



# Final Outturn 2023/24

## Corporate Policy Committee

**June 2024**

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:**  
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# Corporate Policy Committee

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# Corporate Policy Committee

## 1. 2023/24 Final Outturn and Commentary

2023/24	Revised Budget (NET)	Outturn	Variance	Forecast Variance FR3	Movement from FR3 to Outturn
	£000	£000	£000	£000	£000
Directorate	846	310	(536)	(263)	(273)
Finance & Customer Services	13,645	12,988	(657)	(190)	(467)
Governance & Compliance Services	10,431	9,509	(922)	(374)	(548)
Communications	690	671	(19)	7	(26)
HR	2,587	2,131	(456)	(350)	(106)
ICT	11,605	9,710	(1,895)	279	(2,174)
Policy & Change	2,055	1,995	(60)	(82)	22
<b>Corporate Services</b>	<b>41,859</b>	<b>37,314</b>	<b>(4,545)</b>	<b>(973)</b>	<b>(3,572)</b>

### Outturn Commentary

Overall Corporate services is reporting an underspend of £4.5m at outturn against a budget of £42m.

Key issues include the saving from the MARs 2023/24 scheme where staff have left, significant vacancy management, reductions in spend and increased income. This is an improvement of £3.6m over the figures reported at the Third Financial Review. A key reason for that variance is ICT expenditure being less than expected.

Key issues include:

#### Corporate (Directorate): -£0.5m underspend

Key issues relate to vacancy management for senior posts -£0.2m; the budgets removed from service areas in Corporate as a result of Mars savings in 2023/24 -£0.3m. The Mars changes were made after third review giving the £0.3m improvement on this line.

#### Finance and Customer Service: -£0.7m underspend

Key issues relate to pressures in Customer Service Centres £0.1m offset by savings through increasing income, vacancy management and additional grants in Revenues and Benefits -£0.7m and Finance and Procurement -£0.1m. The position has improved by £0.5m since the third review from one-off rebates -£0.2m and increased income -£0.3m, both in Finance and Revenues and Benefits.

### **Governance and Compliance: -£0.9m underspend**

Key issues relate to underspends in:

- Audit and Risk -£0.3m from increasing income and vacancy management.
- Democratic and Governance Services -£0.6m from: reduced member allowances (including not paying special responsibility allowances for multiple roles and not applying the pay award); increased registration income and reduced transport spend.

This is a £0.5m improvement from third review as a result of: Registration Services income -£0.15m; prudent forecasting; Civic Office increased income /coroner's service lower spend -£0.1m; and Elections -£0.17m of reduced spend.

### **Human Resources: -£0.5m underspend**

Key issues: lower spending from central training budget and no spend on organisational development budget. The position has improved by £0.1m since third review through further non-essential spend reductions.

### **ICT -£1.9m underspend**

Key issues: savings have been achieved through the Gemini Programme but the impact (alongside CEBERT recruitment restrictions) has resulted in a reassessment of planned projects and delays in commissioned work. This has led to unmet income targets and lower than anticipated contractual spend.

Contract costs within the Shared Service were lower than expected. This was due to lower than budgeted expenditure on the Next Generation Cheshire LAN/WAN and supplier issues leading to the delayed contract renewal of the cloud management solution and lower usage of Bulk SMS services.

The Strategy position reflected areas where contracts came in under budget, partly due to the timing of the Digital contract (which is now a 2024/25 cost), a reduction in replacement hardware kit and lower use of offsite storage.

This is a £2.2m improvement from third review as a result of lower than anticipated contract spend -£1.6m, timing of Digital project costs in year -£0.2m, charging additional staff costs to capital -£0.2m and reduced Gemini project spend -£0.1m.

**Note:** There will be a review focussing on the specific areas where there were major variances to see whether they are a one-off variance, or if there is an underlying budget variance that needs to be addressed in 2024/25. Findings will be reported at the next Corporate Policy Committee meeting.

# Corporate Policy Committee

## 2. Corporate Grants Register

- 2.1 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.
- 2.2 Spending in relation to specific use grants must be in line with the purpose for which it is provided.
- 2.3 **Table 1** provides a detailed listing of all Corporate Policy related grants, their movements between the reporting period and the treatment of the grant.
- 2.4 **Table 2** shows additional specific purpose grant allocations that have been received which are £500,000 or less and are for noting only.
- 2.5 **Table 3** shows additional general use grant allocations that have been received which are £500,000 or less and are for noting only.
- 2.6 **Table 4** shows delegated decisions for additional general use grants previously named within the MTFS.

