. This is over 75% of the Council's General Reserves balance, so mitigating actions must be taken to reduce the pressure during the year. Any deficit at the end of the year will be drawn down from the Medium-Term Financial Strategy Earmarked Reserve in the first instance, but drawdowns from that reserve are already factored in to the MTFs to manage the effects of variations in spending and income in specific years.
- The Council will continue to manage and review the financial forecasts in response to emerging pressures and how this affects the Council's revenue budget.

Collecting Local Taxes for Local Expenditure

- Cheshire East Council collects Council Tax and Non Domestic Rates for use locally and nationally.

Council Tax

- Council tax is set locally and retained for spending locally. Council tax was set for 2022/23 at £1,626.24 for a Band D property. This is applied to the taxbase.
- The taxbase for Cheshire East reflects the equivalent number of domestic properties in Band D that the Council is able to collect council tax from (after adjustments for relevant discounts, exemptions and an element of non-collection). The taxbase for 2022/23 was agreed at 156,607.48 which, when multiplied by the Band D charge, means that the expected income for the year is £254.7m.
- In addition to this, Cheshire East Council collects council tax on behalf of the Cheshire Police and Crime Commissioner, the Cheshire Fire Authority and Parish Councils. **Table 3** shows these amounts separately, giving a total budgeted collectable amount of £313.8m.
- This figure is based on the assumption that the Council will collect at least 99% of the amount billed. The Council will always pursue 100% collection, however to allow for non-collection the amount billed will therefore exceed the budget.
- This figure may also vary during the year to take account of changes to Council Tax Support payments, the granting of discounts and exemptions, and changes in numbers and value of properties. The amount billed to date is £315.3m.

Table 3 – Cheshire East Council collects Council Tax on behalf of other precepting authorities

| | £m |
|--|--------------|
| Cheshire East Council | 254.7 |
| Cheshire Police and Crime Commissioner | 36.9 |
| Cheshire Fire Authority | 12.9 |
| Town and Parish Councils | 9.3 |
| Total | 313.8 |

13. **Table 4** shows collection rates within three years, and demonstrates that 99% collection is on target to be achieved within this period.

Table 4 – 99% of Council Tax is collected in three years

| Financial Year | CEC Cumulative | | | |
|----------------|----------------|---------|---------|---------|
| | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
| | % | % | % | % |
| After 1 year | 98.2 | 97.9 | 97.4 | 97.8 |
| After 2 years | 99.0 | 98.8 | 98.3 | ** |
| After 3 years | 99.2 | 98.9 | ** | ** |

**data not yet available

14. The council tax in-year collection rate for the period up to the end of September 2022 is 56.1%. This is a small decrease of 0.2% on the previous year, possibly indicating current cost of living pressures. Additionally, significant numbers of council tax staff have been supporting the government's energy

rebate payments which has impacted resource normally involved in collection.

15. Council tax support payments were budgeted at £18.4m for 2022/23 and at the end of September the total council tax support awarded was £18.9m.
16. During 2021/22 there was a consultation and review of the Council Tax Support scheme resulting in some amendments being made. The revised scheme was confirmed by full Council in December 2021.
17. Council tax discounts awarded are £28.6m which are comparable to the same period in 2021/22. A small increase is attributable to work related to raising awareness of the discounts available to residents.
18. Council tax exemptions awarded is £7.2m which although broadly in line with previous years shows a slight increase due to reasons shown at 17.

Non-Domestic Rates (NDR)

19. NDR is collected from businesses in Cheshire East based on commercial rateable property values and a nationally set multiplier. The multiplier changes annually in line with inflation and takes account of the costs of small business rate relief.
20. The small business multiplier applied to businesses which qualify for the small business relief was set at 49.9p in 2022/23. The non-domestic multiplier was set at 51.2p in the pound for 2022/23.
21. **Table 5** demonstrates how collection continues to improve even after year end. The table shows how over 99% of non-domestic rates are collected within three years.

22. The business rates in-year collection rate for the period up to the end of September 2022 is 58.6%. This is a significant increase on last year and begins to revert collection rates back to pre pandemic figures. A return to standard collection processes and government support through additional reliefs has assisted the recovery in collection.

Table 5 – Over 99% of Business Rates are collected within three years

| Financial Year | CEC Cumulative | | | |
|----------------|----------------|---------|---------|---------|
| | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
| | % | % | % | % |
| After 1 year | 98.5 | 98.2 | 92.4 | 95.6 |
| After 2 years | 99.4 | 98.4 | 97.4 | ** |
| After 3 years | 99.4 | 99.2 | ** | ** |

**data not yet available

Appendices to the Financial Review 2022/23

November 2022

Appendix 1 : Adults and Health Committee

Contents

Adults and Health Committee Extracts

- 1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy**
- 2. Action Plan 2022/23 (as reported to Corporate Policy Committee 6 October 2022)**
- 3. Corporate Grants Register**
Table 1: Adults and Health Committee Grants
- 4. Debt Management**
- 5. Capital Strategy**
- 6. Reserves Strategy**

Appendix 1

Adults and Health Committee

1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy

| | MTFS Net Budget £000 | Additional Grant Funding £000 | Restructuring & Realignments £000 | Revised Net Budget £000 |
|------------------------------|-------------------------------|--|---|----------------------------------|
| Adults and Health | | | | |
| Adult Social Care Operations | 115,959 | 43 | 1,513 | 117,515 |
| Commissioning | 4,880 | - | (1,461) | 3,419 |
| Public Health | - | - | - | - |
| | 120,839 | 43 | 52 | 120,934 |

Note the additional grant funding column includes the expenditure part of centrally held unringfenced grants.

2. Action Plan 2022/23 as reported to Corporate Policy Committee 6 Oct 2022

| Adults and Health Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|------------------------------|-----------|-----------|--------------------------|--|---------------------|----------|-------------------------------------|---|----------------------------------|
| Adults & Health Committee | | | | Pay Inflation | 1.551 | 3&4 | Red (will not achieve) | Represents current estimate of the impact on Committee services in excess of the MTFS, from a nationally negotiated pay award. | 1.511 |
| Adult Social Care Operations | 148.4 | -30.9 | 117.5 | Continuing Healthcare Reviews | -1.000 | 7 | Green (on track and should achieve) | Reviews underway of nursing home placements and complex care packages to identify those people who have a primary health need and are therefore eligible for Continuing Healthcare Funding. | 0.000 |
| | | | | Productivity and Efficiency in Adult Social Care | -0.500 | 30 | Red (will not achieve) | Unable to achieve in 2022/23, due to current level of demand upon services. The development of the Integrated Care Partnership (ICP) and integration commissioning will enable staff to work differently. New ways of working and integrated posts will be adopted which will result in more efficient ways of working. | 0.500 |
| | | | | Investment in Adult Social Care | 4.000 | 34 | Red (will not achieve) | Pressures from care costs base budgets. Mitigation already includes staffing vacancies and a £2m income contribution anticipated from NHS discharge funding. | 9.302 |

| Adults and Health Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|-----------------------------|-----------|-----------|--------------------------|---|---------------------|----------|--|---|----------------------------------|
| | | | | Care Fee Uplifts in Adult Social Care | | | Green (on track and should achieve) | | 0.000 |
| | | | | Learning Disabilities (LD) Future Service Development and Review | -1.000 | 49 | Amber (not on track but may still achieve) | Difficulties identified in providers demanding higher fees or threatening to end contracts. We can evidence gross reductions on LD packages from the base line at the start of the financial year. On this measure it is expected that the saving will be met. However, demand and market pressure will result in an overall net increase to the cost of LD care. | 0.000 |
| | | | | Direction of travel for the Communities Team to focus more on the Intervention and Prevention Agenda to make cost savings, growth and | -0.500 | 36 | Red (will not achieve) | This has been unachievable due to the team's commitment to Afghan and Homes for Ukraine and COVID response- savings on tracker. Mitigation from associated grants will need to be determined. | 0.500 |

| Adults and Health Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|-----------------------------|-----------|-----------|--------------------------|--|---------------------|----------|--|--|----------------------------------|
| | | | | future cost avoidance | | | | | |
| | | | | Mental Health Services Review | -0.500 | 37 | Amber (on track but may not achieve all) | Working with health colleagues to implement 50/50 approach to section 117 cases. | 0.000 |
| | | | | Day Care Review | -0.070 | 38 | Green (on track and should achieve) | 2022/23 saving was achieved in 2021/22 by contract variation. | 0.000 |
| | | | | Electronic Call Monitoring Reclamation | -0.030 | 39 | Red (will not achieve) | Unable to deliver due to the fragility of the care at home market- this is on covid tracker. | 0.030 |
| | | | | Market Sustainability and Fair Cost of Care - Grant Income | -0.979 | 40 | Green (on track and should achieve) | Received. | 0.000 |
| | | | | Market Sustainability and Fair Cost of Care - Expenditure | 0.979 | 40 | Green (on track and should achieve) | Spent on 6% increase to care at home providers. | 0.000 |

| Adults and Health Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|-----------------------------|-----------|-----------|--------------------------|---|---------------------|----------|-------------------------------------|--|----------------------------------|
| | | | | Staff Travel and related savings | -0.044 | 29 | Green (on track and should achieve) | | 0.000 |
| | | | | Care Packages | | NEW | | Savings in year from reviews of current packages. Includes targeted economies through assistive technology and removing low level support (non-personal care tasks). | -0.400 |
| | | | | Care Costs | | NEW | | Negotiating unit costs down in line with Fair Cost Of Care. | -0.070 |
| | | | | Public Health (PH) Grants | | NEW | | Allocating PH grant to relevant preventative expenditure. | -0.110 |
| Commissioning | 12.6 | -9.2 | 3.4 | Reduce Base budget assigned to Community Grants | -0.100 | 9 | Green (on track and should achieve) | | 0.000 |
| | | | | In Year pressures | | New | | £80k children's commissioning due to employment activity. £338k due to demand on community equipment and £378k demand on assistive technology. Partially offset by Ukraine settlement grant £500k. | 0.392 |

| Adults and Health Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|-----------------------------|--------------|--------------|--------------------------|---------------|---------------------|----------|------------|--|----------------------------------|
| Public Health | 17.7 | -17.7 | 0.0 | Public Health | | NEW | | Review use of Public Health grant across wider network of local authorities to test best practice. | |
| Total | 178.7 | -57.8 | 120.9 | | 1.807 | | | | 11.655 |

3. Corporate Grants Register

Table 1 – Corporate Grants Register

| Grants 2022/23 | Revised Forecast FR1 2022/23 £000 | Latest Forecast 2022/23 £000 | Change from FR1 2022/23 £000 | Treatment of Grant <i>Notes 2 - 5</i> |
|--|---|---------------------------------------|--|---|
| ADULTS & HEALTH | | | | |
| Specific Use (Held within Services) | 54,245 | 54,032 | (213) | |
| General Purpose (Held Corporately) | | | | |
| Social Care Support Grant | 11,341 | 11,341 | 0 | |
| Independent Living Fund | 861 | 861 | 0 | |
| Local Reform & Community Voices | 213 | 213 | 0 | |
| Social Care in Prisons | 71 | 71 | 0 | |
| War Pension Scheme Disregard | 56 | 56 | 0 | |
| TOTAL ADULTS & HEALTH | 66,787 | 66,574 | (213) | |

Notes

- 1 The Dedicated Schools Grant, Pupil Premium Grant, Sixth Form Grant and Other School Specific Grant from the Education Funding Agency (EFA) figures are based on actual anticipated allocations. Changes are for in-year increases / decreases to allocations by the DfE and conversions to academy status.
- 2 SRE - Supplementary Revenue Estimate requested by relevant service.
- 3 ODR - Officer Decision Record to approve immediate budget change to relevant service.
- 4 Reserves - transfer to reserves at year end.
- 5 Balances - amount will be included as a variance to budget.

- 3.1 Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. Specific use grants are held within the relevant service with a corresponding expenditure budget. Whereas general purpose grants are held in central budgets with a corresponding expenditure budget within the allocated service area.
- 3.2 Spending in relation to specific use grants must be in line with the purpose for which it is provided.

4. Debt Management

| | Outstanding Debt £000 | Over 6 months old £000 |
|---------------------------------------|--------------------------|---------------------------|
| Adults and Health Committee | | |
| Adults, Public Health and Communities | 8,467 | 5,092 |

5. Capital Strategy

| Adults and Health | | | | | | | | | | | CAPITAL | | |
|--------------------------------------|-----------------------|-------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------------|------------------|------------------------|-----------------------|------------------|----------------------|---------------|
| CAPITAL PROGRAMME 2022/23 - 2025/26 | | | | | | | | | | | | | |
| Scheme Description | Total Approved Budget | Prior Years | Forecast Expenditure | | | | Total Forecast Budget 2022/26 | Forecast Funding | | | | | Total Funding |
| | | | Forecast Budget 2022/23 | Forecast Budget 2023/24 | Forecast Budget 2024/25 | Forecast Budget 2025/26 | | Grants | External Contributions | Revenue Contributions | Capital Receipts | Prudential Borrowing | |
| Committed Schemes | | | | | | | | | | | | 0 | |
| Adults Services | | | | | | | | | | | | | |
| Electronic Call Monitoring System | 389 | 0 | 0 | 389 | 0 | 0 | 389 | | | 389 | | 389 | |
| People Planner System | 94 | 38 | 56 | 0 | 0 | 0 | 56 | 56 | | | | 56 | |
| Replacement Care4CE Devices | 93 | 65 | 28 | 0 | 0 | 0 | 28 | 28 | | | | 28 | |
| Total Adults Services Schemes | 576 | 103 | 84 | 389 | 0 | 0 | 473 | 84 | 0 | 389 | 0 | 473 | |

6. Reserves Strategy

Adults and Health Committee

| Name of Reserve | Opening Balance 1st April 2022 £000 | Forecast Movement in Reserves 2022/23 £000 | Forecast Closing Balance 31st March 2023 £000 | Notes |
|--|--|--|--|--|
| Adult Social Care Operations | | | | |
| Adults Directorate | 1,020 | (450) | 570 | To support a number of widespread projects within the Adults and Health Directorate. Connected Community Strategy Developments activity has been delayed due to community team focussing on resettlement schemes. Transformation and Improvement of ASC and Care4ce New Model of Care anticipate phasing of appropriation will match the original business case. |
| DOL's Assessments | 397 | (397) | 0 | Reserve required due to delays in DOLs assessment processing. Anticipated to be fully utilised in 2022/23. |
| Public Health (LAC funding for 3 years/ Investment in Outcome 5 activities - Adults) | 162 | (162) | 0 | Reserve will be fully utilised by the end of 2022/23, matched off against LAC staff as per the original business case. |
| Adults Social Care Commissioning | | | | |
| PFI Equalisation - Extra Care Housing | 2,715 | 80 | 2,795 | Surplus grant set aside to meet future payments on existing PFI contract which commenced in January 2009, and the anticipated gap at the end of the agreement. |
| NHB Community Grants Staffing | 132 | 0 | 132 | To support administrative staffing costs in relation to Central Government's New Homes Bonus guidance for community projects. |
| Public Health | | | | |
| Public Health | 3,220 | (488) | 2,732 | 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. Anticipated that the carry forward ringfenced grant will be spent across 2022/23 to 2025/26. |
| ADULTS AND HEALTH TOTAL | 7,646 | (1,417) | 6,229 | |

Appendix 2 : Children and Families Committee

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Appendix 2

Children and Families Committee

1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy

| | MTFS Net Budget £000 | Additional Grant Funding £000 | Restructuring & Realignments £000 | Revised Net Budget £000 |
|---|-------------------------------|--|---|----------------------------------|
| Children and Families | | | | |
| Directorate | 899 | - | 107 | 1,006 |
| Children's Social Care | 46,464 | 187 | - | 46,651 |
| Education & 14-19 Skills | 18,197 | 311 | 24 | 18,532 |
| Strong Start, Family Help and Integration (Previously Prevention & Early Help) | 8,217 | - | 91 | 8,308 |
| | 73,777 | 498 | 222 | 74,497 |

2. Action Plan 2022/23 as reported to Corporate Policy Committee 6 Oct 2022

| Children and Families Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|---|-----------|-----------|--------------------------|---|---------------------|----------|-------------------------------------|---|----------------------------------|
| C&F Committee | | | | Pay Inflation | 1.548 | 3&4 | Red (will not achieve) | Represents current estimate of the impact on Committee services in excess of the MTFS, from a nationally negotiated pay award. | 1.368 |
| | | | | Use of EMRs | | New | | Additional use of earmarked reserves above MTFS level. | -0.208 |
| | | | | Transformation | | New | | Flexible use of Capital Receipts. | -1.000 |
| Directorate | 1.3 | -0.3 | 1.0 | | | | | | |
| Strong Start, Family Help and Integration | 14.7 | -6.3 | 8.3 | A redesign of Early Help Services into a Locality model | -0.424 | 48 | Green (on track and should achieve) | A restructure is scheduled for March 2023. A significant amount of vacancies have been held in the service pending the restructure and they allow the saving to be delivered in 2022/23. | 0.000 |
| | | | | Staff Travel and related savings | -0.062 | 29 | Red (will not achieve) | At this stage the service is working to resume pre COVID-19 delivery levels and is not able to deliver savings from less travel or a reduced mileage rate. To be considered as part of wider recruitment and retention issue. | 0.050 |
| | | | | Development and | | 50 | Amber (not on track but | Under discussion to confirm any required changes. | 0.000 |

| Children and Families Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|---------------------------------|-----------|-----------|--------------------------|--|---------------------|----------|-------------------------------------|--|----------------------------------|
| | | | | Partnerships service | | | may still achieve) | | |
| | | | | Revenue costs for Crewe Youth Zone | | 43 | Green (on track and should achieve) | | 0.000 |
| | | | | Restructure Early Help budget to fund Crewe Youth Zone (CYZ) | | 44 | Green (on track and should achieve) | Ringfenced reserves from the Supporting Families Programme (SFP) will be used to fund the Crewe youth zone. This will enable shared outcomes from the SFP programme with the outcomes of the Crewe youth zone. This will prevent any need to restructure within the early help budget. Depends on progress of the CYZ. | 0.000 |
| | | | | P&S use of Troubled families | | New | | | -0.300 |
| | | | | Use of COMF grant | | New | | Activity within Strong Start that may be funded from the ringfenced Contain Outbreak Management Fund. | -0.013 |
| | | | | In Year pressures | | New | | Difference from policy proposals and team plan related to other ongoing mitigation proposals. | -0.080 |

| Children and Families Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|---------------------------------|-----------|-----------|--------------------------|---|---------------------|----------|--|---|----------------------------------|
| Education and 14-19 Skills | 61.3 | -42.7 | 18.6 | Establish a traded service for non-statutory elements of Attendance Service | -0.035 | 22 | Green (on track and should achieve) | Income is being generated and using it to fund a single post - broadly net nil. | 0.000 |
| | | | | Establish an Education Psychologist traded service to enable a proactive early support and intervention offer | -0.025 | 23 | Green (on track and should achieve) | Income is being generated. Need to confirm position related to team capacity. | 0.000 |
| | | | | Increase capacity to support Statutory SEND service | 0.400 | 42 | Amber (on track but may not achieve all) | Legal costs continue to highlight pressure in this area. | 0.000 |
| | | | | Increase capacity to support Statutory Education Psychology Service | 0.125 | 47 | Amber (on track but may not achieve all) | Growth is not sufficient to match pressures in 2022/23, but procurement activity has to continue to meet demand. Expectation is that financial pressure could increase. | 0.531 |

| Children and Families Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|---------------------------------|-----------|-----------|--------------------------|--|---------------------|----------|------------------------|--|----------------------------------|
| | | | | School Transport | 1.200 | 62 | Red (will not achieve) | MTFS identified there might be £1m further pressure to be funded from the MTFS reserve, which is being utilised. Independent review has completed (July 22) with recommendations for potential cost savings. These need to be considered and decisions reached to determine whether growth needs to be built in for future years. Expectation that the SEND growth is increasing each year so additional pressures likely. Need to establish what the transport review outcome will recommend. | 1.537 |
| | | | | Staff Travel and related savings | -0.050 | 29 | Red (will not achieve) | This is a challenge to deliver as the reduction in travel is too much and the mileage rate has not been changed. Low numbers of regular user allowances in this service. | 0.098 |
| | | | | SEND Staffing – both core services and specialist teams supporting reduction in SEND needs assessments | | New | | To be established. | |
| | | | | EP Staffing | | New | | To be established. | |

| Children and Families Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|---------------------------------|-----------|-----------|--------------------------|---|---------------------|----------|-------------------------------------|---|----------------------------------|
| | | | | School catering – implications on outcome of external catering review | | New | | To consider the recommendations of the APSE external review in terms of future delivery models and implications of budgets. | |
| | | | | Skills agenda – shaping a strategic direction of support for young people | | New | | To consider the wider implications of how we support young people in terms of skills and preparation for employment. | |
| | | | | Use of Public Health grant | | New | | Activity within Education and Skills that may be funded from the ringfenced Public Health Grant | -0.200 |
| | | | | Use of COMF grant | | New | | Activity within Education and Skills that may be funded from the ringfenced Contain Outbreak Management Fund | -0.110 |
| | | | | E&S Cell | | New | | | -0.030 |
| | | | | In Year pressures | | New | | Covid expenditure - catering staff absence. | |
| Children's Social Care | 48.2 | -1.6 | 46.7 | Children's Social Care Transformation and OFSTED Response | -1.500 | 2 | Green (on track and should achieve) | In light of improvement work needed at pace it would be helpful to extend the timescale for this funding. Balance held in earmarked reserves. | 0.000 |

| Children and Families Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|---------------------------------|-----------|-----------|--------------------------|---|---------------------|----------|--|--|----------------------------------|
| | | | | Investment in Cared for Children and Care Leavers and other pressures | 4.000 | 41 | Amber (not on track but may still achieve) | This has been allocated to the placements budget pressure – with a full review of budgets pending. Regular review / deep dive into placements. Opportunities in the other budgets will be considered but they are under pressure. | 2.310 |
| | | | | Safeguarding Children – legacy staffing pressure | 0.390 | 45 | Green (on track and should achieve) | This was growth that has corrected a legacy issue. | 0.000 |
| | | | | Growth in Children & Families Commissioning Contracts | 0.180 | 46 | Green (on track and should achieve) | This was growth that has corrected a legacy issue. The budget has been significantly reduced in earlier years so options for further reductions are limited. Review budgets for 2023/24. | 0.000 |
| | | | | Staff Travel and related savings | -0.261 | 29 | Red (will not achieve) | This will be a pressure on the requirement to travel. Impact on workforce to be considered and how savings can be delivered. Review for MTFS 2023/24. Part of the essential user allowance item will be delivered but unlikely that less mileage / lower mileage rate will be achieved. | 0.113 |

| Children and Families Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|---------------------------------|-----------|-----------|--------------------------|--|---------------------|----------|------------|---|----------------------------------|
| | | | | Growth in Children's social care – average 10% per annum growth in spend (on £20m placement budget) less already agreed. | | New | | Possible scope for this to reduce in line with ambition to refocus activity and realising savings here through roll out of residential children's homes project. But likely to be double spend during transition phase. | |
| | | | | Continuation of Transformation funding considering July 2022 inspection and wider improvement work. | | New | | Transformation work ongoing to realise ambition to draw down demand and reduce high cost provision. | |
| | | | | Removal of high needs DSG contribution to Direct payments and replace with base budget funding. | | New | | | |
| | | | | Growth in direct payments budget to reflect activity levels. | | New | | | |

| Children and Families Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|---------------------------------|-----------|-----------|--------------------------|---|---------------------|----------|------------|--|----------------------------------|
| | | | | Growth in the service to manage resettlement activity – children stay in the system and staff are needed. | | New | | | |
| | | | | Workforce | | New | | Revise vacancy forecasts to reflect recruitment difficulties. Slow down in year recruitment where feasible/safe. Use specific reserves for exit costs (per MTFS). | |
| | | | | Further Mitigations | | New | | Forensic review of projected deficit budget lines to identify in-year mitigations. Acquire domestic property for Children’s Homes. Review all high cost-low outcome placements. | -0.475 |
| | | | | Use of COMF grant | | New | | Activity within Childrens Social Care that may be funded from the ringfenced Contain Outbreak Management Fund | -0.044 |
| | | | | Care and Early Intervention | | New | | Review all high cost-low outcome placements. | |

| Children and Families Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|---------------------------------|--------------|--------------|--------------------------|---------------|---------------------|----------|------------|---|----------------------------------|
| | | | | Other | | New | | Reduce opening hours or close for under-utilised facilities. Work across partnerships to identify any additional funding streams for use of facilities. | |
| Total | 125.4 | -50.9 | 74.5 | | 5.486 | | | | 3.547 |

3. Corporate Grants Register

Table 1 – Corporate Grants Register

| Grants 2022/23 | Revised Forecast FR1 2022/23 £000 | Latest Forecast 2022/23 £000 | Change from FR1 2022/23 £000 | Treatment of Grant <i>Notes 2 - 5</i> |
|--|---|---------------------------------------|--|---|
| CHILDREN & FAMILIES | | | | |
| Specific Use (Held within Services)¹ | 165,406 | 166,408 | 1,002 | |
| General Purpose (Held Corporately) | | | | |
| Staying Put Implementation Grant | 130 | 130 | 0 | |
| Extended Rights to Free Transport (Home to School Transport) | 250 | 250 | 0 | |
| Extended Personal Adviser Duty Implementation | 57 | 57 | 0 | |
| Extension of the role of Virtual School Heads | 61 | 61 | 0 | |
| TOTAL CHILDREN & FAMILIES | 165,904 | 166,906 | 1,002 | |

Notes

1 The Dedicated Schools Grant, Pupil Premium Grant, Sixth Form Grant and Other School Specific Grant from the Education Funding Agency (EFA) figures are based on actual anticipated allocations. Changes are for in-year increases / decreases to allocations by the DfE and conversions to academy status.

2 SRE - Supplementary Revenue Estimate requested by relevant service.

3 ODR - Officer Decision Record to approve immediate budget change to relevant service.

4 Reserves - transfer to reserves at year end.

5 Balances - amount will be included as a variance to budget.

3.1 Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. Specific use grants are held within the relevant service with a corresponding expenditure budget. Whereas general purpose grants are held in central budgets with a corresponding expenditure budget within the allocated service area.

3.2 The increase in specific grants relates mainly to Asylum Seekers, Ukraine Resettlement Funding and the COVID-19 Recovery Premium grants reflecting the latest allocations. Other additional specific grants have been received and are detailed in **Table 2 and Table 3**.

3.3 Spending in relation to specific use grants must be in line with the purpose for which it is provided.

Table 2 – Recommend to Service Committee to Approve Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Use) over £500,000 up to £1m

| Committee | Type of Grant | £000 | Details |
|---|----------------|------------|--|
| Children and Families | Asylum Seekers | 535 | Increase on MTFS 2022-26 estimate. This grant is from the Department for Education. Based on clients' claims so therefore will fluctuate based on age / numbers of claims – we are also receiving some additional funding from those that move through the National Transfer Scheme. Looking at claims in the current year there have been additions to the UASC population, therefore this has likely seen an increase in the amount receiving the higher rate. In addition, possibly an element of being cautious with MTFS items as this can vary significantly purely based on the numbers as said above. Unaccompanied asylum seeking children and leaving care: funding instructions - GOV.UK (www.gov.uk) |
| Specific Purpose Allocations over £500,000 | | 535 | |

Table 3 – Note Delegated Decision - Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Use) £500,000 or less

| Committee | Type of Grant | £000 | Details |
|---------------------------------|---|------|--|
| Children and Families - Schools | Sixth Forms Grant (Specific Purpose) | 3 | Increase on Financial Review 1 forecast. This grant is from the Education and Skills Funding Agency. Funding is based on Pupil Numbers which makes up the main funding profile, the MTFS estimate will have been based on pupils in 2021/22 being forecast for the remainder of financial year. This will now have been updated for 2022/23 pupil numbers. Sixth Form providers also receive a High Value Course Premium based on the number of pupils taking high value |

| Committee | Type of Grant | £000 | Details |
|---------------------------------|--|------|--|
| | | | courses. 16 to 19 education: funding allocations - GOV.UK (www.gov.uk) |
| Children and Families - Schools | COVID-19 Recovery Premium (Specific Purpose) | 180 | Increase on Financial Review 1 forecast. This grant is from the Department for Education. Recovery premium received on behalf of schools and allocated out as per funding schedule (breakdown by school). |
| Children and Families - Schools | School Led Tutoring Grant (Specific Purpose) | 154 | Increase on Financial Review 1 forecast. This grant is from the Department for Education. This grant will give schools and academy trusts the flexibility in determining how best to provide tutoring intervention to support catch-up for lost education due to the coronavirus (COVID-19) pandemic. Grant conditions . |
| Children and Families - Schools | Senior Mental Health Lead Training Grant (Specific Purpose) | 1 | <p>Increase on Financial Review 1 forecast. This grant is from the Department for Education.</p> <p>The Department for Education (DfE) is offering a grant of £1,200 for eligible state-funded schools and colleges in England to train a senior mental health lead to develop and implement a whole school or college approach to mental health and wellbeing. This training is not compulsory, but it is part of the government's commitment to offer this training to all eligible schools and colleges by 2025.</p> <p>Eligible schools and colleges are now able to apply for a senior mental health lead training grant to commence training within the 2022 to 2023 financial year, up to 31st March 2023. Grants will be provided to cover (or contribute to) the cost of attending a quality assured course and may also be used to hire supply staff whilst leads are engaged in learning. Senior mental health lead training - GOV.UK (www.gov.uk)</p> |

| Committee | Type of Grant | £000 | Details |
|---------------------------------|---|------|---|
| Children and Families - Schools | Newly Qualified Teachers - Education Recovery 5% Time off Timetable (Specific Purpose) | 16 | <p>Increase on Financial Review 1 forecast. This grant is from the Department for Education. Eligible schools will receive a one-off payment to support NQTs who completed induction between the summer of 2021 and spring 2022. This funding will be made available to cover the cost of providing these teachers an additional 5% off timetable for the 2021 to 2022 academic year so they have additional time to invest in their development.</p> <p>This time off timetable has been designed to be used flexibly so that as many new teachers as possible can benefit from this additional support.</p> <p>Funding has been calculated as equivalent to 5% off timetable every week for an NQT over the academic year 2021 to 2022 and equates to 44 hours. [Withdrawn] Additional funding for newly qualified teachers completing induction between summer 2021 and spring 2022 - GOV.UK (www.gov.uk)</p> |
| Children and Families - Schools | Apprentice Incentive Scheme (Specific Purpose) | 2 | <p>This grant is from the Department for Education. Incentive payments available for hiring a new apprentice. Employers are able to use their levy funds to cover the cost of an apprentice's training and assessment. Payments passported to schools. Grant conditions.</p> |
| Children and Families - Schools | Digital Education Platform (Specific Purpose) | 2 | <p>This grant is from the Department for Education. When schools and colleges closed due to the coronavirus pandemic, teachers needed a way to continue teaching students at home. The solution was to provide digital education platforms. This is the name we give to a set of tools and technologies that together enable pupils to learn online in virtual classrooms. Digital education platforms are purpose-built for remote learning and they are so much more than just a school website. Funding is available for</p> |

| Committee | Type of Grant | £000 | Details |
|---------------------------------|---|------|---|
| | | | schools to help them get set up on one of two platforms, either G Suite for Education (Google Classroom) or Office 365 Education (Microsoft Teams). Both are free to use. Payments passported to schools. |
| Children and Families - Schools | Mass Testing (Specific Purpose) | 9 | This grant is from the Department for Education. This is the final payment allocation Phase 8 & 9 for this funding. It provides funding to cover the initial roll-out of rapid mass testing. Payments passported to schools. Grant conditions . |
| Children and Families - Schools | Vaccination funding (Specific Purpose) | 9 | This grant is from the Department for Education. Healthy 12 to 15 year olds in England are now being offered two doses of the PfizerBioNTech COVID-19 vaccine, 12 weeks apart. These vaccinations are available through school immunisation services or by booking through the national booking service to attend a vaccination site outside of school hours. At this critical point in the vaccine programme, it is particularly important that schools and immunisation teams work closely together to maximise effectiveness of the vaccination programme. Funding is provided to schools with a one-off payment to support schools in hosting vaccinations and ensuring that the COVID-19 vaccine is accessible to pupils. Payments passported to schools. Grant conditions . |
| Children and Families | Tackling Troubled Families (Payments by Results) (Specific Purpose) | 139 | Increase on Financial Review 1 forecast. This grant is from the Department for Levelling Up, Housing and Communities (DLUHC). In April 2012, the Government launched the Troubled Families Programme, a £448m scheme to incentivise local authorities and their partners to turn around the lives of 120,000 troubled families by May 2015. This programme worked with families where children are not attending school, young people are committing crime, |

| Committee | Type of Grant | £000 | Details |
|-----------------------|--|------|---|
| | | | <p>families are involved in anti-social behaviour and adults are out of work.</p> <p>In June 2013, the Government announced plans to expand the Troubled Families Programme for a further five years from 2015/16 and to reach up to an additional 400,000 families across England. £200 million has been committed to fund the first year of this five year programme.</p> |
| Children and Families | <p>NHS Cheshire CCG Grant to fund CEIAS Services</p> <p>(Specific Purpose)</p> | 26 | <p>This grant is from the NHS Cheshire CCG Education.</p> <p>For children and young people aged 0 – 25 years with Special Educational Needs and/or Disabilities (SEND) and their parent/carers who are normally resident in Cheshire East local authority. CEIAS works with families from the moment a concern is identified with a child’s education, or development, and continues to support whether statutory thresholds for an Education Health and Care plan are met or not up to and including Tribunal, complaints etc. The service also supports families whose children and young people are excluded from school, or at threat of exclusion.</p> |
| Children and Families | <p>Remand Grant</p> <p>(Specific Purpose)</p> | 55 | <p>Increase on MTFs 2022-26 estimate. This grant is from the Home Office. Funding allocation towards remands to youth secure accommodation of children and young people (under 18 years of age). This payment is in respect of children detained on remand in YOIs and the treatment of such children as “looked after”, and to meet the costs of escorting remanded children to and from youth detention accommodation. Such payments reflect a reasonable estimate of demand using the most recently available data and the YOI remand sector price.</p> |

| Committee | Type of Grant | £000 | Details |
|--|--|------------|--|
| Children and Families | Ukraine Resettlement Funding (Specific Purpose) | 238 | This grant is from the Education & Skills Funding Agency. Funding to provide education and childcare services for children who have entered England via the Homes for Ukraine scheme 2022 to 2023. Grant conditions . |
| Children and Families | Hong Kong UK Welcome Programme - British Nationals (Specific Purpose) | 9 | Increase on Financial Review 1 forecast. This grant is from the Department for Levelling Up, Housing and Communities (DLUHC). Funding is being provided as part of the Hong Kong UK Welcome Programme which is intended to provide funding to local authorities in England to provide targeted support to BN(O) status holders who need additional English language support and destitution support for those whose circumstances change. Hong Kong British Nationals (Overseas) welcome programme – information for local authorities - GOV.UK (www.gov.uk) |
| Specific Purpose Allocations less than £500,000 | | 843 | |

4. Debt Management

| | Outstanding Debt £000 | Over 6 months old £000 |
|--|--------------------------|---------------------------|
| Children and Families Committee | | |
| Children's Social Care (Incl. Directorate) | 8 | 6 |
| Education and 14-19 Skills | 70 | - |
| Prevention and Early Help | 9 | - |
| Schools | 47 | - |

5. Capital Strategy

Children and Families

CAPITAL

CAPITAL PROGRAMME 2022/23-2025/26

| Scheme Description | Total Approved Budget | Prior Years | Forecast Expenditure | | | | Total Forecast Budget 2022/26 | Forecast Funding | | | | | Total Funding |
|--|-----------------------|-------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------------|------------------|------------------------|-----------------------|------------------|----------------------|---------------|
| | | | Forecast Budget 2022/23 | Forecast Budget 2023/24 | Forecast Budget 2024/25 | Forecast Budget 2025/26 | | Grants | External Contributions | Revenue Contributions | Capital Receipts | Prudential Borrowing | |
| Committed Schemes in progress | | | | | | | | | | | | | |
| Childrens Social Care | | | | | | | | | | | | | |
| Foster Carers Capacity Scheme | 634 | 348 | 0 | 286 | 0 | 0 | 286 | | | | | 286 | 286 |
| Crewe Youth Zone | 4,800 | 342 | 650 | 2,450 | 1,358 | 0 | 4,458 | 2,258 | | | | 2,200 | 4,458 |
| Strong Start, Family Help & Integration | | | | | | | | | | | | | |
| Ash Grove Nursery Expansion | 230 | 225 | 5 | 0 | 0 | 0 | 5 | 5 | | | | | 5 |
| Beechwood Nursery Expansion | 868 | 836 | 33 | 0 | 0 | 0 | 33 | | | 33 | | | 33 |
| Early Years Sufficiency Capital Fund | 1,036 | 913 | 0 | 123 | 0 | 0 | 123 | 123 | | | | | 123 |
| Education and 14-19 Skills | | | | | | | | | | | | | |
| Adelaide Academy | 784 | 34 | 50 | 700 | 0 | 0 | 750 | 580 | | | | 170 | 750 |
| Congleton Planning Area | 5,034 | 44 | 300 | 4,690 | 0 | 0 | 4,990 | 2,593 | 2,397 | | | | 4,990 |
| Devolved Formula Capital | 2,179 | 350 | 954 | 300 | 290 | 285 | 1,829 | 1,829 | | | | | 1,829 |
| Future Years Basic Need Allocation | 4,192 | 11 | 2,652 | 1,529 | 0 | 0 | 4,180 | 4,180 | | | | | 4,180 |
| Holmes Chapel Planning Area | 3,625 | 770 | 750 | 2,105 | 0 | 0 | 2,855 | 2,480 | 375 | | | | 2,855 |
| Macclesfield Planning Area - secondary | 4,084 | 1,106 | 100 | 2,400 | 478 | 0 | 2,978 | 2,978 | | | | | 2,978 |
| Malbank High School | 1,922 | 1,856 | 66 | 0 | 0 | 0 | 66 | 66 | | | | | 66 |
| Monks Coppenhall Sen Expansion | 127 | 2 | 125 | 0 | 0 | 0 | 125 | 25 | | | | 100 | 125 |
| Nantwich Planning Area (Primary) | 7,080 | 104 | 400 | 4,600 | 1,976 | 0 | 6,976 | 3,787 | 3,189 | | | | 6,976 |
| Nantwich Planning Area (Secondary) | 700 | 0 | 200 | 500 | 0 | 0 | 700 | 700 | | | | | 700 |
| Park Lane Expansion | 4,400 | 4,226 | 174 | 0 | 0 | 0 | 174 | 174 | | | | | 174 |
| Provision of Sufficient School Places - SEND | 6,006 | 16 | 2,490 | 3,500 | 0 | 0 | 5,990 | 500 | | | | 5,490 | 5,990 |
| Puss Bank SEN Expansion | 532 | 509 | 23 | 0 | 0 | 0 | 23 | | | | | 23 | 23 |
| Sandbach High School - Basic Need | 1,704 | 1,702 | 2 | 0 | 0 | 0 | 2 | 2 | | | | | 2 |
| Sandbach Boys School - Basic Need | 1,776 | 1,773 | 3 | 0 | 0 | 0 | 3 | 3 | | | | | 3 |
| Sandbach Planning Area (secondary) | 38 | 0 | 38 | 0 | 0 | 0 | 38 | 38 | | | | | 38 |
| School Condition Grant | 4,356 | 42 | 1,595 | 2,761 | 0 | 0 | 4,356 | 4,301 | | 55 | | | 4,356 |
| Sen/High Needs Grant Allocation | 3,866 | 0 | 46 | 3,820 | 0 | 0 | 3,866 | 3,866 | | | | | 3,866 |
| Sen Placement Expn - Phase 2 | 38 | 0 | 38 | 0 | 0 | 0 | 38 | | | | | 38 | 38 |

CAPITAL PROGRAMME 2022/23-2025/26

| Scheme Description | Total Approved Budget | Prior Years | Forecast Expenditure | | | | Total Forecast Budget 2022/26 | Forecast Funding | | | | | Total Funding |
|--|-----------------------|---------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------------|------------------|------------------------|-----------------------|------------------|----------------------|----------------|
| | | | Forecast Budget 2022/23 | Forecast Budget 2023/24 | Forecast Budget 2024/25 | Forecast Budget 2025/26 | | Grants | External Contributions | Revenue Contributions | Capital Receipts | Prudential Borrowing | |
| Committed Schemes in progress | | | | | | | | | | | | | |
| Education and 14-19 Skills | | | | | | | | | | | | | |
| Shavington Planning Area (1) | 3,125 | 70 | 400 | 2,655 | 0 | 0 | 3,055 | 3,055 | | | | | 3,055 |
| Special Provision Grant Allocation | 908 | 46 | 863 | 0 | 0 | 0 | 863 | 857 | | 6 | | | 863 |
| Springfield Satellite Site (Dean Row) | 4,120 | 91 | 2,030 | 2,000 | 0 | 0 | 4,030 | 3,230 | | | | 800 | 4,030 |
| To Expand 'In Borough' Sen Placement Capacity - Springfield Special School | 149 | 91 | 58 | 0 | 0 | 0 | 58 | | | | | 58 | 58 |
| Little Angels Satellite Sites | 1,100 | 1,074 | 26 | 0 | 0 | 0 | 26 | 26 | | | | | 26 |
| Wilmslow Basic Need Scheme | 13,944 | 1,658 | 4,000 | 5,000 | 3,286 | 0 | 12,286 | 9,551 | 2,687 | | | 48 | 12,286 |
| Wilmslow Primary Planning Area | 626 | 1 | 0 | 625 | 0 | 0 | 625 | 125 | 500 | | | | 625 |
| | | | | | | | | | | | | | 0 |
| Total Committed Schemes | 83,984 | 18,240 | 18,071 | 40,042 | 7,388 | 285 | 65,786 | 47,330 | 9,149 | 94 | 0 | 9,213 | 65,786 |
| | | | | | | | | | | | | | 0 |
| | | | | | | | | | | | | | 0 |
| New Schemes | | | | | | | | | | | | | |
| Childrens Social Care | | | | | | | | | | | | | |
| Children's Home Sufficiency Scheme | 2,100 | | 1,000 | 1,100 | 0 | 0 | 2,100 | | | | | 2,100 | 2,100 |
| Education and 14-19 Skills | | | | | | | | | | | | | |
| Congleton Planning Area (1) | 2,200 | 0 | 0 | 1,100 | 1,100 | 0 | 2,200 | 900 | 1,300 | | | | 2,200 |
| Congleton Planning Area (2) | 625 | 0 | 100 | 525 | 0 | 0 | 625 | 625 | | | | | 625 |
| Congleton Planning Area (3) | 7,500 | 0 | 0 | 500 | 800 | 6,200 | 7,500 | 4,300 | 3,200 | | | | 7,500 |
| Sandbach Planning Area | 3,183 | 0 | 500 | 2,683 | 0 | 0 | 3,183 | 2,673 | 510 | | | | 3,183 |
| Handforth Planning Area | 15,000 | 0 | 0 | 2,000 | 6,500 | 6,500 | 15,000 | 2,136 | 12,864 | | | | 15,000 |
| Haslington Planning Area (The Dingle PS Expansion) | 1,385 | 0 | 100 | 900 | 385 | 0 | 1,385 | 1,385 | | | | | 1,385 |
| Macclesfield Academy Resource Provision | 100 | 0 | 100 | 0 | 0 | 0 | 100 | 100 | | | | | 100 |
| Macclesfield Planning Area (1) | 4,000 | 0 | 0 | 0 | 2,000 | 2,000 | 4,000 | | 4,000 | | | | 4,000 |
| Macclesfield Planning Area (2) | 4,000 | 0 | 100 | 3,400 | 500 | 0 | 4,000 | 4,000 | | | | | 4,000 |
| Mobberley Primary School | 900 | 0 | 50 | 850 | 0 | 0 | 900 | 600 | | | 300 | | 900 |
| Resource Provision - Wistaston PS | 1,400 | 0 | 400 | 1,000 | 0 | 0 | 1,400 | 1,100 | | | | 300 | 1,400 |
| Shavington Planning Area (2) | 8,000 | 0 | 200 | 800 | 4,000 | 3,000 | 8,000 | 5,640 | 2,360 | | | | 8,000 |
| Total New Schemes | 50,393 | 0 | 2,550 | 14,858 | 15,285 | 17,700 | 50,393 | 23,459 | 24,234 | 0 | 300 | 2,400 | 50,393 |
| Total Children and Families Schemes | 134,377 | 18,240 | 20,621 | 54,900 | 22,673 | 17,985 | 116,179 | 70,789 | 33,383 | 94 | 300 | 11,613 | 116,179 |

6. Reserves Strategy

Children and Families Committee

| Name of Reserve | Opening Balance 1st April 2022 £000 | Forecast Movement in Reserves 2022/23 £000 | Forecast Closing Balance 31st March 2023 £000 | Notes |
|---|--|--|--|---|
| Directorate | | | | |
| Childrens Directorate - Transformation Funding | 1,079 | (365) | 714 | Expectation of £200k for CSC Court and Care Planning Service Proposals plus £65k for CSC New Beginnings. |
| Childrens Directorate - C&F ED | 422 | (110) | 312 | Estimated spend of £30k transport review, £50k Chess review and £30k catering review. |
| Childrens Social Care | | | | |
| Domestic Abuse Partnership | 112 | (76) | 36 | To sustain preventative services to vulnerable people as a result of partnership funding. This is the current budgeted position, however updates will be provided on future reviews. Service will need to consider in year deficit as this would not be sustainable in 2023/24 based on current assumptions. |
| Education and 14-19 Skills | | | | |
| Skills and Lifelong Learning | 30 | (30) | 0 | To support adult learning, training and improving skills for the workplace. Need to |
| School Organisation & Capital Service | 16 | (16) | 0 | Springfield lease of £28.5k per annum will be a pressure in 2022/23. |
| SSIF Nexus Programme | 9 | (9) | 0 | Reserve will be used towards School Improvement to continue to support schools with high disadvantaged learners - agreed with CWAC. |
| Strong Start, Family Help and Integration | | | | |
| Troubled Fams Initiative | 2,215 | 364 | 2,579 | Previously intended to be used towards Prevention restructure. Newly formed |
| Emotional Healthy Schools | 71 | (71) | 0 | Funding by partners to deliver service. |
| Public Sector Transformation – contribution to Early Youth Inclusion Fund | 57 | (57) | 0 | |
| Complex Dependencies | 21 | (21) | 0 | |
| CHILDREN AND FAMILIES TOTAL | 4,032 | (391) | 3,641 | |

Appendix 3 : Corporate Policy Committee

Contents

Corporate Policy Committee Extracts

- 1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy**
- 2. Action Plan 2022/23 as reported to Corporate Policy Committee 6 October 2022**
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- 4. Debt Management**
- 5. Capital Strategy**
- 6. Reserves Strategy**

Appendix 3

Corporate Policy Committee

1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy

| | MTFS Net Budget £000 | Additional Grant Funding £000 | Restructuring & Realignments £000 | Revised Net Budget £000 |
|------------------------------------|-------------------------------|--|---|----------------------------------|
| Corporate Policy | | | | |
| Directorate | 111 | - | 1,734 | 1,845 |
| Finance & Customer Services | 12,857 | 111 | (1,028) | 11,940 |
| Governance and Compliance Services | 10,479 | - | 1,174 | 11,653 |
| Transformation | 14,875 | - | (14,875) | - |
| HR | - | - | 2,397 | 2,397 |
| ICT | - | - | 9,348 | 9,348 |
| Communications | - | - | 653 | 653 |
| Policy and Change | - | - | 1,902 | 1,902 |
| | 38,322 | 111 | 1,305 | 39,738 |

