

Appendix 3 Grants

Government Grant Funding of Local Expenditure

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 2016/17 was £304.2m.
2. In 2016/17 Cheshire East Council's specific use grants held within the services was budgeted to be £259.1m based on Government announcements to February 2016. This figure was revised down at the third quarter to £243.6m.
3. The last quarter has seen a further decrease in grant of £0.9m. This is due to a £1.0m reduction in schools related grants as a result of Underwood West Primary School converting to an academy. Housing Benefit Subsidy payments have increased by £0.1m.
4. Spending in relation to specific use grants must be in line with the purpose for which it is provided.
5. Where additional non-ringfenced grant funding is received, services wishing to increase their expenditure budgets are required by Finance Procedure Rules to seek approval to use this additional funding. Additional general purpose grants totalling £67,889 were received during the final quarter of 2016/17. Services are seeking approval to use £42,280 of this additional funding (**Table 1**), and this has been transferred to an earmarked reserve.
6. These grants were received too late in 2016/17 to seek approval to spend in year and therefore this report seeks approval to services requests to incur expenditure of £42,280 in 2017/18, fully funded by the additional grants.
7. Business Rates Tax Loss Compensation grants of £3.0m have also been received during 2016/17 to reimburse billing authorities for the extra discounts offered to businesses as announced in the Autumn Statements. This includes the doubling of Small Business Rate relief for a further year. These grants have been transferred to the Collection Fund Management earmarked reserve.
8. Services general purpose grant was originally budgeted at £45.2m. Net additional grant of £4.7m has been received during the year. £1.5m of additional grant has been allocated to services during the year. After allowing for the transfer of £3.1m to earmarked reserves, the net outturn variance is a £0.1m underspend against budget.
9. **Table 2** below provides a summary of the updated budget position for grants in 2016/17 by type and service. Further details of grants are shown in **Table 3** Corporate Grants Register.

Table 1 – Requests for Allocation of Additional Grant Funding

Service	Type of Grant	£000	Details
Corporate – Customer Operations	Business Rates Revaluation 2017: S31 Grant Reimbursement (General Purpose)	7	This grant is in respect of expenditure already incurred by the Revenues team relating to publicity for NNDR revaluation. It is recompense for the printing & postage of leaflets on behalf of VOA.
Place	Letting Agents Transparency and Redress Schemes (General Purpose)	1	This grant is to fund additional monitoring responsibilities within Strategic Housing in respect of letting agents.
Place	Neighbourhood Planning Grant (General Purpose)	20	The grant is to support costs of Community Neighbourhood Plans.
Place	New Burdens for Brownfield Sites and Payments In Principle Grant (General Purpose)	15	New legislation will require local planning authorities to prepare and maintain registers of previously developed land suitable for housing (brownfield land registers) and allow for the granting of permission in principle for sites allocated for housing-led development. Local planning authorities are receiving new burdens grant payments to fulfil the new requirements.
Total		43	

Table 2 - Summary of Grants

	2016/17 Original Budget	2016/17 Revised Forecast TQR	2016/17 Final Outturn	2016/17 Change
	£m	£m	£m	£m
SPECIFIC USE				
Held within Services	259.1	244.5	243.6	(0.9)
GENERAL PURPOSE				
Central Funding	26.3	26.3	26.3	0.0
<u>Service Funding:</u>				
People - Children and Families	0.2	1.3	1.3	0.0
People - Adult Social Care Health and Communities	0.9	1.2	1.2	0.0
Place	0.8	0.9	1.0	0.1
Corporate – Customer Operations	1.8	1.9	1.9	0.0
Corporate – Chief Operating Officer	15.1	15.1	18.1	3.0
Sub Total	18.8	20.4	23.5	3.1
Total General Purpose	45.1	46.7	49.8	3.1
Total Grant Funding	304.2	291.2	293.4	2.2