**Table 1 – CORPORATE GRANTS REGISTER**

Grants 2023/24	Original Budget	Revised Forecast FR3	Final Outturn	Change from Revised Forecast FR3	Treatment of Grant
	2023/24 £000	2023/24 £000	2023/24 £000	2023/24 £000	Notes 2 - 5
<b>CORPORATE POLICY</b>					
<b>Specific Purpose (Held within Services)</b>					
<b>Revenues and Housing Benefits:</b>					
Housing Benefit Subsidy	46,652	53,221	54,186	965	SRE
Discretionary Housing Payments Grant	314	349	349	-0	
Housing Benefit (HB) Award Accuracy Initiative	29	30	30	0	
LADS - VEP (RTI) funding	24	21	21	-0	
LADS - Internet Protocol Access	0	1	0	-1	
New Burdens: Universal Credit, maintenance & natural migration	8	8	8	0	
LADS - New Burdens - Discretionary Housing Payments (DHP)	0	60	60	0	
LADS - New Burdens - Benefit Cap	0	1	1	0	
LADS - New Burdens - Welfare Reform Changes (S4/2022)	62	0	0	0	
LADS - New Burdens - Single Fraud Investigation	0	1	1	0	
LADS - New Burdens - Single Housing Benefit Extract Automation	5	16	16	-0	
LADS - New Burdens - Changes to Universal Credit Stop Notice	0	1	1	-0	
LADS - New Burdens - Supported & Temporary Accommodation Change Request	2	0	0	0	
LADS - New Burdens - Supported & Temporary Accommodation	5	0	18	18	SRE
Incapacity Benefit Reassessment (S5/2022)	2	0	0	0	
Council Tax Rebate Scheme - New Burdens on Account Payment	0	94	0	-94	
Energy Bills Support Scheme Alternative Funding	0	325	69	-257	
Energy Bills Support Scheme Admin / Staffing costs of administering grant	0	0	69	69	SRE
Energy Bills Support Scheme Admin / Staffing costs of administering grant - carried forward	0	0	-28	-28	
<b>Democratic Services:</b>					
Police and Crime Commissioner's Panel grant	65	65	65	0	
Electoral Integrity Programme - New Burdens (Voter ID)	132	132	225	93	SRE
Electoral Integrity Programme - New Burdens (Postal Votes)	0	8	0	-8	
<b>Policy and Change:</b>					
Funding for Local Authority for Adult Social Care	0	0	10	10	SRE
<b>Human Resources:</b>					
Skills for Care	0	0	5	5	SRE
<b>Total Corporate Policy - Specific Purposes</b>	<b>47,300</b>	<b>54,334</b>	<b>55,105</b>	<b>771</b>	

Grants 2023/24	Original Budget	Revised Forecast FR3	Final Outturn	Change from Revised Forecast FR3	Treatment of Grant
	2023/24 £000	2023/24 £000	2023/24 £000	2023/24 £000	Notes 2 - 5
<b>CORPORATE POLICY</b>					
<b>General Use (Held Corporately)</b>					
Revenue Support Grant	388	388	388	0	
Housing Benefit Administration Subsidy	626	741	741	0	
NNDR Administration Allowance	587	578	578	0	
New Homes Bonus	3,794	3,794	3,794	0	
Services Grant	1,720	1,720	1,720	0	
Council Tax Support Fund	0	521	0	-521	Reserves
Council Tax Support New Burdens	0	25	25	0	
Local Government Transparency Code	0	0	13	13	SRE
Debt Charges (Ministry of Justice)	0	0	40	40	
Business Rates Reliefs Compensation Grant 2023/24	0	21,039	0	-21,039	Reserves
<b>Total Corporate Policy - General Use</b>	<b>7,115</b>	<b>28,807</b>	<b>7,300</b>	<b>-21,507</b>	
<b>TOTAL CORPORATE POLICY</b>	<b>54,415</b>	<b>83,140</b>	<b>62,404</b>	<b>-20,736</b>	

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.



## Table 2 – DECISION DELEGATED TO OFFICERS

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose) £500,000 or less

Committee	Year	Type of Grant	£000	Details
Corporate Policy	2023/24	Energy Bills Support Scheme Admin / Staffing costs of administering grant  (Specific Purpose)	69	This is a new grant from the Department for Energy Security and Net Zero. This is New Burdens funding to recompense the Authority for resource used in the administration of Alternative Fuel payments.
Corporate Policy	2023/24	Funding for Local Authority for Adult Social Care  (Specific Purpose)	10	This is a grant from the Department of Health and Social Care. This grant is primarily related to all the additional work that is required to produce the Client Level Data (CLD) set on a quarterly basis and the proposed changes for the SALT adults social care return. The Business Intelligence team in corporate service has already completed preparatory towards the proposed changes. Cheshire East have been submitting CLD on a voluntary basis over the last 12 months.
Corporate Policy	2023/24	Skills for Care  (Specific Purpose)	5	This is a new grant from the Workforce Development Fund (WDF). It consists of funding from the Department of Health and Social Care (DHSC) disseminated by Skills for Care. It aims to ensure that care staff have the appropriate skills and qualifications for their roles.
<b>Total Specific Purpose Allocations less than £500,000</b>			<b>84</b>	