2. Action Plan 2022/23 as reported to Corporate Policy Committee 6 Oct 2022

| Corporate Policy Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|----------------------------|-----------|-----------|--------------------------|--|---------------------|----------|--|--|----------------------------------|
| Corporate Policy Committee | | | | Pay Inflation | 1.315 | 3&4 | Red (will not achieve) | Represents current estimate of the impact on Committee services in excess of the MTFS, from a nationally negotiated pay award. | 0.872 |
| | | | | Transformation | | New | | Use flexible receipts to capitalise costs of transformation. Ongoing costs for Implementation work on B4B within ICT Shared Service - REFCUS utilised to support last year. 50% share of £35,000. | -0.017 |
| Corporate Directorate | 17.1 | -2.8 | 14.3 | Efficiency savings and Restructures within Corporate Services | -0.148 | 8 | Amber (on track but may not achieve all) | Savings allocated pro-rata. Savings can probably be achieved through in-year vacancy management rather than permanently. Very few savings through restructures because of increased demand across the board. | 0.000 |
| | | | | Mitigation of reduction in the Dedicated Schools Grant (ICT element) | 0.098 | 15 | Amber (not on track but may still achieve) | | 0.000 |

| Corporate Policy Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|----------------------------|-----------|-----------|--------------------------|--|---------------------|----------|--|---|----------------------------------|
| | | | | Infrastructure Investment Programme | 0.127 | 33 | Amber (not on track but may still achieve) | Revenue consequences being reviewed in Sept/Oct against the revenue growth in the MTFS. | 0.000 |
| | | | | Improving Digital Customer Experience | 0.110 | 1 | Amber (not on track but may still achieve) | Revenue consequences being reviewed in Sept/Oct against the revenue growth in the MTFS. | 0.000 |
| | | | | Unified IT Communications | 0.110 | 25 | Amber (not on track but may still achieve) | Revenue consequences being reviewed in Sept/Oct against the revenue growth in the MTFS. | 0.000 |
| | | | | IT Security and Compliance | 0.097 | 26 | Amber (not on track but may still achieve) | Revenue consequences being reviewed in Sept/Oct against the revenue growth in the MTFS. | 0.000 |
| | | | | IT Procurements and Application Lifecycle Management | 0.075 | 27 | Amber (not on track but may still achieve) | Revenue consequences being reviewed in Sept/Oct against the revenue growth in the MTFS. | 0.000 |
| | | | | Information Assurance and Data Management Phase 3 | 0.040 | 28 | Amber (not on track but may still achieve) | Revenue consequences being reviewed in Sept/Oct against the revenue growth in the MTFS. | 0.000 |

| Corporate Policy Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|----------------------------|-----------|-----------|--------------------------|--|---------------------|----------|-------------------------------------|---|----------------------------------|
| | | | | Removal of temporary implementation on budget and investment to run the new Financial System | -0.453 | 6 | Green (on track and should achieve) | £105k of reduction relates to Transactional Service Centre (TSC) additional capacity in 2021/22 - this is reported in Finance & Customer Services, this reduction in Governance & Support team isn't being achieved. Also, some of the ICT pressure reported below includes work still being done on BW implementation. | 0.000 |
| | | | | Staff Travel and related savings | 0.023 | 29 | Red (will not achieve) | NOTE: £50k saving against HR 2021/22 budget reversed in 2022/23 then replaced by total staff travel saving allocation of £76k for whole of Corporate Services. Savings have been allocated across all services, leaving £23k across HR, ICT, and Communications (£50k-£27k=£23k). 30% reduced mileage element achieved however, element relating to adopting HMRC rate (£18k across Corporate Services) will not be achieved as no agreement has been reached with the unions. Shortfall being offset by mileage not yet returning to expected post COVID levels due to increasing cases early in 2022/23. Corporate Leadership Team (CLT) discussion on Mutually Agreed Resignation Scheme (MARS) as mitigation. MARS payments | 0.000 |

| Corporate Policy Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|----------------------------|-----------|-----------|--------------------------|------------------------------|---------------------|----------|--|--|----------------------------------|
| | | | | | | | | can be met from reserve in 2022/23 if scheme goes ahead. | |
| | | | | Shared Services Review | | 8 | Amber (not on track but may still achieve) | No cashable savings identified in those services identified. Additional costs being incurred in TSC due to the delayed implementation of B4B and additional pressures on the capacity of the team. Forecast pressure in year. Proposed hybrid model for ICT does deliver more than £200k savings target but requires more investment and payback over 4 years. see item below on ICT hybrid model. | 0.000 |
| | | | | In Year pressure/ mitigation | | New | | Chief Executive and Executive Director of Corporate Services budgets favourable variance £89k, Communications lower income £34k, HR vacancies earlier in the year £280k under, Pressure £1,082k in ICT primarily due to insufficient commissioned project hours. | 0.747 |

| Corporate Policy Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|-------------------------------|-----------|-----------|--------------------------|--|---------------------|----------|--|---|----------------------------------|
| | | | | Workforce | | New | | Revise vacancy forecasts to reflect recruitment difficulties. Slow down recruitment where feasible / safe. Recruit FTE to avoid agency / consultancy costs. Use appropriate reserves to fund exit costs. | |
| | | | | ICT Reprocurements for Corporate, place and People | | | | Costs of reprocurring and implementing replacement line of business systems have previously been capitalised. No capital budget available in current year but has been agreed these costs will come from Capital financing Reserve. Will be a pressure in future years. | |
| Finance and Customer Services | 60.4 | -48.5 | 11.9 | Improved Debt Recovery and correcting budgeted court costs income targets to reflect actual levels | 0.337 | 5 | Amber (not on track but may still achieve) | Position for 2022/23 is a budget increase to reflect reduced court costs and to fund debt off loading and single view. Potential for both to be slightly delayed. | 0.000 |

| Corporate Policy Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|----------------------------|-----------|-----------|--------------------------|---|---------------------|----------|--|---|----------------------------------|
| | | | | Transactional Service Centre additional funding | 0.238 | 16 | Red (will not achieve) | Further activity should improve later year's forecasts, but there is also wider review of schools costs pending. Latest forecast pressure almost £300k but will be partially mitigated due to frequent vacancies etc. | 0.112 |
| | | | | Vendor Management Phase 3 | 0.175 | 24 | Amber (not on track but may still achieve) | Budget increase for 2022/23 to enable system rollout and change management piece. Budget reduced in 2023/24 to include only system costs. Could be a budget carry forward due to a delay in the system rollout. | 0.000 |
| | | | | Brighter Futures Together Programme Customer Experience | -0.133 | 19 | Amber (not on track but may still achieve) | Remaining savings dependant on enabling technologies and procedures. Savings may to be achieved in year through vacancy management but permanent savings potentially delayed until 2023/24. | 0.000 |
| | | | | Efficiency savings and Restructures within Corporate Services | -0.098 | 8 | Amber (on track but may not achieve all) | Savings allocated pro-rata. Savings can probably be achieved through in-year vacancy management rather than permanently. Very few savings through restructures because of increased demand across the board. | 0.000 |

| Corporate Policy Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|------------------------------------|-----------|-----------|--------------------------|---|---------------------|----------|--|---|----------------------------------|
| | | | | Staff Travel and related savings | -0.021 | 29 | Red (will not achieve) | 30% reduced mileage element achieved however, element relating to adopting HMRC rate will not be achieved as no agreement has been reached with the unions. Shortfall being offset by mileage not yet returning to expected post COVID levels due to increasing cases early in 2022/23. | 0.000 |
| | | | | In Year pressure/mitigation | | New | | £54k pressure in Accountancy offset by delay to start of Atamis project £21k favourable variance, and administration grant for energy rebate payments £161k. | -0.128 |
| Governance and Compliance Services | 15.3 | -3.7 | 11.7 | Efficiency savings and Restructures within Corporate Services | -0.078 | 8 | Amber (on track but may not achieve all) | Savings allocated pro-rata. Savings can probably be achieved through in-year vacancy management rather than permanently. Very few savings through restructures because of increased demand across the board. | 0.000 |

| Corporate Policy Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|----------------------------|-----------|-----------|--------------------------|--|---------------------|----------|--|---|----------------------------------|
| | | | | Staff Travel and related savings | -0.012 | 29 | Red (will not achieve) | 30% reduced mileage element generally achieved however, element relating to adopting HMRC rate will not be achieved as no agreement has been reached with the unions. Shortfall being offset by mileage not yet returning to expected post COVID levels due to increasing cases early in 2022/23. | 0.000 |
| | | | | Increase in Insurance Premiums | | New | | Pressure built into forecast but will be met from insurance reserve so nil. Reserve balance needs to be monitored. | 0.000 |
| | | | | In Year pressure/mitigation | | New | | £208k pressure in legal relating to lower income and agency staff offset by favourable variances in Democratic Services mainly from additional income in registrars £581k, Audit & Risk variance from vacancies £348k. | -0.721 |
| Policy & Change | 2.8 | -0.9 | 1.9 | Mitigation of reduction in the Dedicated Schools Grant (Bus Intel) | 0.009 | 15 | Amber (not on track but may still achieve) | | 0.000 |

| Corporate Policy Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|----------------------------|-------------|--------------|--------------------------|---|---------------------|----------|--|---|----------------------------------|
| | | | | Review of corporate subscriptions | -0.015 | 12 | Green (on track and should achieve) | Existing budget does not fully cover subscriptions to CCN and LGA | 0.000 |
| | | | | Staff Travel and related savings | -0.016 | 29 | Red (will not achieve) | 30% reduced mileage element achieved however, element relating to adopting HMRC rate will not be achieved as no agreement has been reached with the unions. Shortfall being offset by mileage not yet returning to expected post COVID levels due to increasing cases early in 2022/23. | 0.000 |
| | | | | Efficiency savings and Restructures within Corporate Services | -0.026 | 8 | Amber (on track but may not achieve all) | Savings allocated pro-rata. Savings can probably be achieved through in-year vacancy management rather than permanently. Very few savings through restructures because of increased demand across the board. | 0.000 |
| | | | | In Year pressure/ mitigation | | New | | £91k variance due to vacant posts in policy and change. | -0.091 |
| Total | 95.7 | -55.9 | 39.8 | | 1.754 | | | | 0.774 |

3. Corporate Grants Register

Table 1 – Corporate Grants Register

| Grants 2022/23 | Revised Forecast FR1 2022/23 £000 | Latest Forecast 2022/23 £000 | Change from FR1 2022/23 £000 | Treatment of Grant <i>Notes 2 - 5</i> |
|--|---|---------------------------------------|--|---|
| CORPORATE POLICY | | | | |
| Specific Use (Held within Services) | 69,720 | 69,727 | 8 | |
| General Purpose (Held Corporately) | | | | |
| Housing Benefit Administration Subsidy | 736 | 736 | 0 | |
| Council Tax Support Administration Subsidy | 345 | 345 | 0 | |
| NNDR Administration Allowance | 587 | 587 | 0 | |
| Revenue Support Grant | 7 | 7 | 0 | |
| New Homes Bonus | 6,614 | 6,614 | 0 | |
| Lower Tier Services Grant | 360 | 360 | 0 | |
| Services Grant | 2,932 | 2,932 | 0 | |
| Business Rates Reliefs Grant 2022/23 | 13,890 | 13,890 | 0 | |
| TOTAL CORPORATE POLICY | 95,191 | 95,199 | 8 | |

Notes

- 1 The Dedicated Schools Grant, Pupil Premium Grant, Sixth Form Grant and Other School Specific Grant from the Education Funding Agency (EFA) figures are based on actual anticipated allocations. Changes are for in-year increases/decreases to allocations by the DfE and conversions to academy status.
- 2 SRE - Supplementary Revenue Estimate requested by relevant service.
- 3 ODR - Officer Decision Record to approve immediate budget change to relevant service.
- 4 Reserves - transfer to reserves at year end.
- 5 Balances - amount will be included as a variance to budget.

- 3.1 Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. Specific use grants are held within the relevant service with a corresponding expenditure budget. Whereas general purpose grants are held in central budgets with a corresponding expenditure budget within the allocated service area.
- 3.2 Spending in relation to specific use grants must be in line with the purpose for which it is provided.

4. Debt Management

| | Outstanding Debt £000 | Over 6 months old £000 |
|-----------------------------------|--------------------------|---------------------------|
| Corporate Policy Committee | | |
| Finance and Customer Services | 76 | 40 |
| Governance and Compliance | 3 | - |
| Human Resources | 2 | - |
| ICT | 90 | 4 |

5. Capital Strategy

Corporate Policy

CAPITAL

CAPITAL PROGRAMME 2022/23 - 2025/26

| Scheme Description | Total Approved Budget | Prior Years | Forecast Expenditure | | | | Total Forecast Budget 2022/26 | Forecast Funding | | | | | Total Funding | |
|---|-----------------------|--------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------------|------------------|------------------------|-----------------------|------------------|----------------------|---------------|--------|
| | | | Forecast Budget 2022/23 | Forecast Budget 2023/24 | Forecast Budget 2024/25 | Forecast Budget 2025/26 | | Grants | External Contributions | Revenue Contributions | Capital Receipts | Prudential Borrowing | | |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Committed Schemes | | | | | | | | | | | | | | |
| ICT Services | | | | | | | | | | | | | | |
| Care Act Phase 2 | 2,648 | 0 | 1,372 | 638 | 638 | 0 | 2,648 | | | | | | 2,648 | 2,648 |
| Core Financials | 3,948 | 0 | 1,746 | 741 | 720 | 741 | 3,948 | | 500 | | | 13 | 3,435 | 3,948 |
| Digital Customer - Delivery Programme Phase 1 | 250 | 79 | 171 | 0 | 0 | 0 | 171 | | | | | | 171 | 171 |
| Digital Customer Enablement | 2,874 | 33 | 967 | 1,400 | 474 | 0 | 2,841 | | | | | | 2,841 | 2,841 |
| ICT Device Replacement | 120 | 75 | 45 | 0 | 0 | 0 | 45 | | | 45 | | | | 45 |
| Info' Assurance And Data Mgmt | 5,324 | 0 | 2,234 | 1,591 | 1,500 | 0 | 5,324 | | | | | | 5,324 | 5,324 |
| Infrastructure Investment(IIP) | 7,773 | 0 | 2,623 | 1,680 | 1,656 | 1,814 | 7,773 | | | | | | 7,773 | 7,773 |
| Vendor Management | 1,006 | 730 | 276 | 0 | 0 | 0 | 276 | | | | | | 276 | 276 |
| Unified Communications Project | 1,206 | 651 | 555 | 0 | 0 | 0 | 555 | | | | | | 555 | 555 |
| Finance & Customer Services | | | | | | | | | | | | | | |
| Strategic Capital Projects | 1,897 | 0 | 1,897 | 4,000 | 4,000 | 3,087 | 12,984 | | | | | | 12,984 | 12,984 |
| Total Committed Schemes | 27,047 | 1,568 | 11,886 | 10,050 | 8,988 | 5,642 | 36,567 | 0 | 500 | 45 | 13 | 36,008 | 36,567 | |
| New Schemes | | | | | | | | | | | | | | |
| Information Communication Technology | | | | | | | | | | | | | | |
| Vendor Management - Phase 2 | 320 | 0 | 170 | 150 | 0 | 0 | 320 | | | | | | 320 | 320 |
| Total New Schemes | 320 | 0 | 170 | 150 | 0 | 0 | 320 | 0 | 0 | 0 | 0 | 320 | 320 | |
| Total Corporate Policy Schemes | 27,367 | 1,568 | 12,056 | 10,200 | 8,988 | 5,642 | 36,887 | 0 | 500 | 45 | 13 | 36,328 | 36,887 | |

6. Reserves Strategy

Corporate Policy Committee

| Name of Reserve | Opening Balance 1st April 2022 £000 | Forecast Movement in Reserves 2022/23 £000 | Forecast Closing Balance 31st March 2023 £000 | Notes |
|---|--|--|--|--|
| Directorate | | | | |
| Corporate Directorate | 1,868 | (293) | 1,575 | To support a number of widespread projects within the Corporate Directorate |
| Finance and Customer Services | | | | |
| Collection Fund Management | 27,424 | (15,609) | 11,815 | To manage cash flow implications as part of the Business Rates Retention Scheme. Includes liabilities that will not be paid until future years. |
| Financing Reserve - Corporate Capital Projects | 7,832 | 1,500 | 9,332 | |
| Financing Reserve - People Capital Projects | 573 | (150) | 423 | To provide for financing of capital schemes, other projects and initiatives. |
| Financing Reserve - Place Capital Projects | 1,125 | (250) | 875 | |
| MTFS Reserve | 10,068 | (2,533) | 7,535 | To support the financial strategy and risk management. |
| Section 151 Revenue Grants | 28 | (28) | 0 | Unspent specific use grant carried forward into 2022/23. |
| Section 151 Revenue Grants - COVID-19 | 5,989 | (5,989) | 0 | Covid (Unringfenced) reserve carried forward into 2022/23. |
| Governance and Compliance | | | | |
| Insurance Reserve - Cheshire County Fund | 130 | (146) | (16) | To settle insurance claims and manage excess costs. |
| Insurance Reserve - Cheshire East Fund | 5,164 | 132 | 5,296 | To settle insurance claims and manage excess costs. |
| Elections General | 477 | 225 | 702 | To provide funds for Election costs every 4 years. |
| Brexit Funding | 13 | 0 | 13 | |
| Human Resources | | | | |
| HR (CARE4CE Review, Culture Change, Pay realignment, Learning Mgt System) | 59 | (59) | 0 | To fund HR expenditure in relation to the Care4CE review, culture change programme, pay realignment and the Learning Management System. |
| Pay Structure (M Grade Review) | 584 | (278) | 306 | To fund ongoing changes to pay structure. |
| Policy and Change | | | | |
| Brighter Future Transformation Programme | 1,780 | 0 | 1,780 | 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. |
| CORPORATE POLICY TOTAL | 63,114 | (23,478) | 39,636 | |

Appendix 4 : Economy and Growth Committee

Contents

Economy and Growth Committee Extracts

- 1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy**
- 2. Action Plan 2022/23 as reported to Corporate Policy Committee 6 October 2022**
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 - Table 2: Supplementary Estimates for Committee to Note**
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- 5. Capital Strategy**
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Appendix 4

Economy and Growth Committee

1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy

| | MTFS Net Budget £000 | Additional Grant Funding £000 | Restructuring & Realignments £000 | Revised Net Budget £000 |
|---------------------------|-------------------------------|--|---|----------------------------------|
| Economy and Growth | | | | |
| Directorate | 851 | - | (17) | 834 |
| Growth & Enterprise | 22,659 | - | 102 | 22,761 |
| | 23,510 | - | 85 | 23,595 |

2. Action Plan 2022/23 as reported to Corporate Policy Committee 6 Oct 2022

| Economy and Growth Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|------------------------------|-----------|-----------|--------------------------|---|---------------------|----------|--|---|----------------------------------|
| E&G Committee | | | | Pay Inflation | 0.528 | 3&4 | Red (will not achieve) | Represents current estimate of the impact on Committee services in excess of the MTFS, from a nationally negotiated pay award. | 0.153 |
| Directorate | 2.4 | -1.6 | 0.8 | Staff Travel and related savings | -0.082 | 29 | Amber (on track but may not achieve all) | | 0.000 |
| | | | | Place directorate mitigating actions | | | | Savings on feasibility, travel and consultancy | -0.042 |
| | | | | Transformation | | | | Use flexible receipts to capitalise costs of transformation - Planning Deep Dive. | -0.074 |
| Growth and Enterprise | 30.6 | -7.8 | 22.8 | Neighbourhood Estate Review | -0.260 | 31 | Red (will not achieve) | Delayed - Awaiting progress on the Leisure Review. | 0.219 |
| | | | | Estates Transformation - Office Accommodation | -0.100 | 32 | Red (will not achieve) | Progress of the Estates Transformation. Cledford House is being advanced to enable property to be vacated and then disposal or alternative use sought. Potential Send School. | 0.100 |

| Economy and Growth Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|------------------------------|-----------|-----------|--------------------------|--|---------------------|----------|--|--|----------------------------------|
| | | | | Transfer of Congleton Visitor Information Centre | -0.020 | 11 | Green (on track and should achieve) | Previous agreement in place for transfer and phased saving over period. | 0.000 |
| | | | | Asset / Service Transfer | -0.030 | 51 | Amber (on track but may not achieve all) | Final agreement and conclusion of legals on property transfers. | 0.030 |
| | | | | Tatton Park | -0.006 | 52 | Green (on track and should achieve) | Already built into budget. | 0.000 |
| | | | | Investment in Public Rights of Way | 0.200 | 59 | Green (on track and should achieve) | Recruitment process underway – however securing a suitable candidate has been difficult. | -0.044 |
| | | | | Utility Costs / Carbon | 1.500 | 57 | Green (on track and should achieve) | | 0.000 |
| | | | | Estates Pressures | | New | | Reflects increases in maintenance, utility and business rates and a pressure on rental income within the Investment portfolio. | 0.820 |
| | | | | Estates mitigating actions | | New | | Mitigating actions to offset pressures, largely vacancies and better income within Facilities Management. | -0.529 |

| Economy and Growth Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|------------------------------|-------------|-------------|--------------------------|---|---------------------|----------|------------|---|----------------------------------|
| | | | | Rural & Culture Pressures | | New | | Reduction in visitor numbers at Tatton Park of over 20% in addition to inflationary increases in energy, materials as well as increases across supplies and services and premises costs. There is also an ongoing shortfall in Public Path Order income due to Covid. | 0.491 |
| | | | | Rural & Culture Mitigating Actions | | New | | Mitigating actions to offset pressures are largely vacancies across the service and a reserve release for Tatton Park. | -0.359 |
| | | | | Housing Mitigating Actions | | New | | Small Covid pressure £7,000 due to cleaning costs, offset by mitigating actions including vacancies and drawing down grant from balance sheet. | -0.387 |
| | | | | Economic Development Mitigating Actions | | New | | Mitigating actions to offset pressures, largely vacancies. | -0.187 |
| Total | 33.0 | -9.4 | 23.6 | | 1.730 | | | | 0.191 |

3. Corporate Grants Register

Table 1 – Corporate Grants Register

| Grants 2022/23 | Revised Forecast FR1 2022/23 £000 | Latest Forecast 2022/23 £000 | Change from FR1 2022/23 £000 | Treatment of Grant <i>Notes 2 - 5</i> |
|-------------------------------------|---|---------------------------------------|--|---|
| ECONOMY & GROWTH | | | | |
| Specific Use (Held within Services) | 2,392 | 3,439 | 1,047 | |
| General Purpose (Held Corporately) | | | | |
| TOTAL ECONOMY & GROWTH | 2,392 | 3,439 | 1,047 | |

Notes

- 1 The Dedicated Schools Grant, Pupil Premium Grant, Sixth Form Grant and Other School Specific Grant from the Education Funding Agency (EFA) figures are based on actual anticipated allocations. Changes are for in-year increases / decreases to allocations by the DfE and conversions to academy status.
- 2 SRE - Supplementary Revenue Estimate requested by relevant service.
- 3 ODR - Officer Decision Record to approve immediate budget change to relevant service.
- 4 Reserves - transfer to reserves at year end.
- 5 Balances - amount will be included as a variance to budget.

3.3 Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. Specific use grants are held within the relevant service with a corresponding expenditure budget. Whereas general purpose grants are held in central budgets with a corresponding expenditure budget within the allocated service area.

3.4 The increase in specific grants relates mainly to increases in the Rough Sleeping and Local Enterprise Partnership (LEP): Skills Bootcamp grant.

3.5 Requests for the allocation of the additional specific grants received are detailed in **Table 2** and **Table 3**.

3.6 Spending in relation to specific use grants must be in line with the purpose for which it is provided.

Table 2 – Note that Council will be asked to Approve Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Use) Over £1m

| Committee | Type of Grant | £000 | Details |
|--|--|--------------|---|
| Economy and Growth | Local Enterprise Partnership (LEP): Skills Bootcamp (Specific Purpose) | 1,037 | <p>This grant is from the Department for Education. This funding is to arrange for the delivery, management and funding of Skills Bootcamps within the geographical area, and in neighbouring areas with agreement with relevant local authorities. The Skills Bootcamps shall be aligned to employer needs and directly linked to employment opportunities with outcomes to be delivered a maximum of 6 months following the agreement end date.</p> <p>Skills Bootcamps are free, flexible courses of up to 16 weeks for adults aged 19 or over. They give people the opportunity to build up valuable sector-specific skills based on local employer demand and provide a direct path to a job on completion. Skills Bootcamps (publishing.service.gov.uk)</p> |
| Specific Purpose Allocations less than £500,000 | | 1,037 | |

Table 3 – Note Delegated Decision - Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Use) £500,000 or less

| Committee | Type of Grant | £000 | Details |
|--|---|-----------|--|
| Economy and Growth | Rough Sleeping Initiative (Specific Purpose) | 10 | Increase on Financial Review 1 forecast. This grant is from the Department for Levelling Up, Housing and Communities (DLUHC). Funding has been used to establish or continue Rough Sleeping Initiative services agreed by the Department for Levelling Up, Housing and Communities (DLUHC) to immediately intervene in, prevent and reduce rough sleeping. Rough Sleeping Initiative: 2022 to 2025 funding allocations - GOV.UK (publishing.service.gov.uk) |
| Specific Purpose Allocations less than £500,000 | | 10 | |

4. Debt Management

| | Outstanding Debt £000 | Over 6 months old £000 |
|-------------------------------------|--------------------------|---------------------------|
| Economy and Growth Committee | | |
| Growth and Enterprise | 479 | 202 |

5. Capital Strategy

Economy and Growth

CAPITAL

CAPITAL PROGRAMME 2022/23- 2025/26

| Scheme Description | Total Approved Budget | Prior Years | Forecast Expenditure | | | | Total Forecast Budget 2022/26 | Forecast Funding | | | | | Total Funding |
|--|-----------------------|-------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------------|------------------|------------------------|-----------------------|------------------|----------------------|---------------|
| | | | Forecast Budget 2022/23 | Forecast Budget 2023/24 | Forecast Budget 2024/25 | Forecast Budget 2025/26 | | Grants | External Contributions | Revenue Contributions | Capital Receipts | Prudential Borrowing | |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Committed Schemes | | | | | | | | | | | | | |
| Culture & Tourism | | | | | | | | | | | | | |
| Archive Option Development | 396 | 293 | 103 | - | - | - | 103 | | | | | 103 | 103 |
| Countryside Capital Projects | 605 | 601 | 4 | - | - | - | 4 | 4 | | | | | 4 |
| Countryside Vehicles | 999 | 0 | - | 702 | 167 | 130 | 999 | | | | | 999 | 999 |
| Public Rights of Way - CMM A6 MARR | 100 | 2 | 5 | 93 | - | - | 98 | 98 | | | | | 98 |
| Public Rights of Way - Flood Damage Investment | 63 | 15 | 48 | - | - | - | 48 | | | | | 48 | 48 |
| Public Rights of Way - Capital Works | 860 | 770 | 91 | - | - | - | 91 | 91 | | | | | 91 |
| Rural & Green Section 106 Schemes | 50 | 16 | 34 | - | - | - | 34 | | 34 | | | | 34 |
| Tatton Park Investment Phase 2 | 1,969 | 0 | 1,259 | 710 | - | - | 1,969 | | | | | 1,969 | 1,969 |
| Economic Development | | | | | | | | | | | | | |
| Connecting Cheshire 2020 | 7,238 | 0 | 3,000 | 2,500 | 738 | 1,000 | 7,238 | 7,655 | | | | -417 | 7,238 |
| Connecting Cheshire Phase 2 | 883 | 0 | - | - | - | 883 | 883 | | 313 | | | 570 | 883 |
| Connecting Cheshire | 595 | 0 | - | - | - | 595 | 595 | | 48 | | | 547 | 595 |
| Crewe Town Centre Regeneration | 32,019 | 11,940 | 3,474 | 14,573 | - | 2,031 | 20,078 | 665 | | | | 19,413 | 20,078 |
| Demolition of Crewe Library Site | 2,765 | 13 | 305 | 1,077 | 1,370 | - | 2,752 | 1,229 | | | | 1,523 | 2,752 |
| Future High Street Funding - CEC Innovation Centre | 1,169 | 58 | 517 | 594 | - | - | 1,111 | 1,111 | | | | | 1,111 |
| Future High Street Funding - Christ Church Innovation Centre | 1,934 | 71 | 504 | 1,359 | - | - | 1,863 | 1,863 | | | | | 1,863 |
| Leighton Green | 2,096 | 1,455 | 75 | 266 | 300 | - | 640 | | | | | 640 | 640 |
| Macclesfield Town Centre | 2,219 | 1,767 | 252 | 200 | - | - | 452 | | | | | 452 | 452 |
| North Cheshire Garden Village | 64,707 | 5,491 | 900 | 13,994 | 30,621 | 13,702 | 59,216 | 21,950 | | | 21,233 | 16,034 | 59,216 |
| Red Roofs Hole Farm Alderley Edge - Acquisition | 15 | 12 | 3 | - | - | - | 3 | | | | | 3 | 3 |
| Public Sector Decarbonisation Fund - Substation | 120 | 60 | 60 | - | - | - | 60 | 60 | | | | | 60 |
| Public Sector Decarbonisation Fund - Cledford | 165 | 160 | 5 | - | - | - | 5 | 5 | | | | | 5 |
| South Macclesfield Development Area | 34,630 | 3,089 | 895 | 1,745 | 19,333 | 9,568 | 31,541 | 10,838 | 10,000 | | 9,568 | 1,135 | 31,541 |

CAPITAL PROGRAMME 2022/23- 2025/26

| Scheme Description | Total Approved Budget | Prior Years | Forecast Expenditure | | | | Total Forecast Budget 2022/26 | Forecast Funding | | | | | Total Funding |
|--|-----------------------|---------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------------|------------------|------------------------|-----------------------|------------------|----------------------|----------------|
| | | | Forecast Budget 2022/23 | Forecast Budget 2023/24 | Forecast Budget 2024/25 | Forecast Budget 2025/26 | | Grants | External Contributions | Revenue Contributions | Capital Receipts | Prudential Borrowing | |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Committed Schemes | | | | | | | | | | | | | |
| Estates | | | | | | | | | | | | | |
| Corporate Landlord - Operational | 1,027 | 963 | 65 | - | - | - | 65 | | | | | 65 | 65 |
| Farms Strategy | 1,710 | 0 | 184 | 218 | 218 | 1,090 | 1,710 | | | | | 1,710 | 1,710 |
| Malkins Bank Landfill Site | 1,360 | 511 | 200 | 649 | - | - | 849 | | | | | 849 | 849 |
| Public Sector Decarbonisation Fund - FM 1 | 1,855 | 1,759 | 96 | - | - | - | 96 | 96 | | | | | 96 |
| Public Sector Decarbonisation Fund - FM 2 | 604 | 389 | 216 | - | - | - | 216 | 216 | | | | | 216 |
| Premises Capital (FM) | 14,663 | 0 | 5,032 | 3,662 | 3,500 | 2,469 | 14,663 | | | | | 14,663 | 14,663 |
| Schools Capital Maintenance | 2,582 | 0 | 1,767 | 815 | - | - | 2,582 | 2,291 | | | | 291 | 2,582 |
| Septic Tanks | 636 | 250 | 387 | - | - | - | 387 | | | | | 387 | 387 |
| Housing | | | | | | | | | | | | | |
| Astbury Marsh Caravan Park | 247 | 143 | 104 | - | - | - | 104 | | | | | 104 | 104 |
| Disabled Facilities Grant | 10,871 | 0 | 3,845 | 2,342 | 2,342 | 2,342 | 10,871 | 9,943 | | | | 928 | 10,871 |
| Future High Street Funding - Chester Street | 1,378 | 3 | - | 1,375 | - | - | 1,375 | 1,375 | | | | | 1,375 |
| Future High Street Funding - Delamere Street | 1,459 | 4 | - | 1,455 | - | - | 1,455 | 1,455 | | | | | 1,455 |
| Green Homes Grants | 3,890 | 769 | 3,121 | - | - | - | 3,121 | 1,452 | 1,669 | | | | 3,121 |
| Gypsy and Traveller Sites | 3,701 | 1,246 | 1,237 | 1,218 | - | - | 2,455 | 700 | | | | 1,755 | 2,455 |
| Home Repairs for Vulnerable People | 846 | 0 | 246 | 200 | 200 | 200 | 846 | | | | | 846 | 846 |
| Social Housing Decarbonisation Fund | 1,565 | 0 | 1,565 | - | - | - | 1,565 | 1,565 | | | | | 1,565 |
| Sustainable Warmth - Home Upgrade Grant | 3,289 | 4 | 3,285 | - | - | - | 3,285 | 3,285 | | | | | 3,285 |
| Temporary Accommodation | 958 | 300 | 658 | - | - | - | 658 | | 318 | 340 | | | 658 |
| Warm Homes Fund | 239 | 173 | 66 | - | - | - | 66 | 66 | | | | | 66 |
| Total Committed Schemes | 208,477 | 32,326 | 33,606 | 49,747 | 58,788 | 34,010 | 176,151 | 68,012 | 12,381 | 340 | 30,801 | 64,617 | 176,151 |
| New Schemes | | | | | | | | | | | | | |
| Culture & Tourism | | | | | | | | | | | | | |
| Crewe Towns Fund - History Centre Public Realm | 10 | 0 | 10 | - | - | - | 10 | 10 | | | | | 10 |
| Crewe Towns Fund - Lyceum Powerhouse | 260 | 0 | 260 | - | - | - | 260 | 260 | | | | | 260 |
| New Archive Premises | 10,250 | 0 | - | 4,100 | 5,699 | 451 | 10,250 | | | | | 10,250 | 10,250 |
| Rural & Green Section 106 Schemes | 24 | 0 | 24 | - | - | - | 24 | | 24 | | | | 24 |
| Economic Development | | | | | | | | | | | | | |
| Connecting Cheshire Phase 3 | 8,000 | 0 | 500 | 1,500 | 2,000 | 4,000 | 8,000 | | 8,000 | | | | 8,000 |
| Handforth Heat Network | 13,710 | 0 | - | 9,910 | 2,000 | 1,800 | 13,710 | 5,420 | 4,890 | | | 3,400 | 13,710 |
| Public Sector Decarbonisation Fund - FM 3 | 3,714 | 0 | 3,714 | - | - | - | 3,714 | 3,714 | | | | | 3,714 |
| Crewe Towns Fund - Mill Street Corridor | 140 | 3 | 137 | - | - | - | 137 | 137 | | | | | 137 |
| Crewe Towns Fund | 19,560 | 0 | 6,060 | 6,886 | 5,404 | 1,210 | 19,560 | 19,560 | | | | | 19,560 |
| Housing | | | | | | | | | | | | | |
| Crewe Towns Fund - Warm and Health Homes | 100 | 0 | 20 | 80 | - | - | 100 | 100 | | | | | 100 |
| Total New Schemes | 55,768 | 3 | 10,724 | 22,476 | 15,103 | 7,461 | 55,764 | 29,201 | 12,914 | 0 | 0 | 13,650 | 55,764 |
| Total Economy and Growth Schemes | 264,244 | 32,329 | 44,330 | 72,223 | 73,891 | 41,471 | 231,915 | 97,213 | 25,295 | 340 | 30,801 | 78,267 | 231,915 |

6. Reserves Strategy

Economy and Growth Committee

| Name of Reserve | Opening Balance 1st April 2022 £000 | Forecast Movement in Reserves 2022/23 £000 | Forecast Closing Balance 31st March 2023 £000 | Notes |
|---|--|--|--|---|
| Directorate | | | | |
| Place Directorate | 1,684 | (1,368) | 316 | To support a number of widespread projects within the Place Directorate. A significant number of these projects are expected to be fully utilised in year, with the remaining reserve to be fully used in 2023-24. |
| Investment (Sustainability) | 680 | (219) | 461 | To support investment that can increase longer term financial independence and stability of the Council. |
| Growth and Enterprise | | | | |
| Legal Proceedings | 285 | (100) | 185 | To enable legal proceedings on land and property matters. Hard to gauge the pace of cases but this is the anticipated amount based on end of June costs. |
| Investment Portfolio | 155 | 174 | 329 | Total rent, fee costs and the amount the service are allowed to keep (£250k) all stay the same so anticipating a similar contribution to the reserve. Looked at the investment summary to determine 22-23 MRP and interest costs. Reserve being built up to be used in the future if the site is vacated. Current lease extends beyond 2026. |
| Homelessness & Housing Options - Revenue Grants | 130 | (130) | 0 | To cover costs of purchase and refurbishment of properties to be used as temporary accommodation to house vulnerable families. It is anticipated that this will be utilised in 2022-23, however this is dependent on the housing market and the availability of suitable properties. |
| Tatton Park Trading Reserve | 111 | (111) | 0 | Service anticipating utilising some of the funds although a decision on amount will be made later in the year once income trends become clearer. Early estimation it will be utilised for catering equipment renewal of £30k and a Glasshouse survey of £5k. Also available to be used to cover in year pressures outside of base budget in 2022-23 and future years. Note this is a ring fenced reserve. |
| Royal Arcade Crewe | 99 | (99) | 0 | Original purpose was to fund vacant possession related costs for the Royal Arcade until demolition. The balance will now be used to pay for ongoing maintenance costs for Crewe Bus station. FM pressures will mean that the reserve will be utilised in 2022-23; with costs of £45k at First Finance Review, it is anticipated to be fully drawn down in year. |
| ECONOMY AND GROWTH TOTAL | 3,144 | (1,853) | 1,291 | |

Appendix 5 : Environment and Communities Committee

Contents

Environment and Communities Committee Extracts

- 1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy**
- 2. Action Plan 2022/23 as reported to Corporate Policy Committee 6 October 2022**
- 3. Corporate Grants Register**
Table 1: Environment and Communities Committee Grants
- 4. Debt Management**
- 5. Capital Strategy**
- 6. Reserves Strategy**

Appendix 5

Environment and Communities Committee

1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy

| | MTFS Net Budget £000 | Additional Grant Funding £000 | Restructuring & Realignments £000 | Revised Net Budget £000 |
|-------------------------------------|-------------------------------|--|---|----------------------------------|
| Environment and Communities | | | | |
| Environment & Neighbourhood Service | 44,373 | 10 | (18) | 44,365 |
| | 44,373 | 10 | (18) | 44,365 |

2. Action Plan 2022/23 as reported to Corporate Policy Committee 6 Oct 2022

| Environment and Communities Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|--|-----------|-----------|--------------------------|-----------------------------------|---------------------|----------|--|---|----------------------------------|
| Environment and Neighbourhood Services | 54.7 | -10.4 | 44.3 | Pay Inflation | 1.323 | 3&4 | Red (will not achieve) | Represents current estimate of the impact on Committee services in excess of the MTFS, from a nationally negotiated pay award. | 0.383 |
| | | | | Orbitas income and management fee | 0.021 | 17 | Green (on track and should achieve) | | 0.000 |
| | | | | Strategic Leisure Review | -0.250 | 18 | Amber (on track but may not achieve all) | Engagement with CLT and Everybody to identify options to deliver savings. There are limited options to achieve required savings without reducing scope of services. The financial impact in 2022/23 is mitigated by an equivalent contribution by Public Health to the leisure commissioning budget. This has not been agreed for future years. There does however remain a pressure in Facilities Management (Economy & Growth Committee). | 0.000 |

| Environment and Communities Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|---------------------------------------|-----------|-----------|--------------------------|--|---------------------|----------|--|--|----------------------------------|
| | | | | Review of governance of ASDVs and seeking increased opportunities for savings / commercial opportunities | -0.100 | 20 | Red (will not achieve) | This proposal is for the Council to receive a share of the profits from commercial activity undertaken by ANSA or Orbitas. This requires further negotiation between the Finance Sub-Committee (acting as shareholder) with the Council's wholly owned companies on payment of a dividend in 2022/23 from the retained earnings. Updated for 2021/22 proposal of £100k not achieved. | 0.200 |
| | | | | CCTV migration to wireless networks | -0.085 | 10 | Amber (on track but may not achieve all) | The procurement process has now begun following a 12 month delay. The delayed savings will be mitigated in 2022/23 via favourable variances elsewhere in Regulatory Services. | 0.086 |
| | | | | Everybody Sport and Recreation Annual Management Fee | -0.042 | 21 | Green (on track and should achieve) | | 0.000 |

| Environment and Communities Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|---------------------------------------|-----------|-----------|--------------------------|--|---------------------|----------|--|--|----------------------------------|
| | | | | Regulatory Services and Environmental Health ICT procurement | -0.009 | 13 | Amber (on track but may not achieve all) | The implementation of the new system has been delayed but the required savings will be mitigated via favourable variances in Regulatory Services. | 0.000 |
| | | | | Waste Contract Inflation and Tonnage Growth | 0.644 | 53 | Green (on track and should achieve) | | 0.000 |
| | | | | Tree Risk Management | 0.500 | 54 | Green (on track and should achieve) | | 0.000 |
| | | | | Environment Strategy and Carbon Neutrality | 0.020 | 56 | Green (on track and should achieve) | | 0.000 |
| | | | | Investment in improving the customer experience in Planning Services | 0.500 | 58 | Green (on track and should achieve) | It is likely that not all of the temporary budget will be spent in 2022/23 and so there will be a request to carry forward the residual into 2023/24 to complete the implementation of the Planning Service Improvement Programme. | 0.000 |

| Environment and Communities Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|---------------------------------------|-----------|-----------|--------------------------|---|---------------------|----------|------------|--|----------------------------------|
| | | | | Surplus / loss from CEC Services provided by Ansa | | New | | Increased waste tonnages as a legacy of Covid. This is resulting in increased crews, increased fuel, and increased disposal costs. It also means that legacy savings from the Route and Rota review following the move to the Environmental Hub are unrealisable. This has been partly mitigated in 2022/23 from higher recycling income. Further analysis is being undertaken to understand whether the rate of new houses being occupied compared to MTFS assumptions is a contributing factor. 22-23 Environment temporary impacts (mainly recycling income) - Temporary benefit in 22-23 only - Recycling income benefit of £1.410m plus HWRC contract benefits. Use of ANSA reserve (£0.3m) | 0.457 |
| | | | | Environmental Hub maintenance | | New | | This reflects the increased costs of operating a modern facility. The shortfall has previously been funded by favourable variances in Facilities Management budgets. | 0.306 |
| | | | | Ansa / Orbitas Directors | | New | | This saving from 2021/22 is not achievable as the Directors of Ansa continue to be remunerated. | 0.040 |

| Environment and Communities Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|---------------------------------------|-----------|-----------|--------------------------|---|---------------------|----------|------------|--|----------------------------------|
| | | | | Renumeration | | | | | |
| | | | | Markets business rates | | New | | Result of unoccupied market stalls. | 0.032 |
| | | | | Orbitas inflation impact | | New | | In-year pressure. | 0.051 |
| | | | | Bereavement Income surplus | | New | | | -0.134 |
| | | | | Environment - other various | | New | | Commissioner mitigations. | -0.151 |
| | | | | Planning and Building Control income | | New | | There are proposals under planning reform to increase planning fees by 25-35% that may mitigate this pressure and it is unclear when these increases will take effect. The proposal is subject to consultation and legislative change. | 1.080 |
| | | | | Planning and Building Control Mitigations | | New | | Mitigating actions to cover covid pressures above, predominantly vacancy savings. | -0.081 |

| Environment and Communities Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|---------------------------------------|-----------|-----------|--------------------------|--|---------------------|----------|------------|--|----------------------------------|
| | | | | Licensing income | | New | | There is a pressure on licensing income from taxi licensing. This reflects a reduction in the number of drivers following Covid. | 0.029 |
| | | | | Public burials | | New | | Increased numbers of public burials. | 0.016 |
| | | | | Regulatory Services mitigating actions | | New | | Mitigating actions to cover covid pressures above. These include vacancy savings, reduced mileage and increased income. Grants and the balance of a provision have also been released. | -0.224 |
| | | | | Libraries income | | New | | There has been a change in use of libraries since Covid lockdowns that has resulted in a reduction in income particularly from Adults. | 0.165 |
| | | | | Libraries Mitigating Actions | | New | | Mitigating actions to cover Covid pressures above, predominantly vacancies £150k predicted variance. | -0.164 |
| | | | | Dir /Leisure/ EP/ ASB&CEO | | New | | Mitigating actions to improve outturn position. | -0.045 |
| | | | | Waste | | New | | Education on residual waste reduction Review Commissioner / Provider responsibilities (possible access to Ansa reserves / surplus from recyclates). | |

| Environment and Communities Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|---------------------------------------|-------------|--------------|--------------------------|----------------|---------------------|----------|------------|---|----------------------------------|
| | | | | Workforce | | New | | Revise vacancy forecasts to reflect recruitment difficulties. Slow down recruitment where feasible / safe. Use specific reserves for exit costs (per MTFS). Updated staffing forecasts reflecting current recruitment timescales have been built into figures on lines above. | |
| | | | | Transformation | | New | | Use flexible receipts to capitalise costs of transformation - Planning Deep Dive | -0.160 |
| Total | 54.7 | -10.4 | 44.3 | | 2.522 | | | | 1.886 |

3. Corporate Grants Register

Table 1 – Corporate Grants Register

| Grants 2022/23 | Revised Forecast FR1 2022/23 £000 | Latest Forecast 2022/23 £000 | Change from FR1 2022/23 £000 | Treatment of Grant <i>Notes 2 - 5</i> |
|--|---|---------------------------------------|--|---|
| ENVIRONMENT & COMMUNITIES | | | | |
| Specific Use (Held within Services) | 387 | 387 | 0 | |
| General Purpose (Held Corporately) | | | | |
| Neighbourhood Planning Grant | 10 | 10 | 0 | |
| TOTAL ENVIRONMENT & COMMUNITIES | 397 | 397 | 0 | |

Notes

- 1 The Dedicated Schools Grant, Pupil Premium Grant, Sixth Form Grant and Other School Specific Grant from the Education Funding Agency (EFA) figures are based on actual anticipated allocations. Changes are for in-year increases / decreases to allocations by the DfE and conversions to academy status.
- 2 SRE - Supplementary Revenue Estimate requested by relevant service.
- 3 ODR - Officer Decision Record to approve immediate budget change to relevant service.
- 4 Reserves - transfer to reserves at year end.
- 5 Balances - amount will be included as a variance to budget.

3.1 Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. Specific use grants are held within the relevant service with a corresponding expenditure budget. Whereas general purpose grants are held in central budgets with a

corresponding expenditure budget within the allocated service area.

3.2 Spending in relation to specific use grants must be in line with the purpose for which it is provided.

4. Debt Management

| | Outstanding Debt £000 | Over 6 months old £000 |
|--|-----------------------------|------------------------------|
| Environment and Communities Committee | | |
| Environment and Neighbourhood Services | 1,193 | 210 |

5. Capital Strategy

Environment and Communities

CAPITAL

CAPITAL PROGRAMME 2022/23-2025/26

| Scheme Description | Total Approved Budget | Prior Years | Forecast Expenditure | | | | Total Forecast Budget 2022/26 | Forecast Funding | | | | | Total Funding |
|---|-----------------------|-------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------------|------------------|------------------------|-----------------------|------------------|----------------------|---------------|
| | | | Forecast Budget 2022/23 | Forecast Budget 2023/24 | Forecast Budget 2024/25 | Forecast Budget 2025/26 | | Grants | External Contributions | Revenue Contributions | Capital Receipts | Prudential Borrowing | |
| | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Committed Schemes | | | | | | | | | | | | | |
| Environment Services | | | | | | | | | | | | | |
| Bereavement Service Data System | 35 | 0 | 35 | 0 | 0 | 0 | 35 | | | 35 | | | 35 |
| Browns Lane, Wilmslow Play Area | 570 | 541 | 29 | 0 | 0 | 0 | 29 | | 29 | | | | 29 |
| Congleton Household Waste Recycling Centre Development | 50 | 20 | 15 | 15 | 0 | 0 | 30 | | | | | 30 | 30 |
| Crewe Towns Fund - Pocket Parks | 20 | 3 | 18 | 0 | 0 | 0 | 18 | 18 | | | | | 18 |
| Energy Improvements at Cledford Lane | 985 | 825 | 160 | 0 | 0 | 0 | 160 | | | | | 160 | 160 |
| Future High Street Funding - Sustainable Energy Network | 2,577 | 150 | 2,427 | 0 | 0 | 0 | 2,427 | | | | | 2,427 | 2,427 |
| Green Investment Scheme (Solar Farm) | 3,950 | 64 | 3,886 | 0 | 0 | 0 | 3,886 | | | | | 3,886 | 3,886 |
| Household Bins Schemes | 50 | | 50 | 0 | 0 | 0 | 50 | | | | | 50 | 50 |
| Litter and Recycling Bins | 152 | | 50 | 50 | 52 | 0 | 152 | | | | | 152 | 152 |
| Little Lindow Open Space Improvements | | 7 | 62 | 0 | 0 | 0 | 62 | | 62 | | | | 62 |
| Macclesfield Cenotaph Planting | 1 | 1 | 1 | 0 | 0 | 0 | 1 | | 1 | | | | 1 |
| Nantwich Cemetery Roadway Extension | 75 | 60 | 15 | 0 | 0 | 0 | 15 | | | 15 | | | 15 |
| Newtown Outdoor Pitch Improvements | 51 | 39 | 12 | 0 | 0 | 0 | 12 | | 12 | | | | 12 |
| Newtown Sports Facilities Improvements | 99 | 81 | 18 | 0 | 0 | 0 | 18 | | 18 | | | | 18 |
| Park Development Fund | 450 | | 150 | 150 | 150 | 0 | 450 | | | | | 450 | 450 |
| Pastures Wood | 51 | 28 | 23 | 0 | 0 | 0 | 23 | | | 23 | | | 23 |
| Pheasant Walk Play Area Improvements | 18 | 9 | 9 | 0 | 0 | 0 | 9 | | 9 | | | | 9 |
| Queens Park Lake Planting | 18 | 17 | 1 | 0 | 0 | 0 | 1 | | 1 | | | | 1 |
| Queens Park Play Area Improvements | 200 | 100 | 100 | 0 | 0 | 0 | 100 | | 100 | | | | 100 |
| Rotherhead Drive Open Space and Play Area | 141 | 111 | 30 | 0 | 0 | 0 | 30 | | 30 | | | | 30 |
| Victoria Park Pitch Improvements | 29 | 5 | 24 | 0 | 0 | 0 | 24 | | 24 | | | | 24 |
| Victoria Park Improvements | 80 | 7 | 73 | 0 | 0 | 0 | 73 | | 73 | | | | 73 |

CAPITAL PROGRAMME 2022/23-2025/26

| Scheme Description | Total Approved Budget | Prior Years | Forecast Expenditure | | | | Total Forecast Budget 2022/26 | Forecast Funding | | | | | Total Funding |
|--|-----------------------|---------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------------|------------------|------------------------|-----------------------|------------------|----------------------|---------------|
| | | | Forecast Budget 2022/23 | Forecast Budget 2023/24 | Forecast Budget 2024/25 | Forecast Budget 2025/26 | | Grants | External Contributions | Revenue Contributions | Capital Receipts | Prudential Borrowing | |
| | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Committed Schemes | | | | | | | | | | | | | |
| Neighbourhood Services | | | | | | | | | | | | | |
| Congleton Leisure Centre | 12,225 | 6,272 | 5,953 | 0 | 0 | 0 | 5,953 | | | | | 5,953 | 5,953 |
| Crewe Towns Fund - Cumberland Arena | 80 | | 80 | 0 | 0 | 0 | 80 | 80 | | | | | 80 |
| Crewe Towns Fund - Valley Brook Green Corridor | 100 | 2 | 98 | 0 | 0 | 0 | 98 | 98 | | | | | 98 |
| Macclesfield Leisure Centre Improvements | 3,865 | 3,398 | 467 | | 0 | 0 | 467 | | | | | 467 | 467 |
| Middlewich Leisure Centre | 60 | 6 | 54 | 0 | 0 | 0 | 54 | | | | | 54 | 54 |
| Nantwich Pool Improvements | 2,250 | 1,923 | 327 | 0 | 0 | 0 | 327 | | | | | 327 | 327 |
| Libraries - Next Generation - Self Service | 52 | | 52 | 0 | 0 | 0 | 52 | | | | | 52 | 52 |
| Poynton Leisure Centre | 4,606 | 391 | | 2,000 | 2,215 | 0 | 4,215 | | | | | 4,215 | 4,215 |
| Planning Services | | | | | | | | | | | | | |
| Replacement Planning & Building | 410 | 320 | 90 | | 0 | 0 | 90 | | | | | 90 | 90 |
| Regulatory Services & Environmental Health ICT System | 313 | 240 | 73 | 0 | 0 | 0 | 73 | | | 49 | | 25 | 73 |
| Replacement CCTV Cameras | 205 | 0 | 205 | 0 | 0 | 0 | 205 | | | 205 | | | 205 |
| New Schemes | | | | | | | | | | | | | |
| Environment Services | | | | | | | | | | | | | |
| Chelford Village Hall Open Space and Sport Improvements | 164 | 0 | 164 | 0 | 0 | 0 | 164 | | 164 | | | | 164 |
| Household Waste Recycling Centres | 860 | 0 | 500 | 360 | 0 | 0 | 860 | | | | | 860 | 860 |
| Carbon Offset Investment | 1,000 | 0 | 125 | 125 | 250 | 500 | 1,000 | | | | | 1,000 | 1,000 |
| Fleet Vehicle Electric Charging | 585 | 0 | 164 | 164 | 141 | 116 | 585 | | | | | 585 | 585 |
| Solar Energy Generation | 14,180 | 0 | 300 | 13,880 | | 0 | 14,180 | | | | | 14,180 | 14,180 |
| Hield Grove Play Area | 21 | 0 | 21 | | | 0 | 21 | | 19 | | | 2 | 21 |
| Barony Skate Park Refurbishment | 100 | 0 | 100 | | | 0 | 100 | 100 | | | | | 100 |
| Pitch Improvements - Alderley Edge Park and Chorley Hall Lane Playing Fields | 25 | 0 | 25 | | | 0 | 25 | | 25 | | | | 25 |
| Woodland South of Coppice Way, Handforth | 89 | 0 | 89 | | | 0 | 89 | | 89 | | | | 89 |
| Over Peover Amenity Improvements | 10 | 0 | 10 | | | 0 | 10 | | 10 | | | | 10 |
| Total Environment and Communities Schemes | 50,802 | 14,617 | 16,087 | 16,744 | 2,808 | 616 | 36,254 | 296 | 668 | 327 | 0 | 34,964 | 36,254 |

6. Reserves Strategy

Environment and Communities Committee

| Name of Reserve | Opening Balance 1st April 2022 £000 | Forecast Movement in Reserves 2022/23 £000 | Forecast Closing Balance 31st March 2023 £000 | Notes |
|---|--|--|--|--|
| Environment and Neighbourhood Services | | | | |
| Strategic Planning | 568 | (295) | 273 | To meet costs associated with the Local Plan - site allocations and minerals and waste DPD. |
| Trees / Structures Risk Management | 202 | (52) | 150 | New reserve to respond to increases in risks relating to the environment, in particular the management of trees, structures and dealing with adverse weather events. |
| Spatial Planning - revenue grant | 89 | (47) | 42 | |
| Neighbourhood Planning | 82 | (71) | 11 | |
| Air Quality | 36 | (36) | 0 | Air Quality Management - DEFRA Action Plan. |
| Street Cleansing | 26 | (26) | 0 | Committed expenditure on voluntary litter picking equipment and electric blowers, due to be fully utilised in 2022-23. |
| Custom Build & Brownfield Register | 19 | (19) | 0 | |
| Community Protection | 17 | (17) | 0 | |
| Licensing Enforcement | 15 | (15) | 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 | Plans to draw down the reserve in 2023/24 relating to Public Information Works. |
| ENVIRONMENT AND COMMUNITIES TOTAL | 1,056 | (578) | 478 | |

Appendix 6 : Finance Sub-Committee

Contents

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Table 6: Capital Supplementary Estimates and Virements for Committee to Note

Table 7: Capital Budget Reductions for Committee to Note

6. Reserves Strategy

Appendix 6

Finance Sub-Committee

1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy

| | MTFS Net Budget £000 | Additional Grant Funding £000 | Restructuring & Realignments £000 | Revised Net Budget £000 |
|--|-------------------------------|--|---|----------------------------------|
| Finance Sub-Committee Central Budgets | | | | |
| Capital Financing | 19,000 | - | (57) | 18,943 |
| Corporate Contributions / Central Budgets | (5,198) | - | 515 | (4,683) |
| Contribution to / from Reserves | 1,305 | - | (4,081) | (2,776) |
| | 15,107 | - | (3,623) | 11,484 |
| Finance Sub-Committee - Central Budgets Funding | | | | |
| Business Rates Retention Scheme | (49,086) | - | - | (49,086) |
| Specific Grants | (23,962) | (662) | - | (24,624) |
| Council Tax | (254,682) | - | - | (254,682) |
| Sourced from Collection Fund | - | - | - | - |
| TOTAL CENTRAL BUDGETS FUNDING | (327,730) | (662) | - | (328,392) |

2. Action Plan 2022/23 as reported to Corporate Policy Committee 6 Oct 2022

| Finance Sub Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|-----------------------|-----------|-----------|--------------------------|--|---------------------|----------|-------------------------------------|---|----------------------------------|
| Central & Funding | 16.5 | -333.3 | -316.9 | Minimum Revenue Provision | 5.000 | | Green (on track and should achieve) | | 0.000 |
| | | | | Central Pension adjustment | -2.500 | | Green (exceeding) | Additional pension income due to reduced payover. | -0.985 |
| | | | | Bad Debt Provision | 0.200 | | Green (on track and should achieve) | | 0.000 |
| | | | | Use of Earmarked Reserves | 0.030 | | Green (on track and should achieve) | Use of COVID-19 reserve. | -5.989 |
| | | | | Increased Council Tax Base 2.99% increase | -7.306 | | Green (on track and should achieve) | | 0.000 |
| | | | | Increased Council Tax Base – Taxbase changes and New Homes | -4.527 | | Green (on track and should achieve) | | 0.000 |

| Finance Sub Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|-----------------------|-------------|---------------|--------------------------|-----------------------------|---------------------|----------|-------------------------------------|---|----------------------------------|
| | | | | Un-ringfenced grant changes | -4.797 | | Green (on track and should achieve) | | 0.000 |
| | | | | Capital Finance Budget | | New | | Only utilise receipts aligned to MTFS, use excess to fund revenue transformation. Reprofile Capital Programme to absorb inflation. Review Treasury Management Strategy to manage borrowing. | |
| | | | | Reserves | | New | | Review transfers between MTFS reserve and General Reserve. Challenge purpose of unused earmarked reserves. | |
| | | | | Pensions | | New | | Revise forecast to reflect triennial review and current funding position. | |
| Total | 16.5 | -333.3 | -316.9 | | -13.900 | | | | -6.974 |

3. Corporate Grants Register

Government Grant Funding of Local Expenditure

- 3.1 Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. The overall total of Government grant budgeted for in 2022/23 was £251.6m.
- 3.2 In 2022/23 Cheshire East Council's specific use grants held within the services was budgeted to be £227.6m based on Government announcements to February 2022.
- 3.3 The position at October Financial Review has seen an increase in specific use grants of £2.7m to £296.1m. The main factors influencing this revised increased position are as follows:

Local Enterprise Partnership (LEP): Skills Bootcamp
+£1.0m

- 3.4 The allocation of the additional specific grants received which are over £1.0m are detailed in **Table 1** and Council will be asked to approve the supplementary revenue estimates.
- 3.5 Spending in relation to specific use grants must be in line with the purpose for which it is provided.
- 3.6 General purpose grants were budgeted to be £24.0m. Further in-year grant announcements have increased the amount received to £38.5m at Financial Review 1 (an increase of £14.5m). At October Financial Review this has remained the same with a small increase of £13,000.
- 3.7 This increase relates to a new burden grant for Pavement Licensing. Requests for the allocation of the additional general purpose grants received are detailed in **Table 2**.
- 3.8 **Table 3** provides a summary of the updated budget position for grants in 2022/23 by type and service.
- 3.9 Further details of general purpose grants are shown in **Table 4**, the Corporate Grants Register.

