

OPEN

## **Finance Sub Committee**

**10 September 2025**

### **Enterprise Cheshire and Warrington 2025/26 Quarter 1 Financial Update**

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**Report of: Executive Director of Resources, Section 151 Officer**

**Report Reference No: FSC/10/25-26**

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

**For Scrutiny**

#### **Purpose of Report**

- 1 The purpose of the report is to enable the Finance Sub-Committee, as the Council's shareholder representative of wholly and partly owned companies, to review the in-year financial performance of Enterprise Cheshire & Warrington (ECW), a company jointly owned with Cheshire West & Chester and Warrington Borough Councils.
- 2 This aligns with the Council's priority of being "An open and enabling organisation".

#### **Executive Summary**

- 3 The in-year financial performance report for ECW is attached as Appendix 1. The report format has been updated following the comments made last time to consider outturn forecasts.
- 4 In summary, the ECW group is forecasting a surplus of £0.1m for the financial year based on Quarter 1 information.
- 5 ECW is largely funded by various Government initiatives – be it specific programmes, or the retention of business rates through the Enterprise Zones – whereas its Marketing Cheshire arm has more of a commercial nature.
- 6 The Cheshire and Warrington Joint Committee is the principal governance body, as regards receiving reports from ECW, and making decisions with regard to its activities. However as Accountable Body for

ECW, on behalf of the three local authorities, it is important that Finance Sub-Committee also maintains an awareness of the financial affairs of the company, going forward.

- 7 The format, content and frequency of such reports to Finance Sub-Committee will be reviewed and developed in the future, as the company aligns further to CIPFA best practice and local authority reporting standards.

#### RECOMMENDATIONS

Finance Sub-Committee is recommended to:

1. Note the information provided in the in-year financial review for Enterprise Cheshire & Warrington.

#### Background

- 8 In August 2023 the Government confirmed that the functions carried out by local enterprise partnerships would become the responsibility of local authorities by April 2024. As a result, for our area, the responsibility for Government-funded strategic economic development activity transferred to the sub-region of Cheshire East, Cheshire West & Chester, and Warrington Borough Councils.
- 9 ECW Ltd was created as a company where ownership is shared equally between the three councils; it provides continuity as regards the ongoing management and delivery of pre-existing programmes, and is also enabled to act, as determined by the three councils – via the Cheshire and Warrington Joint Committee – and deliver new programmes to support economic growth.
- 10 As part of the transfer it was agreed that the Cheshire East Council would continue to act as Accountable Body, on behalf of the sub-region. In this capacity, Finance Sub-Committee will receive in-year financial management reports in broadly the same frequency as the Council's own Financial Review reports, going forward.
- 11 The attached report is produced by ECW using their own systems. It represents the position at the end of Quarter 1 and provides a forecast for the financial year.
- 12 Cheshire East Council remains the Accountable Body for any funding streams provided by Government to the sub-region of Cheshire and Warrington. CEC has details of that funding, along with capital and revenue funds held on behalf of ECW.

- 13 The report includes details of both ECW and its commercial arm, Marketing Cheshire.
- 14 The key observations are:
- (a) The combined financial position across the ECW group has resulted in a forecast surplus of £65,441 based on Quarter 1. This is compared to a budgeted surplus of £62,254.
  - (b) Within that figure, Marketing Cheshire is reporting a forecast surplus of £16,741, compared to a budgeted deficit position of £33,259.

### **Consultation and Engagement**

- 15 The report has been produced and signed off by ECW and reviewed by CEC Finance.

### **Reasons for Recommendations**

- 16 The report has been requested as part of the creation of ECW and supports being an effective and enabling Council.

### **Other Options Considered**

- 17 This is a requested report to link in with in-year reporting on Council services.

### **Implications and Comments**

#### *Monitoring Officer/Legal/Governance*

- 18 Following the government's decision to transfer the Local Enterprise Partnership functions directly to local authorities, the Cheshire and Warrington Joint Committee has been created and its terms of reference include the governance of the newly formed ECW Ltd. ECW is a company jointly owned by all three local authorities. Cheshire East Council remains the accountable body for the funding received into the sub region. The Finance Sub Committee is being asked to review the in year financial position for ECW in its capacity as shareholder representative and given Cheshire East's accountable body status.
- 19 The operation of both the Joint Committee and ECW Ltd are in their early stages and this report also commits to a continuing review of the format, frequency and content of reports to the Committee. An ongoing review of the governance processes of both the Joint Committee and ECW Ltd (including Marketing Cheshire) would also be prudent to ensure they remain legally compliant following the structural changes that have taken place.

### *Section 151 Officer/Finance*

- 20 The report sets out the in-year financial position for ECW.
- 21 The in-year report has been produced by ECW.
- 22 Cheshire East Council acts as the Accountable Body for Government funds passed to ECW and holds funds on its behalf.
- 23 Cheshire East Council's revenue budget includes an annual subscription to ECW of £31,250, and also income, with regard to support service fees, in relation to the Accountable Body role.
- 24 Core funding for ECW of £234,000 has been removed by the Government from 2025/26.

### *Human Resources*

- 25 There are no Human Resources Implications.

### *Risk Management*

- 26 Financial risks are assessed and reported on a regular basis, and remedial action taken if required

### *Impact on other Committees*

- 27 There are no direct impacts on other Communities.

### *Policy*

- 28 This report is a forecast for ECW activities.

<b>Commitment 3: An effective and enabling council</b>
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### *Equality, Diversity and Inclusion*

- 29 There are no Equality, Diversity or Inclusion Implications.

### *Other Implications*

- 30 N/A

## Consultation

Name of Consultee	Post held	Date sent	Date returned
<i>Statutory Officer (or deputy) :</i>			
Ashley Hughes	S151 Officer	August 2025	02/09/25
Kevin O'Keefe	Acting Monitoring Officer	August 2025	Click or tap to enter a date
<i>Legal and Finance</i>			
Chris Benham	Director of Finance	02/09/2025	02/09/25
<b>Access to Information</b>			
Contact Officer:	Chris Benham, Director of Finance (Deputy S151 Officer) <a href="mailto:Chris.Benham@cheshireeast.gov.uk">Chris.Benham@cheshireeast.gov.uk</a>		
Appendices:	Appendix 1 - Enterprise Cheshire and Warrington Quarter 1 2025/26 Financial Overview as at 30 June 2025		
Background Papers:	<a href="#">Link to the CEC report to create ECW</a> at item 86.		