### Table 3 – DECISION DELEGATED TO OFFICERS

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (General Use) £500,000 or less

Committee	Year	Type of Grant	£000	Details
Corporate Policy	2023/24	Local Government Transparency Code  (General Use)	13	This grant is from the Department for Levelling Up, Housing and Communities. New burdens in relation to the Council's obligation to publish information in line with the Government's Transparency Code 2014. This grant has been received since the requirements came into effect but has not been allocated to Compliance and Customer Relations.
Corporate Policy	2024/25	Electoral Integrity New Burdens  (General Use)	26	Grant relates to financial year 2024/25. This grant is from the Department for Levelling Up, Housing and Communities (DLUHC). The purpose of the grant is to provide support to local authorities towards expenditure lawfully incurred or to be incurred by them in the implementation of the Elections Act 2022. The changes are being implemented by the Electoral Services Team and this funding needs to be allocated to the relevant cost code within that service to ensure the changes can be implemented and the requirements of the legislation met.
<b>Total General Use Allocations less than £500,000</b>			<b>39</b>	

## Table 4 – DECISION DELEGATED TO OFFICERS

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose) previously named in the MTFS

Committee	Year	Type of Grant	£000	Details
				On 22 <sup>nd</sup> February 2023 Council delegated authority to the Chief Finance Officer, to approve supplementary estimates if the value of any named grant changes from the figures contained within Appendix C, Annex 7 of the MTFS.
Corporate Policy	2023/24	Housing Benefit Subsidy (Specific Purpose)	965	Increase on MTFS 2023-27 estimate and Financial Review 3 revised forecast. This grant is from the Department for Work and Pensions. Payment of claims administration within Housing Benefits.
Corporate Policy	2023/24	LADS - New Burdens - Supported & Temporary Accommodation (Specific Purpose)	13	Increase on MTFS 2023-27 estimate. This grant is from the Department for Work and Pensions and is intended to meet costs incurred by LAs to undertake a fully desk-based review of their HB stock cases to ensure, where appropriate, the correct supported housing or temporary accommodation marker is recorded.
Corporate Policy	2023/24	Electoral Integrity Programme - New Burdens (Voter ID) (Specific Purpose)	93	Increase on MTFS 2023-27 estimate. This grant is from the Department for Levelling-Up, Housing and Communities (DLUHC). The grant is intended to meet the additional costs of the Elections Act which will introduce a suite of measures to improve the integrity of the electoral system - this

Committee	Year	Type of Grant	£000	Details
				will include policies such as requiring photographic identification at polling stations and improvements to accessibility for disabled voters.
<b>Total Delegated Decision Specific Purpose Allocations previously named in the MTFS</b>			<b>1,071</b>	

### 3. Debt Management

	Outstanding	
	Debt £000	Over 6 months old £000
<b>Corporate Policy Committee</b>		
Finance and Customer Services	111	73
Governance and Compliance	20	1
Human Resources	3	-
ICT	184	1
	<b>318</b>	<b>75</b>

Total outstanding debt has increased from £275k at Third Financial Review to £318k at 31<sup>st</sup> March 2024. Debt over 6 months old has increased from £57k to £75k.