Table 1 – Note that Council will be asked to Approve Supplementary Revenue Estimates of Additional Grant Funding (Specific Purpose) over £1m

| Committee / Service Area | Type of Grant | £000 | Details |
|--|---|--------------|--|
| Finance Sub-Committee (Expenditure: Economy and Growth) | Local Enterprise Partnership (LEP): Skills Bootcamp (Specific Purpose) | 1,037 | <p>This grant is from the Department for Education. This funding is to arrange for the delivery, management and funding of Skills Bootcamps within the geographical area, and in neighbouring areas with agreement with relevant local authorities. The Skills Bootcamps shall be aligned to employer needs and directly linked to employment opportunities with outcomes to be delivered a maximum of 6 months following the agreement end date.</p> <p>Skills Bootcamps are free, flexible courses of up to 16 weeks for adults aged 19 or over. They give people the opportunity to build up valuable sector-specific skills based on local employer demand and provide a direct path to a job on completion.</p> <p>Skills Bootcamps (publishing.service.gov.uk)</p> |
| Total Specific Purpose Allocation for Council Approval | | 1,037 | |

Table 2 – Note Delegated Decision - Supplementary Revenue Estimates for Allocation of Additional Grant Funding (General Purpose) £500,000 or less

| Committee / Service Area | Type of Grant | £000 | Details |
|--|---|-----------|--|
| Finance Sub-Committee (Expenditure: Highways and Transport) | Pavement Licensing - New Burdens (General Purpose) | 13 | This grant is from the Department for Levelling Up, Housing and Communities (DLUHC). New Burden grant relating to the introduced temporary measures through the Business and Planning Act 2020 to support businesses selling food and drink during the economic recovery while social distancing guidelines remain in place. The bill streamlines the process of obtaining permission for the placing of tables and chairs outside a business on the pavement. |
| General Purposes Allocations less than £500,000 | | 13 | |

Table 3 - Summary of Grants

| Grants 2022/23 | Original Budget | Revised Forecast FR1 | Latest Forecast | Change from FR1 |
|-------------------------------|-----------------|----------------------|-----------------|-----------------|
| | 2022/23 £m | 2022/23 £m | 2022/23 £m | 2022/23 £m |
| SPECIFIC USE | | | | |
| TOTAL SPECIFIC PURPOSE | 227.6 | 293.5 | 296.1 | 2.7 |
| GENERAL PURPOSE | | | | |
| Children and Families | 0.0 | 0.5 | 0.5 | 0.0 |
| Adults and Health | 12.5 | 12.5 | 12.5 | 0.0 |
| Economy and Growth | 0.0 | 0.0 | 0.0 | 0.0 |
| Environment and Communities | 0.0 | 0.0 | 0.0 | 0.0 |
| Highways and Transport | 0.0 | 0.0 | 0.0 | 0.0 |
| Corporate Policy | 11.5 | 25.5 | 25.5 | 0.0 |
| TOTAL GENERAL PURPOSE | 24.0 | 38.5 | 38.5 | 0.0 |
| TOTAL GRANT FUNDING | 251.6 | 332.0 | 334.7 | 2.7 |

Source: Cheshire East Finance

Table 4 – Corporate Grants Register

| General Purpose Grants 2022/23 (Held Corporately) | Revised Forecast FR1 2022/23 £000 | Latest Forecast 2022/23 £000 | Change from FR1 2022/23 £000 | Treatment of Grant <i>Notes 2 - 5</i> |
|--|---|---------------------------------------|--|---|
| CHILDREN & FAMILIES | | | | |
| Staying Put Implementation Grant | 130 | 130 | 0 | |
| Extended Rights to Free Transport (Home to School Transport) | 250 | 250 | 0 | |
| Extended Personal Adviser Duty Implementation | 57 | 57 | 0 | |
| Extension of the role of Virtual School Heads | 61 | 61 | 0 | |
| ADULTS & HEALTH | | | | |
| Social Care Support Grant | 11,341 | 11,341 | 0 | |
| Independent Living Fund | 861 | 861 | 0 | |
| Local Reform & Community Voices | 213 | 213 | 0 | |
| Social Care in Prisons | 71 | 71 | 0 | |
| War Pension Scheme Disregard | 56 | 56 | 0 | |
| ENVIRONMENT & COMMUNITIES | | | | |
| Neighbourhood Planning Grant | 10 | 10 | 0 | |
| HIGHWAYS & TRANSPORT | | | | |
| Pavement Licensing - New Burdens | 0 | 13 | 13 | SRE |
| CORPORATE POLICY | | | | |
| Housing Benefit Administration Subsidy | 736 | 736 | 0 | |
| Council Tax Support Administration Subsidy | 345 | 345 | 0 | |
| NNDR Administration Allowance | 587 | 587 | 0 | |
| Revenue Support Grant | 7 | 7 | 0 | |
| New Homes Bonus | 6,614 | 6,614 | 0 | |
| Lower Tier Services Grant | 360 | 360 | 0 | |
| Services Grant | 2,932 | 2,932 | 0 | |
| Business Rates Reliefs Compensation Grant 2022/23 | 13,890 | 13,890 | 0 | |
| TOTAL | 38,521 | 38,534 | 13 | |

4. Debt Management

- 4.1 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 has increased by £0.8m since the end of June.
- 4.2 Annually, the Council raises invoices with a total value of over £90m. 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.
- 4.3 The Council's standard collection terms require payment within 28 days of the invoice date, however, services receive immediate credit in their accounts for income due. The Council uses a combination of methods to ensure prompt payment of invoices. Recovery action against unpaid invoices may result in the use of debt collectors, court action or the securing of debts against property.
- 4.4 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/enforcement agent services (currently provided by Bristow & Sutor).
- 4.5 After allowing for debt still within the payment terms, the amount of outstanding service debt at the end of August 2022 was £11.4m.

- 4.6 The total amount of service debt over six months old is £6.3m; provision of £7.8m has been made to cover doubtful debt in the event that it needs to be written off.

DEBT SUMMARY

| | Outstanding Debt £000 | Over 6 months old £000 |
|--|--------------------------|---------------------------|
| Adults and Health Committee | | |
| Adults, Public Health and Communities | 8,467 | 5,092 |
| Children and Families Committee | | |
| Children's Social Care (Incl. Directorate) | 8 | 6 |
| Education and 14-19 Skills | 70 | - |
| Prevention and Early Help | 9 | - |
| Schools | 47 | - |
| Highways and Transport Committee | | |
| Highways and Infrastructure | 928 | 753 |
| Economy and Growth Committee | | |
| Growth and Enterprise | 479 | 202 |
| Environment and Communities Committee | | |
| Environment and Neighbourhood Services | 1,193 | 210 |
| Corporate Policy Committee | | |
| Finance and Customer Services | 76 | 40 |
| Governance and Compliance | 3 | - |
| Human Resources | 2 | - |
| ICT | 90 | 4 |
| | 11,372 | 6,307 |

5. Capital Strategy

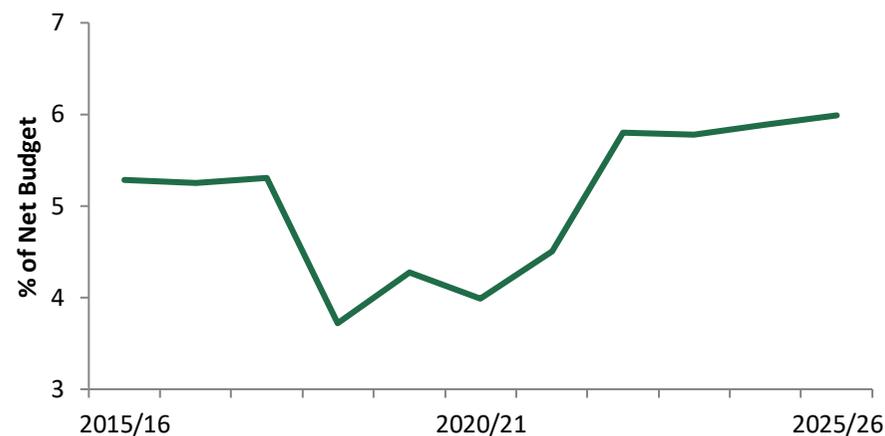
Table 1: Financial Parameters for 2021/22 to 2024/25

| Parameter | Value (£m) | | | |
|--|-------------|--------------|--------------|--------------|
| | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| Repayment of Borrowing | | | | |
| Minimum Revenue Provision* | 15.3 | 18.6 | 21.8 | 23.3 |
| External Loan Interest | 5.6 | 5.4 | 5.4 | 5.4 |
| Investment Income | (1.9) | (1.8) | (1.8) | (1.8) |
| Contributions from Services Revenue Budgets | (1.2) | (1.6) | (2.2) | (2.4) |
| | | | | |
| Total Capital Financing Costs | 17.8 | 20.6 | 23.2 | 24.5 |
| Use of Financing EMR | 1.2 | (1.6) | (3.2) | (3.5) |
| Actual CFB in MTFS | 19.0 | 19.0 | 20.0 | 21.0 |
| | | | | |
| Capital Receipts targets* | 1.0 | 1.0 | 1.0 | 1.0 |
| Flexible use of Capital Receipts | 0 | 0 | 0 | 0 |

*Anticipated MRP based on achieving capital receipts targets

Repayment of Borrowing

- 5.1 The use of prudential borrowing allows the Council to spread the cost of funding the asset over its useful economic life. Using prudential borrowing as a funding source increases the Council's capital financing requirement (CFR), and will create revenue costs through interest costs and minimum revenue provision.
- 5.2 Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, requires local authorities to charge to their revenue account for each financial year a minimum amount to finance the cost of capital expenditure. Commonly referred to as MRP (Minimum Revenue Provision). This ensures that the revenue cost of repaying debt is spread over the life of the asset, similar to depreciation.



- 5.3 The projection of the Council's Capital Financing Requirement (CFR) and external debt, based on the proposed capital budget and treasury management strategy is reported as part

of the MTFs report and Outturn report. This highlights the level to which the Council is internally borrowed (being the difference between the CFR and external debt), and the expected repayment profile of the external debt.

- 5.4 The nature and scale of the Council's capital programme means that it is a key factor in the Council's treasury management, including the need to borrow to fund capital works. The treasury management strategy for the Council is included in **Appendix 8** of this report.
- 5.5 The Council's current strategy is to use available cash balances, known as 'internal borrowing' and to borrow short term loans. As short term interest rates are currently much lower than long term rates this is likely to be more cost effective.

Contributions from Services

- 5.6 All business cases supporting capital expenditure will include full analysis of the financial implications of the scheme alongside a clear indication of how the financial implications will be managed within the Medium Term Financial Strategy (MTFS).
- 5.7 When including any scheme in the Council's Capital Programme the Section 151 Officer will determine the appropriate impact on the Revenue Budget. This impact will require service budgets within the MTFs to fund either all, part or none of the net capital costs of the scheme.
- 5.8 In making a determination about funding capital schemes from revenue budgets the level of potential revenue savings or additional revenue income will be considered. If a capital scheme will increase revenue costs within the MTFs, either from the future costs of maintaining the asset or from the costs of financing the capital expenditure, then the approach

to funding such costs must be approved as part of the business planning process before the scheme can commence.

- 5.9 The Council's strategy is to use revenue contributions of £7.4m over the next four financial years to finance the Capital Programme to reduce the overall Capital Financing Budget. These contributions come from: £3.0m from the Investment Portfolio; £1.4m contribution from schools towards the schools transformation programme; £1.3m from Everybody Health and Leisure for the improvements to the Council's leisure facilities; £1.3m electric vehicle charging and the Green Investment schemes, £0.2m from Countryside Services for the vehicle replacement programme upgrade, £0.1m from the Azure Microsoft project and £0.1m from the Children's Home Sufficiency project.

Use of Financing Earmarked Reserve

- 5.10 To allow a longer term approach to setting the Financial Parameters of the Capital Strategy the Council will maintain an earmarked reserve to minimise the financial impact of annual variations to the Capital Financing Budget.
- 5.11 The Council's Reserves Strategy determines the appropriate use of reserves and how they are set up and governed. In the first instance any variance to the Capital Finance Budget (CFB) within any financial year will provide a top-up or draw-down from the Financing Earmarked Reserve. In balancing the CFB over the period of the MTFs the Section 151 Officer may also recommend appropriate use of the Financing Earmarked Reserve over the period.
- 5.12 The Council's current strategy is to draw-down up to £7.1m from the Financing Earmarked Reserve for the period 2022/23 to 2025/26.

Capital Programme – Review Position

- 5.13 Since the First Financial Review the Capital Programme has increased by £59.0m for the next four year period and future years.
- 5.14 As a result of a programme wide review of the capital programme to establish the ongoing impact of the rise of inflation on the programme, a number of Supplementary Capital Estimates have been requested so that the schemes can still be delivered within the expected timescales and will therefore reduce further costs arising if the schemes are delayed.
- 5.15 The schemes in the main are the large construction schemes that have felt the largest impact, namely the A500 Dualling, North Cheshire Garden Village, Northwest Crewe Package and a number of the road improvement schemes such as Managing and Maintaining the Highway. There is also a Supplementary Capital Estimate to replenish the Strategic Capital Projects Allocation for £11.087m. Full details are listed in tables 5 and 6 of this report. **Table 2** below shows a summary of the changes.

Table 2: Summary Capital Programme

| | First Review Budget | SCEs/ Virements in Quarter | Budget Reductions | SCEs/ Virements | Revised Budget |
|------------------------------|------------------------|----------------------------------|----------------------|--------------------|-------------------|
| | 2022/26 | 2022/26 | 2022/26 | 2022/26 | 2022/26 |
| | £m | £m | £m | £m | £m |
| Adults, Health & Integration | 0.5 | | 0 | 0 | 0.5 |
| Children and Families | 116.1 | | 0 | - | 116.1 |
| Place Directorate | 543.0 | 18.4 | (0.1) | 48.9 | 610.2 |
| Corporate Directorate | 44.2 | (18.4) | 0 | 11.0 | 36.8 |
| | 703.3 | - | (0.1) | 59.9 | 763.6 |

- 5.16 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 3**.
- 5.17 **Table 4** details requests of Supplementary Capital Estimates (SCE) up to and including £250,000 and Capital Virements up to and including £100,000 approved by delegated decision which are included for noting purposes only.
- 5.18 **Table 5** lists details of Capital Supplementary Estimates over £250,000 and up to £1,000,000 and Capital Virements over £100,000 and up to and including £5,000,000 that requires Committee to approve.
- 5.19 **Table 6** lists details of Capital Supplementary Estimates over £1,000,000 and Capital Virements over £5,000,000 that requires Committee to make a recommendation to Council to approve.
- 5.20 **Table 7** lists details of reductions in Approved Budgets where schemes are completed and surpluses can now be removed. These are for noting purposes only.
- 5.21 Prudential Indicators are shown at the end of this section.
- 5.22 Capital programme detail is shown in other service committee **Appendices 1-7, Section 5**.

Table 3: Capital Programme Update

| CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY | | | | | |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| CAPITAL PROGRAMME 2022/23 - 2025/26 | | | | | |
| | Forecast 2022/23 £000 | Forecast 2023/24 £000 | Forecast 2024/25 £000 | Forecast 2025/26 £000 | Total Forecast 2022-26 £000 |
| Committed Schemes - In | | | | | |
| Adults, Health and Integration | 84 | 389 | 0 | 0 | 473 |
| Children and Families | 17,421 | 37,593 | 6,030 | 285 | 61,329 |
| Place | 114,336 | 95,823 | 104,098 | 154,855 | 469,112 |
| Corporate | 10,919 | 8,650 | 8,514 | 5,642 | 33,725 |
| Total Committed Schemes - | 142,760 | 142,455 | 118,642 | 160,782 | 564,639 |
| CAPITAL PROGRAMME 2022/23 - 2025/26 | | | | | |
| | Actuals 2022/23 £000 | Forecast 2023/24 £000 | Forecast 2024/25 £000 | Forecast 2025/26 £000 | Total Forecast 2022-26 £000 |
| New Schemes | | | | | |
| Adults, Health and Integration | 0 | 0 | 0 | 0 | 0 |
| Children's Services | 3,200 | 17,308 | 16,643 | 17,700 | 54,851 |
| Place | 32,527 | 52,562 | 31,675 | 24,120 | 140,884 |
| Corporate | 1,137 | 1,550 | 474 | 0 | 3,161 |
| Total New Schemes | 36,864 | 71,420 | 48,792 | 41,820 | 198,896 |
| Total | 179,624 | 213,875 | 167,434 | 202,602 | 763,535 |

CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY

CAPITAL PROGRAMME 2022/23 - 2025/26

| | Actuals 2022/23 £000 | Forecast 2023/24 £000 | Forecast 2024/25 £000 | Forecast 2025/26 £000 | Total Forecast 2022-26 £000 |
|-----------------------------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------------|
| Funding Requirement | | | | | |
| Indicative Funding | | | | | |
| Analysis: (See note 1) | | | | | |
| Government Grants | 94,670 | 117,787 | 76,953 | 65,869 | 355,279 |
| External Contributions | 18,641 | 21,609 | 32,541 | 50,014 | 122,805 |
| Revenue Contributions | 1,152 | 56 | 0 | 0 | 1,208 |
| Capital Receipts | 1,000 | 2,248 | 23,032 | 11,835 | 38,115 |
| Prudential Borrowing (See note 2) | 64,161 | 72,175 | 34,908 | 74,884 | 246,128 |
| Total | 179,624 | 213,875 | 167,434 | 202,602 | 763,535 |

Note 1:

The funding requirement identified in the above table represents a balanced and affordable position, in the medium term. The Council will attempt to maximise external resources such as grants and external contributions in the first instance to fund the capital programme. Where the Council resources are required the preference will be to utilise capital receipts from asset disposals. The forecast for capital receipts over the next four years 2022-2026 assumes a prudent approach based on the work of the Asset Management team and their most recently updated Disposals Programme.

Note 2:

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 4: Delegated Decision - Requests for Supplementary Capital Estimates (SCEs) and Virements

| Service / Capital Scheme | Amount Requested £ | Reason and Funding Source |
|---|-----------------------|---|
| Supplementary Capital Estimates that have been made up to £250,000 | | |
| Highways & Transport | | |
| Future High Street Funding - Adaptive Signals | 203,171 | Additional budget to be funded from Section 106 Highways Contribution |
| Total Supplementary Capital Estimates Requested | 203,171 | |
| | | |
| Total Supplementary Capital Estimates and Virements | 203,171 | |

Table 5: Requests for Supplementary Capital Estimates (SCEs) and Virements

| Service / Capital Scheme | Amount Requested £ | Reason and Funding Source |
|---|-----------------------|--|
| Finance Sub Committee are asked to approve the Supplementary Capital Estimates and Virements | | |
| Supplementary Capital Estimates above £250,000 up to and including £1,000,000 | | |
| Highways & Transport | | |
| Safer Road Schemes | 436,000 | These schemes were identified as part of a review of the capital programme to require additional budgets as a result in the increase in inflation. The increase will be funded by Prudential Borrowing but if further external contributions are received this funding will replace the need for the Council to fund these costs |
| S106 Basford West Footway/Cycleway | 357,986 | To be funded from S106 Agreement Footpath & Cycleway contribution. |
| Total Supplementary Capital Estimates Requested | | 793,986 |
| | | |
| Total Supplementary Capital Virements | | 793,986 |

Table 6: Recommendations for Approval for Supplementary Capital Estimates (SCEs) and Virements

| Service | Amount Requested £ | Reason and Funding Source |
|--|-----------------------|--|
| Supplementary Capital Estimates over £1,000,000 | | |
| Highways & Transport | | |
| A500 Dualling | 20,755,000 | These schemes were identified as part of a review of the capital programme to require additional budgets as a result in the increase in inflation. The increase will be funded by Prudential Borrowing but if further external contributions are received this funding will replace the need for the Council to fund these costs themselves. |
| Maintenance Block - LTP | 6,235,000 | |
| Managing and Maintaining Highways | 2,300,000 | |
| Northwest Crewe Package | 2,042,000 | |
| Economy & Growth | | |
| North Cheshire Garden Village | 15,817,000 | |
| Finance and Customer Services | | |
| Strategic Capital Projects | 11,087,000 | To replenish the Strategic Capital projects allocation to fund future strategic projects . This will be funded by Prudential Borrowing |
| Total Supplementary Capital Estimates Requested | 58,236,000 | |
| Total Supplementary Capital Estimates and Virements | | |
| | 58,236,000 | |

Table 7: Capital Budget Reductions

| Service / Capital Scheme | Approved Budget £ | Revised Approval £ | Reduction £ | Reason and Funding Source |
|---|----------------------|-----------------------|----------------|--|
| Finance Sub Committee are asked to note the reductions in Approved Budgets | | | | |
| Strong Start, Family Help & Integration | | | 0 | |
| Highways and Infrastructure | | | | |
| Macclesfield Movement Strategy | 100,000 | 30,919 | 69,081 | The remaining funding is Local Transport Plan grant and will be transferred to the Flowerpot Phase 1 & pinch point project to reduce Cheshire East requirements. |
| Replace Route Planning System | 195,000 | 187,980 | 7,020 | This work is now complete, remaining Revenue contribution will no longer be required. |
| | 295,000 | 218,899 | 76,101 | |

Prudential Indicators revisions to: 2021/22 and 2022/23 – 2024/25, and future years

Background

5.23 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

5.24 In 2022/23, the Council is planning capital expenditure of £179.6m as summarised below.

| Capital Expenditure | 2021/22 Actual £m | 2022/23 Estimate £m | 2023/24 Estimate £m | 2024/25 Estimate £m | Future years £m |
|---------------------|-------------------------|---------------------------|---------------------------|---------------------------|-----------------------|
| Total | 84.5 | 179.6 | 213.9 | 167.4 | 202.6 |

Source: Cheshire East Finance

Capital Financing

5.25 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 | 2021/22 Actual £m | 2022/23 Estimate £m | 2023/24 Estimate £m | 2024/25 Estimate £m | Future years £m |
|------------------------------------|-------------------------|---------------------------|---------------------------|---------------------------|-----------------------|
| Capital receipts | 2.6 | 1.0 | 2.2 | 23.3 | 11.8 |
| Government Grants | 37.9 | 94.7 | 117.8 | 77.0 | 65.9 |
| External Contributions | 4.0 | 18.6 | 21.6 | 32.5 | 50.0 |
| Revenue Contributions | 0.6 | 1.2 | 0.1 | 0.0 | 0.0 |
| Total Financing | 45.1 | 115.5 | 141.7 | 132.8 | 127.7 |
| Prudential Borrowing | 39.4 | 64.1 | 72.2 | 34.6 | 74.9 |
| Total Funding | 39.4 | 64.1 | 72.2 | 34.6 | 74.9 |
| Total Financing and Funding | 84.5 | 179.6 | 213.9 | 167.4 | 202.6 |

Source: Cheshire East Finance

Replacement of debt finance

5.26 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 | 2021/22 Actual £m | 2022/23 Estimate £m | 2023/24 Estimate £m | 2024/25 Estimate £m | Future years Estimate £m |
|-----------------------------|-------------------------|---------------------------|---------------------------|---------------------------|-----------------------------------|
| Total | 13.5 | 15.3 | 18.6 | 21.8 | 23.3 |

Source: Cheshire East Finance

Estimates of Capital Financing Requirement

5.27 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 is expected to increase by £45m during 2022/23. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows.

| Capital Financing Requirement | 2021/22 Actual £m | 2022/23 Estimate £m | 2023/24 Estimate £m | 2024/25 Estimate £m | Future Estimate £m |
|-------------------------------|----------------------|------------------------|------------------------|------------------------|-----------------------|
| Total | 425 | 470 | 524 | 529 | 575 |

Source: Cheshire East Finance

Asset disposals

5.28 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 plans to receive £4.8m of capital receipts from asset sales in the coming financial years as follows.

| Capital Receipts | 2021/22 Actual £m | 2022/23 Estimate £m | 2023/24 Estimate £m | 2024/25 Estimate £m | Future Estimate £m |
|------------------|----------------------|------------------------|------------------------|------------------------|-----------------------|
| Asset Sales | 2.3 | 1.0 | 1.0 | 1.0 | 1.0 |
| Loans Repaid | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 |
| Total | 2.6 | 1.2 | 1.2 | 1.2 | 1.2 |

Source: Cheshire East Finance

Gross Debt and the Capital Financing Requirement

5.29 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 1.9%) and long term fixed rate loans where the future cost is known but higher (currently 2.8%– 3.20%).

5.30 Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities, leases are shown below, compared with the capital financing requirement.

| Gross Debt and the Capital Financing Requirement | 2021/22 Actual £m | 2022/23 Estimate £m | 2023/24 Estimate £m | 2024/25 Estimate £m | Future Estimate £m |
|--|----------------------|------------------------|------------------------|------------------------|-----------------------|
| Borrowing | 181 | 77 | 77 | 77 | 77 |
| Finance Leases | 0 | 0 | 0 | 0 | 0 |
| PFI Liabilities | 23 | 19 | 18 | 17 | 17 |
| Total Debt | 204 | 96 | 95 | 94 | 94 |
| Capital Financing Req. | 425 | 470 | 524 | 529 | 575 |

Source: Cheshire East Finance

5.31 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

5.32 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 £142m and is forecast to rise to £409m over the next four years.

| Borrowing and the Liability Benchmark | 2021/22 Actual £m | 2022/23 Estimate £m | 2023/24 Estimate £m | 2024/25 Estimate £m | Future Estimate £m |
|---------------------------------------|----------------------|------------------------|------------------------|------------------------|-----------------------|
| Outstanding Debt | 181 | 77 | 77 | 77 | 77 |
| Liability Benchmark | 142 | 254 | 340 | 356 | 409 |

Source: Cheshire East Finance

5.33 The table shows that the Council expects to remain borrowed below its liability benchmark.

Affordable borrowing limit

5.34 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.

| | 2021/22 limit £m | 2022/23 limit £m | 2023/24 limit £m | 2024/25 limit £m | 2025/26 limit £m |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|
| Authorised Limit for Borrowing | 435 | 480 | 540 | 540 | 590 |
| Authorised Limit for Other Long-Term Liabilities | 23 | 19 | 18 | 17 | 17 |
| Authorised Limit for External Debt | 458 | 499 | 558 | 557 | 607 |
| Operational Boundary for Borrowing | 425 | 470 | 530 | 530 | 580 |
| Operational Boundary for Other Long-Term Liabilities | 23 | 19 | 18 | 17 | 17 |
| Operational Boundary for External Debt | 448 | 489 | 548 | 547 | 597 |

Source: Cheshire East Finance

Investment Strategy

5.35 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.

5.36 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 | 31/03/22 Actual £m | 31/03/23 Estimate £m | 31/03/24 Estimate £m | 31/03/25 Estimate £m | 31/03/26 Estimate £m |
|---------------------------------|--------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Short term | 20 | 20 | 20 | 20 | 20 |
| Long term | 34 | 20 | 20 | 20 | 20 |
| Total Investments | 54 | 40 | 40 | 40 | 40 |

Source: Cheshire East Finance

5.37 Further details on treasury investments are in pages of the Treasury Management Strategy, **Appendix 8**.

5.38 Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Section 151 Officer and staff, who must act in line with the treasury management strategy approved by Council. Quarterly reports on treasury activity are reported to Cabinet as part of the Finance Update reports. The Audit and Governance Committee is responsible for scrutinising treasury management decisions.

5.39 Further details on investments for service purposes and commercial activities are in the Investment Strategy, **Appendix 9**.

5.40 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 | 2021/22 Actual | 2022/23 Estimate | 2023/24 Estimate | 2024/25 Estimate | Future Estimate |
|--|----------------|------------------|------------------|------------------|-----------------|
| Financing Costs (£m) | 14.0 | 19.0 | 19.0 | 20.0 | 21.0 |
| Proportion of net revenue stream % | 4.50 | 5.78 | 5.77 | 5.89 | 5.99 |

Source: Cheshire East Finance

5.41 Further details on the revenue implications of capital expenditure are on paragraphs 108-129 of the 2022-26 Medium Term Financial Strategy (**Appendix C**).

5.42 Due to the very long term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Section 151 Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable. The longer term revenue implications have been considered and built into the revenue budget forecasts post the period of the current Medium Term Financial Strategy.

6. Reserves Strategy

Management of Council Reserves

- 6.1 The Council's Reserves Strategy states that the Council will maintain reserves to protect against risk and support investment.
- 6.2 The opening balance at 1 April 2022 in the Council's General Reserves was £12.6m, as published in the Council's Statement of Accounts for 2021/22.
- 6.3 During 2022/23, an additional £2.3m is forecast to be transferred into the General Reserves to provide further protection against emerging risks such as inflation and particularly the DSG deficit, which was highlighted in the MTFS as having no alternative funding.
- 6.4 The Council also maintains Earmarked Revenue Reserves for specific purposes. At 31 March 2022 balances on these reserves stood at £80.9m, excluding balances held by Schools.
- 6.5 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 to the Council to use.
- 6.6 The Collection Fund Reserve includes the appropriation of £12.4m S31 grant, received from DLUHC. This increase is as a result of a timing difference, with the grant being received in 2021/22 to fund the deficit that will be released in 2022/23.
- 6.7 During 2022/23, an estimated £28.8m will be drawn down and applied to fund service expenditure specifically provided for. Service outturn forecasts take account of this expenditure and

funding. The closing balance at 31 March 2023 is forecast at £52.1m.

- 6.8 At the end of 2018/19, a central contingency referred to as the MTFS (Medium Term Financial Strategy) Reserve was created to support in-year pressures against the revenue budget. Use of this Earmarked Reserve has been subject to approval of robust business cases.
- 6.9 At 31 March 2022, the opening balance on the MTFS reserve stood at £10.7m. In-year forecasts anticipate £3.2m of this reserve to be utilised in year, resulting in a closing balance at 31 March 2023 of £7.5m.
- 6.10 The first review position presents a pressure of £11.6m (to within budget by 3.5%). Any variation to budget at year-end will be managed through the Council's Medium Term Financial Strategy Earmarked Reserve in the first instance prior to using the General Reserve.

Table 1 – Reserves Position

| | £m |
|--|-------------|
| General Reserve | 14.9 |
| Earmarked Reserves (excluding Schools) | 52.1 |
| Total Reserves Balance at 31 March 2021 | 67.0 |

- 6.11 Details of individual reserves are shown in the relevant Service Committee appendix and in summary in **Table 2**.

Table 2 – Earmarked Reserves Summary

| Committee Reserves | Opening Balance 1st April 2022 £000 | Forecast Movement in Reserves 2022/23 £000 | Forecast Closing Balance 31st March 2023 £000 |
|--|--|---|--|
| Adults and Health Committee | 7,646 | (1,417) | 6,229 |
| Children and Families Committee | 4,032 | (391) | 3,641 |
| Corporate Policy Committee | 63,114 | (23,478) | 39,636 |
| Economy and Growth Committee | 3,144 | (1,853) | 1,291 |
| Environment and Communities Committee | 1,056 | (578) | 478 |
| Highways and Transport Committee | 1,936 | (1,156) | 780 |
| TOTAL EARMARKED RESERVES MOVEMENT | 80,928 | (28,873) | 52,055 |

**Excluding schools' balances*

Appendix 7 : Highways and Transport Committee

Contents

Highways and Transport Committee Extracts

- 1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy**
- 2. Action Plan 2022/23 as reported to Corporate Policy Committee 6 October 2022**
- 3. Corporate Grants Register**
 - Table 1: Highways and Transport Committee Grants**
 - Table 2: Delegated Decisions for Committee to Note**
 - Table 3: Allocation of Additional Grant Expenditure for Committee to Note**
- 4. Debt Management**
- 5. Capital Strategy**
- 6. Reserves Strategy**

Appendix 7

Highways and Transport Committee

1. Changes to Revenue Budget 2022/23 since Medium Term Financial Strategy

| | MTFS Net Budget £000 | Additional Grant Funding £000 | Restructuring & Realignments £000 | Revised Net Budget £000 |
|-------------------------------|-------------------------------|--|---|----------------------------------|
| Highways and Transport | | | | |
| Highways & Infrastructure | 11,802 | - | 1,977 | 13,779 |
| | 11,802 | - | 1,977 | 13,779 |

2. Action Plan 2022/23 as reported to Corporate Policy Committee 6 Oct 2022

| Highways and Transport Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|----------------------------------|-----------|-----------|--------------------------|--|---------------------|----------|--|---|----------------------------------|
| Highways and Infrastructure | 23.7 | -9.9 | 13.8 | Pay Inflation | 0.183 | 3&4 | Red (will not achieve) | Represents current estimate of the impact on Committee services in excess of the MTFS, from a nationally negotiated pay award. | 0.053 |
| | | | | ASDV Review (TSS) | -0.125 | 20 | Amber (on track but may not achieve all) | TSS transition has been completed, with teams brought in-house. Re-procurement of contract purchasing system in underway. Supplier engagement events as part of market refresh in autumn. Saving deferred pending new procurement system (DPS). | 0.250 |
| | | | | Parking service – postponement of review of charges | 0.504 | 60 | Green (on track and should achieve) | | 0.000 |
| | | | | Carbon Reduction - Replacement of existing illuminated signs and bollards with LED units | 0.030 | 55 | Amber (on track but may not achieve all) | Roll out of replacement programme via highways contract on track to complete by March 23. Savings of energy costs will reduce due to increased prices. Draw down of reserves within highways. | 0.000 |

| Highways and Transport Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|----------------------------------|-----------|-----------|--------------------------|---|---------------------|----------|-------------------------------------|---|----------------------------------|
| | | | | Local Supported Buses | 0.008 | 61 | Green (on track and should achieve) | Monitoring of concessionary travel payments to operators. Savings on concessionary travel reimbursement. | 0.000 |
| | | | | Review split of TSS budget between Place and Childrens services | | New | | TSS budget split is being reviewed as currently leaves Place with a permanent £1m pressure relating to home to school transport. Whilst under review an allocation of £1m from the MTFS reserve is mitigating the issue in 2022/23. | 0.000 |
| | | | | Reduction in parking revenue due to covid changes in customer behaviour | | New | | Permanent pressure due to reduced number of commuters, people parking all day and reduced sales of annual and quarterly permits. | 1.320 |
| | | | | Parking | | New | | Additional costs of inflation and enhanced cleaning on Multi Storey Car Parks offset by in year staffing vacancies and reduced spend on supplies and services and transport. | -0.110 |
| | | | | HS2 | | New | | £150k favourable variance due to significant internal Council resource being utilised for the Main Petitioning work, this has now been | -0.350 |

| Highways and Transport Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|----------------------------------|-----------|-----------|--------------------------|-----------------------------|---------------------|----------|------------|--|----------------------------------|
| | | | | | | | | submitted to Government - August 2022. £200k release from reserve. | |
| | | | | Highways Covid pressure | | New | | Removal of Emergency Active Travel schemes. | 0.061 |
| | | | | Highways Mitigating Actions | | New | | Release of Flooding and Well Managed Highway Infrastructure reserve. | -0.630 |
| | | | | Local Bus Operator Costs | | New | | Inflationary pressures on operators, mitigated in 2022/23 by reserves but significant impact 2023 onwards - high level estimate £5m. | |
| | | | | Local Plan Review | | New | | Transport Modelling Resource requirements for Local Plan Review. | |
| | | | | Highways | | New | | Reprofile or remove capital expenditure to improve revenue forecasting. Lobby DfT to recognise construction inflation. | |
| | | | | Workforce | | New | | Revise vacancy forecasts to reflect recruitment difficulties. Slow down recruitment where feasible / safe. Updated staffing forecasts take account of revised recruitment timescales, included in forecasts above. | |

| Highways and Transport Committee | Exp £m | Inc £m | Net Revised Budget £m | MTFS Proposal | Value 2022/23 £m | MTFS Ref | RAG Rating | Comments | Variance from MTFS 2022/23 £m |
|----------------------------------|-------------|-------------|--------------------------|----------------|---------------------|----------|------------|--|----------------------------------|
| | | | | Transformation | | New | | Use flexible receipts to capitalise costs of transformation - Highways redesign. | -0.067 |
| Total | 23.7 | -9.9 | 13.8 | | 0.600 | | | | 0.527 |

3. Corporate Grants Register

Table 1 – Corporate Grants Register

| Grants 2022/23 | Revised Forecast FR1 2022/23 £000 | Latest Forecast 2022/23 £000 | Change from FR1 2022/23 £000 | Treatment of Grant <i>Notes 2 - 5</i> |
|--|---|---------------------------------------|--|---|
| HIGHWAYS & TRANSPORT | | | | |
| Specific Use (Held within Services) | 1,316 | 2,155 | 838 | |
| General Purpose (Held Corporately) | | | | |
| Pavement Licensing - New Burdens | 0 | 13 | 13 SRE | |
| TOTAL HIGHWAYS & TRANSPORT | 1,316 | 2,168 | 851 | |

Notes

1 The Dedicated Schools Grant, Pupil Premium Grant, Sixth Form Grant and Other School Specific Grant from the Education Funding Agency (EFA) figures are based on actual anticipated allocations. Changes are for in-year increases / decreases to allocations by the DfE and conversions to academy status.

2 SRE - Supplementary Revenue Estimate requested by relevant service.

3 ODR - Officer Decision Record to approve immediate budget change to relevant service.

4 Reserves - transfer to reserves at year end.

5 Balances - amount will be included as a variance to budget.

3.1 Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. Specific use grants are held within the relevant service with a corresponding expenditure budget. Whereas general purpose grants are held in central budgets with a corresponding expenditure budget within the allocated service area.

3.2 The increase in specific grants relates mainly to bus services and On-Street Residential Chargepoint Schemes. Requests

for the allocation of the additional specific grants received are detailed in **Table 2**.

3.3 Spending in relation to specific use grants must be in line with the purpose for which it is provided.

3.4 **Table 3** shows additional general purpose grants that are approved by the Finance Sub-Committee.