Table 3 – Corporate Grants Register

Corporate Grants Register 2016/17		Original Budget	Revised Forecast	Final Outturn	Change from	SRE / Balances
		2016/17	TQR	2016/17	TQR	(Note 2)
	Note	£000	£000	£000	£000	
SPECIFIC USE (Held within Services)						
Schools						
Dedicated Schools Grant	1	146,960	139,552	138,531	(1,021)	
Pupil Premium Grant	1	6,158	5,280	5,255	(25)	
Sixth Forms Grant	1	4,164	4,230	4,230	-	
Total Schools Grant		157,282	149,062	148,016	(1,046)	
Housing Benefit Subsidy		84,518	78,150	78,293	143	
Public Health Funding		17,258	17,258	17,258	-	
TOTAL SPECIFIC USE		259,058	244,470	243,567	(903)	
GENERAL PURPOSE (Held Corporately)						
Central Funding						
Revenue Support Grant		26,340	26,340	26,340	-	
Total Central Funding		26,340	26,340	26,340	-	

Corporate Grants Register 2016/17		Original Budget	Revised Forecast	Final Outturn	Change from	SRE / Balances
			TQR		TQR	(Note 2)
		2016/17	2016/17	2016/17	2016/17	
Note		£000	£000	£000	£000	
People - Children & Families						
	Troubled Families	195	875	875	-	
	Youth Justice (YOT)	-	264	264	-	
	Youth Justice Grant for Junior Attendance Centres	-	35	35	-	
	Staying Put Implementation Grant	-	109	109	-	
	Remand Funding	-	19	19	-	
People - Adult Social Care & Independent Living						
	Independent Living Fund	948	948	948	-	
	Local Reform and Community Voices	-	198	198	-	
	Social Care in Prisons	-	73	73	-	
Place						
	Adult Skills (Lifelong Learning)	749	763	769	6	Balances
	Neighbourhood Planning Grant	-	-	20	20	SRE
	Property Search Fees New Burdens	-	22	19	(3)	Balances
	Extended Rights to Free Transport	-	118	118	-	
	Capacity Support for Self Build & Custom House Building Register	-	6	6	-	
	Lead Local Flood Authorities	-	1	1	-	
	Letting Agents Transparency and Redress Schemes	-	-	1	1	SRE
	Local Authority Custom Build Grant	-	-	15	15	Balances
	New burdens for Brownfield Sites & Payments In Principle	-	-	15	15	SRE
Corporate - Customer Operations						
	Housing Benefit and Council Tax Administration	1,275	1,336	1,336	-	
	NNDR Administration Grant	562	562	562	-	
	Business Rates Revaluation 2017: S31 Grant Reimbursement	-	-	7	7	SRE
	Council Tax Discount for Family Annexes	-	-	11	11	Balances

Corporate Grants Register 2016/17		Original Budget	Revised Forecast	Final Outturn	Change from	SRE / Balances
			TQR		TQR	(Note 2)
		2016/17	2016/17	2016/17	2016/17	
Note		£000	£000	£000	£000	
Corporate - Chief Operating Officer						
New Homes Bonus 2011/12		870	870	870	-	
New Homes Bonus 2012/13		1,844	1,844	1,844	-	
New Homes Bonus 2013/14		1,037	1,037	1,037	-	
New Homes Bonus 2014/15		1,356	1,356	1,356	-	
New Homes Bonus 2015/16		1,200	1,200	1,200	-	
New Homes Bonus 2016/17		2,444	2,444	2,445	1	Balances
New Homes Bonus 2017/18		-	-	-	-	
Affordable Homes 2012/13		85	85	85	-	
Affordable Homes 2013/14		82	82	82	-	
Affordable Homes 2015/16		63	63	63	-	
Affordable Homes 2016/17		222	222	222	-	
New Homes Bonus Returned Funding Grant 2016/17		-	90	90	-	
New Homes Bonus ESTIMATED OVERALL REDUCTION		-	-	-	-	
Education Services Grant		2,920	2,689	2,678	(11)	Balances
Transitional Funding		2,973	2,973	2,973	-	
Electoral Register Transfer Programme Resource Grant 2016/17		-	58	58	-	
Additional Election Funding		-	37	37	-	
Additional Election Funding: N West Deadline Extension Funding		-	9	9	-	
Local Government Transparency Code 2016		-	13	13	-	
Business Rates 2016/17 Tax Loss Compensation Payment		-	-	3,062	3,062	Balances
Total Service Funding		18,825	20,401	23,525	3,124	
TOTAL GENERAL PURPOSE		45,165	46,741	49,865	3,124	
TOTAL GRANT FUNDING		304,223	291,211	293,432	2,221	

Notes

- 1 The Dedicated Schools Grant, Pupil Premium Grant and Sixth Form 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.