## 4. Capital Strategy

Table 1 Capital Programme

Corporate Policy								CAPITAL					
CAPITAL PROGRAMME 2023/24 - 2026/27													
Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Outturn 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Total Forecast Budget 2023-27 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
<b>Committed Schemes in progress</b>													
<b>ICT Services</b>													
Care Act Phase 2	6,314	4,130	469	1,715	0	0	2,184	0	0	0	0	2,184	2,184
Digital Customer - Delivery Programme Phase 1	252	129	123	0	0	0	123	0	0	0	0	123	123
Digital Customer Enablement	2,872	1,010	1,414	448	0	0	1,862	0	0	0	0	1,862	1,862
ICT Device Replacement	1,912	453	230	1,229	0	0	1,459	0	0	459	0	1,000	1,459
IADM (Information Assurance and Data Management)	19,465	15,183	1,238	1,644	1,400	0	4,282	0	0	0	0	4,282	4,282
Infrastructure Investment Programme (IIP)	36,326	30,068	997	2,627	1,804	830	6,258	0	0	0	0	6,258	6,258
Unified Communications Project	1,251	1,008	243	0	0	0	243	0	0	0	0	243	243
Vendor Management	1,006	743	21	241	0	0	263	0	0	0	0	263	263
<b>Finance &amp; Customer Services</b>													
Core Financials	11,317	8,813	552	957	698	297	2,504	0	0	0	0	2,504	2,504
Strategic Capital Projects	17,278	8,578	176	4,827	2,300	1,397	8,700	0	0	0	0	8,700	8,700
Vendor Management - Phase 2	320	19	5	0	296	0	301	0	0	0	0	301	301
<b>Total Committed Schemes</b>	<b>98,313</b>	<b>70,134</b>	<b>5,468</b>	<b>13,689</b>	<b>6,498</b>	<b>2,524</b>	<b>28,179</b>	<b>0</b>	<b>0</b>	<b>459</b>	<b>0</b>	<b>27,720</b>	<b>28,179</b>
<b>New Schemes</b>													
<b>ICT Services</b>													
ICT Hybrid Model	1,553	0	445	1,108	0	0	1,553	0	0	0	0	1,553	1,553
<b>Total New Schemes</b>	<b>0</b>	<b>0</b>	<b>445</b>	<b>1,108</b>	<b>0</b>	<b>0</b>	<b>1,553</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,553</b>	<b>1,553</b>
<b>Total Corporate Policy</b>	<b>98,313</b>	<b>70,134</b>	<b>5,913</b>	<b>14,797</b>	<b>6,498</b>	<b>2,524</b>	<b>29,731</b>	<b>0</b>	<b>0</b>	<b>459</b>	<b>0</b>	<b>29,272</b>	<b>29,731</b>

**Table 2 Delegated Decision - Supplementary Capital Estimates (SCEs) and Capital Budget Virements**

Committee / Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Capital Budget Virements that have been made up to £500,000</b>		
<b>ICT</b>		
Digital Customer - Delivery Programme Phase 1	2,000	Virement from the Digital Customer Enablement project to cover in-year expenditure as there was insufficient budget to cover all the costs. The scheme is now complete.
Unified Communications Project	44,955	Virement from the Infrastructure Investment Programme (IIP) to cover in-year expenditure as there was insufficient budget to cover all the costs. The scheme is now complete.
<b>Total Capital Budget Virements Approved</b>		<b>46,955</b>
<b>Total Supplementary Capital Estimates and Virements</b>		<b>46,955</b>

## 5. Reserves Strategy

### Corporate Policy Committee

Name of Reserve	Opening Balance 1 April 2023 £000	Forecast Movement in Reserves 2023/24 £000	Forecast Closing Balance 31 March 2024 £000	Notes
<b><u>Directorate</u></b>				
Corporate Directorate	1,356	(192)	1,164	To support a number of widespread projects within the Corporate Directorate.
<b><u>Finance and Customer Services</u></b>				
Collection Fund Management	17,819	(9,665)	8,154	To manage cash flow implications as part of the Business Rates Retention Scheme. Includes liabilities that will not be paid until future years.
Capital Financing Reserve	12,886	(8,355)	4,531	To provide for financing of capital schemes, other projects and initiatives.
MTFS Reserve	5,147	(2,234)	2,913	To support the financial strategy and risk management.
Section 151 Revenue Grants	558	(544)	14	Unspent specific use grant carried forward into 2023/24.
<b><u>Governance and Compliance</u></b>				
Insurance Reserve - Cheshire County Fund	4,976	(1,877)	3,099	To settle insurance claims and manage excess costs. To be reviewed by service, but reserve cannot be given up.
Elections General	640	(508)	132	To provide funds for Election costs every 4 years.
Brexit Funding	13	0	13	To be reviewed.
<b><u>Human Resources</u></b>				
HR (CARE4CE Review, Culture Change, Pay realignment, Learning Mgt System)	59	0	59	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)	306	(252)	54	This scheme has now come to an end and the balance can be returned to General Fund.
<b><u>Policy and Change</u></b>				
Brighter Future Transformation Programme	1,789	(1,299)	490	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.
<b><u>ICT</u></b>				
Digital Solutions Architect	0	150	150	To fund a role for the Digital Customer Enablement programme and will be key to realising the cost savings and efficiencies across the Council from the deployment of a number of digital initiatives.
<b>CORPORATE POLICY TOTAL</b>	<b>45,549</b>	<b>(24,776)</b>	<b>20,773</b>	