Table 2 – Note Delegated Decision - Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Use) £500,000 or less

| Committee | Type of Grant | £000 | Details |
|--|---|------------|---|
| Highways and Transport | Bus Capacity Grant (Specific Purpose) | 191 | Increase on Financial Review 1 forecast. This grant is from the Department for Transport. To support ongoing work with Bus operator partners, working through an EP or franchising arrangement, to deliver better bus services. |
| Highways and Transport | On-Street Residential Chargepoint Scheme (ORCS) (Specific Purpose) | 151 | This grant is from the Department for Transport. To fund the installation of plug-in vehicle chargepoints for the use of local residents in areas without off-street parking facilities. |
| Highways and Transport | LTA Enhanced Bus Partnership Grant (Specific Purpose) | 171 | This grant is from the Department for Transport. The extension of Bus recovery funding to cover the period October – December 2022 |
| Specific Purpose Allocations less than £500,000 | | 513 | |

Table 3 – Note Allocation of Additional Grant Expenditure from General Purpose Grants Held in Central Budgets

| Committee | Type of Grant | £000 | Details |
|--|---|-----------|--|
| Highways and Transport | Pavement Licensing - New Burdens (General Purpose) | 13 | This grant is from the Department for Levelling Up, Housing and Communities (DLUHC). New Burden grant relating to the introduced temporary measures through the Business and Planning Act 2020 to support businesses selling food and drink during the economic recovery while social distancing guidelines remain in place. The bill streamlines the process of obtaining permission for the placing of tables and chairs outside a business on the pavement. |
| General Purposes Allocations less than £500,000 | | 13 | |

4. Debt Management

| | Outstanding Debt £000 | Over 6 months old £000 |
|---|--------------------------|---------------------------|
| Highways and Transport Committee | | |
| Highways and Infrastructure | 928 | 753 |

5. Capital Strategy

Highways and Transport CAPITAL

| CAPITAL PROGRAMME 2022/23- 2025/26 | | | | | | | | | | | | | | |
|--|-----------------------|-------------|-------------------------|-------------------------|-------------------------|-------------------------|--------|-------------------------------|------------------------|-----------------------|------------------|----------------------|--------|---------------|
| Scheme Description | Total Approved Budget | Prior Years | Forecast Expenditure | | | | | Total Forecast Budget 2022/26 | Forecast Funding | | | | | Total Funding |
| | | | Forecast Budget 2022/23 | Forecast Budget 2023/24 | Forecast Budget 2024/25 | Forecast Budget 2025/26 | Grants | | External Contributions | Revenue Contributions | Capital Receipts | Prudential Borrowing | | |
| | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Committed Schemes | | | | | | | | | | | | | | |
| Highways and Infrastructure | | | | | | | | | | | | | | |
| A500 Dualling Scheme | 89,456 | 9,264 | 2,096 | 2,342 | 18,509 | 57,244 | 80,191 | 53,284 | 4,300 | | | | 22,607 | 80,191 |
| A50 / A54 Holmes Chapel | 603 | 81 | 45 | 327 | 150 | 0 | 522 | | 522 | | | | | 522 |
| A51/A500 Corridor Nantwich | 250 | 231 | 19 | 0 | 0 | 0 | 19 | | | | | | 19 | 19 |
| A532 Safer Road Scheme | 1,223 | 260 | 584 | 379 | 0 | 0 | 963 | 864 | | | | | 99 | 963 |
| A536 Safer Road Scheme | 2,404 | 1,461 | 943 | 0 | 0 | 0 | 943 | 849 | | | | | 94 | 943 |
| A537 Safer Road Scheme | 2,733 | 745 | 1,988 | 0 | 0 | 0 | 1,988 | 1,745 | | | | | 243 | 1,988 |
| A54 / A533 Leadsmithy Street, Middlewich | 563 | 134 | 40 | 389 | 0 | 0 | 429 | | 429 | | | | | 429 |
| A556 Knutsford to Bowdon | 504 | 361 | 93 | 50 | 0 | 0 | 143 | | 143 | | | | | 143 |
| A6 MARR CMM Disley | 2,122 | 1,646 | 10 | 466 | 0 | 0 | 476 | | 22 | | | | 454 | 476 |
| A6 MARR CMM Handforth | 800 | 492 | 309 | 0 | 0 | 0 | 309 | 226 | 48 | | | | 34 | 309 |
| A6MARR Design Checks & TA | 473 | 271 | 203 | 0 | 0 | 0 | 203 | 70 | 133 | | | | | 203 |
| Air Quality Action Plan | 368 | 221 | 147 | 0 | 0 | 0 | 147 | 147 | | | | | | 147 |
| Alderley Edge Bypass Scheme Implementation | 60,611 | 60,317 | 294 | 0 | 0 | 0 | 294 | | | | | | 294 | 294 |
| Bridge Maintenance Minor Wks | 16,672 | 14,570 | 2,102 | 0 | 0 | 0 | 2,102 | 1,704 | | | | | 398 | 2,102 |
| Client Contract and Asset Mgmt | 1,141 | 510 | 631 | 0 | 0 | 0 | 631 | 631 | | | | | | 631 |
| Congleton Link Road | 88,443 | 69,970 | 3,047 | 5,913 | 3,895 | 5,619 | 18,473 | 316 | 15,169 | | | | 2,989 | 18,473 |
| Crewe Green Link Road | 26,625 | 26,170 | 455 | 0 | 0 | 0 | 455 | | 455 | | | | | 455 |
| Crewe Green Roundabout | 7,500 | 7,053 | 50 | 50 | 150 | 198 | 448 | | 448 | | | | | 448 |
| Crewe Rail Exchange | 6,712 | 6,693 | 19 | 0 | 0 | 0 | 19 | 19 | | | | | | 19 |
| Flowerpot Phs 1 & Pinchpoint | 10,037 | 1,271 | 1,228 | 2,932 | 1,174 | 3,433 | 8,766 | 2,304 | 726 | | | | 5,736 | 8,766 |
| Future High Streets Fund - Highways | 6,169 | 480 | 1,914 | 1,594 | 1,804 | 377 | 5,689 | 5,486 | 203 | | | | | 5,689 |
| Highway Maintenance Minor Works | 11,219 | 0 | 11,219 | 0 | 0 | 0 | 11,219 | 10,685 | | | | | 534 | 11,219 |
| Highway Pothole / Challenge Fund | 11,371 | 7,925 | 3,446 | 0 | 0 | 0 | 3,446 | | | | | | 3,446 | 3,446 |
| Highway S106 Schemes | 962 | 0 | 666 | 296 | 0 | 0 | 962 | 41 | 921 | | | | | 962 |
| S106 Davenport Lane, Arclid | 352 | 60 | 292 | 0 | 0 | 0 | 292 | 245 | 48 | | | | | 292 |
| Infrastructure Scheme Development | 250 | 0 | 175 | 75 | 0 | 0 | 250 | 250 | | | | | | 250 |
| Jack Mills Way Part 1 Claims | 300 | 278 | 22 | 0 | 0 | 0 | 22 | | 22 | | | | | 22 |
| Local Access Transport Studies | 600 | 83 | 517 | 0 | 0 | 0 | 517 | 517 | | | | | | 517 |
| Local Area Programme | 6,566 | 5,546 | 1,021 | 0 | 0 | 0 | 1,021 | 1,021 | | | | | | 1,021 |
| Middlewich Eastern Bypass | 92,493 | 16,176 | 7,783 | 10,113 | 13,817 | 44,604 | 76,317 | 46,778 | 13,341 | | | | 16,198 | 76,317 |
| Middlewich Rail Study | 20 | 0 | 20 | 0 | 0 | 0 | 20 | 20 | | | | | | 20 |
| M6 Junction 19 | 29 | 23 | 6 | 0 | 0 | 0 | 6 | | 6 | | | | | 6 |
| North-West Crewe Package | 42,351 | 7,446 | 15,748 | 14,758 | 741 | 3,658 | 34,905 | 9,710 | 12,250 | | 1,730 | | 11,215 | 34,905 |
| Old Mill Road / The Hill Junction | 1,324 | 145 | 120 | 1,059 | 0 | 0 | 1,179 | | 1,179 | | | | | 1,179 |

CAPITAL PROGRAMME 2022/23- 2025/26

| Scheme Description | Total Approved Budget | Prior Years | Forecast Expenditure | | | | Total Forecast Budget 2022/26 | Forecast Funding | | | | | Total Funding | |
|--|-----------------------|----------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------------|------------------|------------------------|-----------------------|------------------|----------------------|---------------|----------------|
| | | | Forecast Budget 2022/23 | Forecast Budget 2023/24 | Forecast Budget 2024/25 | Forecast Budget 2025/26 | | Grants | External Contributions | Revenue Contributions | Capital Receipts | Prudential Borrowing | | |
| | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Committed Schemes | | | | | | | | | | | | | | |
| Highways and Infrastructure | | | | | | | | | | | | | | |
| Part 1 Claims | 113 | 34 | 79 | 0 | 0 | 0 | 79 | 79 | | | | | | 79 |
| Poynton Relief Road | 52,657 | 29,670 | 16,202 | 46 | 1,355 | 5,385 | 22,987 | 8,335 | 6,200 | | | | 8,453 | 22,987 |
| Programme Management | 1,011 | 784 | 227 | 0 | 0 | 0 | 227 | 227 | | | | | | 227 |
| Road Network & Linked Key Inf | 83 | 78 | 5 | 0 | 0 | 0 | 5 | 5 | | | | | | 5 |
| Road Safety Schemes Minor Works | 5,552 | 5,056 | 496 | 0 | 0 | 0 | 496 | 496 | | | | | | 496 |
| Sydney Road Bridge | 10,501 | 10,103 | 50 | 50 | 100 | 198 | 398 | | 398 | | | | | 398 |
| Traffic Signal Maintenance | 500 | 17 | 483 | 0 | 0 | 0 | 483 | 483 | | | | | | 483 |
| Traffic Signs and Bollards - LED Replacement | 1,250 | 0 | 1,250 | 0 | 0 | 0 | 1,250 | | | 1,250 | | | | 1,250 |
| Winter Service Facility | 999 | 479 | 130 | 130 | 130 | 130 | 520 | | | | | 520 | | 520 |
| | | | | | | | 0 | | | | | | | 0 |
| | | | | | | | 0 | | | | | | | 0 |
| Transport & Parking | | | | | | | | | | | | | | |
| Accessibility: Public Transp't | 1,020 | 907 | 113 | 0 | 0 | 0 | 113 | 113 | | | | | | 113 |
| Active Travel Fund (Covid-19) | 724 | 436 | 288 | 0 | 0 | 0 | 288 | 288 | | | | | | 288 |
| Active Travel (Cycle/Walking route) Investment | 2,755 | 2,179 | 576 | 0 | 0 | 0 | 576 | 576 | | | | | | 576 |
| Broadway Meadow Car Park | 48 | 0 | 48 | 0 | 0 | 0 | 48 | | | | | 48 | | 48 |
| Car Parking Improvements (including residents parking) | 322 | 262 | 30 | 30 | 0 | 0 | 60 | | | 14 | | | 46 | 60 |
| Digital Car Parking Solutions | 140 | 93 | 47 | 0 | 0 | 0 | 47 | | | | | | 47 | 47 |
| National Cycle Network (NCN) Route 55 Middlewood Way in | 569 | 0 | 569 | 0 | 0 | 0 | 569 | 569 | | | | | | 569 |
| Pay and Display Parking Meters | 620 | 531 | - | 49 | 40 | 0 | 89 | | | | | 89 | | 89 |
| Sustainable Travel Access Prog | 3,424 | 1,552 | 560 | 1312 | 0 | 0 | 1,872 | 1,325 | 309 | | | 238 | | 1,872 |
| Sustainable Modes of Travel to Schools Strategy (SMOTSS) | 620 | 472 | 148 | 0 | 0 | 0 | 148 | 148 | | | | | | 148 |
| Town Studies | 550 | 426 | 125 | 0 | 0 | 0 | 125 | 125 | | | | | | 125 |
| | | | | | | | | | | | | | | |
| HS2 Programme | | | | | | | | | | | | | | |
| Crewe HS2 Hub Project Development | 12,700 | 7,661 | 2,510 | 1500 | 1029 | 0 | 5,039 | | | | | 5,039 | | 5,039 |
| | | | | | | | | | | | | | | |
| Total Committed Schemes - In Progress | 589,403 | 300,618 | 81,185 | 43,860 | 42,894 | 120,846 | 288,784 | 149,681 | 57,271 | 1,264 | 1,730 | 78,839 | | 288,784 |
| | | | | | | | | | | | | | | 0 |
| New Schemes | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | 0 |
| Highways and Infrastructure | | | | | | | | | | | | | | |
| Peacock Roundabout Junction | 750 | 0 | 20 | 230 | 500 | 0 | 750 | | 750 | | | | | 750 |
| Integrated Block - LTP | 7,925 | 0 | - | 2,003 | 2,003 | 2,003 | 6,009 | 6,009 | | | | | | 6,009 |
| Maintenance Block - LTP | 23,196 | 0 | 800 | 7,345 | 7,609 | 7,878 | 23,633 | 17,397 | | | | 6,236 | | 23,633 |
| Incentive Fund - LTP | 5,800 | 0 | - | 1,450 | 1,450 | 1,450 | 4,350 | 4,350 | | | | | | 4,350 |
| Managing and Maintaining Highways | 16,000 | 0 | 4,440 | 4,529 | 4,619 | 4,712 | 18,300 | | | | | 18,300 | | 18,300 |
| Pothole Fund Grant 2022/23 | 5,799 | 0 | - | 0 | 0 | 0 | 0 | | | | | | | 0 |
| | | | | | | | | | | | | | | |
| Total New Schemes | 59,470 | 0 | 5,260 | 15,557 | 16,181 | 16,043 | 53,042 | 27,756 | 750 | 0 | 0 | 24,536 | | 53,042 |
| Total Capital Schemes | 648,873 | 300,618 | 86,445 | 59,417 | 59,075 | 136,889 | 341,826 | 177,437 | 58,021 | 1,264 | 1,730 | 103,375 | | 341,826 |

6. Reserves Strategy

Highways and Transport Committee

| Name of Reserve | Opening Balance 1st April 2022 £000 | Forecast Movement in Reserves 2022/23 £000 | Forecast Closing Balance 31st March 2023 £000 | Notes |
|--|--|---|---|--|
| Highways and Infrastructure | | | | |
| HS2 | 985 | (450) | 535 | To support the Council's ongoing programme in relation to Government's HS2 investment across the borough and Transport for the North's Northern |
| Flood Recovery Works | 400 | (400) | 0 | 27 locations identified for repair works as a result of the 2019 flood events. There are also a further 16 which require investigation to ascertain the scope of the works required. |
| Well Managed Highway Infrastructure Delay | 230 | (230) | 0 | Due to the call in of WMHI, the savings proposed relating to winter service cannot be realised and the forecast service costs have increased. |
| Parking Pay and Display Machines / Parking Studies | 178 | (28) | 150 | Purchase of Pay and Display machines and town centre parking studies, and to cover contract inflation on P&D machines in year. |
| Highways Procurement Proj | 104 | (28) | 76 | To finance the development of the next Highway Service Contract. |
| LEP-Local Transport Body | 39 | (20) | 19 | To fund the business case work for re-opening the Middlewich rail line. £20k is anticipated to be utilised in 2022/23, with the remaining £19k required in 2023/24. |
| HIGHWAYS AND TRANSPORT TOTAL | 1,936 | (1,156) | 780 | |

Appendix 8

Treasury Management Strategy

Treasury Management Report

| | |
|-----------------------------------|---------|
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1. Background

- 1.1 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.
- 1.2 Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management Code of Practice 2021 Edition (the CIPFA Code). This replaces the 2017 edition but the reporting requirements under the newer code can be deferred until 2023/24 which the Authority has elected to do.
- 1.3 Investments held for service purposes or for commercial profit are considered in the Investment Report (see **Appendix 9**).
- 1.5 The economic backdrop in the April-June quarter was characterised by higher oil, gas and commodity prices, fears of rising and persistent inflation and its damaging impact on consumers' cost of living, little indication of an imminent end to Russia-Ukraine hostilities and supply chain bottlenecks exacerbated by war in Ukraine and lockdowns in China. Added to this was tough rhetoric and action by central bankers globally on fighting inflation through higher interest rates and quantitative tightening even as financial conditions became increasingly difficult for consumers, more so for those whose wages have not kept pace with inflation.
- 1.6 In the UK inflation remained elevated. Ofgem, the energy regulator, increased the energy price cap by 54% in April, equivalent to around £700 for a household with average energy consumption (the cap had already increased 12% back in October 2021). A further increase of around £1,580 will apply from October although Government assistance will mitigate some of this increase. August data showed CPI edging higher to 9.9% while the core CPI rate, which removes energy, fuel and food was 6.3%. RPI rose to 12.3%.

2. External Context

- 1.4 **Economic background:** Following Russia's invasion of Ukraine in February, global inflationary pressures have intensified sharply, leading to a sizeable deterioration in the outlook for world and UK growth.
- 1.7 The labour market continued to show signs of tightness as employers struggled to fill vacancies with workers with skill sets matching their requirements. The unemployment rate 3m/year for July fell to 3.6% and is now below pre-pandemic levels. Pay growth was 5.5%

for total pay (including bonuses) and 5.2% for regular pay; however, adjusted for inflation, growth in total pay fell by 2.6%, whilst regular pay fell 2.8%.

- 1.8 Unsurprisingly, with disposable income squeezed and another energy cap increase due in October, consumer confidence plummeted to the level last seen during the 2008/09 financial crisis. Quarterly GDP growth was -0.1% in the April - June quarter and the Bank of England now expects a further decline in Q3 2022.
- 1.9 Having increased interest rates by 0.25% in April, the Bank of England's Monetary Policy Committee on the 15th of June 2022 increased the official Bank Rate by 0.25% to 1.25%. In line with expectations rates were increased by a further 0.50% to 1.75% in August with further increases likely and largely already priced in by the markets.
- 1.10 **Financial Markets:** Heightened uncertainty characterised financial market sentiment and bond yields were similarly volatile but with a general upward trend as concern over higher inflation and higher interest rates dominated.
- 1.11 Over the first quarter of 2022 the 5-year UK benchmark gilt yield rose from 1.41% to 1.89%, the 10-year gilt yield rose from 1.61% to 2.35% and the 20-year yield from 1.82% to 2.60% although these have since fallen back slightly in the last few weeks in expectation of rates reducing after 2023 after taking into account the economic outlook.

- 1.12 **Credit Review:** Having completed its full review of its credit advice on unsecured deposits at UK and non-UK banks, in May Arlingclose extended the maximum duration limit for five UK banks, four Canadian banks and four German banks to six months. The maximum duration for unsecured deposits with other UK and non-UK banks on Arlingclose's recommended list is 100 days.
- 1.13 Arlingclose continued to monitor and assess credit default swap levels for signs of credit stress but made no changes to the counterparty list or recommended durations. Nevertheless, increased market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remains under constant review.
- 1.14 An outlook for the remainder of 2022/23 and interest rate forecast provided by Arlingclose is attached at **Annex A**.

3. Local Context

- 1.15 As at 31 August 2022 the Authority has borrowings of £243m and investments of £96m. 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

| | 31/03/22 Estimate £m | 31/03/23 Estimate £m | 31/03/24 Estimate £m | 31/03/25 Estimate £m |
|---------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| General Fund CFR | 425 | 470 | 524 | 530 |
| Less: Other long term liabilities * | (22) | (19) | (18) | (17) |
| Loans CFR | 403 | 451 | 506 | 513 |
| Less: External borrowing ** | (181) | (77) | (77) | (77) |
| Internal (over) borrowing | 222 | 374 | 429 | 436 |
| Less: Usable reserves | (165) | (137) | (111) | (103) |
| Less: Working capital | (116) | (80) | (75) | (73) |
| Investments (or New borrowing) | 59 | (157) | (243) | (260) |

* 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

1.16 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.

1.17 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 2022/23.

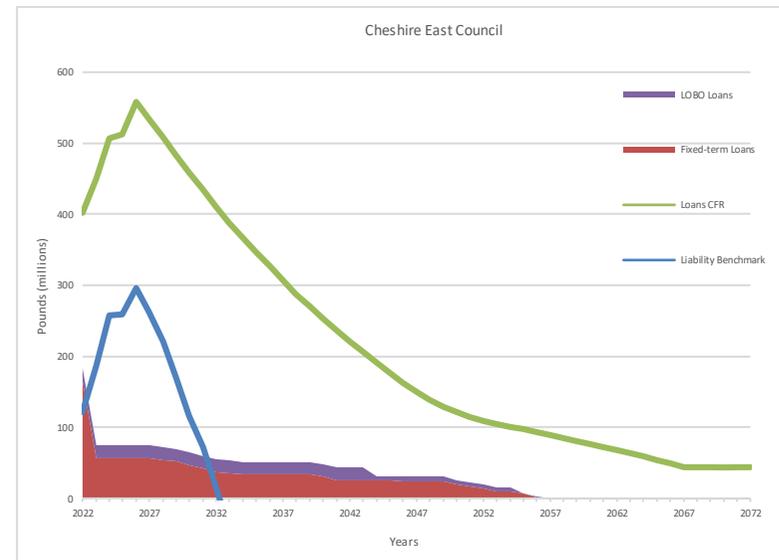
1.18 **Liability Benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as **Table 1** above, but that cash and investment balances are kept to a minimum level of £20m at each year-end to maintain a core strategic investment.

Table 2: Liability Benchmark

| | 31/03/22 Estimate £m | 31/03/23 Estimate £m | 31/03/24 Estimate £m | 31/03/25 Estimate £m |
|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Loans CFR | 403 | 451 | 506 | 513 |
| Less: Usable reserves | (165) | (137) | (111) | (103) |
| Less: Working capital | (116) | (80) | (75) | (73) |
| Plus: Minimum investments | 20 | 20 | 20 | 20 |
| Liability Benchmark | 142 | 254 | 340 | 357 |

1.19 Following on from the medium-term forecasts in **Table 2** above the long-term liability benchmark assumes minimum revenue provision on new capital expenditure based on a 25 year asset life and income, expenditure and reserves all increasing by inflation of 2.5% a year. This is shown in **Chart 1**.

Chart 1: Liability Benchmark Chart



4. Borrowing Strategy

- 1.20 The Authority currently holds loans of £223m, an increase of £42m since 31 March 2022. However, this will increase to a higher level, currently forecast as £260m at 31 March 2023.
- 1.21 At the moment, cash shortfalls are being met by temporary borrowing from other Local Authorities which is considerably cheaper than other sources of borrowing. As rates are still low and the liquidity of short term markets at year end is often tighter, many new borrowings from September onwards are for maturity dates extending into 2023/24. The cost (including fees) to 31 August 2022 is around 0.93% although new borrowings are now at higher rates following recent base rate increases and anticipation of future increases. Due to the increasing levels of temporary borrowing, consideration is being given to some longer term fixed rate loans which, although more expensive, provide surety of future interest costs and protects against sudden unexpected future rate increases which could have adverse effects on the Councils budget. A full list of current temporary borrowings is shown below in **Table 3**.

Table 3 – Current Temporary Borrowing

| Lender | Start | Maturity | Rate % | £m |
|------------------------------------|--------------|----------|--------|------|
| Evergreen Fund (CW LEP) | Call Account | | 1.56 | 2.9 |
| Newham | 15/08/22 | 15/09/22 | 1.14 | 5.0 |
| Renfrewshire Council | 25/04/22 | 26/09/22 | 0.85 | 5.0 |
| Neath Port Talbot CBC | 27/06/22 | 27/09/22 | 1.21 | 5.0 |
| West Midlands CA | 31/03/22 | 30/09/22 | 0.70 | 5.0 |
| Torbay | 31/03/22 | 30/09/22 | 0.90 | 5.0 |
| West Berkshire | 30/06/22 | 30/09/22 | 1.20 | 5.0 |
| Middlesbrough | 01/07/22 | 03/10/22 | 1.35 | 5.0 |
| Northern Ireland Housing Executive | 13/05/22 | 14/11/22 | 1.09 | 10.0 |
| Carmarthenshire CC | 27/05/22 | 28/11/22 | 1.09 | 5.0 |
| Preston | 01/07/22 | 09/01/23 | 1.10 | 5.0 |
| West Yorkshire CA | 14/07/22 | 16/01/23 | 1.20 | 5.0 |
| Spelthorne | 18/07/22 | 18/01/23 | 1.72 | 5.0 |
| West Midlands CA | 21/04/22 | 23/01/23 | 0.75 | 5.0 |
| West Midlands CA | 22/07/22 | 23/01/23 | 1.10 | 5.0 |
| Wigan | 22/07/22 | 23/01/23 | 1.44 | 5.0 |
| Basildon | 28/07/22 | 30/01/23 | 1.15 | 5.0 |
| Northumberland | 09/08/22 | 09/02/23 | 1.50 | 5.0 |

| Lender | Start | Maturity | Rate % | £m |
|------------------------------------|----------|----------|--------|--------------|
| Greater Manchester CA | 29/07/22 | 10/02/23 | 1.74 | 10.0 |
| South Derbyshire | 16/05/22 | 16/02/23 | 1.10 | 3.0 |
| Tewkesbury | 24/08/22 | 24/02/23 | 1.76 | 2.0 |
| East Sussex | 24/08/22 | 24/02/23 | 1.77 | 5.0 |
| Sheffield City | 14/07/22 | 14/04/23 | 1.30 | 5.0 |
| Local Gov't Assoc. | 26/07/22 | 26/04/23 | 1.70 | 1.5 |
| Local Gov't Assoc. | 26/07/22 | 26/04/23 | 1.70 | 1.5 |
| West Yorkshire CA | 04/08/22 | 04/05/23 | 1.25 | 5.0 |
| West Yorkshire Fire & Rescue | 23/08/22 | 23/05/23 | 1.80 | 5.0 |
| West Yorkshire Police | 24/08/22 | 24/05/23 | 1.70 | 5.0 |
| Northern Ireland Housing Executive | 29/07/22 | 28/07/23 | 1.88 | 10.0 |
| TOTAL | | | | 145.9 |

1.22 **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 2022/23, and although the Authority understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Authority will take the

option to repay LOBO loans at no cost if it has the opportunity to do so.

5. Investment Strategy

- 1.23 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. However, receipt of Government funding for energy grants and other schemes in advance of expenditure has, at times, led to higher balances than expected. The level at 31 August 2022 is £96m.
- 1.24 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.
- 1.25 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.

- 1.26 Treasury Management income to 31 August 2022 is £625,000 which is higher than the budgeted £371,000. Borrowing costs are also higher than budgeted at £547,000 compared to budget of £485,000. This is caused by increasing interest rates. When combined with an increasing borrowing requirement this suggests that net interest cost will be £123,000 higher than budgeted for 2022/23.
- The average daily investment balance including managed funds up to 31 August 2022 is £60.2m
 - The average annualized interest rate received on in-house investments up to 31 August 2022 is 1.12%
 - The average annualized interest rate received on the externally managed funds up to 31 August 2022 is 6.90%
- 1.27 The Authority's total average interest rate on all investments in 2022/23 is 2.47%. The returns continue to exceed our own performance target of 2.25% (Base

Rate + 0.50%). Previous comparator rates using LIBID are no longer produced. These have been replaced by the Sterling OverNight Index Average (SONIA).

Table 4 – Interest Rate Comparison

| Comparator | Average Rate to 31/08/2022 |
|------------------|----------------------------|
| Cheshire East | 2.47% |
| SONIA 7 Day Rate | 1.13% |
| Base Rate | 1.75% |
| Target Rate | 2.25% |

- 1.28 As the Authority holds a large amount of 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.
- 1.29 The investments are in five different funds which are all designed to give an annual income return between 4% and 5% but which have different underlying levels of volatility. By spreading investments across different types of funds, the intention is to dampen any large fluctuations in the underlying value of the investments.

Table 5 –Strategic Investments

| Fund Manager | Asset Class | Invested £m | Current Value £m |
|---------------------|--------------------|------------------------|---------------------------------|
| CCLA | Property | 7.5 | 9.3 |
| Aegon | Multi Asset | 5.0 | 4.5 |
| Fidelity | Equity - Global | 4.0 | 4.0 |
| Schroders | Equity - UK | 2.5 | 2.2 |
| M & G | Bonds | 1.0 | 0.9 |
| TOTAL | | 20.0 | 20.9 |

1.30 The value of these investments does vary. The effects of high inflation, reduced GDP and supply chain issues on financial markets and values of underlying assets has been considerable. Most funds, although recovered from direct Covid related issues, have fallen in value in recent months, the exception being the Property fund which continues to increase in value due to the nature of the properties in which it is invested. All funds continue to deliver high levels of income return.

Chart 2 – Current Investments by Counterparty Type

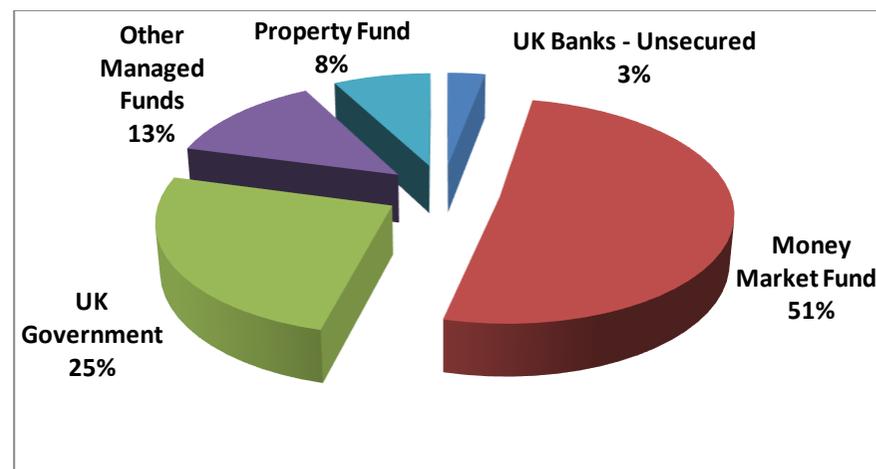


Table 6 – Types of Investments and Current Interest Rates

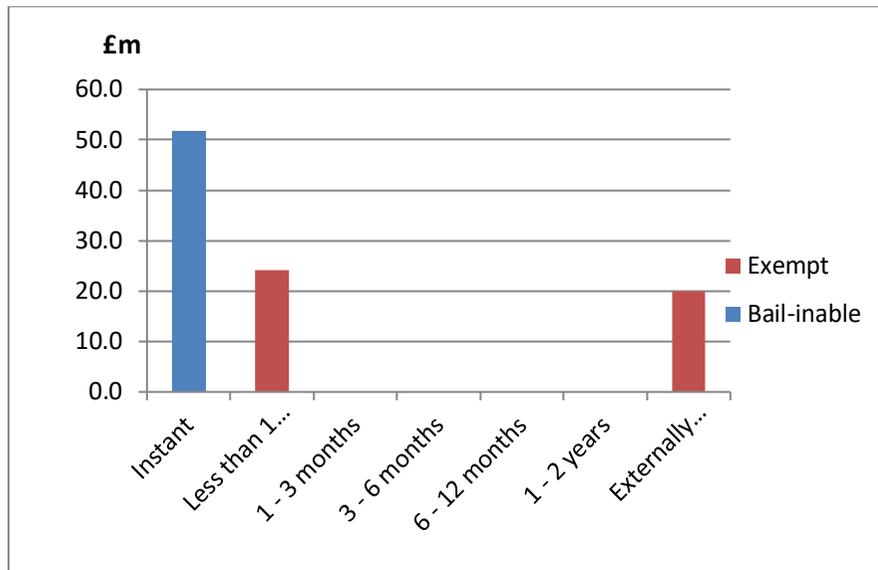
| Instant Access Accounts | Average Rate % | £m |
|--------------------------------|---------------------------|-----------|
| Money Market Funds | 1.66 | 48.8 |
| UK Banks | 0.60 | 2.9 |

| Fixed Term Investments | Average Rate % | £m |
|-------------------------------|---------------------------|-----------|
| UK Government | 1.71 | 24.2 |

| Externally Managed Funds | £m |
|---------------------------------|-----------|
| Total – see table 5 | 20.0 |

| Summary of Current Investments | £m |
|--------------------------------|-------------|
| TOTAL | 95.9 |

Chart 3 – Maturity Profile of Investments



Note: Bail-in-able 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.

6. Treasury Management Indicators

- 1.31 The Authority measures and manages its exposures to treasury management risks using the following indicators.
- 1.32 **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% rise in interest rates | £462,500 |
| Likely revenue impact in 2022/23 of a 1% rise in interest rates | £425,000 |

- 1.33 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 2022/23 so a fall in rates would lead to savings rather than incurring additional cost so a limit of £0 was set. Rates have already changed by more than 1% and likely to change further so full revenue impact of changing rates is likely to be higher – estimated at £548,000.
- 1.34 **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 31 August 2022 are:

| Refinancing rate risk indicator | Upper Limit | Actual |
|---------------------------------|-------------|--------|
| Under 12 months | 70% | 58% |
| 12 months and within 24 months | 35% | 15% |
| 24 months and within 5 years | 35% | 0% |
| 5 years and within 10 years | 75% | 8% |
| 10 years and within 20 years | 100% | 7% |
| 20 years and above | 100% | 12% |

1.35 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 funding is currently

considerably cheaper than alternatives and allows for LOBO loans which, although unlikely, 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.

1.36 **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 | 2022/23 | 2023/24 | 2024/25 |
|---|---------|---------|---------|
| Limit on principal invested beyond year end | £25m | £15m | £10m |
| Actual amounts committed beyond year end | £0m | £0m | £0m |

Annex A: Economic & Interest Rate Outlook for Remainder of 2022/23

| | Current | Sep-22 | Dec-22 | Mar-23 | Jun-23 | Sep-23 | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 | Jun-25 |
|---------------------------------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Official Bank Rate | | | | | | | | | | | | | |
| Upside risk | 0.00 | 0.50 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 |
| Arlingclose Central Case | 1.25 | 1.75 | 2.25 | 2.25 | 2.25 | 2.25 | 2.25 | 2.25 | 2.25 | 2.00 | 2.00 | 1.75 | 1.75 |
| Downside risk | 0.00 | -0.25 | -0.25 | -0.25 | -0.25 | -0.25 | -0.25 | -0.25 | -0.50 | -0.50 | -0.75 | -0.75 | -0.75 |

High inflation is dampening global economic growth, raising the chances of regional recessions as policymakers accelerate monetary tightening to reduce the risk of persistently higher long-term inflation expectations.

The invasion of Ukraine exacerbated global inflation trends, particularly around food and energy. The rise in energy and fuel prices has been a significant factor behind the UK CPI moving to over 9% and forecast to be over 10% during 2022.

High sustained inflation is likely to lead to zero or negative GDP growth for Q2 2022 onwards in the UK due to negative real household disposable income growth. Fiscal intervention will mitigate some of the financial pain, but will not totally alleviate it. Data suggests that households are curtailing spending in response. Built up savings and more robust wage growth will only partly offset the impact.

The labour market is tight and nominal wage growth is running above pre-Covid levels. Higher wage growth will be a

contributory factor to sustained above target inflation this year, although real wage growth is unlikely for most workers. Weaker economic activity should eventually lead to lower demand for labour and reduce wage pressure.

The Bank of England previously signalled that moderate monetary tightening alongside the sharp fall in real incomes would pull inflation back to target in the medium term. Inflation has, however, exceeded the Bank's expectations. Alongside the tight labour market and fiscal intervention, further rises in Bank Rate are likely.

The MPC minutes indicated that larger upward moves in in Bank Rate, more forceful action, are a possibility if high inflation persists. Markets have priced in a much steeper path for Bank Rate in response, but Arlingclose believe the MPC will be more cautious, albeit at a higher level than previously expected.

Bond yields have risen significantly to accommodate tighter

global monetary policy despite increasing recession concerns. The US remains the main driver of global yields; aggressive policy in the US increases the inflation risk for other countries and may be a contributory factor to unnecessary tight policy elsewhere.

With markets seemingly ignoring the downside risks to

growth, further upside movement in bond yields cannot be ruled out, at least until US inflation starts to cool.

Annex B: Existing Investment & Debt Portfolio Position

| | 31/08/22 Actual Portfolio £m | 31/08/22 Average Rate for the year % |
|-------------------------------------|---------------------------------------|---|
| External Borrowing: | | |
| PWLB – Fixed Rate | 60 | 4.53% |
| Local Authorities | 143 | 1.22% |
| LOBO Loans | 17 | 4.63% |
| Other | 3 | 1.02% |
| Total External Borrowing | 223 | 2.59% |
| Other Long Term Liabilities: | | |
| PFI | 20 | - |
| Finance Leases | 0 | - |
| Total Gross External Debt | 243 | - |
| Investments: | | |
| <i>Managed in-house</i> | | |
| Short-term investments: | | |
| Instant Access | 52 | 1.60% |
| Fixed Term | 24 | 1.71% |
| <i>Managed externally</i> | | |
| Property Fund | 7.5 | 2.42% |
| Multi Asset Fund | 5 | 7.00% |
| Equity - Global | 4 | 8.62% |
| Equity - UK | 2.5 | 6.68% |
| Bonds | 1 | 3.20% |
| Total Investments | 96 | 2.99% |
| Net Debt | 147 | - |

Appendix 9

Investment Strategy

1. Purpose

- 1.1 The Investment Strategy is part of a suite of related documents, and focuses predominantly on matters not covered by Capital Strategy and Treasury Management Strategy.
- 1.2 The Authority invests its money for three broad purposes:
 - because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
 - to support local public services by lending to or buying shares in other organisations (**service investments**), and
 - to earn investment income (known as **commercial investments** where this is the main purpose).
- 1.3 Often there may be a crossover with investments within the Authority. Whilst a return may be a by-product of an investment this is rarely the overriding reason for making or retaining an investment. It will be linked to other long term strategic or regeneration factors.
- 1.4 The investment strategy meets the requirements of the statutory guidance issued by MHCLG in February 2018 and reflects subsequent changes in government and CIPFA

thinking on investments. It focuses on the second and third of the investment categories.

2. Treasury Management Investments

- 1.5 The Authority typically receives its income in cash (e.g., from taxes and grants) before it pays for its expenditure in cash (e.g., through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments fluctuates in the course of normal activity.
- 1.6 Full details of the Authority's policies and plans for 2022/23 within treasury management investments are covered via the Treasury Management Strategy (**Appendix 8**).

3. Service Investments: Loans

- 1.7 Current loan balances are shown in the table below. Upper limits on the outstanding loans to each category of borrower were set through the MTFS process:

Table 1: Loans for service purposes in £'000

| Category of borrower | 31/03/22 | As at 30/09/22 | | | 2022/23 |
|----------------------|--------------|----------------|----------------|------------------------|---------------|
| | Actual | Balance owing | Loss allowance | Net figure in accounts | Balance owing |
| Subsidiaries | 0 | 0 | 0 | 0 | 0 |
| Suppliers | 23 | 24 | 1 | 23 | 24 |
| Local businesses | 6,043 | 6,276 | 70 | 6,206 | 6,276 |
| Local charities | 515 | 392 | 51 | 341 | 392 |
| TOTAL | 6,581 | 6,692 | 122 | 6,570 | 6,692 |

- 1.8 Loans have been provided to Everybody Health & Leisure Trust (Everybody) for the purpose of investing in new equipment, with the aim of increasing the usage of leisure centres and improving the health of residents.
- 1.9 In March 2013, Astra Zeneca announced it was relocating its R&D function from Alderley Park to Cambridge. In order to retain the expertise in the region and to stimulate local economic growth the Council has invested in Alderley Park Holdings Ltd by way of equity investment and loans. The loan was an integral component of the 10% equity stake and therefore needs to be viewed in conjunction with the equity investment.
- 1.10 In addition, the Council has committed to investing £5m (and lent £4.74m as at 30 June 2022) in the Greater Manchester & Cheshire Life Science Fund, a venture capital fund investing in a range of life science businesses. Partners in

the Fund include the Greater Manchester Combined Authority, Cheshire & Warrington Local Enterprise Partnership and Alderley Park Holdings Ltd. The Fund has a regional focus and seeks to target companies looking to re-locate a material part of their business within the Greater Manchester and Cheshire and Warrington areas, which includes Alderley Park where the Fund is based.

- 1.11 The nature of the loans is that they do not attract an interest rate and returns are dependent upon the success of individual investments made by the Fund. The GM Life Science Fund is “revalued” on an annual basis based upon the net asset valuation of the Fund and this can lead to short term fluctuations in the notional returns of this loan category. It should be noted that whilst the investment in the Life Science Fund is high risk it is also long-term in nature, so year-by-year fluctuations are to be expected but gains or losses will only crystallize when funds are extracted. The Authority has decided against committing new funds to a follow up fund for the time being.
- 1.12 Only the Everybody loans are interest bearing and are reflected in the “Local Charities” category. These are accrued at a rate of Bank of England base rate plus 4%.
- 1.13 The loss allowance figure does not necessarily reflect our anticipation or expectation that loans will need to be written down. Instead, the allowance represents a prudent accounting treatment required by CIPFA guidance. The figures for loans in the Authority’s statement of accounts are shown net of this loss allowance. However, the Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

4. Service Investments: Shares

- 1.14 The Authority has invested in Alderley Park Holdings Limited in order to maintain and stimulate the key strategic industry of life sciences within the Borough. Cheshire East is a 10% shareholder in Alderley Park, and has invested in the development of the site along with Bruntwood (51% shareholder) and Manchester Science Partnerships (39% shareholder).
- 1.15 This should be seen as a long-term strategic investment. There have been no dividend returns and any changes in % returns have been based upon the movement in value of our share of the underlying assets which will fluctuate as the site continues its transition from a single user to a multiuser campus.
- 1.16 There remains a long term pipeline of investment and refurbishment activity on Alderley Park. The current valuation is based upon the 2022 year end position which had seen a fall in value; reflecting a revaluation and the timing of vacant units, and the not insignificant impact of COVID-19, which the site seems to have weathered. The valuation is still greater than the purchase price and the underlying assets at Alderley Park remain strong.
- 1.17 A gain or loss to the Council's Revenue and Capital Receipts accounts would only crystallise in the event of divesting our equity stake.
- 1.18 The Council also has shares in its subsidiary, wholly owned service delivery companies. However, they are of nominal

value, and consequently are not considered material in the context of this Investment Strategy.

Table 2: Shares held for service purposes in £'000

| Category of company | 31/03/22 actual | As at 30/09/2022 | | | 2022/23 |
|---------------------|-----------------|------------------|-----------------|-------------------|-------------------------------------|
| | | Amounts invested | Gains or losses | Value in accounts | Approved Limit (cost of investment) |
| Local Businesses | 2,610 | 1,070 | 1,540 | 2,610 | 10,000 |
| TOTAL | 2,610 | 1,070 | 1,540 | 2,610 | 10,000 |

5. Commercial Investments: Property

- 1.19 For the purpose of this paper, it should be noted that MHCLG defines property to be an investment if it is held primarily or partially to generate a profit. In order to comply with this the Authority is having to include several assets in **Table 3** that might otherwise be excluded as they are not being held to primarily generate a yield or return.
- 1.20 Central government continues to express concern over the level of commercial investments held by Local Authorities and the risk that this presents to residents in the event that an Authority becomes over exposed.
- 1.21 The government has effectively regulated against the purchase of commercial assets primarily for generating yield. Whilst this limits the Authority's ability to invest in commercial property for investment purposes, they have

recognised that regeneration is a necessary factor which could result in legitimate purchases of such property. Careful attention will need to ensure that yield is an incidental factor in any future decision to invest in a commercial property investment.

1.22 The most significant commercial investment acquired by the Authority is land and buildings on the North and East side of Weston Road in Crewe purchased in April 2019. This accounts for 81% of the net book value in the accounts at 31 March 2022.

1.23 For the purpose of this report, we have revisited the historic purchase costs of the assets included in the categories below. For those that were inherited by Cheshire East Council we have used the valuation at 2009/10. This is to allow for a simple and crude calculation of yield.

1.24 The value of properties is updated annually. The most recent valuation is from March 2022 and reflect the second year of COVID-19. In the year to March 2021, we noted that the value of retail property held up whilst that of industrial units and enterprise centres was valued downwards. The year to March 2022 saw retail values continue to grow and the other categories have made modest gains. All categories are still valued at more than purchase cost. There has been a reclassification in the year and an office property has been added to the listing as it was deemed appropriate to classify it as an investment asset. This resulted in £533,000 being added to the valuation. * Note that no gain has been deemed to have arisen in the last two years with the gain on the purchase cost occurring in prior years.

Table 3: Property held for investment purposes in £'000

| Property | Actual | 31/03/22 actual | | 30/09/22 actual | | 2022/23 Approval Limit |
|--------------------|---------------|---------------------------|---|-------------------|-------------------|------------------------|
| | Purchase cost | Gains or (losses) in-year | Value in accounts (includes gains/ (losses) to date | Gains or (losses) | Value in accounts | |
| Industrial Units | 1,492 | 11 | 1,740 | 0 | 1,740 | |
| Enterprise Centres | 245 | 20 | 340 | 0 | 340 | |
| Retail | 23,300 | 371 | 25,975 | 0 | 25,975 | |
| Office | 240 | * - | 533 | 0 | 533 | |
| Total | 25,277 | 402 | 28,588 | 0 | 28,588 | 100,000 |

6. Commercial Investments: Loans

1.25 In considering commercial investment opportunities, the Council will adopt a prudent approach, with two underlying objectives:

- **Security** – protecting the capital sum invested from loss
- **Liquidity** – ensuring the funds invested are available when needed

1.26 The Council has entered into a £10m loan agreement with Cheshire & Warrington Local Enterprise Partnership linked to developments within the Business Rates Enterprise Zone. The intention is to stimulate economic development and achieve payback from retained business rates.

1.27 The first loans in respect of Alderley Park Glasshouse and Blocks 22-24 were made in December 2020. Together they totalled £8m. One of the loans was subsequently repaid early in the new financial year. Interest is accruing on the remaining loan.

Table 4: Commercial Loans in £'000

| Category of borrower | 31/03/22 | As at 30/09/22 | | | 2021/22 |
|-----------------------|--------------|----------------|----------------|------------------------|----------------|
| | Actual | Balance owing | Loss allowance | Net figure in accounts | Approved Limit |
| Partner Organisations | 7,903 | 4,127 | 183 | 3,944 | 20,000 |
| TOTAL | 7,903 | 4,127 | 183 | 3,944 | 20,000 |

7. Loan Commitments and Financial Guarantees

1.28 As Accountable Body for the Cheshire & Warrington Local Enterprise Partnership, the Council acts as Entrusted Entity to a £20m European Regional Development Fund (ERDF) supported Urban Development Fund which is about to commence. The Council, as contracting party, provides guarantees in respect of the amounts provided through ERDF.

1.29 The fund is designed to provide loan finance to specific projects across Cheshire and will not generate a return for the Authority. As such the balances are not included in the investment tables above. The workings of the fund are

subject to detailed scrutiny and are managed by a firm of experienced fund managers with a strong track record of providing loans that minimise the risk of default. The Council, as contracting party, will provide guarantees in respect of the amounts provided through ERDF though this will be offset by the professional indemnity insurance held by the fund manager.

8. Proportionality

1.30 The Authority is only partially dependent on profit generating investment activity to achieve a balanced revenue budget, in respect of Place services. Within the Authority the proportion is consistently below 2.5% and is deemed immaterial. Such is the low proportion that it represents, should it fail to achieve the expected net return, the Authority's contingency plans for continuing to provide these services include effective budget management and tight cost control.

9. Borrowing in Advance of Need

1.31 Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The Authority follows this guidance.

1.32 As referred to above in **Section 6**, this has been strengthened by the government effectively banning investment in property primarily for yield.

10. Capacity, Skills and Culture

1.33 The Finance Sub-Committee comprised of members, supported by officers and where necessary, external advisors, provides oversight of the Investment Strategy and acts on recommendations from officers that consider opportunities to enhance the Revenue & Capital Budgets of the Council through strategic investments, whether that involves using capital/cash resources or borrowing and lending powers.

11. Investment Indicators

1.34 The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.

1.35 **Total risk exposure:** The first indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down and guarantees the Authority has issued over third party loans.

Table 5: Total investment exposure in £'000

| Total investment exposure | 31/03/21 Actual | 31/03/22 Actual | 31/03/23 Forecast |
|----------------------------------|--------------------|--------------------|----------------------|
| Treasury management investments | 44,150 | 54,300 | 40,000 |
| Service investments: Loans | 6,360 | 6,733 | 6,844 |
| Service investments: Shares | 3,410 | 2,610 | 2,610 |
| Commercial investments: Property | 28,186 | 28,588 | 28,588 |
| Commercial Investments: Loans | 8,000 | 8,271 | 4,127 |
| TOTAL INVESTMENTS | 90,106 | 100,502 | 82,169 |
| Commitments to lend | 2,439 | 2,418 | 2,418 |
| TOTAL EXPOSURE | 92,545 | 102,920 | 84,587 |

1.36 **How investments are funded:** Currently the majority of the Authority's investments are funded by usable reserves and income received in advance of expenditure.

1.37 **Table 6** shows the limited investments funded through prudential borrowing.

Table 6: Investments funded by borrowing in £'000

| Investments funded by borrowing | 31/03/21 Actual | 31/03/22 Actual | 31/03/23 Forecast |
|----------------------------------|--------------------|--------------------|----------------------|
| Commercial investments: Property | 22,211 | 21,517 | 20,810 |
| Commercial Investments: Loans | 8,000 | 8,000 | 4,000 |
| TOTAL FUNDED BY BORROWING | 30,211 | 29,517 | 24,810 |

- 1.38 **Rate of return received:** In part, this indicator shows for Treasury Management and Commercial Property investments, the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.
- 1.39 The return for the Service Investments: Loans is not a true return but is instead based largely on the % fluctuation in the underlying value of the new assets within the Life Science fund. As such they do not reflect actual cashflows. If Life Science was excluded the 2021/22 actual figure was 1.13% - in itself this is skewed by a non interest bearing loan.
- 1.40 Historically we have shown the % movement in the carrying value of our shareholding in Alderley Park Holdings Limited as a return within the category Service Investments: Shares. However, this is not a real return or cashflow. Typically, a

return on a share would be based upon the dividend yield and there have been no dividends paid. Therefore, this is now being shown as Nil.

- 1.41 The major assets included within Commercial Investments: Properties, representing over 90% of the value, are two commercial retail properties in Crewe. Whilst we will see fluctuations year-on-year given the pressures on 'bricks and mortar retail', the Council will only experience an impact on its Revenue Account if a site becomes vacant for a prolonged period.
- 1.42 From the perspective of the Council one of the tenants affected is a home improvements retailer and the second is a national supermarket retailer. Both of these have thus far weathered the local economic effects of the previous two years.
- 1.43 Much of the investment returns for Commercial Investments relates to rent on these two assets. Rental income on both has held up during the year. Overall returns are affected by the fact that returns for one of the sites is reduced by the costs required to repay borrowing costs. Additionally, there are isolated instances where some of the other smaller sites are seeing the levels of vacancy rise. These are under review.
- 1.44 The Commercial investments: Loans are at the expected level of return given the rates in place when they were established.

Table 7: Investment rate of return (net of all costs)

| Investments net rate of return | 2020/21 Actual | 2021/22 Actual | 2022/23 Forecast |
|---------------------------------------|-----------------------|-----------------------|-------------------------|
| Treasury management investments | 1.62% | 2.13% | 2.47% |
| Service investments: Loans | 8.46% | -3.00% | -6.19% |
| Service investments: Shares | *NIL | *NIL | *NIL |
| Commercial investments: Property | 2.78% | 2.95% | 2.92% |
| Commercial investments: Loans | 3.20% | 3.20% | 3.16% |

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Working for a brighter future together

Finance Sub-Committee

| | |
|-----------------------------|--|
| Date of Meeting: | 9 November 2022 |
| Report Title: | The Grants Register |
| Report of: | Alex Thompson, Director of Finance and Customer Services |
| Report Reference No: | FSC/18/22-23 |
| Ward(s) Affected: | All |

1. Purpose of Report

- 1.1. To consider the full Grants Register (unringfenced and ringfenced revenue grants) for 2022/23, including an update on the Shared Prosperity Fund.

2. Executive Summary

- 2.1. The Council's Medium-Term Financial Strategy (MTFS) includes a comprehensive list of ringfenced and unringfenced revenue grants for the four-year period 2022/23 to 2025/26. This list is a mixture of announced allocations for the authority and prudent estimates where firm information was not available at the time of publication.
- 2.2. During the financial year, this register is updated to include refinements to grant levels already estimated as announcements are released. It is also updated for new burdens grants that are announced part way through the financial year.
- 2.3. **Annex A** to this report sets out the 2022/23 ringfenced and unringfenced revenue grants as at the October Financial Review stage.

3. Recommendations

The Sub-Committee is asked to:

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- 3.1. Note the contents of the Grants Register contained at **Annex A**.

4. Reasons for Recommendations

- 4.1. Members are responsible for setting the Council's budget, which includes having regard to available funding levels. The Sub-Committee requested additional transparency and understanding on what is included on the grants register, where the monies come from and what the Cheshire East Council's share of the national allocation is for each grant.

5. Other Options Considered

- 5.1. Other options were not considered necessary as this report was requested by Members of the Sub-Committee as part of their work programme development.

6. Background

- 6.1. The Council's Medium-Term Financial Strategy (MTFS) as approved at full Council on 24 February 2022 included a comprehensive list of ringfenced and unringfenced revenue grants for the four-year period. This was included at Appendix C, Annex 7 of that report.
- 6.2. Firm announced allocations are not always available due to the timing of when the budget report is published; so, for items that are expected, but the information is not yet available, prudent estimates are included.
- 6.3. During the financial year, this register is updated to include refinements to grant levels already estimated as announcements are made. It is also updated for new burdens grants that are announced part way through the financial year.
- 6.4. Each grant is subject to its own terms and conditions. Some are ringfenced for specific purposes and must be spent in a prescribed way, often with statistical returns on usage being made back to the relevant Government department. These grants are usually held within the service budgets directly. Other grants are given without conditions, even if they are named for a particular purpose.
- 6.5. Unspent grant balances for ringfenced grants are usually required to be returned to the issuing body if they cannot be utilised within a specified timeframe. Conversely, unringfenced grants can be used to support any wider budget pressures, or they can be transferred to reserves at year end as appropriate.

- 6.6. Annex A to this report sets out the position on 2022/23 ringfenced and unringfenced revenue grants as at the October Financial Review stage.
- 6.7. The Annex sets out the following detail for each grant:
 - 6.7.1. Grant title
 - 6.7.2. The national funding allocation in total (to assist with understanding of the share available to Cheshire East Council)
 - 6.7.3. Hyperlinks to the allocation on the relevant Government website (available when using the electronic version of Annex A)
 - 6.7.4. Treatment of the grant by the Council
 - 6.7.5. Amount included in the MTFS 2022-26
 - 6.7.6. Amount updated at the October Financial Review stage (if different, or a new announcement)

7. Consultation and Engagement

- 7.1. 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, some of which would be funded by grant income. The wider revenue budget is partly funded by general government grant and the consultation exercise allowed commentary on where funding should be prioritised. This is an annual process.

8. Implications

8.1. Legal

- 8.1.1. The Council has a legal duty to set a balanced annual budget. As part of the budget setting process there must be due regard to the estimated level of funding available to ensure that unnecessary budget reductions are not implemented.

8.2. Finance

- 8.2.1. Future estimated income levels (including grant income) will form part of the usual budget setting process and will be included in the budget engagement and Medium-Term Financial Strategy on an annual basis.

8.3. Policy

- 8.3.1. The Corporate Plan will drive and inform Council policy and priorities for service delivery. These priorities may have a direct policy implication on how certain unringfenced grants are utilised and will be considered on a case-by-case basis.

8.4. Equality

- 8.4.1. Under the Equality Act 2010, decision makers must show 'due regard' to the need to:

- Eliminate unlawful discrimination, harassment and victimisation;
- Advance equality of opportunity between those who share a protected characteristic and those who do not share it;
- and - Foster good relations between those groups.

8.4.2. The protected characteristics are age, disability, sex, race, religion and belief, sexual orientation, gender re-assignment, pregnancy and maternity, and marriage and civil partnership.

8.4.3. 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.

8.4.4. 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 Corporate Plan.

8.4.5. 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.

8.5. Human Resources

8.5.1. No direct implications from this report.

8.6. Risk Management

8.6.1. The Council has a legal duty to set a balance budget every year. As part of the budget setting process, the level of income (including grant funding) needs to be carefully estimated to provide an accurate funding envelope to ensure that risks can be covered as necessary.

8.7. Rural Communities

8.7.1. Detailed grant allocations are included in Annex A of this report.

8.8. Children and Young People/Cared for Children

8.8.1. Detailed grant allocations are included in Annex A of this report.

8.9. Public Health

8.9.1. Detailed grant allocations are included in Annex A of this report.

8.10. Climate Change

8.10.1. No direct implications from this report.

| | |
|------------------------------|---|
| Access to Information | |
| Contact Officer: | Alex Thompson Director of Finance and Customer Services |
| Appendices: | Annex A – Grants at MYR (Uringfenced and Ringfenced Revenue Grants) 2022/23 |
| Background Papers: | MTFS 2022-26 |

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Cheshire East Council

Grants at Financial Review 2022/23 (ring-fenced and unring-fenced)

| RING-FENCED REVENUE GRANTS | National Allocation £m | Grant Information from Government websites (click the link) | Treatment by CEC | As at MTFS 2022 £ | Latest Financial Review 2022/23 £ |
|---|-------------------------------|--|-----------------------------|--------------------------|--|
| Children & Families (Schools) | | | | | |
| Dedicated Schools Grant | 53,659.403 | Link | Allocated direct to service | 133,296,000 | 143,155,870 |
| Pupil Premium Grant | 2,683.478 | Link | Allocated direct to service | 4,476,000 | 4,513,620 |
| Sixth Forms Grant | not available | Link | Allocated direct to service | 2,475,000 | 2,729,316 |
| Universal Infant Free School Meals (UIFSM) | not available | Link | Allocated direct to service | 1,769,000 | 1,732,183 |
| Primary Physical Education Sports Grant | 324.372 | Link | Allocated direct to service | 1,014,000 | 979,150 |
| COVID-19 Recovery Premium | not available | Link | Allocated direct to service | 0 | 446,768 |
| School Led Tutoring Grant | not available | Link | Allocated direct to service | 0 | 278,644 |
| School Improvement Monitoring & Brokering Grant | not available | Link | Allocated direct to service | 231,000 | 95,472 |
| Milk Subsidy | not available | | Allocated direct to service | 10,000 | 18,000 |
| LA Supplementary Grant | not available | Link | Allocated direct to service | 0 | 2,071,755 |
| Senior Mental Health Lead Training Grant | not available | Link | Allocated direct to service | 0 | 4,800 |
| Newly Qualified Teachers (Education Recovery 5% Time off Timetable) | not available | Link | Allocated direct to service | 0 | 57,761 |
| Delivering Better Value in SEND | not available | | Allocated direct to service | 0 | 45,000 |
| COVID-19 Workforce Fund | not available | | Allocated direct to service | 0 | 21,633 |
| Apprentice Incentive Scheme | not available | | Allocated direct to service | 0 | 1,500 |
| Digital Education Platform | not available | | Allocated direct to service | 0 | 1,500 |
| Mass Testing | not available | | Allocated direct to service | 0 | 8,832 |
| Vaccination funding | not available | | Allocated direct to service | 0 | 9,184 |
| TOTAL CHILDREN & FAMILIES (Schools) | | | | 143,271,000 | 156,170,988 |
| Children & Families (Children's Services) | | | | | |

| RING-FENCED REVENUE GRANTS | National Allocation | Grant Information from Government websites (click the link) | Treatment by CEC | As at MTFS 2022 | Latest Financial Review 2022/23 |
|---|----------------------------|---|-----------------------------|------------------------|--|
| | £m | | | £ | £ |
| Asylum Seekers | not available | Link | Allocated direct to service | 788,000 | 1,411,110 |
| Tackling Troubled Families (Payments by Results) | not available | | Allocated direct to service | 0 | 237,600 |
| Supporting Families (Payments by Results) Upfront Grant | not available | Link | Allocated direct to service | 719,000 | 719,500 |
| Adoption Support Fund | not available | Link | Allocated direct to service | 28,000 | 47,653 |
| KS2 Moderation & Phonics | not available | Link | Allocated direct to service | 11,922 | 11,922 |
| Independent Support Grant (CEIAS) | not available | | Allocated direct to service | 10,000 | 0 |
| NHS Cheshire CCG Grant to fund CEIAS Services | not available | | Allocated direct to service | 0 | 26,000 |
| Skills & Lifelong Learning | not available | | Allocated direct to service | 903,000 | 903,021 |
| Remand Grant | not available | | Allocated direct to service | 20,000 | 74,926 |
| Domestic Abuse Safe Accommodation Housing Grant | 124.998 | Link | Allocated direct to service | 648,332 | 650,126 |
| Holiday Activities & Food Programme Grant | 201.100 | | Allocated direct to service | 0 | 878,640 |
| Extension of the Role of Virtual School Heads to children with a social worker Implementation | not available | Link | Allocated direct to service | 118,136 | 118,136 |
| Ukraine Resettlement Funding | not available | | Allocated direct to service | 0 | 238,398 |
| Household Support Fund | not available | | Allocated direct to service | 0 | 4,407,786 |
| Hong Kong UK Welcome Programme (British Nationals) | not available | Link | Allocated direct to service | 0 | 13,947 |
| Early Years Professional Development programme | not available | | Allocated direct to service | 0 | 20,750 |
| Family Hubs Transformation Funding | not available | | Allocated direct to service | 0 | 477,431 |
| TOTAL CHILDREN & FAMILIES (Children's Services) | | | | 3,246,390 | 10,236,946 |
| Adults & Health | | | | | |
| Additional Better Care (for Adult Social Care) | 2,039.256 | | Allocated direct to service | 8,706,000 | 8,706,000 |
| Market Sustainability and Fair Cost of Care Fund | 162.000 | | Allocated direct to service | 979,000 | 979,000 |
| Implementation support grant | 15.467 | Link | Allocated direct to service | 0 | 98,230 |
| Trailblazer support funding | 0.805 | Link | Allocated direct to service | 0 | 162,211 |
| Early assessment funding allocation Part 1 | 2.127 | | Allocated direct to service | 0 | 584,784 |
| Syrian Resettlement Programme - brought forward | not available | | Allocated direct to service | 0 | 38,734 |

| RING-FENCED REVENUE GRANTS | National Allocation | Grant Information from Government websites (click the link) | Treatment by CEC | As at MTFS 2022 | Latest Financial Review 2022/23 |
|---|----------------------------|---|-----------------------------|------------------------|--|
| | £m | | | £ | £ |
| Afghan Wrap Around support - brought forward | not available | | Allocated direct to service | 0 | 146,078 |
| Afghan Resettlement support - brought forward | not available | | Allocated direct to service | 0 | 262,834 |
| Homes for Ukraine Scheme | not available | Link | Allocated direct to service | 0 | 12,600,000 |
| Private Finance Initiative (PFI) credits | not available | | Allocated direct to service | 4,125,000 | 4,125,000 |
| Journey First and Parents First (originally provided by the European Social Fund but now DWP) | not available | | Allocated direct to service | 0 | 2,500,000 |
| COVID-19 Shielding Grant for the Clinically Extremely Vulnerable Cohort - brought forward | not available | | Allocated direct to service | 0 | 485,383 |
| COVID-19 Emergency Assistance Grant for Food & Essential Supplies - brought forward | not available | | Allocated direct to service | 0 | 40,000 |
| TOTAL ADULTS & HEALTH | | | | 13,810,000 | 30,728,254 |
| Adults & Health (Public Health) | | | | | |
| Public Health Grant | 3,417.400 | Link | Allocated direct to service | 16,929,000 | 17,404,551 |
| CHAMPS TTCE contact tracer staff - ICT Workforce: Contract Extension Funding | not available | | Allocated direct to service | 0 | 149,483 |
| COVID-19 COMF & T&T - brought forward | not available | | Allocated direct to service | 0 | 5,340,824 |
| DHSC Additional drug and alcohol treatment funding allocations: 2022 to 2023 | 101.200 | Link | Allocated direct to service | 0 | 346,706 |
| CHAMPS Marmot Place Funding - encourage pregnant women to stop smoking | not available | | Allocated direct to service | 0 | 21,500 |
| CHAMPS SMS - inpatient detox | 9.740 | | Allocated direct to service | 0 | 29,865 |
| CHAMPS Mouth Care Matters programme - to be confirmed | not available | | Allocated direct to service | 0 | 10,500 |
| TOTAL ADULTS & HEALTH (Public Health) | | | | 16,929,000 | 23,303,429 |
| Economy & Growth | | | | | |

| RING-FENCED REVENUE GRANTS | National Allocation | Grant Information from Government websites (click the link) | Treatment by CEC | As at MTFS 2022 | Latest Financial Review 2022/23 |
|---|----------------------------|---|-----------------------------|------------------------|--|
| | £m | | | £ | £ |
| Rough Sleeping Initiative | not available | Link (multi year settlement) | Allocated direct to service | 300,000 | 330,352 |
| Homelessness Prevention Grant | 315.800 | Link | Allocated direct to service | 260,000 | 581,765 |
| Local Enterprise Partnership (LEP): Core Funding | not available | | Passported to providers | 500,000 | 375,000 |
| Local Enterprise Partnership (LEP): Growth Hub Funding | not available | | Passported to providers | 462,000 | 231,000 |
| Local Enterprise Partnership (LEP): NP (Northern Powerhouse) 11 | not available | | Passported to providers | 500,000 | 520,000 |
| Local Enterprise Partnership (LEP): Growth Hub Cluster Network - Peer Networks | not available | | Passported to providers | 150,000 | 0 |
| Local Enterprise Partnership (LEP): Skills Advisory Panel | not available | | Passported to providers | 75,000 | 56,000 |
| Local Enterprise Partnership (LEP): Local Digital Skills Partnership Catalyst grant | not available | | Passported to providers | 75,000 | 56,000 |
| Local Enterprise Partnership (LEP): Skills Bootcamp | not available | Link | Passported to providers | 0 | 1,036,653 |
| Innovate UK / Adapt - brought forward | not available | | Allocated direct to service | 0 | 40,002 |
| First Trenitalia West Coast Rail Limited | not available | | Allocated direct to service | 0 | 50,000 |
| COVID-19 Welcome Back Fund (Opening High Streets) - brought forward | not available | | Allocated direct to service | 0 | 162,380 |
| TOTAL ECONOMY & GROWTH | | | | 2,322,000 | 3,439,152 |
| Environment & Communities | | | | | |
| Bikeability Grant | not available | | Passported to providers | 0 | 239,995 |
| Enforcement Grant (Planning) - brought forward | not available | | Allocated direct to service | 0 | 30,237 |
| Air Quality Grant - brought forward | not available | | Allocated direct to service | 0 | 18,330 |
| Air Quality Grant scheme | not available | Link | Allocated direct to service | 0 | 54,607 |
| Offensive weapons | not available | | Allocated direct to service | 0 | 3,864 |
| Cosmetic fillers | not available | Link | Allocated direct to service | 0 | 7,465 |

| RING-FENCED REVENUE GRANTS | National Allocation | Grant Information from Government websites (click the link) | Treatment by CEC | As at MTFS 2022 | Latest Financial Review 2022/23 |
|--|----------------------------|---|-----------------------------|------------------------|--|
| | £m | | | £ | £ |
| Food Information Grant - Natasha's Law - brought forward | not available | | Allocated direct to service | 0 | 731 |
| Food Information Grant - Natasha's Law | not available | Link | Allocated direct to service | 0 | 10,000 |
| Section 31 grant - Biodiversity net gain | not available | | Allocated direct to service | 0 | 20,094 |
| Natural England - Stewardship scheme | not available | | Allocated direct to service | 0 | 1,600 |
| TOTAL ENVIRONMENT & COMMUNITIES | | | | 0 | 386,923 |
| Highways & Transport | | | | | |
| Bus Service Operators Grant | not available | | Allocated direct to service | 348,000 | 347,865 |
| Bus Capacity Grant - brought forward | not available | | Allocated direct to service | 0 | 326,056 |
| Bus Capacity Grant | not available | | Allocated direct to service | 0 | 574,023 |
| Better Deal for Buses - Supported Bus Services - brought forward | not available | | Allocated direct to service | 0 | 320,005 |
| Better Deal for Buses - Rural Mobility Grant - brought forward | not available | | Allocated direct to service | 0 | 5,000 |
| Bus Service Improvement Fund - brought forward | not available | | Allocated direct to service | 0 | 6,721 |
| Local Authority Capability Fund - brought forward | 15.385 | | Allocated direct to service | 0 | 132,134 |
| Active Travel Social Prescribing Grant - brought forward | 2.231 | | Allocated direct to service | 0 | 42,065 |
| Mini Holland Feasibility - brought forward | 83.395 | | Allocated direct to service | 0 | 78,947 |
| On Street Residential Chargepoint Scheme (ORCS) | not available | | Allocated direct to service | 0 | 151,000 |
| LTA Enhanced Bus Partnership Grant | 10.824 | | Allocated direct to service | 0 | 171,000 |
| TOTAL HIGHWAYS & TRANSPORT | | | | 348,000 | 2,154,816 |
| CORPORATE: Corporate Policy | | | | | |
| Revenues and Housing Benefits: | | | | | |
| Housing Benefit Subsidy | not available | | Allocated direct to service | 47,090,000 | 48,604,476 |
| Discretionary Housing Payments Grant | 98.000 | Link | Allocated direct to service | 492,000 | 348,661 |
| Housing Benefit (HB) Award Accuracy Initiative | 11.417 | Link | Allocated direct to service | 33,000 | 31,245 |

| RING-FENCED REVENUE GRANTS | National Allocation £m | Grant Information from Government websites (click the link) | Treatment by CEC | As at MTFS 2022 £ | Latest Financial Review 2022/23 £ |
|---|-------------------------------|--|-----------------------------|--------------------------|--|
| LADS - VEP (RTI) funding | 10.900 | | Allocated direct to service | 34,000 | 28,540 |
| New Burdens: Universal Credit, maintenance & natural migration | not available | | Allocated direct to service | 10,000 | 8,554 |
| Local Authority Data Sharing (LADS) | not available | | Allocated direct to service | 9,000 | 0 |
| LADS - New Burdens - Discretionary Housing Payments (DHP) | not available | | Allocated direct to service | 40,000 | 0 |
| LADS - New Burdens - Benefit Cap | not available | | Allocated direct to service | 1,000 | 1,226 |
| LADS - New Burdens - Single Fraud Investigation | not available | Link | Allocated direct to service | 1,000 | 1,872 |
| LADS - New Burdens - Welfare Reform Changes (S4/2022) | 19.500 | | Allocated direct to service | 0 | 72,569 |
| LADS - New Burdens - Supported & Temporary Accommodation Change Request | not available | | Allocated direct to service | 0 | 1,745 |
| LADS - New Burdens - Supported & Temporary Accommodation | not available | | Allocated direct to service | 0 | 4,614 |
| LADS - New Burdens - Single Housing Benefit Extract Automation | not available | | Allocated direct to service | 0 | 4,699 |
| Specified Accommodation (S3/2022) | 1.571 | Link | Allocated direct to service | 0 | 9,133 |
| Incapacity Benefit Reassessment (S5/2022) | 0.478 | Link | Allocated direct to service | 0 | 2,178 |
| Council Tax Rebate Scheme - New Burdens on Account Payment | 28.047 | | Allocated direct to service | 0 | 169,852 |
| Council Tax Energy Rebate Scheme | 3,069.445 | Link | Allocated direct to service | 0 | 19,851,600 |
| Local Council Tax Support (LCTS) 22.23 | 69.000 | Link | Allocated direct to service | 0 | 344,897 |
| COVID-19 Test and Trace Support (Self Isolation Payment) | not available | | Allocated direct to service | 0 | 176,176 |
| Democratic Services: | | | | | |
| Police and Crime Commissioner's Panel grant | not available | | Allocated direct to service | 0 | 65,260 |

| RING-FENCED REVENUE GRANTS | National Allocation £m | Grant Information from Government websites (click the link) | Treatment by CEC | As at MTFS 2022 £ | Latest Financial Review 2022/23 £ |
|---------------------------------|-------------------------------|--|------------------|--------------------------|--|
| TOTAL CORPORATE POLICY | | | | 47,710,000 | 69,727,297 |
| | | | | | |
| TOTAL RINGFENCED REVENUE GRANTS | | | | 227,636,390 | 296,147,805 |

| UNRING-FENCED REVENUE GRANTS | National Allocation £m | Grant Information from Government websites (click the link) | Treatment by CEC | As at MTFS 2022 £ | Latest Financial Review 2022/23 £ |
|--|---------------------------|--|-------------------------------------|----------------------|--------------------------------------|
| Children & Families (Children's Services) | | | | | |
| Staying Put Implementation Grant | 99.834 | | Held Centrally | 0 | 130,125 |
| Extended Rights to Free Transport (Home to School Transport) | 43.311 | | Held Centrally | 0 | 249,600 |
| Extended Personal Adviser Duty Implementation | 12.118 | | Held Centrally | 0 | 57,414 |
| Extension of the role of Virtual School Heads | not available | Link | Held Centrally | 0 | 60,595 |
| Adults & Health (Adult, Health and Integration) | | | | | |
| Social Care Support Grant | 2,346.368 | | Held Centrally | 11,341,373 | 11,341,373 |
| Independent Living Fund | 160.600 | Link | Held Centrally | 817,737 | 860,776 |
| Local Reform & Community Voices | 34.410 | | Held Centrally | 213,010 | 213,010 |
| Social Care in Prisons | 10.950 | | Held Centrally | 71,087 | 71,087 |
| War Pension Scheme Disregard | 12.000 | | Held Centrally | 55,903 | 55,903 |
| Economy & Growth | | | | | |
| Neighbourhood Planning Grant for Local Planning Authorities | not available | | Held Centrally | 0 | 10,000 |
| Highways & Transport | | | | | |
| Pavement Licensing - New Burdens | not available | | Held Centrally | 0 | 12,915 |
| Corporate Policy | | | | | |
| Housing Benefit Administration Subsidy | 163.721 | | Held Centrally | 654,410 | 736,410 |
| Council Tax Support Administration Subsidy | 69.000 | | Held Centrally | 315,590 | 344,897 |
| NNDR Administration Allowance | not available | | Allowance as per NNDR - not a grant | 586,652 | 586,652 |

| UNRING-FENCED REVENUE GRANTS | National Allocation | Grant Information from Government websites (click the link) | Treatment by CEC | As at MTFS 2022 | Latest Financial Review 2022/23 |
|---|----------------------------|--|-------------------------|------------------------|--|
| | £m | | | £ | £ |
| New Homes Bonus | 556.003 | | Held Centrally | 6,614,044 | 6,614,044 |
| Lower Tier Services Grant | 111.000 | | Held Centrally | 353,131 | 360,131 |
| Services Grant | 822.000 | | Held Centrally | 2,932,351 | 2,932,351 |
| CENTRAL ITEMS | | | | | |
| Business Rates Reliefs Compensation Grant 2022/23 | 4,076.389 | | Held Centrally | 0 | 13,889,976 |
| TOTAL UNRING-FENCED REVENUE GRANTS | | | | 23,955,288 | 38,527,259 |

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Working for a brighter future together

Finance Sub-Committee

| | |
|-----------------------------|---|
| Date of Meeting: | 9 November 2022 |
| Report Title: | Business Rates Discretionary Schemes |
| Report of: | Alex Thompson, Director of Finance and Customer Service |
| Report Reference No: | FSC/7/22-23 |
| Ward(s) Affected: | All |

1. Purpose of Report

- 1.1. The purpose of this report is to provide members with an overview of the Business Rates system and to request approval of the Discretionary Business Rates Policy for Cheshire East Council.
- 1.2. The report also provides an update on the Government's review of Business Rates.

2. Executive Summary

- 2.1. Business rates form an essential element of Cheshire East funding contributing £49.1M to the 2022/23 budget. This is equivalent to 15% of the Council's net revenue budget.
- 2.2. It is a highly complex area both in terms of how Business Rate liability is calculated and the value of Business Rates to be retained by the Local Authority. This has been further complicated in recent years by a significant extension in the value and range of Business Rates reliefs available to businesses to provide support during the Covid Pandemic and to encourage recovery post Covid.
- 2.3. Central Government set a range of Business Rates "reliefs" for specific businesses, both mandatory and at the discretion of the Local Authority. The proposed policy on discretionary reliefs for Cheshire East Council is attached at Appendix 1. The Policy combines a number of existing policies

and procedures into a single comprehensive Discretionary Business Rates Policy. It does not, however, propose any changes to the existing reliefs and therefore no changes to the existing MTFS.

- 2.4.** The Business Rates Scheme has been under review by HM Treasury for some time with the final report published in October 2021. The review concluded that the Business Rates Scheme would be retained but that a number of changes would be made to reduce the burden of business rates in England, introduce new reliefs and increase the frequency of re-evaluations.

3. Recommendations

- 3.1.** That Finance Sub-Committee note the report and approve the Discretionary Business Rates policy as set out in Appendix 1.

4. Reasons for Recommendations

- 4.1.** Discretionary Rate Reliefs are an important part of Central Government's strategy to allow Local Authorities to support local businesses through rate reductions. This Policy ensures Cheshire East Council can continue to support local business primarily aimed at small businesses, charitable and not-for-profit enterprises and community and sports clubs.

5. Other Options Considered

- 5.1.** Removal or reduction of Discretionary Rate Reliefs may significantly impact small, local businesses and organisations.

6. Background

- 6.1.** Business Rates (also known as National Non-Domestic Rates or NNDR) is a property tax paid by businesses designed to help fund services delivered by the Local Authority.
- 6.2.** The Business Rates payable by an individual business are primarily set by Central Government based on a "Rateable value" (RV) calculation assessed by the Valuation Office and a "multiplier" of the RV set by Central Government.
- 6.3.** The billing and collection of Business Rates is the responsibility of the Local Authority with receipts from Business Rates distributed between the Council and its precepting authorities and Central Government.
- 6.4.** The Business Rates Team within Customer Services administers all Business Rates billing, collection, and debt recovery for Cheshire East Council.
- 6.5.** The team liaise with the Department for Levelling Up, Housing and Communities on legislation and guidance for the scheme. The team also work with the Valuation Office Agency to determine appropriate valuation

of relevant non-domestic properties (known as 'hereditaments' for business rate purposes).

- 6.6.** The Finance Team administer the Collection Fund, which is a statement within the Council's statutory accounts that records all the transactions associated with the administration of business rates.
- 6.7.** It should be noted that reliefs are separate to business grants which, since the onset of the Pandemic, have also administered by the Business Rates team with over 22,500 individual businesses benefiting from grants to the value of £146M.
- 6.8.** The gross level of business rates liability for businesses within the Cheshire East Council area is approximately £180m, across over 15,000 properties.
- 6.9.** Table 1 shows the value of Business Rates forecast for 2022-23 and how these are proposed to be shared between the Council and its precepting authorities and Central Government.

Table 1: Budget for Business Rates 2022/23

| NNDR1 – January 2021 budget setting position | £m |
|--|--------------|
| Gross Rates | 179.1 |
| Mandatory Discounts | (25.6) |
| Unoccupied Properties | (5.8) |
| Discretionary Discounts | (0.8) |
| Discretionary Discount where compensation is provided (retail relief announced after budget set) | (3.6) |
| Bad Debts | (2.2) |
| Appeals repayable | (2.1) |
| Disregarded amounts (EZ/renewables) | (1.2) |
| Administration allowance | (0.6) |
| Net Rates | 137.2 |
| CEC share (49%) | 67.2 |
| Fixed Tariff payable to Central Government | (24.7) |
| Retained Rates | 42.5 |
| Contribution from compensation grants/Earmarked reserves | 6.6 |
| Retained Business Rates as per MTFs | 49.1 |

- 6.10.** Discretionary Reliefs are intended to provide "relief to premises where the Local Authority Council feels the granting of such relief would be of benefit to the local community". Whilst the Government provides some guidance in relation to this discretion primarily lies with the Local Authority.
- 6.11.** The draft Discretionary Relief policy has been developed in line with the Council's vision and values. The full list of factors and priorities considered are listed within the Policy at paragraph 3.8 and include:

- Supporting the retention of businesses within the local community
- Encouraging self-reliance
- Supporting businesses to start up and grow
- Supporting the provision of services which the Council is unable to deliver
- To prioritise local over national business
- Should not distort local competition
- To ensure that the financial impact of the provision of relief is justified in terms of the outcomes achieved

6.12. The draft policy provides a single comprehensive view of the Discretionary Relief Policy for Cheshire East Council but does not propose any changes to the existing reliefs and has no impact on the MTFS

Table 2: Reliefs and total number of rated business properties in Cheshire East:

| | Total properties | 15,217 | | |
|---------------------------|--|----------------------|-------------------------|---------------------|
| Mandatory / Discretionary | Type of relief | No. receiving relief | Value of relief awarded | Funded CEC/Gov/fire |
| Discretionary Relief | Enterprise Zone discount | 87 | 398k | 100% gov |
| Mandatory Relief | Transitional Relief extension | 149 | 79k | 100% gov |
| Mandatory Relief | Charity relief – 80% Mandatory | 628 | 9.9M | 49/50/1 |
| Discretionary Relief | Non-profit making body Relief | 23 | 26k | 49/50/1 |
| Discretionary Relief | Hardship Relief | 0 | 0 | 49/50/1 |
| Discretionary Relief | Part-occupied Relief | 1 | 2k | 49/50/1 |
| Mandatory Relief | Rural Rate Relief | 10 | 12k | 49/50/1 |
| Discretionary Relief | Charity relief – top up | 293 | 258k | 49/50/1 |
| Mandatory Relief | Community Amateur Sport Club | 33 | 143k | 49/50/1 |
| Discretionary Relief | Community Amateur Sport Club – top up | 27 | 6k | 49/50/1 |
| Discretionary Relief | Local Discretionary Relief – Localism Act 2011 | 0 | 0 | 49/50/1 |

| | | | | |
|----------------------|--|-------|-------------------|----------|
| Mandatory Relief | Small Business Rate Relief Partly funded by S31 | 5,953 | £16.8M | 49*/50/1 |
| Mandatory Relief | Tapered Small Business Rate Relief Partly funded by S31 | 432 | Included in above | 49*/50/1 |
| Mandatory Relief | Small Business Rate Relief – 12 month extension | 28 | 48k | 49*/50/1 |
| Discretionary Relief | Supporting Small Businesses Relief | 21 | 36k | 49*/50/1 |
| Discretionary Relief | Local Newspaper Relief | 0 | 0 | 49*/50/1 |
| Mandatory Relief | Public Lavatories Relief | 12 | 20k | 49*/50/1 |
| Discretionary Relief | Expanded Retail Discount – 50% | 1391 | 7.5M | 49*/50/1 |
| Discretionary Relief | Nursery Discount – 50% | 0 | 0 | 49*/50/1 |

* S31 Reliefs – whilst technically discretionary these are determined by Central Government and fully funded by them to reflect the income foregone by CE by the introduction of the Relief

6.13. Future changes to Business Rates: HM Treasury have been conducting a review of the Business Rates Scheme with the final report published in October 2021. The review concluded that the Business Rates Scheme would be retained but that a number of changes would be made. New reliefs to support investments in property improvements and a new exemption to support green technologies will be introduced. Additionally, the report includes a decision to increase the frequency of revaluations to ensure that ratepayers see their valuations update more quickly, allowing changes in economic conditions to feed through more rapidly into businesses' liabilities.

6.14. A decision has also been taken not to amend the level of business rates retained by local authorities, instead preferring to review the entire scheme in light of the levelling up agenda.

6.15. Additionally, the Government is currently consulting on its proposal to digitalise business rates. This initiative will match business rates data with central HMRC tax data and display business rates information alongside other tax information in a standardised way. This will provide businesses with a single source of tax information online.

7. Implications

7.1. Legal

- Business Rates administration is dealt with by the Local Government Finance Act 1988

7.2. Finance

- The report proposes no change to the current level of support through Discretionary Reliefs

7.3. Policy

- The policies relating to Reliefs have been updated and are attached at Appendix 1

7.4. Equality

- None

7.5. Human Resources

- None

7.6. Risk Management

- None

7.7. Rural Communities

- A number of organisations in receipt of Discretionary Rate Relief are located within rural communities. The recommendation requested will result in no change to their rate liability.

7.8. Children and Young People/Cared for Children

- None

7.9. Public Health

- None

7.10. Climate Change

- None

| | |
|------------------------------|--|
| Access to Information | |
| Contact Officer: | Helen Gerrard Helen.gerrard@cheshireeast.gov.uk |
| Appendices: | Appendix 1 – Discretionary Business Rates policy |
| Background Papers: | N/A |



Cheshire East Council Policy for the granting of Discretionary Non-Domestic Rate Relief

Version Control

| <i>Version</i> | <i>Version date</i> | <i>Revised by</i> | <i>Description</i> |
|----------------|---------------------|-------------------|--------------------|
| 1 | January 2022 | LM | Draft Policy |
| 2 | March 2022 | LM | Revisions PM |

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1.0 Purpose of the Policy

- 1.1 The purpose of this policy is to determine the level of discretionary relief and related areas to be granted to certain defined ratepayers within the Council's area. The policy includes all changes effective from 1st April 2022 and includes all extended reliefs due to the COVID-19 crisis. The Council is keen to support businesses during the crisis, as far as possible.
- 1.2 The Local Government Finance Act 1988 and subsequent legislation requires the Council to grant mandatory relief for premises occupied by Charities and similar organisations that own or occupy them wholly or mainly for charitable purposes. Likewise, certain premises situated within a rural settlement area will be eligible for mandatory relief. Powers have also been granted under the Localism Act 2011, which allow for the granting of discretionary rate relief to any premises where the Council feels the granting of such relief would be of benefit to the local community.
- 1.3 In addition to the above, Central Government is keen that in certain cases, assistance should be provided to businesses who have had increases in their rate liability due to the revaluation of premises in April 2017. In these cases, and where the Council meets Central Government guidelines, grants are available under section 31 of the Local Government Act 2003.
- 1.4 Whilst the Council is obliged to grant relief to premises, which fall within the mandatory category, the Council also has powers to grant discretionary relief and reductions to ratepayers, subject to certain criteria being met. In the case of the new reliefs, some guidance has been issued by Central Government outlining actions expected to be taken by local authorities. This policy includes Government guidance where appropriate but also looks to target discretionary relief in line with the Council's priorities.
- 1.5 This document outlines the following areas:
- Details of the criteria for receiving Discretionary Reliefs for all relevant areas;
 - The Council's policy for the granting of all types of Discretionary Reliefs;
 - Guidance on granting and administering the reliefs and awards; and
 - The Council's Scheme of Delegation.
- 1.6 Where organisations apply for relief they will be granted (or not granted) relief or reductions in line with the following policy.

2.0 Mandatory Relief - Legislative Background

Charity Relief

- 2.1 The powers relating to the granting of mandatory¹ and discretionary relief are given to the Council under the Local Government Finance Act 1988². Charities and Trustees for Charities are only liable to pay one fifth of the Non-Domestic Rates that would otherwise be payable where property is occupied and used wholly or mainly for charitable purposes. This amounts to mandatory relief of 80%. For the purposes of the Act, a charity is an organisation or trust established for charitable purposes, whether or not it is registered with the Charity Commission. The provision has been extended under the Local Government Act 2003 (effective from 1st April 2004) to registered Community Amateur Sports Clubs (CASCs). Full details of the mandatory provisions are given later within this policy.
- 2.2 In the case of charity shops, the premises must meet the criteria laid down by section 64 (10) of the Local Government Finance Act 1988 which states that the premises are to be treated as used for charitable purposes at any time it is wholly or mainly used for the sale of goods donated to the charity and the proceeds of goods (after any deductions for expenses) are applied for the purpose of the charity.
- 2.3 The Council has discretion to grant relief of up to a further 20% for these mandatory cases under its discretionary provisions.

Rural Rate Relief

- 2.4 From 1st April 1998, under powers originally granted to the Council by the Local Government and Rating Act 1997³, certain types of business in rural settlements, with a population below 3000 may qualify for mandatory rate relief of 50 per cent. Businesses that qualify for this relief are the sole general store and the sole post office in the settlement, provided it has a Rateable Value of up to £8,500; any food shop with a Rateable Value of up to £8,500; and the sole pub and the sole petrol station in the settlement provided it has a Rateable Value of up to £12,500.
- 2.5 From 1st April 2017, Central Government has indicated that it wants all authorities to give 100% relief to premises that receive mandatory rural rate relief. The legislation enabling this will not be forthcoming until 2018 and therefore it has indicated that where the additional 50% is granted, a section 31 grant will be made available to the Council. This is dealt with further within this policy and the Council will automatically grant the additional 50% discretionary relief where appropriate

¹ S43 & S45 Local Government Finance Act 1988

² S47 & S48 Local Government Finance Act 1988

³ LGFA 1988, s.47, as amended by Sch. 1 to the Local Government and Rating Act 1997

- 2.6 Where businesses in rural settlements have a Rateable Value of up to £16,500 and are not in receipt of mandatory relief, the Council may decide to give up to 100 per cent discretionary relief if it is satisfied that the business is of benefit to the community and having regard to the interests of its Council Taxpayers.

3.0 Discretionary Relief – Legislative Background

Introduction

- 3.1 The original purpose of discretionary relief was to provide assistance where the property does not qualify for mandatory relief, or to ‘top’ up cases where ratepayers already receive mandatory relief.
- 3.2 Over recent years and particularly since 2011, the discretionary relief provisions have been amended to allow authorities the flexibility to provide more assistance to businesses and organisations.
- 3.3 The range of bodies, which are eligible for discretionary rate relief, is wide and not all of the criteria laid down by the legislation will be applicable in each case.
- 3.4 Unlike mandatory relief, ratepayers are obliged to make a written application to the Council. The Council will expect all businesses to make applications in such a format as is required (which may vary from time to time) and for the business to provide such information and evidence as required in order to determine whether relief should be awarded.
- 3.5 The Council is obliged to carefully consider every application on its merits, taking into account the contribution that the organisation makes to the amenities within the authority’s area. There is no statutory appeal process or Tribunal against any decision made by the Council although, as with any decision of a public authority, decisions can be reviewed by Judicial Review. The authority will however, upon request, review decisions made. Details of the internal review process are given within this policy.
- 3.6 Granting of the relief falls broadly into the following categories:
- (a) Discretionary Relief – Charities who already receive mandatory relief.
 - (b) Discretionary Relief – Premises occupied by organisations not established or conducted for profit whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts **or** premises occupied by organisations not established or conducted for profit and wholly or mainly used for purposes recreation;
 - (c) Discretionary Relief – Rural Rate relief - premises that already receive mandatory relief;
 - (d) Discretionary Relief – Rural Rate relief - premises not receiving mandatory relief but of benefit to the local community and less than £16,500 RV;
 - (e) Discretionary Relief – Granted under the Localism Act 2011 provisions;

- (f) Local Newspaper Relief (from 1st April 2017 until 2025);
- (g) Supporting Small Businesses Relief (from 1st April 2017 for a period of up to five years);
- (h) Expanded Business Rates Discount Relief (from 1st April 2021 for a period of one year);
- (i) Nursery Discount (from 1st April 2021 for a period of one year);
- (j) COVID Additional Relief Fund (from 1st April 2021 for a period of one year);
- (k) Extension to Transitional Relief and Supporting Small Business Rates Relief (from 1st April 2022 for a period of one year);
- (l) Retail, Hospitality and Leisure Business Rates Relief (from 1st April 2022 for a period of one year); and
- (m) S49 Hardship Relief.

3.7 The decision to grant or not to grant discretionary relief is a matter purely for the Council.

The Council's general approach to granting Discretionary Relief

- 3.8 In deciding which organisations should receive discretionary rate relief, the Council has considered the following factors and priorities:
- (a) The awarding of relief will be in line with the Council's vision and values;
 - (b) That any award should support business, charities, organisations, and groups that help to retain services in the Council's area and not compete directly with existing businesses in an unfair manner;
 - (c) It should help and encourage business, charities, organisations, groups, and communities to become self-reliant;
 - (d) Awarding discretionary relief should not distort competition or significantly change the provision of services within the Council's area;
 - (e) Local organisations will be given priority over national organisations. Where requested, the organisation will need to supply the Council with clear evidence of **all** financial affairs (normally two full years) including, and most importantly, the amounts of monies raised, used, and invested locally. This will be essential where the organisation is national in nature;
 - (f) To enable appropriate organisations to start, develop or continue their activities, which deliver outcomes to the community and that also relate to the priorities of the Council, which without granting discretionary relief they would be unable to do;
 - (g) To assist the Council in delivering services which could not be provided otherwise; and
 - (h) To ensure that the financial impact of awarding discretionary business rate relief is justified in terms of the local outcomes achieved by the organisation receiving it;

- 3.9 Where any reduction or remission is granted to a ratepayer under S49 Local Government Finance Act 1988 where hardship is proven to the Council, then there will be no requirement to grant Discretionary Rate Relief for that amount.
- 3.10 In certain cases, the order in which relief is granted is specified. Mandatory relief shall be granted in all cases where the criteria is met irrespective of whether discretionary relief can be granted or not.

The Council's approach to granting Government led Discretionary Relief schemes

- 3.11 Over the past few years, a number of schemes have been led by Central Government but without specific legislative changes. These are administered under S47 of the Local Government Finance Act 1988 and guidance is often provided. The Council is keen to support such initiatives especially where they are designed to help local businesses and will look to maximise both the reliefs given as well as maximise any grants receivable. However, the Council reserves the right to vary its approach where thought appropriate.

4.0 Effect on the Council's Finances

- 4.1 The granting of discretionary relief will, in the main, involve a cost to the Council. Since the change to the funding for Non-Domestic Rating in April 2013, the effect of the relief is complex.
- 4.2 Any amounts granted prior to 1st April 2013 and continuing since that date will be included in the Council's baseline within the Business Rates Retention Scheme. For any amounts granted for similar cases after 1st April 2013, the costs of the relief will be borne in accordance with the Business Rates Retention Scheme share namely 50% borne by Central Government and 50% by the Council. This also applies where mandatory relief is granted.
- 4.3 Where Central Government leads an initiative, grants are often available through section 31 of the Local Government Act 2003. This is not automatic and Central Government will look to the Council to adopt the recommended approach when granting in these areas
- 4.4 The financial effects of discretionary reliefs covered by this policy are as follows:

| Appendix | Relief Type | Granted after 1st April 2013 |
|-----------------|---|--|
| | Charity Relief | |
| A | Discretionary relief granted to Mandatory Relief recipients | 50% borne by the Council |

| Appendix | Relief Type | Granted after 1st April 2013 |
|-----------------|--|--|
| B | Non-profit Making Organisations including Sports Clubs and societies | 50% borne by the Council |
| | Rural Rate Relief | |
| C | 50% Discretionary relief granted to Mandatory Rural Relief recipients | Section 31 Grant |
| D | Other premises within a rural settlement under £16500 RV | 50% borne by the Council |
| | Localism | |
| E | Discretionary Relief granted to ratepayers generally and not covered by any other section | 50% borne by the Council |
| | Local Newspaper Relief | |
| F | Discretionary Relief granted to local newspapers meeting the criteria (From 1 st April 2017 up until 2025) | Section 31 Grant |
| | Supporting Small Business Relief | |
| G | Supporting Small Businesses Relief (from 1 st April 2017 for a period of up to five years if conditions are met) | Section 31 Grant |
| | Expanded Business Rates Discount Relief | |
| H | Expanded Business Rates Discount Relief (from 1 st April 2021 for a period of one year) | Section 31 Grant |
| | Nursery Discount | |
| I | Nursery Discount (from 1 st April 2021 for a period of one year) | Section 31 Grant |
| J | COVID Additional Relief Fund (CARF) | |
| | The Council's COVID Additional Relief Fund (for 2021/22 only) | Section 31 Grant |
| K | Extension to Transitional Relief and Supporting Small Business Rates Relief | |
| | Extension to Transitional Relief and Supporting Small Business Rates Relief (from 1 st April 2022 for a period of one year) | Section 31 Grant |
| L | Retail, Hospitality and Leisure Business Rates Relief | |
| | Retail, Hospitality and Leisure Business Rates Relief (from 1 st April 2022 for a period of one year) | Section 31 Grant |
| | S49 Hardship Relief | |
| M | Partial or full relief for cases of hardship where it would be reasonable to do so | 50% borne by the Council |

| Appendix | Relief Type | Granted after 1 st April 2013 |
|----------|---|--|
| | having due regard to the interests of council taxpayers | |

5.0 Administration of Discretionary Relief

- 5.1 The following section outlines the procedures followed by officers in granting, amending, or cancelling discretionary relief and reduction. This is essentially laid down by legislation⁴

Applications and Evidence

- 5.2 All reliefs must be applied for. Application forms are produced by the Council both in hard copy and electronic format. The relevant application forms available online at the Council's website
https://www.cheshireeast.gov.uk/business/business_rates/business-rates-relief/business-rates-reliefs.aspx
- 5.3 Organisations are required to provide a completed application form plus any such evidence, documents, accounts, financial statements etc. necessary to allow the Council to make a decision. Where insufficient information is provided, then no relief will be granted. In some cases, it may be necessary for officers to visit premises and we would expect organisations claiming relief to facilitate this where necessary.
- 5.4 Applications should initially be made to the Revenues and Benefits Services and will be determined in accordance with Section 7 of this policy.
- 5.5 **The Council will provide this service and provide guidance free of charge. Ratepayers are encouraged to approach the Council direct and NOT pay for such services through third parties.**

Granting of relief

- 5.6 In all cases, the Council will notify the ratepayer of decisions made.
- 5.7 Where an application is successful, then the following will be notified to them in writing:
- The amount of relief granted and the date from which it has been granted;
 - If relief has been granted for a specified period, the date on which it will end. (It should be noted that reliefs are granted for the period specified in the appropriate Appendix and may vary from a day to a full financial year);
 - The new chargeable amount;

⁴ The Non-Domestic Rating (Discretionary Relief) Regulations 1989

- The details of any planned review dates and the notice that will be given in advance of a change to the level of relief granted; and
 - A requirement that the applicant should notify the Council of any change in circumstances that may affect entitlement to relief.
- 5.8 Where relief is not granted, then the following information is provided, again in writing:
- An explanation of the decision within the context of the Council's statutory duty; and
 - An explanation of the appeal rights (see below).
- 5.9 Discretionary relief is to be granted from the beginning of the financial year in which the decision is made or when liability begins whichever is the later. Since 1997 decisions can be made up to 6 months after the end of the financial year for which the application was made. In such cases, the Council *may* backdate its decision.
- 5.10 A decision to award discretionary relief and how much relief is given is normally only applicable to the financial year for which the application is made. However, the Council reserves the right to grant relief for any other period as appropriate.
- 5.11 A fresh application for discretionary relief will be necessary for each financial year **or** at such time-period as the Council determines.

Variation of a decision

- 5.12 Variations in any decision will be notified to ratepayers as soon as practicable and will take effect as follows:
- Where the amount is to be increased due to a change in rate charge or a change in the Council's decision which increases the award – this will apply from a date determined by the Council as appropriate;
 - Where the amount is to increase for any other reason, it will take effect at the expiry of a financial year and so that at least one year's notice is given;
 - Where the amount is to be reduced due to a reduction in the rate charge or liability including any reduction in rateable value, awarding of another relief or exemption this will apply from the date of the decrease in rate charge; and
 - Where the amount is to be reduced for any other reason, it will take effect from a date determined by the Council as appropriate;
- 5.13 A decision may be revoked at any time however; a one-year period of notice will be given, and the change will take effect at the expiry of a financial year.

6.0 Scheme of Delegation

Granting, Varying, Reviewing and Revocation of Relief

- 6.1 All powers in relation to reliefs are given under the Local Government Finance Act 1988, the Local Government and Rating Act 1997, the Local Government Act 2003, and the Localism Act 2011. However section 223 of the Local Government Act 1992 allows for delegation of decisions by the Council to Cabinet, Committees, Sub-Committees or Officers.
- 6.2 The Council's scheme of delegation allows for the Revenues Manager to award, revise or revoke any discretionary relief applications. However, any application which is considered to be of a significant nature will be subject to consultation with the relevant executive or committee prior to final determination.
- 6.3 Applications that are refused will, on request, be reconsidered if additional supporting information is provided or the refusal is subsequently considered to be based on a misinterpretation of the application.

Reviews

- 6.4 The policy for granting relief will be reviewed annually or where there is a substantial change to the legislation or funding rules. At such time, a revised policy will be brought before the relevant committee of the Council.

Appeals

- 6.5 Where the Council receives an appeal from the ratepayer regarding the granting, non-granting or the amount of any discretionary relief, the case will be reviewed by the Revenues Manager. Where a decision is revised then the ratepayer shall be informed, likewise if the original decision is upheld.
- 6.6 Where the ratepayer wishes to appeal the decision of the Revenues Manager the case will be considered by the Section 151 officer, whose decision on behalf of the Council will be final
- 6.7 Ultimately the formal appeal process for the ratepayer is Judicial Review although the Council will endeavour to explain any decision fully and openly with the ratepayer.

7.0 Reporting changes in circumstances

- 7.1 Where any award is granted to a ratepayer, the Council will require any changes in circumstances which may affect the relief, to be reported as soon as possible. This will be important where the change would result in the amount of the award being reduced or cancelled e.g., where the premises comes unoccupied or is used for a purpose other than that determined by the Council as eligible for relief.
- 7.2 Where a change of circumstances is reported, the relief will, if appropriate, be revised or cancelled as appropriate. Where any award is to be reduced, the Council will look to recover the amount from the date the change of circumstances occurred.

8.0 Fraud

- 8.1 Where a ratepayer falsely applies for any relief, or where the ratepayer provides false information, makes false representation, or deliberately withholds information in order to gain relief, prosecutions will be considered under the Fraud Act 2006.

Appendix A

Discretionary Relief – Mandatory Relief recipients

Discretionary Relief – Mandatory Relief recipients

General Explanation

- A.1 S43 of the Local Government Finance Act 1988 allows mandatory relief (80%) to be granted on premises if the ratepayer is a charity or trustees for a charity and the premises are wholly or mainly used for charitable purposes. No charge is made in respect of unoccupied premises where it appears that *when next in use* it will be used wholly or mainly for those purposes.
- A.2 The legislation has been amended by the Local Government Act 2003 (effective from 1st April 2004) to include registered⁵ Community Amateur Sports Clubs (CASC). These organisations can now receive the mandatory (80%) relief.

Charity registration

- A.3 Charities are defined within the legislation as being an institution⁶ or other organisation established for charitable purposes only or by persons administering a trust established for charitable purposes only.
- A.4 The question as to whether an organisation is a charity may be resolved in the majority of cases by reference to the register of charities maintained by the Charity Commissioners under s.4 of the Charities Act 1960. Entry in the register is conclusive evidence. By definition, under the Non-Domestic Rating legislation, there is no actual need for an organisation to be a registered charity to receive the relief and this has been supported by litigation⁷, however in all cases the organisation must fall within the following categories:
- trusts for the relief of poverty;
 - trusts for the advancement of religion;
 - trusts for the advancement of education; and
 - trusts for other purposes beneficial to the community, but not falling under any of the preceding heads.
- A.5 Certain organisations are exempted from registration generally and are not required to make formal application to the Charity Commissioners these are:
- the Church Commissioners and any institution administered by them;
 - any registered society within the meaning of the Friendly Societies Acts of 1896 to 1974;
 - units of the Boy Scouts Association or the Girl Guides Association; and
 - voluntary schools within the meaning of the Education Acts of 1944 to 1980.

⁵ Registered with HMRC as a CASC

⁶ S67(10) Local Government Finance Act 1988

⁷ Income Tax Special Commissioners v Pemsell (1891)

- A.6 The Council will consider charitable organisations, registered or not, for mandatory relief.

Use of Premises – wholly or mainly used

- A.7 Irrespective of whether an organisation is registered as a charity or not, the premises **must** be wholly or mainly used for charitable purposes. This is essential if any relief (either mandatory or discretionary) is to be granted. In most cases this can be readily seen by inspection, but on occasions the Council has had to question the actual use to which the premises are to be put. In some cases, it will be necessary for the Council to inspect any premises fully.
- A.8 Guidance from the Department of Communities and Local Government (now MHCLG) has stated that in the case of ‘mainly’, at least 51% must be used for charitable purposes whether of that charity or of that and other charities
- A.9 The following part of this section gives details on typical uses where relief may be given plus additional criteria that have to be satisfied. The list is not exhaustive but gives clear guidance on premises for which mandatory relief can be granted *and therefore* premises which may be equally considered for discretionary rate relief.

Offices, administration, and similar premises

- A.10 Premises used for administration of the Charity include:
- Offices;
 - Meeting Rooms; and
 - Conference Rooms.

Charity shops

- A.11 Charity shops are required to meet additional legislative criteria if they are to receive mandatory relief. Section 64 (10) of the Local Government Finance Act 1988 provides that a property is to be treated as being wholly or mainly used for charitable purposes at any time if, at the time, it is wholly or mainly used for the sale of goods donated to a charity and the proceeds of the sale of the goods (after any deduction of expenses) are applied for the purposes of the charity.
- A.12 In order to ascertain whether an organisation meets these requirements, inspections may be made by an officer of the Council when an application is received

Granting of Mandatory Relief - the Council's Policy

A.13 Where the criteria for awarding mandatory relief are met, the rate charges shall be calculated in accordance with the legislation reducing the liability of ratepayers for each day that the criteria are met.

Charity Relief – Mandatory Relief recipients, the Council's Policy for granting discretionary relief.

A.14 The Council has decided that discretionary relief for charities who receive mandatory relief shall be awarded as follows:

| Type of charity | Mandatory discount | Maximum discretionary discount | Rate relief category |
|--|--------------------|--------------------------------|----------------------|
| Village halls, community centres, meeting rooms | 80% | 20% | 1 |
| Youth organisations | 80% | 20% | 2 |
| Voluntary schools - aided and Special Agreement | 80% | - | 3 |
| Schools / colleges including foundation schools | 80% | - | 4 |
| Nursery schools | 80% | 20% | 5 |
| Charity shops - local charity within Cheshire and with own accounts | 80% | 20% | 6 |
| Charity shops - national charity | 80% | - | 7 |
| Drop in / advice centres with open access to public | 80% | 20% | 8 |
| Local charity admin office - within Cheshire and with own accounts | 80% | 20% | 9 |
| National charity admin offices | 80% | - | 10 |
| Sports and social clubs with a bar and where the rateable value is above the Small Business Rate Relief threshold | 80% | - | 11 |
| Sports and social clubs with a bar and where the rateable value is below the Small Business Rate Relief threshold | 80% | 5% | 12 |
| Sports and social clubs without a bar and where the rateable value is above the Small Business Rate Relief threshold | 80% | - | 13 |
| Sports and social clubs without a bar and where the rateable value is below the Small Business Rate Relief threshold | 80% | 20% | 14 |

| | | | |
|---|-----|-----|----|
| Community Amateur Sports Clubs with a bar and a rateable value above the Small Business Rate Relief threshold | 80% | - | 15 |
| Community Amateur Sports Clubs with a bar and a rateable value below the Small Business Rate Relief threshold | 80% | 5% | 16 |
| Community Amateur Sports Clubs without a bar | 80% | 20% | 17 |
| Museums / historical houses / heritage centres - free admission | 80% | 20% | 18 |
| Museums / historical houses / heritage centres - admission charged | 80% | 10% | 19 |
| Other local charities - within Cheshire and with own accounts | 80% | 20% | 20 |
| Other national charities | 80% | - | 21 |
| Social housing organisation premises (Registered Friendly Societies) | 80% | - | 22 |

Appendix B

**Discretionary Relief – Non-Profit Making Organisations including
Recreation**

Discretionary Relief – Non-Profit Making Organisations including Recreation

General explanation

Non-Profit

- B.1 The legislation⁸ allows the Council to grant discretionary relief where the property is not an *excepted* one and all or part of it is occupied for the purposes of one or more institutions or other organisations none of which is established or conducted for profit and each of whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature, or the fine arts.
- B.2 Relief cannot be granted to any premises occupied by the Council, or any town, parish council or major Precepting Authority (*excepted premises*).
- B.3 A number of issues arise from the term ‘not established or conducted for profit’. This requires the Council to make enquiries as to the overall purpose of the organisation although if surpluses and such amounts are directed towards the furtherance or achievement of the objects of the organisation then it does not necessarily mean that the organisation was established or conducted for profit.⁹

Recreation Clubs

- B.4 Ideally all recreation clubs should be encouraged to apply for Community Amateur sports Club (CASC) status, which would automatically entitle them to 80% relief. The relief granted to CASCs is covered earlier within this policy.
- B.5 Recreation clubs can also apply to the Charity Commissioners for registration as a Charity (thereby falling under the mandatory provisions for 80% relief) where they meet the following conditions:
- (a) The promotion of community participation in healthy recreation and by the provision of facilities for the playing of particular sports; and
 - (b) The advancement of the physical education of young people not undergoing formal education.
- B.6 Where sports clubs do not meet the CASC requirement, and are not registered charities, discretionary relief can be granted (0-100%) where the property is not an *excepted* one, it is wholly or mainly used for purposes of recreation and all or part of it is occupied for the purpose of a club, society or other organisation not established or conducted for profit.

⁸ S47 Local Government Finance Act 1988

Definition of Recreation

B.7 Recreation is clearly defined by the Sports Council as any of the following¹⁰

| | | | | |
|---------------------------|--------------------|-------------------------------------|----------------------|----------------|
| Aikido | Croquet | Kabaddi | Real Tennis | Tang Soo |
| American Football | Crossbow | Karate | Roller Hockey | Do |
| Angling | Curling | Kendo | Roller Skating | Tenpin |
| Archery | Cycling | Korfball | Rounders | Bowling |
| Arm Wrestling Association | Disability Sport | Lacrosse | Rowing | Trampolinin g |
| Football | Dragon Boat Racing | Lawn Tennis | Rugby League | Triathlon |
| Athletics | Equestrian | Life Saving | Rugby Union | Tug of War |
| Australian Rules Football | Fencing | Luge | Sailing | Unihoc |
| Badminton | Fives | Modern Pentathlon | Sand/Land Yachting | Volleyball |
| Ballooning | Flying | Motor Cycling | Shinty | Water Skiing |
| Baseball | Gaelic Football | Motor Sports | Shooting | Weightliftin g |
| Basketball | Gliding | Mountaineering | Skateboarding | Wrestling |
| Baton Twirling | Golf | Movement, Dance, Exercise & Fitness | Skiing | Yoga |
| Biathlon | Gymnastics | Netball | Skipping | |
| Bicycle Polo | Handball | Orienteering | Snowboarding | |
| Billiards and Snooker | Hang/Para Gliding | Parachuting | Softball | |
| Bobsleigh | Highland Games | Petanque | Sombo | |
| Boccia | Hockey | Polo | Wrestling | |
| Bowls | Horse Racing | Pony Trekking | Squash | |
| Boxing | Hovering | Pool | Skater/Street Hockey | |
| Camogie | Hurling | Quoits | Sub-Aqua | |
| Canoeing | Ice Hockey | Racketball | Surf Life Saving | |
| Caving | Ice Skating | Rackets | Surfing | |
| Chinese Martial Arts | Jet Skiing | Raquetball | Swimming & Diving | |
| Cricket | Ju Jitsu | Rambling | Table Tennis | |
| | Judo | | Taekwondo | |

Access to clubs

B.8 Guidance issued by the DCLG (now DLUHC) also requires the Council to consider access to clubs within the community before granting discretionary relief.

B.9 Membership should be open to all sections of the community. There may be legitimate restrictions placed on membership which relate for example to ability in sport or to the achievement of a standard in the field covered by the

¹⁰ Definition last reviewed by Sport England in 2002

organisation or where the capacity of the facility is limited, but in general membership should not be exclusive or restrictive.

- B.10 Membership rates should not be set at such a high level as to exclude the general community. However, membership fees may be payable at different rates that distinguish the different classes of membership such as juniors, adults, students, pensioners, players, non-players, employed and unemployed. In general, the club or organisation must be prepared to show that the criteria by which it considers applications for membership are consistent with the principle of open access.
- B.11 The Council also asks the following question to help establish the level of access ‘Does the organisation actively encourage membership from particular groups in the community e.g., young people, women, older age groups, persons with disability, ethnic minorities’ etc.?’

Provision of facilities

- B.12 Clubs which provide training or education are encouraged, as are those who provide schemes for particular groups to develop their skills e.g., young people, the disabled, retired people.
- B.13 A number of organisations run a bar. The mere existence of a bar will not in itself be a reason for not granting relief. However, the Council focuses on the main purpose of the organisation. The Council is encouraged to examine the balance between playing and non-playing members.
- B.14 Within this area, the Council also considers whether the facilities provided relieve the Council of the need to do so or enhance and supplement those that it does provide.

Discretionary Relief - Non-Profit Organisations including Recreation – the Council’s Policy

- B.15 The Council will consider applications for discretionary rate relief from non-profit making organisations on their own merits on a case-by-case basis. In determining the application, the following matters will be taken into consideration (The list is not exhaustive):
- How the organisation supports and links into the Council’s corporate vision and priorities;
 - Whether the facilities provided include education and/or training for members as a whole or for special groups;
 - The extent to which the facilities provided reduce the demand for Council services or produce savings;
 - Any membership and fee structure and whether the facilities are accessible to all residents, including whether there are concessions for certain groups, for example people on a low income or young people under 18;

- If covered by a membership scheme, membership numbers and the number and percentage of these members that are local residents; and
- If the organisation has due regard to equality issues and if its facilities are used by all members of the community, for example black and minority ethnic residents, people over 50 and people with disabilities.

B.16 The Council will also require additional financial information including:

- If the organisation runs a bar or food provision, the level of income from this activity and how this money is used.; and
- Whether the organisation operates at a local or national level and where appropriate, the local and national funding streams and financial position of the organisation.

B.17 The Council's current policy for awarding relief is as follows:

| Type of organisation | Mandatory discount | Maximum discretionary discount | Rates relief category |
|--|---------------------------|--|------------------------------|
| Other sports and social clubs with a bar and a rateable value above the Small Business Rate Relief threshold | Nil | 25% | 23 |
| Other sports and social clubs with a bar and a rateable value under the Small Business Rate Relief threshold | Nil | Up to 50% of the bill less the amount of small business relief granted | 24 |
| Other sports and social clubs without a bar and with a rateable value above the Small Business Rate Relief threshold | Nil | 25% | 25 |
| Other sports and social clubs without a bar and with a rateable value below the Small Business Rate Relief threshold | Nil | Up to 100% less the amount of small business relief granted | 26 |
| Other non-registered charities with a rateable value above the Small Business Rate Relief threshold | Nil | 25% | 27 |
| Other non-registered charities with a rateable value below the Small Business Rate Relief threshold | Nil | Up to the 100% less the amount of small business relief granted | 28 |

Appendix C

Discretionary Relief - Rural Rate Relief – Mandatory Relief recipients

Discretionary Relief - Rural Rate Relief – Mandatory Relief recipients

What are the qualifying criteria for Mandatory Relief?

- C.1 For a Post Office or General Store to be entitled to 50% Mandatory Relief, all the following criteria must be met:
- The Rateable Value of the property must not exceed £8,500 (from 1 April 2010);
 - The property must be used as a Post Office or a General Store (see below for definition), or both;
 - The property must be the only Post Office or the only General Store within the Rural Settlement.
- C.2 For a Public House or Petrol Filling Station to be entitled to 50% Mandatory Relief, all the following criteria must be met:
- The Rateable Value of the property must not exceed £12,500 from 1 April 2010);
 - The property must be used as a Public House (see below for definition) or a Petrol Filling Station (see below for definition); and
 - The property must be the only Public House or the only Petrol Filling Station within the Rural Settlement.
- C.3 For a village food shop to be entitled to 50% Mandatory Relief, all the following criteria must be met:
- The Rateable Value of the property must not exceed £8,500 from 1 April 2010); and
 - The property must be used as a shop selling mainly food (see below for definition).

What rural settlements exist within the Cheshire East Council's area?

- C.4 The following are deemed to be rural settlements within the District Council's area:

| Rural Settlements | | |
|------------------------------|-------------------|---------------------|
| Acton | Adlington | Agden |
| Alraham | Arclid | Ashley |
| Astbury (inc. Astbury marsh) | Aston by Budworth | Aston juxta Mondrum |
| Audlem | Austerson | Baddiley |
| Baddington | Barthomley | Basford |
| Batherton | Bickerton | Blakenhall |
| Bosley | Bradwall | Brereton (rest) |
| Brereton Green (Brereton) | Bridgemere | Brindley |

| Rural Settlements | | |
|--|---------------------------|--|
| Broomhall | Buerton | Bulkeley |
| Bunbury | Burland | Calveley |
| Checkley cum Wrinehill | Chelford | Cholmondeley |
| Cholmondeston | Chorley (SK9) | Chorley (CW5) |
| Chorlton cum Wrinehill | Church Lawton (rest) | Church Lawton North (Church Lawton) |
| Church Lawton South (Church Lawton) | Church Minshull | Coole Pilate |
| Cranage | Crewe Green | Dodcott cum Wilkesley |
| Doddington | Eaton | Edleston |
| Egerton | Faddiley | Gawsworth |
| Goostrey (rest) | Goostrey Village | Great Warford |
| Hankelow | Hassall | Hassall Green |
| Hassall Green (Betchton) | Hatherton | Haughton |
| Henbury | Henhull | High Legh |
| Hough | Hulme Walfield | Hunsterson |
| Hurleston | Kerridge | Kettleshulme |
| Lea | Little Bollington | Little Warford |
| Lower Peover | Lyme Handley | Macclesfield Forest |
| Marbury cum Quoisley | Marton | Mere |
| Millington | Minshull Vernon | Mobberley |
| Moreton cum Alcumlow | Mottram St Andrew | Mount Pleasant (Odd Rode) |
| Mow Cop (Odd Rode) | Nether Alderley | Newbold (Betchton rest) |
| Newhall | Norbury | North Rode |
| Odd Rode | Ollerton and Marthall | Over Alderley |
| Peckforton | Peover Superior | Pickmere |
| Plumley with Toft and Bexton | Poole | Pott Shrigley |
| Rainow | Ravensmoor | Ridley |
| Rode Heath (Odd Rode) | Rostherne | Scholar Green (Odd Rode) |
| Siddington | Smallwood | Snelson |
| Somerford | Somerford Booths | Sound |
| Spurstow | Stapeley | Stoke |
| Styal | Sutton (except ward 4G01) | Sutton Langley (Ward 4G01) |
| Swettenham | Tabley | Tatton |
| Twemlow | Walgherton | Wardle |

| Rural Settlements | | |
|--------------------|--------------|------------------------|
| Warmingham | Weston | Wettenhall |
| Wildboardclough | Wincle | Winterley (Haslington) |
| Wirswall | Woolstanwood | Worleston |
| Wrenbury cum Firth | Wybunbury | |

What is the definition of a General Store?

- C.5 For the purposes of Rural Rate Relief, 'General Store' means a business or trade, which wholly or mainly sells by retail both food (other than confectionery) for human consumption and general household goods. Where there are two or more General Stores within the same Rural Settlement, none can qualify for Mandatory Relief on that basis, although if one of them functions as a Post Office or a Food Shop relief may be claimed independently on that ground. However, both a General Store and a Post Office in the same Rural Settlement will qualify for Mandatory Relief, provided that, they both meet the criteria. Although a General Store or a Post Office may not meet the criteria for Mandatory Relief, they may still be eligible to apply for Discretionary Relief.

What is the definition of a Public House?

- C.6 For the purposes of Rural Rate Relief, 'Public House' means any premises as defined in the Licensing Act 2003, which has a premises license authorising sale by retail of alcohol for consumption on the premises. In addition, the premises must be used principally for retail sales of alcohol to members of the public for consumption on the premises, and sales must not be subject to the condition that buyers reside at or consume food on the premises.

What is the definition of a Petrol Filling Station?

- C.7 For the purposes of Rural Rate Relief, 'Petrol Filling Station' means premises where petrol or other automotive fuels are sold retail to the general public for fuelling motor vehicles intended or adapted for use on roads

What is the definition of a Food Shop?

- C.8 For the purpose of Rural Rate Relief, 'Food Shop' means a trade or business consisting wholly or mainly of the sale by retail of food for human consumption (excluding confectionery and catering – in this context catering means any supply of food for consumption on the premises on which it is supplied and any supply of hot food for consumption off the premises). This definition may also include shops, which sell mainly household foods, and which may partly also sell hot take away food or food consumed on the premises. But shops whose main business is a restaurant, tearoom, take-away, or confectionery sales are not food shops and so will not qualify for mandatory relief.

What are the qualifying criteria for Discretionary Relief?

- C.9 The Council may grant up to 50% Discretionary Relief in respect of any property which qualifies for 50% Mandatory Relief and the Council may also grant up to 100% Discretionary Relief to any rural business which does not meet the mandatory provisions. It should be noted that for 2017 onwards Central Government has requested that Council grant 50% discretionary relief to all ratepayers who receive 50% mandatory rural rate relief.

Rural Rate Relief – Mandatory Relief recipients, the Council’s Policy for granting discretionary relief.

- C.10 As Central Government has requested and fully funds any additional relief granted to ratepayers who receive mandatory rural rate relief, the Council will automatically grant the additional 50% until such time as primarily legislation is changed.

Appendix D

Discretionary Relief – Premises within Rural Settlements

Discretionary Relief – Premises within Rural Settlements

- D.1 In addition to having the ability to grant discretionary relief to those in receipt of mandatory relief, the Local Government and Rating Act 1997 allows discretionary relief of up to 100% to be granted where the rateable value is £16,500 or less and:
- (a) Property is used for purposes which are of benefit to the local community; and
 - (b) It would be reasonable for the billing authority to award relief, having regards to the Council's Council Taxpayers.
- D.2 As with most discretionary relief, part of the cost, is met by Central Government and the balance from local sources.
- D.3 The main criteria for granting discretionary relief in respect of rural rate relief is that premises are used to benefit the local community.

Benefit to the local community

- D.4 Whilst each application for the relief will be considered on its own merits, there are certain factors which weigh heavily in the decision-making process. It is this Council's belief that the spirit of the legislation is to assist businesses and amenities, which contribute significantly to the quality of life of the people who have their main home in the Rural Settlement.
- D.5 To be successful for consideration, a business must show that its existence is a significant benefit to the local community with the majority of local residents directly benefiting from services or facilities provided by that business

Rural Rate Relief – the Council's Policy for granting discretionary relief.

- D.6 The Council will also consider applications for a discretionary rural rate relief from all ratepayers, not entitled to mandatory relief up to a maximum of 100%.
- D.7 In determining the application the following matters will be taken into consideration:
- The granting of any discretionary relief will be essential in ensuring the viability of any business within the rural settlement;
 - The granting of any discretionary relief is proportionate given the level of any business rates charged compared with the overall turnover of the business;
 - The granting of any discretionary relief will assist the business in continuing to be viable and / or prevent the business from failing;
 - The business is considered by the Council to be essential to the community and that any reduction or withdrawal of the business will have a serious detrimental effect on the rural settlement;
 - The granting of any discretionary relief is reasonable having regard to the effect on taxpayers of the Cheshire East Council.

Appendix E

Discretionary Relief – Localism Act 2011

Discretionary Relief – Localism Act 2011

General explanation

- E.1 Section 69 of the Localism Act 2011 amended Section 47 of the Local Government Finance Act 1988. These provisions allow all Councils to grant discretionary relief in **any** circumstances where it feels fit having regards to the effect on the Council Taxpayers of its area.
- E.2 The provisions are designed to give authorities flexibility in granting relief where it is felt that to do so would be of benefit generally to the area and be reasonable given the financial effect to Council Taxpayers.

Discretionary Relief – Localism – the Council’s Policy

- E.3 Applications will be considered from any ratepayer who wishes to apply. However, where a ratepayer is suffering hardship or severe difficulties in paying their rates liability then relief can be granted under the existing provisions as laid down by Section 49 of the Local Government Finance Act 1988. There will be no requirement to grant relief in such cases under the Council’s discretionary relief policy.
- E.4 Any ratepayer applying for discretionary rate relief under these provisions and who does not meet the criteria for existing relief (charities, non-profit making organisations etc.) must meet **all** of the following criteria and the amount of relief granted will be dependent on the following key factors:
- (a) The ratepayer **must not** be entitled to mandatory rate relief (Charity or Rural Rate Relief);
 - (b) The ratepayer **must not** be entitled to Central Government funded reliefs;
 - (c) The ratepayer **must not** be an organisation that could receive relief as a non-profit making organisation or as a sports club or similar;
 - (d) The ratepayer **must** occupy the premises (no discretionary rate relief will be granted for unoccupied premises);
 - (e) The premises and organisation **must** be of *significant* benefit to residents of the Council’s area;
 - (f) The premises and organisation **must** relieve the Council of providing similar facilities;
 - (g) The ratepayer **must**;
 - (i) Provide facilities to certain priority groups such as elderly, disabled, minority groups, disadvantaged groups; **or**
 - (ii) Provide *significant* employment or employment opportunities to residents of the Council; **or**
 - (iii) Provide the residents of the area with such services, opportunities or facilities that cannot be obtained locally or are not provided locally by another organisation;

- (h) The ratepayer **must** demonstrate that assistance (provided by the discretionary rate relief) will be for a *short time only* **and** that any business / operation is financially viable in the medium and long term;
- (i) whether the premises occupied are considered to be reasonable having regard to the size and location of the premises, the size and nature of the organisation, and the use being made of the premises by the organisation; **and**
- (j) The ratepayer **must** show that the activities of the organisation are consistent with the Council's core values and priorities.

E.5 Where a ratepayer can demonstrate that **all** of the above criteria are met, relief will be considered for initially a short period.

Appendix F

Local Newspaper Relief

General Explanation

- F.1 This is a temporary relief that will be awarded until 2025 and the Government is not changing the legislation around the reliefs available to these properties. Central Government will reimburse local authorities that use their discretionary relief powers (under section 47(3)) of the Local Government Finance Act 1988 to grant relief in line with the eligibility criteria set out in this guidance.
- F.2 The Council will be compensated by Central Government through a grant under section 31 of the Local Government Act 2003.

Eligibility criteria

- F.3 The scheme will provide a £1,500 relief for office space occupied by local newspapers up to a maximum of one discount per local newspaper title and per hereditament.

Local Newspapers

- F.4 The relief is to be specifically for local newspapers and by that, the Council means what would be considered a “traditional local newspaper.” The relief will not be available to magazines.

Office Space

- F.5 The hereditament **must** be occupied by a local newspaper and wholly or mainly used as office premises for journalists and reporters.

Amount of Relief

- F.6 The amount of relief is limited to a maximum of one discount per newspaper title (e.g., per newspaper name) **AND** per hereditament.

Local Newspaper Relief – the Council’s policy for granting discretionary relief.

- F.7 The Council has decided to grant relief strictly in accordance with Central Government guidelines.

Appendix G

Supporting Small Businesses Relief (until 31st March 2022)

General Explanation

- G.1 Central Government has increased the thresholds for Small Business Rate Relief from 1 April 2017 to £12,000 for the 100% relief and £15,000 for the tapered relief. They have also allowed rural rate relief to be granted up to 100% using S47 of the Local Government Finance Act 1988 as a top up to the mandatory level of 50%, albeit that the rateable value limits have not been changes in respect of rural hereditaments (see section D of this policy). Unfortunately, despite these changes, some small businesses and businesses in rural areas may lose their entitlement to the relief due to increases in Rateable Value through the revaluation on 1st April 2017.
- G.2 The transitional relief scheme (provided under the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 No. 1265) does not provide support in respect of changes in reliefs. Therefore, those ratepayers who have lost some or all of their small business or rural rate relief may face large percentage increases in bills from 1 April 2017.
- G.3 In view of this, Central Government announced that a new scheme of relief would be made available to those ratepayers facing large increases as a result of the loss of small business or rural rate relief due to the revaluation. All authorities are encouraged to grant the relief in accordance with the guidelines laid down by Central Government and if granted strictly in accordance with guidance, the Council will be compensated by Central Government through a grant under section 31 of the Local Government Act 2003.
- G.4 The relief is known as the ‘Supporting Small Businesses Scheme’

Who is eligible for the relief and how much relief will be available?

- G.5 The Supporting Small Businesses relief will help those ratepayers who as a result of the change in their rateable value at the revaluation are losing some or all of their small business or rural rate relief and, as a result, are facing large increases in their bills.
- G.6 To support these ratepayers, the Supporting Small Businesses relief will ensure that the increase per year in the bills of these ratepayers is limited **to the greater of:**
- (a) a percentage increase per annum. of 5%, 7.5%, 10%, 15% and 15% 2017/18 to 2021/22 all plus inflation. (Unlike the transitional relief scheme under the Chargeable Amount regulations), for the first year of the scheme the percentage increase is taken against the bill for 31 March 2017 after small business rate relief or rural rate relief; **or**
 - (b) a cash value of £600 per year (£50 per month);

- G.7 This cash minimum increase ensures that those ratepayers paying nothing or very small amounts in 2016/17 after small business rate relief are brought into paying something;
- G.8 In the first year of the scheme, this means all ratepayers losing some or all of their small business rate relief or rural rate relief will see the increase in their bill capped at £600. The cash minimum increase is £600 per year thereafter. This means that ratepayers who in 2016/17 paid nothing under small business rate relief and are losing all of their entitlement to relief (i.e., moving from £6,000 rateable value or less to more than £15,000) would under this scheme be paying £3,000 in year 5;
- G.9 The Government has also decided that those on the Supporting Small Businesses relief scheme whose 2017 rateable values are £51,000 or more will not be liable to pay the supplement (1.3p) to fund small business rate relief while they are eligible for the Supporting Small Businesses relief scheme;
- G.10 Ratepayers will remain in the Supporting Small Businesses relief scheme for either 5 years or until they reach the bill they would have paid without the scheme (this would be the charge payable as their true rates payable or the charge calculated under the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016);
- G.11 A change of ratepayer will not affect eligibility for the Supporting Small Businesses relief scheme, **but** eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club.

Recalculation of relief

- G.12 The amount of relief awarded under the Supporting Small Businesses relief scheme will be recalculated in the event of a change of circumstances including the following:
- This could include, for example, a backdated change to the rateable value or the hereditament; or
 - The awarding of another relief.
- G.13 The Council will, in effect, calculate the award on a daily basis taking into account the above, and the relief will be re-calculated if the rateable value changes.

Other Reliefs

- G.14 Hereditaments eligible for charity or Community Amateur Sports Club relief or hereditaments which are unoccupied are not eligible for Supporting Small Businesses Relief. Likewise, the same principle applies to properties for which a Section 44A certificate has been granted (apportionment of rateable values for partly occupied properties). The presence of a section 44A certificate will not further reduce the bill found under the Supporting Small Business scheme.

G.15 In accordance with Central Government guidelines, all other discretionary reliefs, will be considered **after** the application of Supporting Small Businesses relief.

Supporting Small Businesses Relief – the Council’s policy for granting discretionary relief.

G.16 The Council has decided to grant relief strictly in accordance with Central Government guidelines

Appendix H

Expanded Retail Discount Scheme (2021/22 only)

General Explanation

- H.1 In response to the coronavirus pandemic (COVID-19), in the Budget on 3rd March 2021, the Government announced that it would provide an extension to the discount granted under the Expanded Retail Discount provisions into the financial year 2021/22 **only** to all those premises that received the discount during 2020/21 and meet the full eligibility criteria

Who is eligible for the relief?

- H.2 Properties that will benefit from the relief will be occupied hereditaments that which meet **all** of the following conditions for each chargeable day, namely that they are **wholly or mainly** being used as:
- (a) shops, restaurants, cafes, drinking establishments, cinemas, and live music venues;
 - (b) for assembly and leisure; or
 - (c) as hotels, guest & boarding premises, and self-catering accommodation,
- H.3 The Council considers shops, restaurants, cafes, drinking establishments, cinemas, and live music venues to mean:

Hereditaments that are being wholly or mainly used for the sale of goods to visiting members of the public:

- Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc);
- Charity shops;
- Opticians;
- Post offices;
- Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors);
- Car/caravan show rooms;
- Second-hand car lots;
- Markets;
- Petrol stations;
- Garden centres; and
- Art galleries (where art is for sale/hire)

Hereditaments that are being wholly or mainly used for the provision of the following services to visiting members of the public:

- Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc)
- Shoe repairs/key cutting;
- Travel agents;
- Ticket offices e.g., for theatre;
- Dry cleaners;
- Launderettes;
- PC/TV/domestic appliance repair;

- Funeral directors;
- Photo processing;
- Tool hire;
- Car hire;
- Employment agencies;
- Estate agents and letting agents; and
- Betting shops.

Hereditaments that are being wholly or mainly used for the sale of food and/or drink to visiting members of the public:

- Restaurants;
- Takeaways;
- Sandwich shops;
- Coffee shops;
- Pubs; and
- Bars.

Hereditaments which are being used wholly and mainly as cinemas

Hereditaments that are being used wholly and mainly as live music venues

- The Council considers that live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the purpose of business rates relief where a venue is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and Country Planning (Use Classes) Order 1987 (as amended).
- Hereditaments can be a live music venue even if used for other activities, but only if those other activities:
 - i. are merely ancillary or incidental to the performance of live music (e.g., the sale/supply of alcohol to audience members); or
 - ii. do not affect the fact that the primary activity for the premises is the performance of live music (e.g., because those other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event).
- There may be circumstances in which it is difficult to tell whether an activity is a performance of live music or, instead, the playing of recorded music. Although the Council would expect this would be clear in most circumstances, guidance on this may be found in Chapter 16 of the statutory guidance issued in April 2018 under section 182 of the Licensing Act 2003

Sport and leisure

- Hereditaments that are being used wholly or mainly for the provision of sport, leisure, and facilities to visiting members of the public (including for the viewing of such activities) including:
 - Sports grounds and clubs
 - Museums and art galleries
 - Nightclubs
 - Sport and leisure facilities
 - Stately homes and historic houses
 - Theatres
 - Tourist attractions
 - Gyms
 - Wellness centres, spas, massage parlours
 - Casinos, gambling clubs and bingo halls

Assembly

- Hereditaments that are being used for the assembly of visiting members of the public;
- Public halls;
- Clubhouses, clubs, and institutions.

Hotels, guest & boarding premises, and self-catering accommodation

- The Council considers guest & boarding premises and self-catering accommodation to mean hereditaments where the non-domestic part is being used wholly or mainly for the provision of living accommodation as a business such as:
 - Hotels, Guest, and Boarding Houses
 - Holiday homes
 - Caravan parks and sites

H.4 To qualify for the discount the hereditament should be **wholly or mainly** being used for the above qualifying purposes. Hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

H.5 For the avoidance of doubt, hereditaments which have closed due to the government's advice on COVID-19 but would have otherwise remained open will be treated as occupied for the purposes of this relief.

H.6 It should be noted that the list set out above is not intended to be exhaustive and each case will be considered on its individual merits.

H.7 In line with Government guidance the list below sets out the types of uses that **will not be considered as eligible** for the purpose of this discount.

Hereditaments that are being used for the provision of the following services to visiting members of the public

- Financial services (e.g., banks, building societies, cash points, bureaux de change, short-term loan providers);
- Medical services (e.g., vets, dentists, doctors, osteopaths, chiropractors);
- Professional services (e.g., solicitors, accountants, insurance agents/ financial advisers); and
- Post office sorting offices.

Hereditaments that are not reasonably accessible to visiting members of the public

H.8 In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, Council may not grant the discount to itself or a precepting authority.

The Closed Cash Cap

H.9 In addition to meeting the criteria laid down within the previous paragraphs, consideration will also be given as to whether the ratepayers also meet the 'Closed Cash Cap' provisions as follows:

- (a) Ratepayers that meet the eligibility criteria for the closed cash cap will be ratepayers who for a chargeable day occupy one or more hereditaments whose use on the chargeable day would, based on the law and guidance applicable on 5 January 2021, have meant that the business or activity would have been mandated to close by the government. For the avoidance of doubt, hereditaments which have closed due to the government's response to coronavirus will be treated as occupied for the purposes of the closed cash cap;
- (b) If, under this eligibility test, a person would have been required to close its main, in-person service but could have adapted its business to operate takeaway, click and collect or online with delivery services, it will be considered closed and be eligible for the closed cash cap because its substantive business would have been mandated to close;
- (c) In cases where hereditaments would have remained open to provide services that can continue as they are exempt from the regulations (e.g., post office services, food banks etc.) the ratepayer may still be eligible for the closed cash cap, because they would have been unable to provide their main in-person service.

H.10 The following hereditaments **will not meet** eligibility for the closed cash cap:

- (a) Hereditaments occupied by businesses and other ratepayers that would have been able to conduct their main service because they do not depend on providing direct in-person services from premises and can operate their services effectively remotely (e.g., accountants, solicitors); and
- (b) Hereditaments whose occupiers may have chosen to close but not been required to.

How much relief will be available?

- H.11 Subject to the cash caps, the total amount of government-funded relief available for each property for 2021/22 under this scheme is:
- (a) For chargeable days from 1 April 2021 to 30 June 2021 100% of the chargeable amount: and
 - (b) For chargeable days from 1 July 2021 to 31 March 2022, 66% of the chargeable amount.
- H.12 The relief will be applied after mandatory reliefs and, other discretionary reliefs funded by Section 31 grants from Central Government have been applied, excluding those where the Council has used its wider discretionary relief powers introduced by the Localism Act, which are not funded by Section 31 grants.
- H.13 Subject to the cash cap, the eligibility for the discount and the discount itself will be assessed by the Council and calculated on a daily basis. The following formula should be used to determine the amount of relief to be granted for a chargeable day for a particular hereditament in the financial year 2021/22:
- Amount of relief to be granted = $V \times \text{percentage Expanded Retail Discount}$, where:
 - V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any other discretionary reliefs
 - The calculation will be undertaken ignoring any prior year adjustments in liabilities which fall to be liable on the day.
- H.14 Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties subject to the cash caps explained below.

The calculation and the cash caps

- H.15 No cash caps will apply for the period between 1 April 2021 to 30 June 2021.
- H.16 Under the cash caps, a ratepayer may only receive up to the following cash caps of Expanded Retail Discount in 2021/22 ignoring any relief for the period before 1 July 2021:
- (a) £2 million for ratepayers meeting the eligibility for the closed cash cap test set out above; and
 - (b) £105,000 for all other ratepayers.
- H.17 No ratepayer can, in any circumstances, exceed the £2 million cash cap across all of their hereditaments in England. Where a ratepayer eligible for the closed cash cap also occupies hereditaments which do not meet the criteria for the closed cash cap and the value of the discount on the closed hereditaments is less than £2 million then they may also claim the discount on other eligible hereditaments but only up to the cap of £105,000 in respect of those other eligible hereditaments. For example, such a ratepayer whose rate bill from 1 July 2021 onwards on

hereditaments eligible for the closed cash cap is £1 million and also occupies other eligible hereditaments with a rates bill of £3 million is able to claim up to £1,105,000 in discount from 1 July 2021 onwards (£1million on their closed hereditament and then up to the £105,000 cash cap on their other eligible hereditaments).

- H.18 Where a ratepayer has a qualifying connection with another ratepayer then those ratepayers will be considered as **one** ratepayer for the purposes of the cash caps. A ratepayer shall be treated as having a qualifying connection with another:
- (a) where both ratepayers are companies, and
 - (i) one is a subsidiary of the other; or
 - (ii) both are subsidiaries of the same company; or
 - (b) where only one ratepayer is a company, the other ratepayer (the “second ratepayer”) has such an interest in that company as would, if the second ratepayer were a company, result in its being the holding company of the other.
- H.19 In those cases where it is clear to the Council that the ratepayer is likely to breach the cash caps, then the Council will automatically withhold the discount. The Council reserves the right to request information from ratepayers to assist in its decision and to determine whether any relief should be paid.

Expanded Retail Discount – the Council’s policy for granting discretionary relief.

- H.20 The Council has decided to grant relief in accordance with Central Government guidelines and in accordance with this policy.

Appendix I

Nursery Discount Scheme (2021/22 only)

General Explanation

- I.1 The Government announced an extension to the business rates Nursery Discount on 3rd March 2021. This relief will apply to hereditaments occupied by providers on Ofsted's Early Years Register and wholly or mainly used for the provision of the Early Years Foundation Stage and which are subject to business rates in the year 2021/22. There will be no rateable value limit on the relief and Ofsted will ensure that all local authorities can access the Ofsted Early Years Register to help authorities identify eligible properties.

Who is eligible for the relief?

- I.2 Properties that will benefit from the relief will be hereditaments occupied by providers on Ofsted's Early Years Register and wholly or mainly used for the provision of the Early Years Foundation Stage.
- I.3 To qualify for the relief the hereditament should be wholly or mainly being used for the above qualifying purpose. For the avoidance of doubt, hereditaments which have closed temporarily due to the government's advice on COVID19 should be treated as occupied for the purposes of this relief.
- I.4 In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, the Council may not grant the discount to itself or a precepting authority.

How much relief will be available?

- I.5 Subject to the cash caps, the total amount of government-funded relief available for each property for 2021/22 under this scheme is:
- (a) For chargeable days from 1 April 2021 to 30 June 2021 100% of the chargeable amount: and
 - (b) For chargeable days from 1 July 2021 to 31 March 2022, 66% of the chargeable amount.
- I.6 The relief will be applied after mandatory reliefs and, other discretionary reliefs funded by Section 31 grants from Central Government have been applied, excluding those where the Council has used its wider discretionary relief powers introduced by the Localism Act, which are not funded by Section 31 grants
- I.7 Subject to the cash cap, the eligibility for the discount and the discount itself will be assessed by the Council and calculated on a daily basis. The following formula should be used to determine the amount of relief to be granted for a chargeable day for a particular hereditament in the financial year 2021/22:
- Amount of relief to be granted = V x percentage Expanded Retail Discount, where:

- V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any other discretionary reliefs
- The calculation will be undertaken ignoring any prior year adjustments in liabilities which fall to be liable on the day.

I.8 Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties subject to the cash caps explained below.

The calculation and the cash caps

- I.9 No cash caps will apply for the period between 1 April 2021 to 30 June 2021.
- I.10 Under the cash caps, a ratepayer may only receive Nursery Discount up to £105,000 for 2021/22 ignoring any relief for the period before 1 July 2021.
- I.11 No ratepayer can in any circumstances can exceed the cash cap across all of their hereditaments in England.
- I.12 Where a ratepayer has a qualifying connection with another ratepayer then those ratepayers will be considered as one ratepayer for the purposes of the cash caps. A ratepayer shall be treated as having a qualifying connection with another:
- (a) where both ratepayers are companies, and
 - (i) one is a subsidiary of the other; or
 - (ii) both are subsidiaries of the same company; or
 - (b) where only one ratepayer is a company, the other ratepayer (the “second ratepayer”) has such an interest in that company as would, if the second ratepayer were a company, result in its being the holding company of the other.
- I.13 In those cases where it is clear to the Council that the ratepayer is likely to breach the cash caps then the Council will automatically withhold the discount. The Council reserves the right to request information from ratepayers to assist in its decision and to determine whether any relief should be paid.

Nursery Discount Scheme – the Council’s policy for granting discretionary relief.

- I.14 The Council has decided to grant relief in accordance with Central Government guidelines and in accordance with this policy.

Appendix J

COVID Additional Relief Fund (2021/22 only)

General Explanation

- J.1 The purpose of this policy is to determine the level of discretionary relief payable under the Council's COVID-19 Additional Relief Fund (CARF) scheme.
- J.2 Central Government has provided the authority with funding to assist those ratepayers whose businesses have been (and continue to be) affected by the pandemic but that are ineligible for existing support linked to business rates.
- J.3 The Government has not changed the legislation relating to the business rates reliefs available to properties. Instead, the Government will, in line with the eligibility criteria set out in this policy, reimburse local authorities where relief is granted using discretionary relief powers under section 47 of the Local Government Finance Act 1988.
- J.4 Whilst funding is provided by Central Government, it is for the Council to decide its own local scheme and determine in each individual case whether to grant this particular relief.
- J.5 Relief under the CARF scheme will only be available to reduce chargeable amounts in respect of the 2021/22 financial year.
- J.6 Where ratepayers receive relief it will be granted under the COVID-19 Additional Relief Fund (CARF) scheme in line with the following policy.

Eligibility for discretionary relief under the COVID-19 Additional Relief Fund (CARF) scheme

- J.7 Whilst the Council has determined its own scheme, the Department for Levelling Up, Housing and Communities has stated that, in order for the Council to receive the allocated funding, it must:
- (a) **not** award relief to ratepayers who for the same period of the relief either are or would have been eligible for the Expanded Retail Discount (covering Retail, Hospitality and Leisure), the Nursery Discount or the Airport and Ground Operations Support Scheme (AGOSS);
 - (b) **not** award relief to a hereditament for a period when it is unoccupied (other than hereditaments which have become closed temporarily due to the government's advice on COVID-19, which should be treated as occupied for the purposes of this relief), and
 - (c) direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.
- J.8 In line with section 47(8) of the Local Government Finance Act 1988, the Council must not grant any relief to itself or to either local or major precepting authorities.
- J.9 The relief will be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, excluding those where the Council

has provided relief using its wider discretionary relief powers introduced by the Localism Act 2011 which are not funded by section 31 grants.

- J.10 Where any reduction or remission is granted to a ratepayer under S49 Local Government Finance Act 1988 (where hardship is proven to the Council), then there will be no requirement to grant CARF Discretionary Rate Relief for that amount.
- J.11 In certain cases, the order in which relief is granted is specified. Mandatory relief shall be granted in all cases where the relevant criteria are met irrespective of whether discretionary relief can be granted or not.

Council's policy for granting relief under the COVID-19 Additional Relief Fund.

- J.12 Over the past few years, a number of schemes (such as the COVID-19 Additional Relief Fund) have been led by Central Government but without specific legislative changes.
- J.13 The Council is keen to support such initiatives especially where they are designed to help local businesses and will look to maximise both the reliefs given as well as maximise any grants receivable.
- J.14 In view of this, the Council has decided that where a ratepayer meets **all** of the relevant criteria, relief will be 17% of the 2021/22 liability **after** any other reliefs and reductions have been applied. The council will roll forward any credit balances from 2021/22 to reduce liability for 2022/23 and will not issue refunds for any overpayment due to CARF in the year 2021/22. The Council will award relief only where the monetary value is £100 or more.
- J.15 The criteria for the COVID-19 Additional Relief Fund are as follows:
- (a) the ratepayer is **not** eligible (or would be eligible) for the Expanded Retail Discount (covering Retail, Hospitality and Leisure), the Nursery Discount or the Airport and Ground Operations Support Scheme (AGOSS);
 - (b) the ratepayer is not entitled to either Small Business Rate Relief or Rural Rate Relief granted at 100%;
 - (c) the ratepayer is **not** entitled to mandatory relief (80%) and discretionary (top up) of 20% which is funded through business rates retention;
 - (d) the hereditament is treated as occupied by the Council;
 - (e) the ratepayer confirms that they have been adversely affected by the pandemic and have been unable to adequately adapt to that impact;
 - (f) the ratepayer is **not** subject to Subsidy Control and
 - (g) the hereditament is not excluded as shown below.

Excluded hereditaments

- J.16 The Council has decided that the following hereditaments / ratepayers will be excluded from relief under the Council's COVID-19 Additional Relief Fund (CARF) scheme:
- Hereditaments that do not directly employ anyone (for example: parking spaces, advertising boards, communication masts, ATMs);
 - NHS including NHS and Foundation Trusts, practitioners who provide services under contract to the NHS;
 - Government departments, legislative bodies, the armed forces, the fire and police services;
 - Financial Services (e.g., banks, building societies, cash points, bureaux de change, short-term loan providers);
 - Medical services (e.g., vets, dentists, doctors, osteopaths, chiropractors);
 - Professional services (e.g., solicitor, accountants, insurance agents/financial advisers);
 - Post office sorting offices;
 - Businesses in administration, liquidation or subject to a strike off notice on Companies house will not benefit from this relief; and
 - Businesses who entered into a CVA or IVA prior to 31 March 2022.

Subsidy Control

- J.17 The Council's COVID-19 Additional Relief Fund (CARF) scheme is subject to the subsidies chapter within the UK-EU Trade and Cooperation Agreement (TCA). However, for CARF there is an exemption for subsidies under the value of approximately £2,243,000 per economic actor (broadly speaking, for example, a holding company and its subsidiaries).
- J.18 This allowance comprises 325,000 Special Drawing Rights (at current exchange rates about £343,000) for Small Amounts of Financial Assistance and a further £1,900,000 for COVID-19 related subsidy.
- J.19 Therefore, to be awarded CARF the ratepayer must not have claimed over the period 2019/20 to 2021/22 more than £2,243,000 from schemes which fell within the Small Amounts of Financial Assistance or COVID-19 related allowances.
- J.20 Any COVID-19 business grants a ratepayer has received from local government generally and the 2019/20 Retail Relief should count towards this limit, but the ratepayer should not count any Extended Retail Discount they have received since 1 April 2020.
- J.21 Further details of subsidy control can be found at:
<https://www.gov.uk/government/publications/covid-19-additional-relief-fund-carf-local-authority-guidance>
- J.22 The ratepayer will need to indicate to the Council:

- if they have not to date received any subsidy which fell within the Small Amounts of Financial Assistance or COVID-19 related allowances; or
- if the ratepayer has received other such subsidies, they will be required to provide the name and total value of those subsidies.

J.23 A ratepayer is not eligible to receive CARF if they have already exceeded the £2,243,000 allowance. However, the Council will still apply relief under the CARF scheme if they have reached this limit provided the ratepayer can evidence that they:

- (a) Intend to use the support to fund uncovered fixed costs (costs not covered by profits for insurance etc) during the period of COVID-19. Economic actors may claim for up to 70% of their uncovered costs (although this 70% limit does not apply to small businesses with less than 50 employees and less than £9 million turnover where the limit is instead 90%); and
- (b) Have shown a decline in turnover of at least 30% within the April 2020 to March 2021 period, compared to the same 2019 to 2020 period.

J.24 The ratepayer may claim up to a further £10 million of additional allowance (on top of the £2,243,000) if they meet the above tests and they have not claimed any other support from the additional allowance up to an aggregate £10 million limit (such as from the COVID-19 business grants).

J.25 Government and the Council will not tolerate any business falsifying their records or providing false evidence to gain this relief including claiming support above these thresholds.

J.27 A ratepayer who falsely applies for any relief or provides false information or makes false representation in order to gain relief may be guilty of fraud under the Fraud Act 2006.

Effect on the Council's Finances

J.28 As Central Government leads this initiative, funding will be provided through section 31 of the Local Government Act 2003. This is not automatic and Central Government will look to the Council to adopt the recommended approach when granting in these areas.

J.29 In order to guarantee funding, the Council will ensure that the criteria in this policy are met in full

Appendix K

**Extension to the Transitional Relief Scheme Supporting Small
Business Rates Relief Scheme (2022/23 only)**

Purpose of the Policy

- K.1 The purpose of this policy is to determine the level of discretionary relief to be awarded in respect of Transitional Relief (TR) and Supporting Small Business Rates relief (SSB) for the financial year commencing 1st April 2022.
- K.2 This is a government led initiative and the Council is keen to support businesses as far as possible.

General Explanation

- K.3 The Transitional Relief scheme was introduced in 2017 to help those ratepayers who were faced with higher bills as a result of the revaluation. The scheme ends on 31 March 2022 and, as a result, a small number of ratepayers would face a significant increase to their full rates bill from 1 April 2022.
- K.4 Government has announced that it would like to extend the current Transitional Relief (TR) scheme and the Supporting Small Business scheme (SSB) for one year to the end of the current revaluation cycle.
- K.5 This scheme, which has been adopted by the Council, will restrict increases in bills to 15% for businesses with small properties (up to and including £20,000 rateable value) and 25% for medium properties (up to and including £100,000 rateable value).

How will the relief be provided?

- K.6 As this is a temporary measure for 2022/23, the government is not changing the legislation around transitional relief. Instead, the government will, in line with the eligibility criteria set out in this guidance, reimburse the Council if it uses its discretionary relief powers, under section 47 of the Local Government Finance Act 1988, to grant relief.

Who is eligible for the relief?

- K.7 Hereditaments that will benefit are those with a rateable value up to and including £100,000 who would have received transitional relief and/or SSB in 2022/23. In line with the existing thresholds in the Transitional Relief scheme, the £100,000 rateable value threshold will be based on the rateable value shown for 1st April 2017 or the substituted day in the cases of splits and mergers.
- K.8 This policy does **not** apply to those in downward transition to lower bills, those will fall to their full bill on 1 April 2022.

How much relief will be available?

- K.9 Government will fund the discretionary relief to ensure eligible properties receive the same level of protection they would have received had the statutory Transitional Relief scheme and Supporting Small Business scheme extended into 2022/23.
- K.10 The practical effects of the Transitional Relief scheme will be assumed to remain as it is in the current statutory scheme (As prescribed in the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 No. 1265) except that:
- (a) the cap on increases for small properties (with a rateable value of less than or equal to £20,000/£28,000 in London) in 2022/23 will be assumed to be 15% (before the increase for the change in the multiplier). Specifically, X in regulation 10(6) for the year commencing 1 April 2022 will be assumed to be 115. Q in regulation 10(12) should be assumed to be 1; and
 - (b) the cap on increases for other properties (up to and including £100,000 rateable value) in 2022/23 will be assumed to be 25% (before the increase for the change in the multiplier). Specifically, X in regulation 10(4) for year commencing 1 April 2022 will be assumed to be 125. Q will be assumed to be 1.
- K.11 This scheme applies only to hereditaments up to and including £100,000 rateable value based on the value shown for 1st April 2017 or the substituted day in the cases of splits and mergers.
- K.12 Changes in rateable value which take effect from a later date will be calculated using the normal rules in the Transitional Relief scheme. For the avoidance of doubt, properties whose rateable value is £100,000 or less on 1st April 2017 (or the day of merger) but increase above £100,000 from a later date will still be eligible for the relief.
- K.13 Where necessary, the Valuation Office Agency will continue to issue certificates for the value at 31st March 2017 (regulation 17, SI 2016 No. 1265) or 1st April 2017 (as required under regulations 16 and 18 SI 2016 No.1265).
- K.14 The relief will be calculated on a daily basis.
- K.15 The Supporting Small Business scheme will be assumed to remain as it is in the Council's current scheme (for periods up to 31st March 2022) with a percentage cap in 2022/23 of 15% plus inflation (or a cash value increase of £600 if greater).
- K.16 Where a ratepayer would have been in receipt of both Transitional Relief and Supporting Small Business in respect of 2022/23, a single award of section 47 relief will be granted resulting in a chargeable amount equivalent to that had the original Transitional Relief and Supporting Small Business schemes continued.

Recalculations of relief

- K.17 As with the original Transitional Relief scheme, the amount of relief awarded will be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or to the hereditament. This change of circumstances could arise during the year in question or during a later year.

Calculating the extension of Transitional Relief and Supporting Small Business where other reliefs apply

- K.18 Under the statutory Transition scheme which ends on 31 March 2022, Transitional Relief is measured before all other reliefs. But the extension of Transitional Relief and Supporting Small Business scheme into 2022/23 will be delivered via section 47 of the Local Government Finance Act 1988 which will be measured **after** other reliefs (including other funded reliefs granted under section 47).

Subsidy control

- K.19 The extension of Transitional Relief and Supporting Small Business relief scheme is likely to amount to subsidy. Any relief provided by the Council under this scheme will need to comply with the UK's domestic and international subsidy control obligations.
- K.20 To the extent that the Council is seeking to provide relief that falls within the Small Amounts of Financial Assistance Allowance, Article 364 of the TCA allows an economic actor (e.g. a holding company and its subsidiaries) to receive up to 325,000 Special Drawing Rights (£343,000 as at 9 December 2021) in a three-year period (consisting of the 2022/23 financial year and the two previous financial years) Expanded Retail Discount granted in either 2020/21 or 2021/22 does not count towards the £343,000 allowance but BEIS business grants (throughout the 3 years) and any other subsidies claimed under the Small Amounts of Financial Assistance limit, should be counted.
- K.21 In those cases where it is clear to the Council that the ratepayer is likely to breach the Small Amounts of Financial Assistance Allowance then the Council will automatically withhold the relief.

Transitional Relief & Supporting Small Business Rates Relief (2022/23) - the Council's policy for granting discretionary relief.

- K.22 Over the past few years, a number of schemes have been led by government but without specific legislative changes. These are administered under S47 of the Local Government Finance Act 1988. The Council is keen to support such initiatives especially where they are designed to help local businesses and will look to

maximise both the reliefs given as well as maximise any grants receivable. However, the Council reserves the right to vary its approach where thought appropriate.

- K.23 In the case of transitional relief and supporting small business rates relief, the Council will grant the relief strictly in accordance with government guidance.

Effect on the Council's Finances

- K.24 As this is a government led initiative, grants for the full amount awarded will be available through section 31 of the Local Government Act 2003.

Appendix L

Retail, Hospitality and Leisure Relief (2022/23 only)

Purpose of the Policy

- L.1 The purpose of this policy is to determine the level of discretionary relief to be awarded in respect of the Retail, Hospitality and Leisure Business Rates Relief Scheme for the financial year commencing 1st April 2022.
- L.2 This is a government led initiative and the Council is keen to support businesses as far as possible.

General Explanation

- L.3 The 2022/23 Retail, Hospitality and Leisure Business Rates Relief scheme will provide eligible, occupied, retail, hospitality, and leisure properties with a 50% relief, up to a cash cap limit of £110,000 per business.

Who is eligible for the relief?

- L.4 Hereditaments which benefit from the relief will be those which for a chargeable day in 2022/23:
 - (a) meet the eligibility criteria; and
 - (b) the ratepayer for that chargeable day has not refused the relief for the eligible hereditament. The ratepayer may refuse the relief for each eligible hereditament anytime up to 30 April 2023. The ratepayer cannot withdraw their refusal for either all or part of the financial year.
- L.5 In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, the Council may not grant the discount to themselves certain precepting authorities (e.g., a parish or county council) or a functional body, within the meaning of the Greater London Authority Act 1999.

How much relief will be available?

- L.6 Subject to the £110,000 cash cap per business, the total amount of government-funded relief available for each property for 2022/23 under this scheme is for chargeable days from 1 April 2022 to 31 March 2023, 50% of the chargeable amount.
- L.7 The relief will be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, but before those where the Council has used their wider discretionary relief powers introduced by the Localism Act 2011, which are not funded by section 31 grants.
- L.8 Subject to the cash cap, the eligibility for the discount and the relief itself will be assessed and calculated on a daily basis. The formula that will be used to determine the amount of relief to be granted for a chargeable day for a particular

hereditament in the financial year 2022/23 is $V \times 0.5$, where V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any certain other discretionary reliefs.

- L.9 Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties up to the maximum £110,000 cash cap, per business.

The cash cap and subsidy control

- L.10 Under the cash cap, no ratepayer can in any circumstances exceed the £110,000 cash cap across all of their hereditaments in England.
- L.11 Where a ratepayer has a qualifying connection with another ratepayer then those ratepayers will be considered as one ratepayer for the purposes of the cash caps. A ratepayer shall be treated as having a qualifying connection with another:
- (a) where both ratepayers are companies, and
 - (i) one is a subsidiary of the other; or
 - (ii) both are subsidiaries of the same company; or
 - (b) where only one ratepayer is a company, the other ratepayer (the “second ratepayer”) has such an interest in that company as would, if the second ratepayer were a company, result in its being the holding company of the other.
- L.12 Furthermore, the Retail, Hospitality and Leisure Scheme is likely to amount to subsidy. Any relief provided by the Council under this scheme will need to comply with the UK’s domestic and international subsidy control obligations
- L.13 To the extent that the Council is seeking to provide relief that falls within the Small Amounts of Financial Assistance Allowance, Article 364 of the TCA allows an economic actor (e.g., a holding company and its subsidiaries) to receive up to 325,000 Special Drawing Rights (£343,000 as at 9th December 2021) in a three-year period (consisting of the 2022/23 year and the two previous financial years). Expanded Retail Discount granted in either 2020/21 or 2021/22 does not count towards the £343,000 allowance but BEIS business grants (throughout the 3 years) and any other subsidies claimed under the Small Amounts of Financial Assistance limit should be counted.
- L.14 In those cases where it is clear to the Council that the ratepayer is likely to breach the cash cap or the Small Amounts of Financial Assistance limit then the authority will automatically withhold the relief.
- L.15 The amount of relief awarded will be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or the hereditament. This change of circumstances could arise during the year in question or during a later year.

Eligibility for the Retail, Hospitality and Leisure Relief Scheme

- L.16 Hereditaments that are eligible for Retail, Hospitality and Leisure scheme will be occupied hereditaments which meet all of the following conditions for the chargeable day:
- (a) they are wholly or mainly being used:
 - (i) as shops, restaurants, cafes, drinking establishments, cinemas, or live music venues;
 - (ii) for assembly and leisure; or
 - (iii) as hotels, guest & boarding premises, or self-catering accommodation.
- L.17 The Council considers shops, restaurants, cafes, drinking establishments, cinemas, and live music venues to mean:
- (i) Hereditaments that are being used for the sale of goods to visiting members of the public:**
 - Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc);
 - Charity shops;
 - Opticians;
 - Post offices;
 - Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors);
 - Car/ caravan show rooms;
 - Second-hand car lots;
 - Markets;
 - Petrol stations;
 - Garden centres; and
 - Art galleries (where art is for sale/hire).
 - (ii) Hereditaments that are being used for the provision of the following services to visiting members of the public:**
 - Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc);
 - Shoe repairs/ key cutting;
 - Travel agents;
 - Ticket offices e.g., for theatre;
 - Dry cleaners;
 - Launderettes;
 - PC/ TV/ domestic appliance repair;
 - Funeral directors;
 - Photo processing;
 - Tool hire; and
 - Car hire.

(iii) Hereditaments that are being used for the sale of food and/or drink to visiting members of the public:

- Restaurants;
- Takeaways;
- Sandwich shops;
- Coffee shops;
- Pubs; and
- Bars.

(iv) Hereditaments which are being used as cinemas

(v) Hereditaments that are being used as live music venues:

- Live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the purpose of business rates relief where a venue is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and Country Planning (Use Classes) Order 1987 (as amended);
- Hereditaments can be a live music venue even if used for other activities, but only if those other activities (i) that are merely ancillary or incidental to the performance of live music (e.g., the sale/supply of alcohol to audience members) or (ii) do not affect the fact that the primary activity for the premises is the performance of live music (e.g., because those other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event).

L.18 The Council considers assembly and leisure to mean:

(i) Hereditaments that are being used for the provision of sport, leisure, and facilities to visiting members of the public (including for the viewing of such activities):

- Sports grounds and clubs;
- Museums and art galleries;
- Nightclubs;
- Sport and leisure facilities;
- Stately homes and historic houses;
- Theatres;
- Tourist attractions;
- Gyms;
- Wellness centres, spas, massage parlours; and
- Casinos, gambling clubs and bingo halls.

(ii) Hereditaments that are being used for the assembly of visiting members of the public:

- Public halls; and
- Clubhouses, clubs, and institutions.

L.19 The Council considers hotels, guest & boarding premises, and self-catering accommodation to mean:

(i) Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business:

- Hotels, guest, and boarding houses;
- Holiday homes; and
- Caravan parks and sites.

L.20 To qualify for the relief, the hereditament should be wholly or mainly being used for the above qualifying purposes. This is a test on use rather than occupation, therefore hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

L.21 The lists set out above are not intended to be exhaustive as it would be impossible to list the many and varied uses that exist within the qualifying purposes.

Ineligible uses

L.22 The lists below set out the types of uses that the government **does not** consider to be an eligible use for the purpose of this discount.

(i) Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Financial services (e.g., banks, building societies, cash points, bureaux de change, short-term loan providers, betting shops);
- Medical services (e.g., vets, dentists, doctors, osteopaths, chiropractors);
- Professional services (e.g., solicitors, accountants, insurance agents/ financial advisers, employment agencies, estate agents, letting agents); and
- Post office sorting offices.

(ii) Hereditaments that are not reasonably accessible to visiting members of the public

Retail, Hospitality and Leisure Business Rates Scheme (2022/23) - the Council's policy for granting discretionary relief.

L.23 Over the past few years, a number of schemes have been led by government but without specific legislative changes. These are administered under S47 of the Local Government Finance Act 1988. The Council is keen to support such initiatives especially where they are designed to help local businesses and will look to maximise both the reliefs given as well as maximise any grants receivable. However, the Council reserves the right to vary its approach where thought appropriate.

L.24 In the case of Retail, Hospitality and Leisure Business Rates Relief scheme, the Council will grant the relief strictly in accordance with government guidance.

Effect on the Council's Finances

- L.25 As this is a government led initiative, grants for the full amount awarded will be available through section 31 of the Local Government Act 2003.

Appendix M

Section 49 – Hardship Relief

Section 49 – Hardship Relief

General explanation

M.1 The Council is able to exercise its discretion under Section 49 of the Local Government Finance Act 1988 to provide either partial or full relief for non-domestic rate payments in cases of hardship where it would be reasonable to do so having due regard to the interests of council tax payers in general.

Section 49 Hardship Relief – the Council’s Policy

M.2 The Council will consider applications for hardship relief from individuals and organisations based on their own merits on a case-by-case basis. The Revenues Manager will consider applications. Application forms are available at the following links:

M.3 In making decisions on whether to award the relief the Council takes into account the following criteria (not listed in any priority):

- Any reduction or remission of rates on the grounds of hardship should be the exception rather than the rule;
- Any reduction of the rates must be shown to be significant to the future viability of the business;
- The business must continue to trade;
- Evidence provided must include (but not limited to):
 - audited or independently verified accounts from the last two years
 - copies of your last three months' bank statements
 - a copy of any business plan
 - a brief history of your business
 - a cash flow forecast for the next 12 month
- The test of "hardship" is not strictly confined to financial hardship and that this, in itself, is not a deciding factor;
- The loss of the business would reduce amenities of an area if it is the sole provider of a service in the area;
- The loss of the business would worsen the employment prospects in the area;
- The interests of the Council Tax payers of the area would be best served by awarding the relief;
- The business must demonstrate how it is beneficial to the local community and why it is currently suffering financial hardship;
- The business provides employment to local residents in an area where employment opportunities are limited;
- Independent advice given by banks or financial advisors should be sought to demonstrate the future viability of the business; and
- Applications will only be considered where signed by the ratepayer, or, where an organisation is the ratepayer, an appropriately authorised representative of the organisation.



Working for a brighter future together

Finance Sub-Committee

| | |
|-----------------------------|--|
| Date of Meeting: | 9 November 2022 |
| Report Title: | Governance of the Cheshire & Warrington DF (GP) Ltd |
| Report of: | Alex Thompson, Director of Finance & Customer Services |
| Report Reference No: | FSC/19/22-23 |
| Ward(s) Affected: | All Wards |

1. Purpose of Report

- 1.1. The purpose of the report is to ask the Sub-Committee to make an appointment to the Board of Cheshire and Warrington DF (GP) Limited ("C&W"), a wholly-owned company of Cheshire East Council, set up on behalf of the Cheshire and Warrington Local Enterprise Partnership (LEP) as part of a Limited Partnership structure required for Evergreen 3.
- 1.2. The company was established as part of a 'Limited Partnership' arrangement, being a structure required to manage the investment of European Regional Development Fund (ERDF) monies in local projects ("Evergreen 3"). Evergreen 3 contributes to the Council's strategic priority of making Cheshire East "a thriving and sustainable place" and in particular making it a great place to live, work and visit, and have "thriving urban and rural economies".
- 1.3. The report also seeks approval to make arrangements for the appointment of another director to the Board of the Company, in order to ensure representation across the Cheshire and Warrington sub-region.

2. Executive Summary

- 2.1. The Council acts as entrusted entity for a development fund on behalf of the LEP. Up to £20m funding is available, provided by ERDF, and the Authority is the signatory to the related grant funding agreement with the Department for Levelling Up, Housing and Communities (DLUHC), formerly the Ministry of Housing, Communities and Local Government (MHCLG).

- 2.2. The development fund operates via a Limited Partnership (referred to as “the Cheshire and Warrington Development Limited Partnership” or “the Partnership”), comprised of the Council and C&W. All funding decisions take place within C&W; C&W receiving advice and support as to its funding decisions from CBRE, a fund manager experienced in regeneration/ property investments.
- 2.3. Finance Sub-Committee is the shareholder representative for the Council’s interests in its wholly owned companies. In the absence of any current delegation in this regard, it is Finance Sub-Committee that needs to appoint directors to the board of C&W.
- 2.4. The former Executive Director Place was the Council’s first appointee as director of the company, who resigned on his departure from the Council. Currently, the sole director appointed is Philip Cox, Chief Executive of the LEP.
- 2.5. It is proposed that, along with approving the appointment of Jayne Traverse to be a director of C&W (as the Council’s incumbent Executive Director Place), the Sub-Committee also appoints an appropriate officer, (in the form of the equivalent director of growth) from Warrington Borough Council so as to provide representation for the wider sub region on the board.
- 2.6. A delegation is sought to enable the appointment in due course of a Cheshire East officer to represent the Council as regards the operation of Cheshire and Warrington Development Limited Partnership.

3. Recommendations

- 3.1. It is recommended that Finance Sub-Committee:
- 3.2. Appoint Jayne Traverse, the Executive Director Place, as the Council’s director on the Board of Cheshire and Warrington DF (GP) Limited.
- 3.3. Approve the appointment of Steve Park, Director of Growth at Warrington Borough Council as a director of the Cheshire and Warrington DF (GP) Limited.
- 3.4. Delegate to the Executive Director Place the authority to name a representative of Cheshire East Council to act on its behalf with all matters relating to the Cheshire and Warrington Development Limited Partnership.
- 3.5. Authorise the Section 151 Officer to take all steps necessary to ensure that the Authority complies with the funding agreement entered into with DLUHC, formerly MHCLG.

4. Reasons for Recommendations

- 4.1. At the present time and following the departure of the former Executive Director of Place, there is only one serving director of the Cheshire and

Warrington DF (GP) Limited, being the Chief Executive from the LEP. It is therefore necessary to appoint another director.

- 4.2. Also, as the purpose of the fund is to make investments across the Cheshire and Warrington sub region, it is also important to consider enabling other senior colleagues from partner councils to have representation on the board. Both Cheshire West and Chester, and Warrington Borough Councils were approached but only Warrington expressed a requirement to have a director on the Board.
- 4.3. Finally, there are day to day governance tasks within the Council relating to the business of the Partnership that need to be managed and actioned. Delegating authority to the Section 151 Officer will allow this to happen.

5. Other Options Considered

- 5.1. Corporate governance rules require that director appointments need to be made by the shareholders. As Finance Sub Committee is the shareholder representative these decisions rest with the Sub Committee. There may be an option where authority to appoint directors is delegated to officers, or to the Board of the Limited Company itself. However, it is noted that although this is ostensibly a LEP-led, sub regional project, the legal and statutory responsibilities lie with the Council, as entrusted entity of the partnership and sole shareholder of the company.

6. Background

- 6.1. In February 2019 Council approved the creation of a Cheshire and Warrington Development Fund and the applying for, and acceptance of, associated ERDF funding. In June 2019 Cabinet considered and approved the governance steps necessary to reflect the formation of the resulting Cheshire and Warrington LEP Development Fund, with the Council acting as Entrusted Entity for an up to £20m ERDF funded scheme, being administered and run by the LEP on a day-to-day basis.
- 6.2. An 'Entrusted Entity' is effectively the Accountable Body for the programme. According to ERDF rules, this has to be a public sector body such as a Local Authority. The role of the Entrusted Entity is to ultimately be accountable for the ERDF investment.
- 6.3. As part of the necessary arrangements to manage the funds and investments, a Limited Partnership (Cheshire and Warrington Development Limited Partnership) was established. A limited company (Cheshire and Warrington DF (GP) Limited); owned by the Council; was set up as the general partner. The Council is the sole shareholder in the Limited Company and is the 'limited partner' in the Partnership.
- 6.4. To apply for and subsequently draw down and account for ERDF funds, the monies are paid to the Council as Entrusted Entity; investments from the Development Fund are managed by an experienced Fund Manager. The

Development Fund Manager (CBRE) was procured as part of a full OJEU and ERDF-compliant process.

- 6.5. On the advice of the Fund Manager, the appointed Board signs off on investments, drawdowns and all matters relating to the Fund, and takes all steps necessary to comply with the Funding Agreement entered into with the then MHCLG (now DLUHC).
- 6.6. The former Executive Director Place was the Council's original appointed director on the board of the Limited Company. It is necessary to appoint a replacement, and also to consider appointing other directors to ensure representation across the sub region.
- 6.7. Finance Sub Committee is now responsible for representing the Council's interests in its wholly owned entities. Under company law, and in the absence of any delegations in this instance, it is the shareholder/s who are responsible for appointing directors.

7. Implications

7.1. Legal

- 7.1.1. Vacancies on the board of C&W require the Council to make suitable director appointments. C&W is in effect solely a vehicle to process funding decisions for project to whom Evergreen 3 funding is to be awarded. It is noted that in making these decisions the board will be reviewing recommendations as to suitable projects made by CBRE. Whereas the business of C&W is tightly focussed; those individuals undertaking a director role should be aware of and bear in mind their legal duties. Set out in the Appendix to this report is a note on Director Duties as an aide memoire.
- 7.1.2. It should be borne in mind that as advised by Addleshaws the Council's appointee(s) to the board of C&W should be different from those acting on behalf of the Council in its capacity as limited partner so as to mitigate any risk that the Council is taking a direct hand in the day-to-day management of the LP.

7.2. Finance

- 7.2.1. These decisions have no direct finance implications other than they improve the general risk management and governance issues around the development funds. This therefore reduces the risk of financial error or penalty.

7.3. Policy

- 7.3.1. It contributes to the strategic priority of making Cheshire East "a thriving and sustainable place" and in particular making it a great place to live, work and visit, and have "thriving urban and rural economies".

7.4. Equality

- 7.4.1. The nature of the Fund will not entail any staff being directly employed. Through introducing new capital to the sub region it is likely that positive benefits will be evident. The principal procurements will reflect the Council's commitment to equality and diversity. Equally, whilst investment decisions will be based upon best fit and need there will be an awareness of the Authority's position on equality.

7.5. Human Resources

- 7.5.1. The decision does not have any particular human resource implications. Officers from Finance, Legal, Procurement and Audit Services will be involved as necessary in ongoing administration and support with regard to the Fund, in order to fulfil our obligations as Entrusted Entity.

7.6. Risk Management

- 7.6.1. The recommendations will help to ensure that Cheshire East Council, and senior officers from partners in the sub region, will be fully represented on the company board and therefore that the risks and benefits of the investments proposed by CBRE as professional fund managers will be fully considered.

7.7. Rural Communities

- 7.7.1. There are no direct implications for rural communities.

7.8. Children and Young People/Cared for Children

- 7.8.1. There are no direct implications for children and young people.

7.9. Public Health

- 7.9.1. There are no direct implications for public health.

7.10. Climate Change

- 7.10.1. The recommendations will improve the governance of the Development Fund and ensure that a Cheshire East representative is able to participate and influence decision making. The ERDF funding of up to £20m covers three priority areas: 1,3 and 4. Priority 4 which is up to £8m and is the largest, is "Promoting the production and distribution of energy derived from renewable sources". There are therefore obvious synergies the Council's ambition to reduce its carbon footprint and achieve environmental sustainability by reducing energy consumption and promoting healthy lifestyles.

| Access to Information | |
|------------------------------|--|
| Contact Officer: | Paul Goodwin, Head of Finance & Deputy Chief Finance Officer Email: paul.goodwin@cheshireeast.gov.uk Telephone: 01270 686185 |
| Appendices: | Directors' Duties - Summary |
| Background Papers: | 11 June 2019 Cabinet Paper: Formation of a Cheshire and Warrington LEP Urban Development Fund Portfolio Holder: Portfolio Holder Finance & Communication |

Governance of the Cheshire and Warrington DF (GP) Ltd

Appendix

Directors' Duties – Summary

Directors' duties were codified by the Companies Act 2006. Duties are owed to the company and it is only the company that can bring an action against a director for breach of duty, breach of trust or negligence.

The remedies for breach of a director's duties include damages, an injunction, setting transactions aside, accounting for profits and the return of the company's property.

The General Duties

The Companies Act 2006 sets out seven general duties:

Duty to Act Within Powers (Section 171)

A director must act in accordance with the company's constitution and must only exercise powers for their proper purpose.

Duty to Promote the Success of the Company (Section 172)

A director must act in good faith and in a way that would be most likely to promote the success of the company for the benefit of its members as a whole. The Companies Act 2006 contains six factors that must be considered:

- *the likely consequences of the decision in the long term;*
- *the interests of the company's employees;*
- *the need to foster the company's business relationships with suppliers, customers and others;*
- *the impact of the company's operations on the community and the environment;*
- *the desirability of the company to maintain a reputation for high standards of business conduct; and*
- *the need to act fairly as between the members of the company.*

This is not an exhaustive list; other factors such as profitability can also be considered, and the factors are in no particular order. Indeed there is no guidance on which should take priority in the event of a conflict. In order to demonstrate compliance with this duty, directors should document the factors that have been considered for each decision in the minutes of meetings.

Duty to Exercise Independent Judgment (Section 173)

A director must exercise their own judgement, independent of the views of others on the board. This duty does not prevent a director from taking advice but their own judgement must be used in deciding whether to follow the advice.

Duty to Exercise Reasonable Care, Skill and Diligence (Section 174)

A director must act as a reasonably diligent person. This takes into account:

- *the general knowledge, skill and experience that may reasonably be expected of a person carrying out the same functions as that director; and*
- *the specific general knowledge, skill and experience of that particular director.*

The first element is an objective test and the second analyses a director's particular expertise. For example, a director with accountancy qualifications or experience would be expected to exercise greater scrutiny of the company's accounts.

Duty to Avoid Conflicts of Interest (Section 175)

A director must avoid situations where there could be an interest that conflicts with the interests of the company, although the directors who are not conflicted may be able to authorise a director to continue to act despite there being a conflict. This duty is interpreted widely and applies to the use of any property, information or opportunity available to the company. The duty will be breached even if a director exploits an opportunity that the company considered but decided not to pursue and continues to apply after a person ceases to be a director.

Duty Not to Accept Benefits From Third Parties (Section 176)

A director must not accept any benefit from a third party that is given due to their position as a director or their actions, or omissions, as a director unless the benefit cannot reasonably be regarded as likely to cause a conflict of interest. The benefits covered by this duty include financial and non-financial benefits. It is important to consider what would be regarded as 'normal' in the circumstances and whether the benefit is excessive.

Duty to Declare an Interest in a Proposed Transaction or Arrangement with the Company (Section 177)

There is no duty to avoid interest in transactions or arrangements with the company. However, a director must disclose to the other directors the nature and extent of any interest in a proposed transaction or arrangement with the company, whether direct or indirect. Such a declaration must be made before the company enters into the transaction or arrangement at a board meeting, by written notice or by general notice and must be updated should the interest change. There is also a duty under section 182 of the Companies Act 2006 to declare any interest in an existing transaction or arrangement.

There are certain exemptions where declaration of an interest is not required, including the following:

- *the director is unaware of the interest or of the transaction. However, ignorance is not a complete defence and the director will be deemed to be aware of matters that they ought reasonably to be aware of;*
- *there is no reasonable possibility of a conflict of interest;*
- *the other directors know of the interest, therefore no disclosure is required if the company has only one director. It will be for a director seeking to rely on this exemption to prove that the other directors knew, or ought reasonably to have known, of the interest. It is therefore best to declare an interest in order to avoid any doubt; and*
- *the transaction is a service contract between the company and the director.*

The Companies Act 2006 sets out certain types of transaction where a conflict of interest is likely to arise that includes substantial property transactions, directors' loans, payment for

loss of office and directors' service contracts for more than two years. In general, should these circumstances be met, the transaction will need to be approved by an ordinary resolution of the shareholders.

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Finance Sub-Committee

| | |
|-----------------------------|--|
| Date of Meeting: | 9 November 2022 |
| Report Title: | Review of Wholly-Owned Companies' Business Plans |
| Report of: | Alex Thompson, Director of Finance and Customer Services |
| Report Reference No: | FSC/20/22-23 |
| Ward(s) Affected: | All |

1. Purpose of Report

- 1.1. The purpose of the report is to ask Finance Sub-Committee to re-establish the Shareholder Working Group, to review the Business Plans of Ansa Environmental Services and Orbitas Bereavement Services, for the period 2023/24-2026/27, and related performance reports.
- 1.2. The annual review of company business plans by the Sub-Committee contributes to strategic aims and objectives in the Council's Corporate Plan, particularly those relating to:
 - 1.2.1. ensuring that there is transparency in all aspects of Council decision making
 - 1.2.2. supporting a sustainable financial future for the Council, through service development, improvement and transformation
 - 1.2.3. and looking at opportunities to bring more income into the Borough.

2. Executive Summary

- 2.1 The responsibilities of the Finance Sub-Committee include the oversight of the Council's company shareholdings. This responsibility is articulated in the Terms of Reference for the Sub-Committee as:

"making decisions as Shareholder, reviewing and approving Business plans, including risk registers and commissioning services and functions from the Council's ASDVs"

- 2.2 To manage these responsibilities in an appropriately detailed and timely manner the Sub-Committee is being asked to re-establish a Shareholder Working Group.
- 2.3 The working group will be required to support the responsibilities of the Sub-Committee during November 2022 and then report back to the Sub-Committee for decisions, as necessary, in December.
- 2.4 Similar arrangements will be required in subsequent years, and consequently the making of appointments to a Shareholder Working Group, at the start of each civic year, is also proposed in this report.
- 2.5 To ensure the Shareholder Working Group is provided with sufficient scope and guidance to make suitable recommendations, the Sub-Committee is being asked to confirm clear terms of reference. The Terms of Reference should include responsibilities relating to:
 - Reviewing company business plans
 - Analysing risks in company operations
 - Analysing company profit/ loss targets and forecasts
 - Engaging commissioning officers and company representatives
 - Reviewing company financial stability, including dividend proposals and investment plans

3. Recommendations

- 3.1. That the Finance Sub-Committee approve:
 - 3.1.1. That a Shareholder Working Group be established to review the Business Plans of Ansa Environmental Services and Orbitas Bereavement Services, for the period 2023/24-2026/27, and related performance reports.
 - 3.1.2. The Terms of Reference for the review as set out in Appendix A.
 - 3.1.3. That the Shareholder Working Group be made up of the same Chair and Members as the working group established by the Sub-Committee on 7 September 2022 for the purposes of the governance review of wholly-owned companies, along with supporting officers as set out in the Terms of Reference.
 - 3.1.4. That the Shareholder Working Group co-opt officers or other individuals with appropriate expertise to provide information and advice, as required, as described in the Terms of Reference.
 - 3.1.5. That the Chair of the Working Group provide a report back to the Sub-Committee in December 2022 based on the work of the Group, as required by its Terms of Reference.

- 3.1.6. That from 2023/24, arrangements be put in place to make appointments to the Shareholder Working Group at the start of each civic year, for the year ahead.

4. Reasons for Recommendations

- 4.1. The Finance Sub-Committee has the responsibility of providing the necessary oversight that ensures the wholly-owned companies fulfil their purpose and provide appropriate returns on the Council's interests. This responsibility can be delegated.
- 4.2. To manage the shareholder responsibilities, it is recommended that the Sub-Committee creates a working group that can review company activity, relationships with the shareholder and the potential risks and opportunities.
- 4.3. This will be achieved by establishment of terms of reference that incorporates an appropriate mix of supporting officers and Members with the necessary skills and experience for the role. Setting clear terms of reference for the working group will also ensure the necessary focus for the group's activities and how they meet the Sub-Committee's interests.

5. Other Options Considered

- 5.1. The Sub-Committee could carry out the intended activities of the Shareholder Working Group through formal Sub-Committee meetings. Full Sub Committee could be seen to present a highly transparent approach. However, this approach is not recommended as the Shareholder Working Group is expected to meet in an intense sequence of meetings and external advisors utilised should also be members of this group to provide appropriate technical expertise. Issues may also be commercially sensitive and heard under Part 2, which restricts the public transparency. This approach does not suit the format of full Sub-Committee meetings. The responsibilities of the Sub-Committee can still be discharged by providing the right terms of reference and membership of the working group, and by ensuring that the reporting back to the Sub-Committee is suitably evidence based.
- 5.2. The constitutional responsibilities of the Sub-Committee do not support a 'do nothing' option.

6. Background

- 6.1. The CIPFA Financial Management Code includes a principle of Assurance, which requires attention to standards of governance, resilience, risk and sustainability. These standards apply equally to the Council's role as shareholder of wholly owned companies as they do to direct provision of services. The establishment of the Shareholder Working Group will support the Sub-Committee in addressing this principle.

- 6.2. The purpose of the wholly-owned companies must be reviewed in accordance with the business cases that were approved to establish the companies. Each company is expected to provide annual business plans that articulate performance and financial returns that meet the Council's ambition, and the Shareholder Working Group can assess these publications.
- 6.3. Each wholly-owned company will provide statutory accounts and business plans during the period October to November, meaning the timing of the Working Group is appropriate to consider the financial returns, investment possibilities and financial stability of each company when it meets.
- 6.4. The Alternative Service Delivery Vehicles (ASDV) review programme has been ongoing since March 2018 and has made significant recommendations to change the Group Structure of the Council based on analysis of the ASDVs. This has included reviews of performance and potential financial returns, based on the understanding of the market position of the company. The Shareholder Working Group will be able to analyse progress against the aims of the review and provide insight on any further proposals.
- 6.5. The membership of the Shareholder Working Group is recommended to be a mix of Members and supporting officers to ensure appropriate oversight and skills are engaged in developing any feedback to the Sub-Committee. The Group should seek representation from commissioning services and the companies, as this client/ provider relationship is crucial in understanding the benefits of the Group Structure.
- 6.6. The Shareholder Working Group also needs to provide a commercial focus, advising on appropriate commercial income targets and assessing year-on-year progress against these. Appropriate business acumen will also be sought via the membership.
- 6.7. Clear Terms of Reference are necessary to allow the Sub-Committee to provide suitable guidance to the Working Group as to what is required to fulfil its responsibilities as shareholder.
- 6.8. An Assessment Template is included at Appendix B, being an appraisal tool providing a framework to support members of the Shareholder Working Group in reviewing the business plans of the Council's wholly-owned companies (WOCs).

7. Consultation and Engagement

- 7.1. There is no requirement for consultation outside of the Council's Group structure to address the recommendations of this report. Engagement on

the recommendations will require meetings with both commissioners and members of the WOCs to be arranged.

8. Implications

8.1. Legal

8.1.1. There are no legal implications linked to the recommendations of this report. The recommendations will help to ensure that the Sub-Committee fulfils its responsibilities in accordance with the Constitution with regard to making decisions as Shareholder and reviewing and approving business plans.

8.2. Finance

8.2.1. There are no financial implications linked to the recommendations of this report. The recommendations will help to ensure that the Sub-Committee fulfils its responsibilities in accordance with the Constitution with regard to making decisions as Shareholder and reviewing and approving business plans.

8.2.2. The Working Group may make recommendations that could impact the Council's Medium Term Financial Strategy (MTFS), which incorporates the financial performance of the wholly owned companies. However, such recommendations would be presented to the Sub-Committee for approval (or onward recommendation), and any such decisions would be supported with appropriate clarification of the financial implications.

8.3. Policy

8.3.1. There are no policy implications identified.

8.4. Equality

8.4.1. There are no equality implications identified.

8.5. Human Resources

8.5.1. There are no human resources implications identified.

8.6. Risk Management

8.6.1. Management of risk is included within the terms of reference for the Shareholder Working Group. Any emerging risks, or reassessment of existing risks should be reported back to the Sub-Committee in appropriate detail.

8.6.2. There could be tension between a wholly owned company's desire for growth and delivery of services to the Council. It is appropriate that such tensions are explored by the Working Group, where the commissioner

will be in attendance, before recommendations for growth targets are made back to the Sub-Committee.

8.7. Rural Communities

8.7.1. There are no implications for rural communities.

8.8. Children and Young People/Cared for Children

8.8.1. There are no implications for children and young people.

8.9. Public Health

8.9.1. There are no implications for public health.

8.10. Climate Change

8.10.1. There are no implications for climate change.

| Access to Information | |
|------------------------------|---|
| Contact Officer: | Paul Goodwin, Head of Finance Paul.goodwin@cheshireeast.gov.uk 01270 686185 |
| Appendices: | A – Terms of Reference B – Business Plan Assessment Template |
| Background Papers: | N/A |



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Shareholder Working Group TERMS OF REFERENCE

1. Purpose of the Shareholder Working Group (“the Group”)

1.1. The Group will give advice and direction to the Finance Sub-Committee (“the Sub-Committee”) who hold the legal responsibility for making shareholder decisions.

1.2. The Group will:

1.2.1. Review the strategic business cases for each WOC and provide strategic advice to the Sub-Committee to support any decision making required by the Sub-Committee in dispensing their responsibilities as shareholder.

1.2.2. Otherwise support the Sub-Committee in dispensing its responsibilities as the Shareholder in respect of the Council.

2. Membership

2.1. The Group shall consist of the following members:

2.1.1. 5 drawn from the Elected Members of the Council, the Chair of the Group shall be appointed by the Sub-Committee from the membership of the Sub-Committee. Other Members need not be Members of the Sub-Committee;

2.1.2. 1 officer representing the Corporate Leadership Team of the Council;

2.1.3. 1 individual providing professional financial support;

2.1.4. 1 individual providing professional legal support.

2.2. The proportionality of the Group shall be determined by the Sub-Committee.

3. In Attendance

3.1. To support the work of the Group the Chair may invite additional individuals to attend each meeting as follows. The individuals may provide information and advice to the Working Group; and will not have voting rights.



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- 3.1.1. Officer(s) representing the commissioned Services of the WOC; depending on which WOC is being discussed
- 3.1.2. Member(s) of the Company Board of the WOC depending on which WOC is being discussed
- 3.1.3. External advice and expertise may also be provided to the Group to assist in their work.

4. Functions

4.1. The core function of the Group is to:

- 4.1.1. Provide assurance that the business plans for each WOC are fit for purpose, meet the needs of customers and commissioners or provide recommendations to ensure that they will;
- 4.1.2. Provide assurance that the business plans for each WOC comply with the Public Contract Regulations 2015;
- 4.1.3. Provide assurance that all WOCs are structured in a way that complies with the relevant statutory and regulatory framework as a company and in their respective areas of operation.

4.2. The Working Group shall provide advice to the Sub-Committee on any potential risks to the Cheshire East Group associated with the current arrangements.

4.3. The Shareholder Group is to make recommendations to the Sub-Committee about whether or not to approve the business plans of each of the WOCs as shareholder. Within this core function the Group will also:

- 4.3.1. Provide strategic advice to the Sub-Committee on the robustness and suitability of each of the WOC Business Plans;
- 4.3.2. Review any proposals to make a significant capital or revenue investment in any of the Council's WOCs;
- 4.3.3. Specifically reviewing any proposal by a WOC to submit a tender for services to a client other than Cheshire East Council;
- 4.3.4. Provide advice to the Sub-Committee before exercising any shareholder consents;
- 4.3.5. Determine the distribution of any surplus or the issue of any dividends from a WOC; and, in making this determination, provide assurance that



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any proposed investment or retention of accumulated surpluses is appropriate for the purposes of the Companies Business Plans.

5. Frequency of meetings

5.1. The Group will meet during the period November to December 2022 and make recommendations to the Sub-Committee on any future pattern of meetings.

6. Administration

6.1. Minutes and agendas will be distributed no later than 5 clear working days prior to the meeting.

7. Principal Information Management needs:-

- Statutory accounts of each company
- Annual engagement and commercial activity report
- Update reports on major projects
- Business plans for each company including risk registers

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Appendix B – Business Plan Assessment Template

This appraisal tool provides a framework to support members of the Shareholder Working Group in reviewing the business plans of the Council's Wholly Owned Companies (WOCs).

The template can be used to capture feedback to enable reporting to the Shareholder, represented by the Finance Sub-Committee.

How to use the Appraisal Tool: Work through each business plan independently. Consider the matters detailed under the 5 core appraisal criteria, writing down any additional items you wish to consider. Responses can be recorded in the right-hand column to support feedback.

In considering the overall assessment of the Criteria items can be scored as presenting High, Medium or Low Risks to achievement or present Opportunities for future achievements (H/M/L/O)

NAME OF ASDV:

| CRITERIA | MATTERS TO CONSIDER | Assessment (H / M / L / O) | Response / Comment |
|--------------------------|---|-------------------------------|--------------------|
| Strategy | <ul style="list-style-type: none"> • Is there a clear focus on priorities and vision? • Are key stakeholder expectations being managed? • Is there evidence to demonstrate that business plan will achieve customer expectations? • Is planned product development and market analyses aligned with market demand and vision / strategic objectives? • Is there a focus by the company on reducing its carbon footprint, environmental sustainability by reducing energy consumption, and/or promoting healthy lifestyles? | | |
| Value for Money | <ul style="list-style-type: none"> • Are the financial plans transparent to you as shareholder? • Are the forecast achievements against each income stream transparent? • Are commercial development plans robust especially for new business/? • Do services offer represent value for money to clients / customers – how is this demonstrated? • Is there evidence that the company has reduced costs to improve margins? • Are plans scenario tested to understand their resilience? • Is the Company Board offering a dividend? | | |
| Impact & Risk | <ul style="list-style-type: none"> • Are delivery plans sufficiently robust? • Are risks to current services identified and managed? • Is innovation risk assessed to understand likely returns on investment? • Is there evidence that the impact of any commercial development plans on existing core clients/contracts has been identified, assessed robustly and managed effectively? • Are financial plans suitably robust to withstand variations in operating costs or demand such as that driven by inflation, bad weather or customer behaviour? • Is the company at risk of issuing a profit warning, or are financial risks robustly mitigated? • Does the Company have adequate reserves to manage risk? | | |

| CRITERIA | MATTERS TO CONSIDER | Assessment (H / M / L / O) | Response / Comment |
|-------------------------|--|-------------------------------|--------------------|
| Control | <ul style="list-style-type: none"> • Are services clearly identifying where they fulfil statutory obligations on behalf of the Council? • Are strategic commissioning arrangements clear, robust and well managed? • Are KPIs managed and achieve strategic objectives? • Are quality assurance mechanisms in place such as for ISO / HSE? • Are all necessary licenses and standards up to date? • Are other assurance mechanisms in place to ensure compliance to any necessary statutory and regulatory frameworks? • Is the company complying with teckal exemption? • Are client contracts governed appropriately? | | |
| Service Delivery | <ul style="list-style-type: none"> • Are key service achievements evident? • Are current customers / clients satisfied? • Were there any service delivery failures in the last year, and were they dealt with appropriately? • Is future service delivery in line with market / customers demand and strategic objectives? • Have development plans been aligned to current contract delivery and resource plans to ensure sufficient capacity, capability and control to deliver success? • Are you anticipating any challenge to service standards throughout the year, and how are you preparing to minimise these? • Is there sufficient capacity and capability to respond to any changes in priorities? | | |

Work Programme – Finance Sub Committee – 2022/23

| Reference | Committee Date | Report title | Purpose of Report | Report Author /Senior Officer | Consultation and Engagement Process and Timeline | Equality Impact Assessment Required and Published (Y/N) | Part of Budget and Policy Framework (Y/N) | Corporate Plan Priority | Exempt Item and Paragraph Number |
|-------------|----------------|--|---|--|--|---|---|---|----------------------------------|
| FSC/8/22-23 | 11 Jan 2023 | Financial Planning: Medium Term Financial Strategy 2023 to 2027 Consultation | <p>To allow the Sub-Committee to engage in the MTFS 2023 to 2027 consultation process</p> <p>The Sub-Committee will be asked to:</p> <ul style="list-style-type: none"> - Note the 2023 to 2027 MTFS proposals as related to the Committee responsibilities. - Provide feedback on the proposals as consultees. | Director of Finance and Customer Services (s151 Officer) | Yes | No | Yes | Ensure that there is transparency in all aspects of council decision making | No |
| FSC/9/22-23 | 11 Jan 2023 | Investment Strategy Review | <p>To review the Council's approach to managing investments as part of the MTFS</p> <p>The Sub-Committee will be asked to:</p> <ul style="list-style-type: none"> - Consider the appropriateness of the current strategy in light of associated performance and emerging guidance. - Consider and comment on any proposed amendments to the Strategy as part of the development of the MTFS | Director of Finance and Customer Services (s151 Officer) | Yes | No | Yes | Ensure that there is transparency in all aspects of council decision making | No |

| Reference | Committee Date | Report title | Purpose of Report | Report Author /Senior Officer | Consultation and Engagement Process and Timeline | Equality Impact Assessment Required and Published (Y/N) | Part of Budget and Policy Framework (Y/N) | Corporate Plan Priority | Exempt Item and Paragraph Number |
|--------------|----------------|-------------------------------------|---|--|--|---|---|---|----------------------------------|
| FSC/10/22-23 | 11 Jan 2023 | Treasury Management Strategy Review | <p>To review the Council's approach to managing Treasury Management, including cashflow, borrowing and investments as part of the MTFS.</p> <p>The Sub-Committee will be asked to:</p> <ul style="list-style-type: none"> - Consider the appropriateness of the current strategy in light of associated performance and emerging guidance. - Consider and comment on any proposed amendments to the Strategy as part of the development of the MTFS | Director of Finance and Customer Services (s151 Officer) | Yes | No | Yes | Ensure that there is transparency in all aspects of council decision making | No |
| FSC/11/22-23 | 11 Jan 2023 | Capital Strategy Review | <p>To review the Council's approach to managing capital expenditure and associated funding.</p> <p>The Sub-Committee will be asked to:</p> <ul style="list-style-type: none"> - Consider the appropriateness of the current strategy in light of associated performance and emerging guidance. - Consider and comment on any proposed amendments to the Strategy as part of the development of the MTFS | Director of Finance and Customer Services (s151 Officer) | Yes | No | Yes | Ensure that there is transparency in all aspects of council decision making | No |

| Reference | Committee Date | Report title | Purpose of Report | Report Author /Senior Officer | Consultation and Engagement Process and Timeline | Equality Impact Assessment Required and Published (Y/N) | Part of Budget and Policy Framework (Y/N) | Corporate Plan Priority | Exempt Item and Paragraph Number |
|--------------|----------------|--|--|--|--|---|---|---|----------------------------------|
| FSC/12/22-23 | 11 Jan 2023 | Reserves Strategy Review | <p>To review the requirements to maintain financial reserves and to provide statements on the types of reserves and current and predicted balances.</p> <p>The Sub-Committee will be asked to:</p> <ul style="list-style-type: none"> - Consider the appropriateness of the current strategy in light of associated performance and emerging guidance. - Consider and comment on any proposed amendments to the Strategy as part of the development of the MTFS. | Director of Finance and Customer Services (s151 Officer) | Yes | No | Yes | Ensure that there is transparency in all aspects of council decision making | No |
| FSC/23/22-23 | 11 Jan 2023 | Fair Tax Declaration | To consider a report in response to the Notice of Motion referred by Council. | Director of Finance and Customer Services (s151 Officer) | N/A | No | No | Ensure that there is transparency in all aspects of council decision making | No |
| FSC/13/22-23 | 8 Mar 2023 | Aligning the MTFS to the Council's Committee Structure | <p>Following the Budget Council meeting the MTFS needs to be aligned with the Committee structure. This promotes financial transparency and accountability.</p> <p>The Sub-Committee will be asked to:</p> <p>Approve the alignment of the MTFS to the Council's Committees. This includes: Revenue; Capital; Reserves; New / Amended Proposals.</p> | Director of Finance and Customer Services (s151 Officer) | N/A | No | Yes | Ensure that there is transparency in all aspects of council decision making | No |

| Reference | Committee Date | Report title | Purpose of Report | Report Author /Senior Officer | Consultation and Engagement Process and Timeline | Equality Impact Assessment Required and Published (Y/N) | Part of Budget and Policy Framework (Y/N) | Corporate Plan Priority | Exempt Item and Paragraph Number |
|--------------|----------------|--|---|--|--|---|---|---|----------------------------------|
| FSC/14/22-23 | 8 Mar 2023 | Second Financial Review Report for 2022/23 | <p>To provide information on the Council's performance against the financial strategy during the 2022/23 Financial Year.</p> <p>The Sub-Committee will be asked to:</p> <ul style="list-style-type: none"> - Note the financial performance in 2022/23 as it relates to: income and expenditure of Revenue and Capital budgets; movement in reserves; achievement of MTFS proposals across all Committees.. - Note or Approve any mitigating action as a consequence of the performance in 2022/23 in relation to the Committees responsibilities. - Note or Approve items being considered as part of the 2023 to 2027 MTFS. - Note or Approve financial management transactions, such as virement and supplementary estimates, as required by the Constitution. | Director of Finance and Customer Services (s151 Officer) | N/A | No | Yes | Ensure that there is transparency in all aspects of council decision making | No |
| FSC/16/22-23 | TBC | S.106 / CIL Oversight | <p>To consider the impact of Developer Contributions (s.106 and Community Infrastructure Levy) on the MTFS.</p> <p><i>(Note: Final structure of report dependent upon activity in this area by the Environment and Communities Committee)</i></p> | | | | | Ensure that there is transparency in all aspects of council decision making | |

| Reference | Committee Date | Report title | Purpose of Report | Report Author /Senior Officer | Consultation and Engagement Process and Timeline | Equality Impact Assessment Required and Published (Y/N) | Part of Budget and Policy Framework (Y/N) | Corporate Plan Priority | Exempt Item and Paragraph Number |
|--------------|----------------|---|---|-------------------------------|--|---|---|---|----------------------------------|
| FSC/17/22-23 | TBC | National Business Rates - Consultation Response | <p>To consider the Council's response to national consultation on Business Rates</p> <p>To note the content of the consultation material</p> <p>To note the potential impact on the Council's MTFS</p> <p>To note the impact on local ratepayers</p> <p>To approve the Council's response to the consultation questions</p> | | | | | Ensure that there is transparency in all aspects of council decision making | |

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Working for a brighter future together

Finance Sub-Committee

| | |
|-----------------------------|---|
| Date of Meeting: | 9 November 2022 |
| Report Title: | Procurement Pipeline |
| Report of: | Alex Thompson: Director of Finance and Customer Service |
| Report Reference No: | N/A |
| Ward(s) Affected: | All |

1. Executive Summary

- 1.1. The purpose of this report is to enable the Finance Sub-Committee to fulfil its responsibilities in relation to oversight of the procurement pipeline of the Council. The report provides an update on the procurement pipeline for the council and any contracts to be considered as business as usual, the contracts awarded since April 2022 and other procurement activity.
- 1.2. This report supports the Council being open and working transparently with its residents, businesses and partners.
 - 1.2.1. **Ensuring that there is transparency in all aspects of Council decision making** (page 3 and 13 Corporate Plan 2021 to 2025) by publishing a pipeline of procurement activity and contracts awarded on the Council's Open Data.

2. Recommendations

- 2.1. That the Finance Sub-Committee
 - 2.1.1. Note the procurement pipeline of activity in Appendix 1.
 - 2.1.2. Approve the 1 new pipeline project in Appendix 1 as business as usual (column H approval required).
 - 2.1.3. Note the contracts awarded by the Council since April 2022, Appendix 2.

- 2.1.4. Note the reason for 5 waivers approved between 1st September 2022 and 31st October 2022 (18 in total in 2022/23).

3. Reasons for Recommendations

- 3.1. To ensure compliance with the Public Contract Regulations 2015 (PCRs), the Constitution and the Commissioning Framework, a procurement pipeline of work is maintained which the Sub-Committee should review as part of its responsibilities. This is attached at Appendix 1.
- 3.2. Column H of the pipeline identifies which procurements are categorised as business as usual and which are categorised as Significant Decisions and require service committee approval. This is due to them incurring non-routine expenditure or having a significant effect on communities.
- 3.3. To ensure the Council complies with the Local Government Transparency Agenda all contracts awarded are published on the Council's transparency pages on the website ([Cheshire East Transparency Pages](#)). Appendix 2 provides a list of all contracts awarded since April 2022.
- 3.4. The Contract Procedure Rules set out the necessary controls that are used to manage related spending. There are occasions when it is appropriate to waive these rules with the proper authority.
- 3.5. Waivers are pre-approved variations from the Contract Procedure Rules, and these form part of the procurement process.

4. Other Options Considered

- 4.1. There is an option not to publish a pipeline of procurement activity that classifies business as usual activity and significant decisions. This option would lead to all procurement activity requiring detailed reports to Committees in addition to the existing oversight from the Finance Sub-Committee and exception reporting to the Audit and Governance Committee. This would cause additional work for officers having to draft routine reports for committee for business-as-usual expenditure. This option is not recommended as the Finance Sub-Committee can provide suitable assurance that spending is, or is not, routine and within the Budget and Policy Framework. Audit and Governance Committee also provide assurance in their role of reviewing procurement activity where procedure rules are waived or not adhered to.
- 4.2. The responsibility of the Sub-Committee is to establish a procurement forward plan, which is provided at Appendix 1. Other information such as the past spend, review of waivers and approval of significant decisions could therefore be removed from this report as an alternative option. This option is not recommended as the Corporate Plan supports transparency which is enhanced by providing additional context around procurement activity.

5. Background

- 5.1. It is important for the Council to ensure proper oversight of procurement activity. Following the implementation of the Committee system, Key Decisions have been replaced within the Constitution by “Significant Decisions”.
- 5.2. Oversight is important as in a normal operating year the Council spends more than £350m with external parties which need to be procured in accordance with the PCRs 2015, ensuring value for money and that the Council’s Social Value principles and objectives are achieved.
- 5.3. The procurement pipeline provides a list of all the Council’s scheduled procurement activity above £1m. The Sub-Committee should be reassured that significant decisions are well managed and therefore consider reviewing important or valuable contracts. The pipeline is also available on the [Cheshire East Transparency Pages](#).
- 5.4. All waivers approved in the periods between Finance Sub-Committee meetings will be presented to the next Committee meeting. The number of waivers to be reported to this meeting is 5. The detailed waivers are set out in Part 2 of the agenda as they contain exempt information.

5.4.1. Table 1: Waivers

| Waivers | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 | 2020 - 2021 | 2021 - 2022 | April – October 2022 |
|---------|-----------|-----------|-----------|-----------|-------------|-------------|----------------------|
| | 40 | 20 | 16 | 17 | 25 | 37 | 18 |

- 5.4.2. The number of waivers increased over the past two years because of COVID and the impacts it has had on the care sector. So far this year 12 of the waivers approved have been care related.
- 5.4.3. So far during 2022 – 2023 financial year there have been 103 procurements (these include tenders, request for quotations above £25k and call offs from frameworks) with 334 contracts awarded.

6. Consultation and Engagement

- 6.1. Consultation and engagement have been undertaken with Cheshire East Council staff who have a role within Commission, Procuring and Contract Managing goods, services or works for the Council.

7. Implications

7.1. Legal

- 7.1.1. The Councils commercial legal team will work with procurement and seek to ensure that the Council’s procurement activity complies with the PCRs and the Council’s contract rules; and will look to advise on the appropriate form of contracts to be used.

7.2. Finance

- 7.2.1.** The recommendations in this report do not impact on the Council's Medium Term Financial strategy (MTFS).

7.3. Policy

- 7.3.1.** New policies regarding Contract Management and the roles and responsibilities.

7.4. Equality

- 7.4.1.** All tenders issued by the Council include a Selection Questionnaire which asks bidders to confirm obligations in environmental, social and labour laws. This is a self-declaration which provides a formal statement that the organisation making the declaration has not breached any of the exclusion grounds, including Equality Legislation. If a serious misrepresent is found in the Selection Questionnaire, bidder may be excluded from the procurement procedure, and from bidding for other contracts for three years.
- 7.4.2.** All Cheshire East Council contracts have a clause stating "the supplier shall perform its obligations under the Contract in accordance with all applicable equality Law and the Council's equality and diversity policy as provided to the Supplier from time to time"

7.5. Human Resources

- 7.5.1.** There are no direct implications for HR.

7.6. Risk Management

- 7.6.1.** Contract and supplier risks and issues will be managed through the new Contract Management System ensuring supply chain risks are monitored and managed appropriately with visibility across the Council.

7.7. Rural Communities

- 7.7.1.** There are no direct implications for rural communities.

7.8. Children and Young People/Cared for Children

- 7.8.1.** There are no direct implications for children and young people.

7.9. Public Health

- 7.9.1.** There are no direct implications for public health

7.10. Climate Change

- 7.10.1.** Carbon and the environment form part of the Council's Social Value Policy and Framework. How the Council measures the outcomes and performance from the supply chain will be through the Contracts Management Framework.

| Access to Information | |
|------------------------------|--|
| Contact Officer: | Lianne Halliday Lianne.halliday@cheshireeast.gov.uk |
| Appendices: | Appendix 1 Pipeline Appendix 2 Contracts |
| Background Papers: | Waivers – exempt |

Data is available on the Cheshire East website, link below.

[Cheshire East Transparency Pages](#)

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| Pipeline: Pipeline | Project Status | Date Tender to be advertised | Estimated Contract start date | Overall Project Budget | Department | Finance sub committee approval | Approval Required |
|--|----------------|------------------------------|-------------------------------|------------------------|---------------------------------------|--|-------------------|
| 22 036 Care at Home (Adults) | Pre tender | 04/12/2022 | 04/09/2023 | £ 140,000,000.00 | Integrated Commissioning | Service Committee Approval - March 22 | |
| 22 065 DPS - Home to School & Commercial Transport | Pre tender | 01/11/2022 | 01/11/2022 | £ 60,000,000.00 | Highways | 07/07/2022 | |
| 22 083 Handforth Garden Village Primary Infrastructure Works | Pre tender | 01/12/2022 | 01/02/2023 | £ 37,000,000.00 | Economic Development | Cabinet 11/09/2018 | |
| 22 048 Family Support Services | Pre tender | 01/12/2022 | 02/05/2024 | £ 22,000,000.00 | Children's Commissioning | Childrens Committee 24/03/2022 | |
| 23 038 Alternative Provision for Education | Forward plan | 01/04/2023 | 01/09/2023 | £ 8,015,000.00 | Children's Commissioning | Required | Service Committee |
| 22 094 Insurance Policies | Pre tender | 03/10/2022 | 01/03/2023 | £ 8,000,000.00 | Audit and Risk Management | 05/01/2022 | |
| 22 033 Day Opportunities - Round 2 | Live | 04/10/2022 | 10/01/2023 | £ 7,000,000.00 | Integrated Commissioning | Service Committee Approval - November 2021 | |
| 22 091 Congleton Greenway Bridge | Forward plan | 12/12/2022 | 01/04/2023 | £ 5,300,000.00 | Highways | Service Committee Approval - July 2022 | |
| 19 092 PROVISION OF A BUILDING INTEGRATED GROUND MOUNTED SOLAR PV SCHEME | Live | 23/03/2022 | 25/07/2022 | £ 4,000,000.00 | Economic Development | 02/02/2021 | |
| 22 098 Supply of Water and Wastewater Services. | Forward plan | 01/06/2023 | 01/04/2024 | £ 3,800,000.00 | Estates | 07/09/2022 | |
| 22 035 Carers Hub | Live | 27/06/2022 | 01/01/2023 | £ 3,750,000.00 | Adults Commissioning | Service Committee Approval - 24th March 2022 | |
| 21 084 Construction Related Consultancy Services | Live | 14/02/2022 | 30/11/2022 | £ 3,500,000.00 | Estates | 05/01/2022 | |
| 22 100 Provision of Fresh Produce, Bread and Dairy | Pre tender | 17/11/2022 | 01/03/2023 | £ 3,300,000.00 | Education Infrastructure and Outcomes | 07/09/2022 | |
| 22 077 Holiday Activity Fund Provider Framework (HAF) | Pre tender | 15/09/2022 | 12/12/2022 | £ 2,500,000.00 | Children's Commissioning | Service Committee November 2022 | |
| 22 108 Network Incentives Voucher Scheme | Pre tender | 04/11/2022 | 01/12/2022 | £ 2,200,000.00 | Children in Need and Child Protection | BAU | Yes |
| 23 022 Emotionally Healthy Children & YP | Forward plan | 30/08/2023 | 01/04/2023 | £ 2,000,000.00 | Public Health | Required | Service Committee |
| 23 030 Universal Information & Advice | Forward plan | 03/10/2023 | 03/04/2024 | £ 1,108,000.00 | Adults Commissioning | Adults and Health Committee 26/09/2022 | |

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| Contract Ref | Contract: Contract Name | Status | Start Date | End Date | Contract Manager | Procurement Officer | Awarded Value | Department |
|--------------|--|------------------------|------------|------------|---|---------------------|-----------------|---------------------------------------|
| C0820 | Building Services Contract | Active | 01/04/2022 | 31/03/2029 | Ian King | Steve Mellor | £ 97,000,000.00 | Estates |
| C0896 | FULLY MANAGED SERVICE FOR ENERGY SUPPLY | Active | 01/04/2022 | 31/03/2027 | Mahdi Choudhury | Victoria Adejumo | £ 30,500,000.00 | Estates |
| C1214 | North West Cheshire Highways Construction - Stage 2 | Active | 05/05/2022 | 31/03/2023 | Steve Mellor | Steve Mellor | £ 25,484,362.00 | Highways |
| C1159 | Cheshire East Bereavement Services Contract | Active | 01/04/2022 | 31/03/2027 | Ralph Kemp | Steve Mellor | £ 12,303,072.00 | Environmental Services |
| C0834 | Day Opportunities | Active | 01/08/2022 | 31/07/2027 | Gerard Buckley | Tracy Roberts | £ 7,000,000.00 | Integrated Adult Social Care |
| C0814 | Assistive Technology | Active | 03/07/2022 | 30/06/2025 | Steve Clews | Tracy Roberts | £ 4,778,057.00 | Public Health |
| C0910 | Statutory Advocacy Services | Active | 03/09/2022 | 31/08/2026 | Kelly Brighouse, CEC - Paul Jones, CWAC | Emma Harris | £ 4,193,000.00 | Integrated Adult Social Care |
| C1414 | Domestic Energy Retrofit | Active | 01/08/2022 | 31/03/2023 | Karen Whitehead | Alex Jones | £ 3,000,000.00 | Housing |
| C0774 | Local Access Showers | Active | 01/04/2022 | 31/03/2024 | Alex Jones | Alex Jones | £ 3,000,000.00 | Housing |
| C1403 | CAH Adults Non-Commissioned Providers | Active | 01/04/2022 | 02/09/2023 | Emma Eardley | Louise Fenn | £ 2,382,745.00 | Adults Commissioning |
| C1288 | Wilmington High School Expansion - Enabling Works RIBA Stage 5 | Active | 16/05/2022 | 21/04/2025 | Nick Cook | Steve Mellor | £ 1,403,405.38 | Education Infrastructure and Outcomes |
| C0837 | NHS Health Checks | Active | 01/04/2022 | 31/03/2025 | Kelly Brighouse | Tracy Roberts | £ 1,400,000.00 | Public Health |
| C1033 | Digital Customer Enablement Platform | Active | 01/04/2022 | 31/03/2024 | Lou Jones | Simon Hagan | £ 925,250.00 | ICT Services |
| C1076 | P442 General Estates Support and Disposal | Active | 01/04/2022 | 31/03/2026 | Joanne Jones | Michael Lees | £ 900,000.00 | Highways |
| C1029 | Provision of Franking Machines | Active | 23/09/2022 | 22/09/2027 | Dave Bennett | Emma Harris | £ 874,198.00 | Estates |
| C0911 | P441 General Estates Support and Disposal | Active | 01/04/2022 | 31/03/2026 | Joanne Jones | Michael Lees | £ 700,000.00 | Highways |
| C0845 | Local Healthwatch Cheshire and Independent Complaints Advocacy Service | Active | 01/04/2022 | 31/03/2026 | Kelly Brighouse | Louise Fenn | £ 604,800.00 | Integrated Commissioning |
| C1329 | Short Stay CCG Beds | Active | 01/04/2022 | 30/03/2023 | Elizabeth Hopper | Louise Fenn | £ 561,600.00 | Adults Commissioning |
| C0915 | P414 Contract for the provision of collections services on behalf of CEC | Active | 01/04/2022 | 31/10/2023 | Nova Pointon | Michael Lees | £ 500,000.00 | Customer Services |
| C1125 | Regulatory Services Management Solution | Active | 27/07/2022 | 26/07/2027 | Tracy Bettaney | Simon Hagan | £ 473,783.00 | Economic Development |
| C1102 | Grid Connection at Leghton | Active | 01/04/2022 | 15/04/2024 | Dan Griffiths | Steve Mellor | £ 457,266.31 | Economic Development |
| C1328 | Short Stay CCG Beds | Active | 01/04/2022 | 30/03/2023 | Elizabeth Hopper | Louise Fenn | £ 443,300.00 | Adults Commissioning |
| C1023 | Public Rights of Way Furniture and associated works. | Active | 03/10/2022 | 02/10/2025 | Nicola Swinerton | Emma Harris | £ 440,000.00 | Highways |
| C0829 | Cash receipting and Income Management Software | Active | 01/05/2022 | 30/04/2027 | Lou Jones | Simon Hagan | £ 416,697.00 | ICT Services |
| C1482 | Provision of Mental Health Blocked Beds at Eden Mansions Care Home | Active | 01/10/2022 | 31/03/2023 | Liz Hopper | Sharif Danesh | £ 371,800.00 | Integrated Commissioning |
| C1292 | Provision of Mental Health Blocked Beds at Eden Mansions Care Home | Expired | 01/04/2022 | 30/09/2022 | Liz Hopper | Louise Fenn | £ 371,800.00 | Integrated Commissioning |
| C1236 | Cherry Tree Lodge Care Home - individual placement | Active | 01/04/2022 | 01/04/2024 | Elizabeth Hopper | Michael Ashworth | £ 361,861.76 | Adults Commissioning |
| C1325 | Short Stay CCG Beds | Expired | 01/04/2022 | 30/09/2022 | Elizabeth Hopper | Louise Fenn | £ 338,000.00 | Adults Commissioning |
| C1396 | Moore Care Care Home - individual placement | Active | 01/04/2022 | 01/04/2024 | Elizabeth Hopper | Louise Fenn | £ 311,878.32 | Adults Commissioning |
| C1463 | Non-Commissioned Providers - Right at Home Cheshire East | Active | 01/04/2022 | 02/09/2023 | Emma Eardley | Louise Fenn | £ 298,881.60 | Adults Commissioning |
| C1449 | Non-Commissioned Providers - Helping Hands | Active | 01/04/2022 | 02/09/2023 | Emma Eardley | Louise Fenn | £ 291,176.80 | Adults Commissioning |
| C1378 | Storage, Retrieval, Index and Digitise Documents | Active | 22/06/2022 | 31/01/2023 | Sam Ryan | Simon Hagan | £ 285,000.00 | ICT Strategy |
| C1282 | Contract for System Resilience Beds - Short Stay in Care Homes | Expired | 01/04/2022 | 30/09/2022 | Elizabeth Hopper | Louise Fenn | £ 284,700.00 | Integrated Commissioning |
| C1185 | MEB - Impact Assessment/Consent Payments (Phased) | Active | 01/04/2022 | 01/04/2023 | Chris Hindle | Sharif Danesh | £ 281,422.02 | Highways |
| C1397 | Jackson House Care Home - individual placement | Active | 01/04/2022 | 01/04/2024 | Elizabeth Hopper | Michael Ashworth | £ 268,320.00 | Adults Commissioning |
| C0860 | Emergency Assistance Scheme Lot 1 | Active | 01/04/2022 | 31/03/2026 | Janet Alcock | Alex Jones | £ 262,000.00 | Business Change |
| C1405 | Haydock House - individual placement | Active | 01/04/2022 | 01/04/2024 | Elizabeth Hopper | Tracy Roberts | £ 260,765.00 | Adults Commissioning |
| C1117 | P458 Digital Programme Consultant (Active/Jeff Garratt) | Active | 01/04/2022 | 31/03/2023 | Emma Eardley | Janet Ellison-Jones | £ 257,000.00 | ICT Strategy |
| C1319 | Cheshire East Covid-19 Early Warning System | Active | 05/09/2022 | 05/09/2023 | Matt Tye | Michael Ashworth | £ 230,400.00 | Adults Commissioning |
| C1441 | Non-Commissioned Providers - Cheshire U Ltd | Active | 01/04/2022 | 02/09/2023 | Emma Eardley | Louise Fenn | £ 230,119.65 | Adults Commissioning |
| C1158 | Contract Lifecycle Management System | Active | 11/08/2022 | 10/08/2024 | Lianne Halliday | Simon Hagan | £ 223,634.00 | ICT Strategy |
| C1037 | Contract for the Provision of Rating List Analysis and Finder Service | Active | 02/09/2022 | 01/09/2024 | Nova Pointon | Lydia Russell | £ 200,000.00 | Customer Services |
| C1367 | P464 Crewe Hub- Funding and Financing Options and Implementation | Active | 13/04/2022 | 30/06/2024 | Hayley Kirkham | Michael Lees | £ 199,105.00 | H52 |
| C1437 | Non-Commissioned Providers - Betamindes Domiciliary | Active | 01/04/2022 | 02/09/2023 | Emma Eardley | Louise Fenn | £ 196,446.55 | Adults Commissioning |
| C1443 | Non-Commissioned Providers - Compassionate Care Ltd | Active | 01/04/2022 | 02/09/2023 | Emma Eardley | Louise Fenn | £ 194,035.00 | Adults Commissioning |
| C1379 | Records Management Services | Active | 22/06/2022 | 31/01/2023 | Sam Ryan | Simon Hagan | £ 190,000.00 | ICT Services |
| C1314 | Emergency Assistance Scheme Lot 2 & 3 | Active | 01/04/2022 | 31/03/2026 | Janet Alcock | Alex Jones | £ 172,800.00 | Business Change |
| C1438 | Non-Commissioned Providers - Bluebird Care | Active | 01/04/2022 | 02/09/2023 | Emma Eardley | Louise Fenn | £ 172,492.00 | Adults Commissioning |
| C0920 | Microsoft Unified Support | Active | 01/04/2022 | 31/03/2023 | Amanda Curtis | Simon Hagan | £ 157,467.00 | ICT Services |
| C1462 | Non-Commissioned Providers - Valour Healthcare Services | Active | 01/04/2022 | 02/09/2023 | Emma Eardley | Louise Fenn | £ 156,300.00 | Adults Commissioning |
| C1286 | Contract for System Resilience Beds - Short Stay in Care Homes | Expired | 01/04/2022 | 30/09/2022 | Elizabeth Hopper | Louise Fenn | £ 156,000.00 | Integrated Commissioning |
| C1284 | Contract for System Resilience Beds - Short Stay in Care Homes | Expired | 01/04/2022 | 30/09/2022 | Elizabeth Hopper | Louise Fenn | £ 156,000.00 | Integrated Commissioning |
| C1323 | Short Stay CCG Beds | Expired | 01/04/2022 | 30/09/2022 | Elizabeth Hopper | Louise Fenn | £ 155,844.00 | Adults Commissioning |
| C0830 | Online Learning for children and young adults | Active | 01/09/2022 | 31/08/2025 | Laura Rogerson | Lydia Russell | £ 150,000.00 | Inclusion |
| C0828 | Early Intervention & Prevention - Sensory Impairment, hearing | Active | 01/04/2022 | 31/03/2025 | Victoria Davies | Lydia Russell | £ 150,000.00 | Mental Health and Learning Disability |
| C1452 | Non-Commissioned Providers - Home Instead - North West | Active | 01/04/2022 | 02/09/2023 | Emma Eardley | Louise Fenn | £ 147,262.50 | Adults Commissioning |
| C1450 | Non-Commissioned Providers - Home Instead - Nantwich (South Cheshire Senior Car | Active | 01/04/2022 | 02/09/2023 | Emma Eardley | Louise Fenn | £ 146,969.85 | Adults Commissioning |
| C1442 | Non-Commissioned Providers - Cheshire Home Care Solutions | Active | 01/04/2022 | 02/09/2023 | Emma Eardley | Louise Fenn | £ 145,603.00 | Adults Commissioning |
| C1430 | P475 Strategic development of Extra Care Housing in Cheshire Ea | Active | 12/09/2022 | 12/06/2023 | Shelley Brough | Janet Ellison-Jones | £ 145,478.17 | Integrated Adult Social Care |
| C1324 | Short Stay CCG Beds | Expired | 01/04/2022 | 30/09/2022 | Elizabeth Hopper | Louise Fenn | £ 143,000.00 | Adults Commissioning |
| C1455 | Non-Commissioned Providers - My Home Care - Stockport | Active | 01/04/2022 | 02/09/2023 | Emma Eardley | Louise Fenn | £ 140,805.40 | Adults Commissioning |
| C1326 | Short Stay CCG Beds | Expired | 01/04/2022 | 30/09/2022 | Elizabeth Hopper | Louise Fenn | £ 135,200.00 | Adults Commissioning |
| C1212 | Mental Health Assessors (DOLS) - 2. Psychiatric Reports and Medicolegal Services | Active | 01/04/2022 | 01/03/2023 | Tom Cox | Louise Fenn | £ 135,000.00 | Adult Safeguarding |
| C1096 | P455 Information Assurance and Data Management Programme | Active | 04/04/2022 | 31/03/2023 | Keith Sutton | Janet Ellison-Jones | £ 133,525.00 | ICT Strategy |
| C1091 | Springfield School Expansions - PCSO | Active | 18/04/2022 | 31/07/2023 | Alan Jackson | Steve Mellor | £ 131,626.21 | Education Infrastructure and Outcomes |
| C1220 | Crewe Cultural and Civic Space - PCSO | Active | 18/07/2022 | 24/10/2023 | Robert Edwards | Steve Mellor | £ 129,338.14 | Economic Development |
| C1228 | Royal Arcade Redevelopment Project Management Services - Lot 5 | Active | 27/04/2022 | 30/09/2024 | Debra Wrench | Janet Ellison-Jones | £ 126,784.32 | Economic Development |
| C1456 | Non-Commissioned Providers - Reto Care Limited | Active | 01/04/2022 | 02/09/2023 | Emma Eardley | Louise Fenn | £ 124,494.00 | Adults Commissioning |
| C1209 | Handforth Garden Village, Groundwater Investigations works - Lot 8 | Active | 23/05/2022 | 22/05/2023 | Robert Edwards | Janet Ellison-Jones | £ 119,533.00 | Economic Development |
| C1322 | Short Stay CCG Beds | Expired | 01/04/2022 | 30/09/2022 | Elizabeth Hopper | Louise Fenn | £ 114,400.00 | Adults Commissioning |
| C1101 | P457 Adults Childrens & Public Health Programme Consultant (ACPH) | Active | 01/04/2022 | 31/03/2023 | Gwyn Arrowsmith | Janet Ellison-Jones | £ 109,250.00 | ICT Strategy |
| C1081 | P448 Creative communication project and campaign services for CEC Supplier B | Active | 01/04/2022 | 31/03/2024 | Lauren Kelly | Michael Lees | £ 100,000.00 | Business Change |
| C1080 | P447 Creative communication project and campaign services for CEC Supplier A | Active | 01/04/2022 | 31/03/2024 | Lauren Kelly | Michael Lees | £ 100,000.00 | Business Change |
| C0979 | 214 Refreshment and Childrens Libraries | Active | 01/09/2022 | 01/11/2023 | Paul Goodwin | Steve Mellor | £ 100,000.00 | Integrated Services |
| C1432 | P475 Cheshire Councils - Unit4 ERP Report Optimisation Review | Active | 01/09/2022 | 28/02/2023 | Paul Goodwin | Janet Ellison-Jones | £ 99,900.00 | Financial Support and Procurement |
| C1327 | Short Stay CCG Beds | Expired | 01/04/2022 | 30/09/2022 | Elizabeth Hopper | Louise Fenn | £ 98,800.00 | Adults Commissioning |
| C1281 | Contract for System Resilience Beds - Short Stay in Care Homes | Expired | 01/04/2022 | 30/09/2022 | Elizabeth Hopper | Louise Fenn | £ 97,500.00 | Integrated Commissioning |
| C1100 | P456 Adults Childrens & Public Health Project Consultant (ACPH) | Active | 01/04/2022 | 31/03/2023 | Gwyn Arrowsmith | Janet Ellison-Jones | £ 97,500.00 | ICT Strategy |
| C1086 | RFD Self Service Kiosks and Security Gates | Active | 01/04/2022 | 31/03/2025 | Joanne Shannon | Michael Ashworth | £ 96,233.98 | Neighbourhood Services |
| C1336 | Adult Respite Support and Day Services | Active | 01/07/2022 | 30/11/2023 | Elizabeth Hopper | Sharif Danesh | £ 96,014.28 | Integrated Commissioning |
| C1151 | TTC Programme - LFT Home Testing Kits | Expired | 04/04/2022 | 30/04/2022 | Lucie Robinson | Sharif Danesh | £ 87,000.00 | Public Health |
| C1010 | Choice Based Letting System | Active | 01/08/2022 | 31/07/2024 | Nick Abbott | Michael Ashworth | £ 84,000.00 | Housing |
| C1483 | E Payslips Software Solution | Active | 30/09/2022 | 30/09/2026 | Rebecca Danby | Michael Ashworth | £ 82,656.00 | Human Resources |
| C1045 | P438 Research study - Covid 19 effects | Active | 09/05/2022 | 07/04/2023 | Katy Ellison | Michael Ashworth | £ 79,995.00 | Financial Support and Procurement |
| C1025 | Tre Management Software | Active | 16/06/2022 | 16/06/2024 | Elton Watson | Michael Ashworth | £ 75,855.00 | ICT Services |
| C1215 | Mental Health Assessors (DOLS) - 6. Super support service Limited | Active | 01/04/2022 | 31/03/2023 | Tom Cox | Louise Fenn | £ 75,000.00 | Adult Safeguarding |
| C1211 | Mental Health Assessors (DOLS) - 3. All & Co Limited | Active | 01/04/2022 | 31/03/2023 | Tom Cox | Louise Fenn | £ 75,000.00 | Adult Safeguarding |
| C1214 | Mental Health Assessors (DOLS) - 5. Farshkam Ltd | Active | 01/04/2022 | 31/03/2023 | Tom Cox | Louise Fenn | £ 75,000.00 | Adult Safeguarding |
| C1270 | Mental Health Assessors (DOLS) - 7. Dr Min Latt | Active | 01/04/2022 | 31/03/2023 | Tom Cox | Louise Fenn | £ 75,000.00 | Adult Safeguarding |
| C1169 | Mental Health Assessors (DOLS) - 1. Psychiatry Medicolegal Service Limited | Active | 01/04/2022 | 31/03/2023 | Tom Cox | Louise Fenn | £ 75,000.00 | Adult Safeguarding |
| C1454 | Non-Commissioned Providers - Lantern Care Services | Active | 01/04/2022 | 02/09/2023 | Emma Eardley | Louise Fenn | £ 69,826.95 | Adults Commissioning |
| C1453 | Non-Commissioned Providers - Absolute Angels | Active | 01/04/2022 | 02/09/2023 | Emma Eardley | Louise Fenn | £ 66,915.00 | Adults Commissioning |
| C1484 | Asbury Marsh | Active | 25/08/2022 | 24/08/2023 | Karen Whitehead | Emma Harris | £ 65,143.29 | Housing |
| C1457 | Non-Commissioned Providers - Right at Home North Cheshire and Leigh | Active | 01/04/2022 | 02/09/2023 | Emma Eardley | Louise Fenn | £ 64,500.00 | Adults Commissioning |
| C1459 | Non-Commissioned Providers - Right at Home Stockport & Didsbury | Active | 01/04/2022 | 02/09/2023 | Emma Eardley | Louise Fenn | £ 64,422.85 | Adults Commissioning |
| C1146 | P466 Email and Identity Management Architecture Service | Expired - Still Active | 07/04/2022 | 30/09/2022 | Chris Weedall | Janet Ellison-Jones | £ 62,400.00 | ICT Services |
| C1317 | W1349 Zero trust network configuration technical counsellor | Active | 29/07/2022 | 29/10/2023 | Paul Chadwick | Janet Ellison-Jones | £ 61,625.00 | ICT Strategy |
| C1155 | Community Infrastructure Solution | Active | 12/05/2022 | 20/06/2025 | Simon Hagan | Simon Hagan | £ 60,000.00 | Strategic Planning |
| C1011 | Data Cabling | Active | 13/06/2022 | 12/06/2023 | Marlin Potts | Michael Ashworth | £ 60,000.00 | ICT Services |
| C1136 | P465 Cheshire East Business Case and Funding Bid Development Services | Active | 27/05/2022 | 31/03/2023 | Carwyn Evans | Janet Ellison-Jones | £ 58,545.00 | Economic Development |
| C1458 | Non-Commissioned Providers - Right at Home South Cheshire | Active | 01/04/2022 | 02/09/2023 | Emma Eardley | Louise Fenn | £ 54,728.40 | Adults Commissioning |
| C1285 | Contract for System Resilience Beds - Short Stay in Care Homes | Expired | 01/04/2022 | 30/09/2022 | Elizabeth Hopper | Louise Fenn | £ 53,820.00 | Integrated Commissioning |
| C1451 | Non-Commissioned Providers - Home Instead - Northwich | Active | 01/04/2022 | 02/09/2023 | Emma Eardley | Louise Fenn | £ 53,197.50 | Adults Commissioning |
| C1132 | Council Tax Exemption/ Ukrainian sponsor/Fraud Protection | Active | 12/05/2022 | 12/04/2023 | Nova Pointon | Michael Ashworth | £ 51,822.00 | ICT Strategy |
| C1041 | Insurance Claims Database | | | | | | | |

| | | | | | | | | | |
|-------|---|---------|------------|------------|------------------------|---------------------|---|-----------|---------------------------------------|
| C1369 | NHS Health Checks, Tudor Surgery | Active | 01/04/2022 | 31/03/2025 | Kelly Brighthouse | Tracy Roberts | £ | 40,000.00 | Public Health |
| C1367 | NHS Health Checks, Rope Green Medical Centre | Active | 01/04/2022 | 31/03/2025 | Kelly Brighthouse | Tracy Roberts | £ | 40,000.00 | Public Health |
| C1349 | NHS Health Checks, Haslington Health Centre | Active | 01/04/2022 | 31/03/2025 | Kelly Brighthouse | Tracy Roberts | £ | 40,000.00 | Public Health |
| C1366 | NHS Health Checks, Redesmoor Medical Centre | Active | 01/04/2022 | 31/03/2025 | Kelly Brighthouse | Tracy Roberts | £ | 40,000.00 | Public Health |
| C1253 | P467 Review of Traded Services to Schools | Active | 01/08/2022 | 30/12/2022 | Heather Grove | Janet Ellison-Jones | £ | 40,000.00 | Financial Support and Procurement |
| C1424 | Locum Educational Psychologists | Active | 19/05/2022 | 01/09/2026 | Alexandria Brightmore | Janet Ellison-Jones | £ | 40,000.00 | Adult Safeguarding |
| C1338 | NHS Health Checks, Ashfields Primary Care Centre | Active | 01/04/2022 | 31/03/2025 | Kelly Brighthouse | Tracy Roberts | £ | 40,000.00 | Public Health |
| C1341 | NHS Health Checks, Burnbury Medical Practice | Active | 01/04/2022 | 31/03/2025 | Kelly Brighthouse | Tracy Roberts | £ | 40,000.00 | Public Health |
| C1222 | Best Interests Assessors DOLS 2 | Active | 01/04/2022 | 31/03/2025 | Tom Cox | Lydia Russell | £ | 38,000.00 | Adult Safeguarding |
| C4445 | Non-Commissioned Providers - Extra Mile Homecare | Active | 01/04/2022 | 02/09/2023 | Joanne Riggs | Michael Ashworth | £ | 36,160.00 | Adults Commissioning |
| C1098 | Library self-serve table sharing solution | Active | 19/08/2022 | 18/08/2025 | Joanna Shannon | Michael Ashworth | £ | 35,000.00 | ICT Strategy |
| C1312 | P471 Borough wide Baseline and options for Carbon | Active | 18/07/2022 | 30/11/2022 | Emma Williams | Michael Ashworth | £ | 35,687.00 | Environmental Services |
| C1389 | Locum Educational Psychologists | Active | 05/04/2022 | 01/09/2026 | Alexandria Brightmore | Janet Ellison-Jones | £ | 35,000.00 | Adult Safeguarding |
| C1387 | Locum Educational Psychologists | Active | 12/05/2022 | 01/09/2026 | Alexandria Brightmore | Janet Ellison-Jones | £ | 35,000.00 | Adult Safeguarding |
| C1241 | Broker Fees for Financial Instruments 2022/23 | Active | 01/04/2022 | 31/03/2025 | Paul Goodwin | Lydia Russell | £ | 35,000.00 | Financial Support and Procurement |
| C1239 | Next Generation Firewall Credit | Active | 25/09/2022 | 24/09/2023 | Wes Cook | Janet Ellison-Jones | £ | 33,074.81 | ICT Services |
| C1238 | P468 Delivery of promotional activity & assets to support the council's capablc | Active | 26/05/2022 | 31/12/2022 | Rhannon Hilton | Janet Ellison-Jones | £ | 32,400.00 | Economic Development |
| C1140 | P424 4026 Tattondale Home Farm Top Yard | Active | 01/09/2022 | 31/12/2022 | Ian Barlow | Michael Ashworth | £ | 31,500.00 | Financial Support and Procurement |
| C1440 | Non-Commissioned Providers - Carefound Home Care (Winslow) | Active | 01/04/2022 | 02/09/2023 | Emma Eardley | Louise Fenn | £ | 31,473.45 | Adults Commissioning |
| C1269 | Disability Adaptation Works SR2001525 | Active | 26/05/2022 | 25/05/2023 | Karen Whitehead | Emma Harris | £ | 30,324.27 | Housing |
| C1164 | P460 Cheshire East Children and Families Travel Support Review | Expired | 11/04/2022 | 29/07/2022 | Gill Betton | Michael Lees | £ | 30,000.00 | Financial Support and Procurement |
| C1468 | Locum Educational Psychologists | Active | 24/05/2022 | 01/09/2026 | Alexandria Brightmore | Janet Ellison-Jones | £ | 30,000.00 | Adult Safeguarding |
| C1165 | P462 Fog Inspections | Active | 05/05/2022 | 31/03/2023 | Sarah Sutton | Michael Lees | £ | 29,982.73 | Environmental Services |
| C1460 | Non-Commissioned Providers - SimplyHelpingSeniors Limited | Active | 01/04/2022 | 02/09/2023 | Emma Eardley | Louise Fenn | £ | 29,274.55 | Adults Commissioning |
| C1027 | Oracle Program Technical Support Services | Active | 20/05/2022 | 19/05/2023 | Martin Potts | Simon Hagan | £ | 28,496.24 | ICT Strategy |
| C1570 | External wall insulation SR2002617 | Active | 04/10/2022 | 04/10/2023 | Karen Whitehead | Steve Mellor | £ | 27,320.00 | Housing |
| C1409 | Storage heaters SR2002394 | Active | 16/06/2022 | 31/03/2023 | Karen Whitehead | Steve Mellor | £ | 26,631.20 | Housing |
| C1163 | P459 IT Sharepoint Programme 2022-23 | Active | 01/04/2022 | 31/03/2023 | Joelle Murphy | Michael Lees | £ | 25,300.00 | ICT Services |
| C1221 | Best Interests Assessors DOLS 1 | Active | 01/04/2022 | 31/03/2023 | Tom Cox | Lydia Russell | £ | 25,000.00 | Adult Safeguarding |
| C1149 | Maintenance & Repairs of Catering Equipment - fridge/freezers (lot2) | Active | 01/08/2022 | 31/07/2025 | Diane Clorley | Tracy Roberts | £ | 25,000.00 | Education Infrastructure and Outcomes |
| C1555 | Lifelong Learning 2021 | Active | 01/08/2022 | 31/07/2023 | Giles Sowden | Tracy Roberts | £ | 24,930.00 | Education Infrastructure and Outcomes |
| C1428 | P473 Playing Pitch & Outdoor Sport Strategy (IPOSS) | Active | 22/08/2022 | 30/09/2023 | Giles Sowden | Janet Ellison-Jones | £ | 24,786.00 | Neighbourhood Services |
| C1556 | Lifelong Learning 2021 | Active | 01/08/2022 | 31/07/2023 | Giles Sowden | Tracy Roberts | £ | 24,000.00 | Education Infrastructure and Outcomes |
| C1557 | Lifelong Learning 2021 | Active | 01/08/2022 | 31/07/2023 | Giles Sowden | Tracy Roberts | £ | 23,651.00 | Education Infrastructure and Outcomes |
| C1265 | Resurfacing of Outdoor Learning Environment at Oakenclough Children's Centre 2 | Expired | 04/07/2022 | 04/08/2022 | Adam Hindhaugh | Lydia Russell | £ | 23,520.00 | Early Help and Prevention |
| C1444 | Non-Commissioned Providers - Compassionate Healthcare Ltd | Active | 01/04/2022 | 02/09/2023 | Emma Eardley | Louise Fenn | £ | 23,170.00 | Adults Commissioning |
| C1423 | To design, supply and install Christmas decorations for Tatton park Mansion house | Active | 08/08/2022 | 01/01/2023 | Carolyn Latham | Sharif Danesh | £ | 22,500.00 | Culture and Tourism |
| C1280 | Contract for System Resilience Beds - Short Stay in Care Homes | Expired | 01/04/2022 | 30/09/2022 | Elizabeth Hopper | Louise Fenn | £ | 22,100.00 | Integrated Commissioning |
| C1569 | Test and Trace | Active | 01/05/2022 | 31/10/2022 | Lucie Robison | Emma Harris | £ | 22,056.58 | Public Health |
| C1500 | ITCE Behaviourally Optimised Autumn/Winter Campaign | Active | 01/08/2022 | 31/10/2022 | Clare Sturt | Lydia Russell | £ | 21,687.50 | Public Health |
| C1554 | Lifelong Learning 2021 | Active | 01/08/2022 | 31/07/2023 | Giles Sowden | Tracy Roberts | £ | 20,915.00 | Education Infrastructure and Outcomes |
| C1008 | Hypervisor Licences | Active | 01/09/2022 | 31/08/2023 | Martin Potts | Michael Ashworth | £ | 20,774.62 | ICT Services |
| C1229 | Oaktree childrens centre renovation | Expired | 03/05/2022 | 10/05/2022 | Adam Bailey | Lydia Russell | £ | 20,060.00 | Children's Commissioning |
| C1400 | Practical English Education | Expired | 01/08/2022 | 12/09/2022 | Muktadir Khan | Sharif Danesh | £ | 19,560.00 | Communities |
| C0841 | Education Infrastructure and Outcomes Lifelong Learning | Active | 01/07/2022 | 01/07/2026 | Christophers Rowland | Simon Hagan | £ | 19,270.00 | Inclusion |
| C1315 | Live Licences | Active | 04/10/2022 | 03/10/2023 | Martin Potts | Lydia Russell | £ | 18,709.18 | ICT Services |
| C1249 | Resurfacing of outdoor area at Oakenclough Children's Centre | Expired | 25/07/2022 | 08/09/2022 | Adam Hindhaugh | Katie Griffin | £ | 18,494.72 | Cared for Children and Care Leavers |
| C1377 | Funding and policy information portals | Active | 01/10/2022 | 01/10/2025 | Dan Coyne | Janet Ellison-Jones | £ | 18,015.00 | Communities |
| C1334 | Organisational Redesign Workshop | Expired | 11/07/2022 | 14/07/2022 | Valda Williams | Janet Ellison-Jones | £ | 17,800.00 | ICT Strategy |
| C1530 | Copyright Licensing | Active | 01/04/2022 | 31/03/2023 | Michael Moore | Sharif Danesh | £ | 17,550.00 | Business Change |
| C1147 | P463 School Dev Pathway-Professional Development of School Leaders & Teachers | Active | 01/04/2022 | 31/08/2023 | Janet Ellison-Jones | Michael Lees | £ | 17,352.53 | Financial Support and Procurement |
| C1134 | Clerk of Works / NECA Supervisor Services: 2022-23 Lot 5 | Active | 01/04/2022 | 31/03/2023 | Andy Morton | Janet Ellison-Jones | £ | 16,641.30 | Estates |
| C1283 | Contract for System Resilience Beds - Short Stay in Care Homes | Expired | 01/04/2022 | 30/09/2022 | Elizabeth Hopper | Louise Fenn | £ | 16,640.00 | Integrated Commissioning |
| C1250 | Call Pause & Resume adapter for the NICE CX1 system | Active | 01/04/2022 | 31/03/2023 | Lou Jones | Louise Fenn | £ | 16,500.00 | ICT Services |
| C1382 | P469 Urban Design Support | Active | 18/07/2022 | 31/03/2023 | Thomas Evans | Lydia Russell | £ | 16,250.00 | Neighbourhood Services |
| C1318 | Kiosk Hardware and Software Support | Active | 01/04/2022 | 31/03/2023 | Joanne Shannon | Lydia Russell | £ | 15,747.48 | Neighbourhood Services |
| C1461 | Non-Commissioned Providers - Tattenhall Local Care | Active | 01/04/2022 | 02/09/2023 | Emma Eardley | Louise Fenn | £ | 15,661.80 | Adults Commissioning |
| C1051 | Copyright Licence | Active | 01/04/2022 | 31/03/2023 | Michael Moore | Lydia Russell | £ | 15,600.00 | Legal Services |
| C1123 | The supply of cleaning services at properties used by CEC for temp accommodation | Active | 01/04/2022 | 31/03/2023 | David Fenton | Sharif Danesh | £ | 15,000.00 | Housing |
| C1213 | Mental Health Assessors (DOLS) - 4. Kabe Ltd | Active | 01/04/2022 | 31/03/2023 | Tom Cox | Louise Fenn | £ | 15,000.00 | Adult Safeguarding |
| C1150 | TMP PO PPDs / Closures 22-23 | Active | 01/04/2022 | 31/03/2023 | Genni Butler | Sharif Danesh | £ | 15,000.00 | Culture and Tourism |
| C1271 | Flexera AdminStudio Perpetual licence with Silver Support for 3 years | Active | 30/05/2022 | 30/05/2025 | Lou Jones | Lydia Russell | £ | 14,669.58 | ICT Strategy |
| C1495 | Subsidy Contract admin relating to Towns Fund projects | Active | 01/04/2022 | 31/12/2022 | Joe Goodman | Mike Lees | £ | 14,000.00 | Adults Commissioning |
| C1267 | Disability Adaptation Works SR2001230 | Active | 26/05/2022 | 25/05/2023 | Karen Whitehead | Emma Harris | £ | 13,545.99 | Housing |
| C1435 | Non-Commissioned Providers - Aviana Health care | Active | 01/04/2022 | 02/09/2023 | Emma Eardley | Louise Fenn | £ | 13,482.00 | Adults Commissioning |
| C1273 | Firewall & Web Content Filtering Service (Smoothwall) | Active | 08/06/2022 | 07/06/2023 | Martin Potts | Louise Fenn | £ | 13,050.00 | ICT Strategy |
| C1538 | Support for Syrian families | Active | 30/09/2022 | 01/03/2023 | Muktadir Khan | Sharif Danesh | £ | 12,500.00 | Communities |
| C1434 | Non-Commissioned Providers - Anew Young People Services Ltd | Active | 01/04/2022 | 03/09/2023 | Emma Eardley | Louise Fenn | £ | 12,300.00 | Adults Commissioning |
| C1305 | Apprenticeship - Data Technician | Active | 01/05/2022 | 31/08/2023 | Michael Moore | Michael Lees | £ | 12,000.00 | Human Resources |
| C1496 | Crews Arts & Heritage Research | Active | 01/09/2022 | 30/03/2023 | Helen Paton | Sharif Danesh | £ | 12,000.00 | Culture and Tourism |
| C1266 | Covid Recovery Youth Voice project 2022 | Expired | 06/06/2022 | 06/10/2022 | Megan Walley | Sharif Danesh | £ | 11,952.00 | Public Health |
| C1466 | The Dingle Primary School Expansions RIBA 2-3 - Lot 5 Building Surveying Service | Active | 20/07/2022 | 30/03/2023 | Robert Edwards | Janet Ellison-Jones | £ | 11,374.25 | Education Infrastructure and Outcomes |
| C1391 | Locum Educational Psychologists | Active | 12/07/2022 | 31/08/2026 | Alexandria Brightmore | Janet Ellison-Jones | £ | 11,250.00 | Adult Safeguarding |
| C1548 | Carbon showcase film | Expired | 01/09/2022 | 30/09/2022 | Anne Grace | Sharif Danesh | £ | 11,155.00 | Environmental Services |
| C1006 | Mobile Catering Licence from Briererton Heath Local Nature Reserve | Active | 01/04/2022 | 31/03/2023 | Richard Darran | Louise Fenn | £ | 10,600.00 | Culture and Tourism |
| C1407 | Park home insulation SR2003407 | Active | 06/07/2022 | 06/07/2023 | Karen Whitehead | Steve Mellor | £ | 10,015.00 | Housing |
| C1406 | Park home insulation SR2003407 | Active | 06/07/2022 | 06/07/2023 | Karen Whitehead | Steve Mellor | £ | 10,015.00 | Housing |
| C1237 | Learning Disability Conference 2022 | Expired | 20/06/2022 | 20/06/2022 | Mark Hughes | Sharif Danesh | £ | 10,000.00 | Integrated Adult Social Care |
| C1427 | Interpretation Signage Stableyard Tatton Vision Phase 2. | Active | 01/08/2022 | 30/11/2022 | Ian Barlow | Lydia Russell | £ | 10,000.00 | Culture and Tourism |
| C1307 | Structural Consultant | Active | 09/06/2022 | 09/06/2023 | Ian Bunin | Sharif Danesh | £ | 10,000.00 | Strategic Planning |
| C1573 | Completion Link Road Settlement Agreement | Active | 01/04/2022 | 31/03/2023 | Tim Allen | Michael Lees | £ | 10,000.00 | Highways |
| C1501 | Hole Farm Feasibility - Surveys | Active | 08/08/2022 | 11/05/2023 | Karen Carsberg | Janet Ellison-Jones | £ | 9,730.00 | Housing |
| C1245 | Barnfield Farm Central Heating Installation | Active | 01/06/2022 | 31/12/2022 | Lucy Roberts | Lydia Russell | £ | 9,500.00 | Estates |
| C1330 | HWRC Improvements 2022 - Site Investigation - Lot 8 | Active | 04/07/2022 | 28/04/2023 | Tim Allen | Janet Ellison-Jones | £ | 9,441.76 | Environmental Services |
| C1410 | Mural Maccafield Train Station | Expired | 06/06/2022 | 01/09/2022 | Helen Paton | Sharif Danesh | £ | 9,400.00 | Culture and Tourism |
| C1485 | Silk FM Brand Buildout - Foster care advertisement | Active | 22/08/2022 | 23/08/2023 | Shamena Sadiq | Sharif Danesh | £ | 9,360.00 | Cared for Children and Care Leavers |
| C1539 | Alpha Partners | Active | 24/05/2022 | 08/03/2023 | Joanne Riggs | Lydia Russell | £ | 9,101.00 | Human Resources |
| C1160 | Sensory Items | Expired | 05/04/2022 | 30/06/2022 | Zoe Blackwell | Sharif Danesh | £ | 8,812.80 | Cared for Children and Care Leavers |
| C1553 | English Education Practical sessions | Expired | 01/08/2022 | 12/09/2022 | Muktadir Khan | Sharif Danesh | £ | 8,800.00 | Communities |
| C1331 | HWRC Improvements 2022 - QS Services - Lot 3 | Active | 04/07/2022 | 30/09/2024 | Tim Allen | Janet Ellison-Jones | £ | 8,750.00 | Environmental Services |
| C1494 | Chair and Author of a Domestic Homicide Review- consultancy/Review | Active | 01/09/2022 | 31/01/2024 | Richard Christopherson | Lydia Russell | £ | 8,500.00 | Communities |
| C1316 | Play Equipment | Expired | 01/07/2022 | 31/08/2022 | Ian Barlow | Lydia Russell | £ | 8,433.00 | Estates |
| C1589 | Mobberley CE Primary School Expansions RIBA Stage 2-7 - Lot 3 | Active | 24/10/2022 | 30/09/2024 | Wes Cook | Janet Ellison-Jones | £ | 8,248.00 | Education Infrastructure and Outcomes |
| C1049 | Legal Support - Appeal Hearing | Active | 05/04/2022 | 04/04/2023 | Peter Hooley | Lydia Russell | £ | 8,000.00 | Economic Development |
| C1233 | Ornate Tree Guards - Tatton Park | Active | 01/06/2022 | 31/03/2023 | Ian Barlow | Lydia Russell | £ | 8,000.00 | Culture and Tourism |
| C1470 | Locum Educational Psychologists | Expired | 05/07/2022 | 04/09/2022 | Alexandria Brightmore | Janet Ellison-Jones | £ | 8,000.00 | Adult Safeguarding |
| C1384 | Nessus Professional Feed | Active | 20/07/2022 | 19/07/2025 | Martin Potts | N/A | £ | 7,819.00 | ICT Services |
| C1063 | Network Membership Subscription | Active | 01/04/2022 | 31/03/2023 | Giles Weedall | N/A | £ | 7,650.00 | ICT Strategy |
| C0763 | Crews Town Centre Heat Network - Lot 3 QS Services | Active | 13/07/2022 | 29/09/2023 | Robert Edwards | Janet Ellison-Jones | £ | 7,500.00 | Environmental Services |
| C1333 | Mandatory Annual ESFA sub-contracting funding audit | Expired | 01/06/2022 | 31/08/2022 | Giles Sowden | Lydia Russell | £ | 7,500.00 | Education Infrastructure and Outcomes |
| C1058 | Consultancy Services for Definitive Map Modification Order Application | Expired | 07/07/2022 | 30/09/2022 | Genni Butler | Lydia Russell | £ | 7,200.00 | Culture and Tourism |
| C1057 | Consultancy Services for Definitive Map Modification Order Application | Active | 07/07/2022 | 30/01/2023 | Genni Butler | Lydia Russell | £ | 7,200.00 | |

| | | | | | | | | | |
|-------|---|---------|------------|------------|------------------|---------------|---|----------------|---|
| C1184 | Remove Netbackup Instance | Expired | 12/04/2022 | 31/05/2022 | Martin Potts | | £ | 2,300.00 | ICT Services |
| C1392 | Promodag Reports | Active | 26/07/2022 | 25/07/2023 | Martin Potts | N/A | £ | 1,954.65 | ICT Services |
| C1395 | Load Balancer Support | Active | 28/05/2022 | 27/11/2022 | Martin Potts | N/A | £ | 1,768.00 | ICT Services |
| C1053 | CAV Annual support and maintenance | Active | 01/04/2022 | 31/03/2023 | Keith Sutton | N/A | £ | 1,660.35 | ICT Services |
| C0941 | Cross browser testing platform | Active | 16/08/2022 | 15/08/2023 | Lou Jones | N/A | £ | 1,198.00 | ICT Services |
| C1210 | Hardware Support (Bull Escala) | Expired | 14/04/2022 | 14/07/2022 | Martin Potts | | £ | 1,104.00 | ICT Services |
| C1415 | Hardware Support (Bull Escala) | Expired | 18/07/2022 | 17/10/2022 | Martin Potts | | £ | 1,104.00 | ICT Services |
| C1574 | Hardware Support (Bull Escala) | Active | 18/10/2022 | 17/01/2023 | Martin Potts | | £ | 1,104.00 | ICT Services |
| C1421 | Corporate Chat Bot Solution | Active | 01/05/2022 | 30/04/2023 | Lou Jones | N/A | £ | 924.79 | ICT Services |
| C1521 | Nomine Membership & Domain Lease | Active | 01/08/2022 | 31/07/2024 | Lou Jones | N/A | £ | 740.00 | ICT Services |
| C1291 | MapInfo Pro-Maintenance | Active | 01/04/2022 | 31/03/2023 | David Malcolm | N/A | £ | 699.84 | ICT Services |
| C1390 | Fibre Test & Termination | Expired | 13/07/2022 | 12/08/2022 | Martin Potts | | £ | 650.00 | ICT Services |
| C1272 | Mind Mapping Software | Active | 30/07/2022 | 29/07/2023 | Paul Chadwick | N/A | £ | 637.50 | ICT Strategy |
| C1248 | Macclesfield Library Data Point | Expired | 18/05/2022 | 17/06/2022 | Martin Potts | | £ | 575.00 | ICT Services |
| C1489 | Database/Software for Advice & Support Service, client caseload | Active | 31/07/2022 | 30/07/2023 | Karen Porter | N/A | £ | 550.00 | Education Partnership and Pupil Support |
| C1232 | Ellesmere Port Market Data Point | Expired | 03/05/2022 | 10/05/2022 | Martin Potts | | £ | 495.00 | ICT Services |
| C1563 | Red Hat Linux | Active | 16/10/2022 | 15/10/2023 | Martin Potts | | £ | 478.30 | ICT Services |
| C1257 | Fibre Testing | Expired | 24/05/2022 | 13/06/2022 | Martin Potts | | £ | 350.00 | ICT Services |
| C1479 | ICT Technicians Schools - Branded T-Shirts | Expired | 23/08/2022 | 30/08/2022 | Amanda Curtis | | £ | 318.75 | ICT Services |
| C1492 | EHC Hub | Active | 03/08/2022 | 07/08/2023 | Martin Potts | N/A | £ | 230.38 | ICT Services |
| C1375 | Apple Developer Account | Active | 03/08/2022 | 03/08/2023 | Lou Jones | N/A | £ | 65.83 | ICT Services |
| C1565 | Wincip professional licences for PSN Compliance | Active | 13/10/2022 | 12/10/2023 | Amanda Curtis | | £ | 58.74 | ICT Services |
| C1509 | Day Opportunities - East Cheshire Housing | Active | 01/08/2022 | 31/07/2027 | Gerard Buckley | Tracy Roberts | £ | - | Integrated Adult Social Care |
| C1514 | Day Opportunities - SOS Homecare Ltd | Active | 01/08/2022 | 31/07/2027 | Gerard Buckley | Tracy Roberts | £ | - | Integrated Adult Social Care |
| C1515 | Day Opportunities - Time Out Group (North West) | Active | 01/08/2022 | 31/07/2027 | Gerard Buckley | Tracy Roberts | £ | - | Integrated Adult Social Care |
| C1512 | Day Opportunities - Oxygen housing | Active | 01/08/2022 | 31/07/2027 | Gerard Buckley | Tracy Roberts | £ | - | Integrated Adult Social Care |
| C1511 | Day Opportunities - Let's Farm | Active | 01/08/2022 | 31/07/2027 | Gerard Buckley | Tracy Roberts | £ | - | Integrated Adult Social Care |
| C1508 | Day Opportunities - Crossroads Together | Active | 01/08/2022 | 31/07/2027 | Gerard Buckley | Tracy Roberts | £ | - | Integrated Adult Social Care |
| C1504 | Day Opportunities - Always Active | Active | 01/08/2022 | 31/07/2027 | Gerard Buckley | Tracy Roberts | £ | - | Integrated Adult Social Care |
| C1503 | Day Opportunities - 1st Enable Ltd | Active | 01/08/2022 | 31/07/2027 | Gerard Buckley | Tracy Roberts | £ | - | Integrated Adult Social Care |
| C1507 | Day Opportunities - YMCA Crewe | Active | 01/08/2022 | 31/07/2027 | Gerard Buckley | Tracy Roberts | £ | - | Integrated Adult Social Care |
| C1506 | Day Opportunities - Christies Care | Active | 01/08/2022 | 31/07/2027 | Gerard Buckley | Tracy Roberts | £ | - | Integrated Adult Social Care |
| C1513 | Day Opportunities - Pure Innovations Limited | Active | 01/08/2022 | 31/07/2027 | Gerard Buckley | Tracy Roberts | £ | - | Integrated Adult Social Care |
| C1505 | Day Opportunities - Choice Support | Active | 01/08/2022 | 31/07/2027 | Gerard Buckley | Tracy Roberts | £ | - | Integrated Adult Social Care |
| C1510 | Day Opportunities - Hopes & Beams | Active | 01/08/2022 | 31/07/2027 | Gerard Buckley | Tracy Roberts | £ | - | Integrated Adult Social Care |
| C0549 | Cycle to Work Salary Sacrifice Scheme | Active | 01/10/2022 | 31/12/2022 | David Worrall | Michael Lees | £ | - | Human Resources |
| C1473 | DPS Complex Needs - Vision Beyond Autism | Active | 23/07/2022 | 25/11/2023 | Mark Hughes | Sharif Danesh | £ | - | Integrated Commissioning |
| C1474 | DPS Complex Needs - Eternity Care | Active | 03/09/2022 | 25/11/2023 | Mark Hughes | Sharif Danesh | £ | - | Integrated Commissioning |
| C1472 | Sort Code Verification (W1355) | Active | 24/08/2022 | 23/08/2023 | James Horncastle | Simon Hagan | £ | - | Corporate |
| C1469 | Dummy call off to create modification | Active | 01/08/2022 | 30/04/2023 | | Emma Harris | £ | - | Children's Commissioning |
| C1068 | SCE SQL/CIS CPS | Active | 01/06/2022 | 31/05/2025 | Amanda Curtis | Simon Hagan | | | ICT Services |
| C1581 | DPS-AWC_David Lewis | Active | 25/10/2022 | 30/11/2024 | Liz Hopper | Sharif Danesh | | | Integrated Commissioning |
| C0889 | Adlington Footpath No. 10 river erosion reinstatement | Active | 01/09/2022 | 01/02/2023 | Genni Butler | Sharif Danesh | | | Environmental Services |
| Total | | | | | | | £ | 215,704,693.78 | |

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