

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 2017/18 was £281.3m.
2. In 2017/18 Cheshire East Council's specific use grants held within the services was budgeted to be £251.0m based on Government announcements to February 2017. This figure was revised up to £255.0m by the end of the third quarter.
3. The last quarter has seen a further decrease in grant of £1.0m. This is mainly due to the final Housing Benefit Subsidy grant being less than forecast.
4. Spending in relation to specific use grants must be in line with the purpose for which it is provided.
5. General purpose grants were budgeted to be £30.3m, but further in-year grant announcements have increased this figure to £38.3m.
6. Where additional non ring-fenced 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 £775,571 were received during the final quarter of 2017/18. Services are seeking approval to use £705,614 of this additional funding (**Table 1**), and this has been transferred to an earmarked reserve.
7. These grants were received too late in 2017/18 to seek approval to spend in-year and therefore this report seeks approval to service requests to incur expenditure of £705,614 in 2018/19, fully funded by the additional grants.
8. There is also a service request relating to 2018/19 for Adult Social Care Support Grant which was included in the Medium Term Financial Strategy with in the central budget reserves. This request is to increase the budget expenditure in Adult Social Care by £906,648, reducing the budget in reserves.
9. Business Rates Tax Loss Compensation grants of £6.0m have also been received during 2017/18 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 (SBRR) for a further year and the SBRR Threshold Change Grant. These grants have been transferred to the Collection Fund Management earmarked reserve.
10. Services general purpose grant was originally budgeted at £30.3m. Net additional grant of £8.1m has been received during the year. £1.7m of additional grant has been allocated to services during the year. After allowing for the transfer of £6.7m to earmarked reserves, the net outturn variance is a £0.3m underspend against budget.
11. **Table 2** below provides a summary of the updated budget position for grants in 2017/18 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
People	Controlled Migration Fund – Unaccompanied Asylum Seeking Children Grant (General Purpose)	94	The Unaccompanied Asylum Seeking Children costs experienced by the Council exceed the grant that can be claimed towards their costs. This is intended to help reduce the costs. Without the funding the service will continue to overspend.
People	30 Hours Free Childcare Delivery Support Fund (General Purpose)	90	The 30 hours delivery support fund will provide support to 147 local authorities for work that will directly benefit 30 hours delivery and will create (directly or indirectly) new 30 hours places for the 2018 summer term. Some of these local authorities will receive additional support outside of the delivery support fund bid round for a range of projects, including to develop their IT systems.
People	Controlled Migration Fund – Crewe Community Cohesion Grant (General Purpose)	27	Funding has been granted to provide new English for speakers of other languages (ESOL) classes in 4 primary schools for migrant parents, recruitment of 5 part time bi-lingual Community liaison officers to work within schools and help the local community access services, establish home work clubs in 4 primary schools to help mitigate poor performance, and for 1,000 Information Packs to be printed and disseminated to the schools in Crewe as a resource for parents.
People	Tobacco Products Directive and Age of Sale (General Purpose)	5	The introduction of the new regulations in May 2017 added new restrictions on the sale of tobacco products. The funding is being provided to support the implementation of the new restrictions.

Service	Type of Grant	£000	Details
People	Adult Skills (Lifelong Learning) (General Purpose)	131	This grant is used for the provision and development of learning opportunities for adults aged 19+ within the community of Cheshire East. The disbursement of these funds is subject to performance management monitoring processes implemented by Cheshire East Lifelong Learning (CELL) and to confirmation by the Skills Funding Agency (SFA). Any underspend is clawed back by SFA in the following year and cannot be used for other purposes outside of the SFA Funding Rules.
Place	Neighbourhood Planning Grant (General Purpose)	140	The conditions of grant mean that this funding could be used across the wider Spatial Planning area. This level of funding would be intended to support a number of Community Neighbourhood Plans across the borough.
Place	Brownfield Register and Payments In Principle Grant (General Purpose)	6	New legislation requires 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.
Place	Custom Build Land Duty (General Purpose)	30	The funding relates to new responsibilities imposed by the Self-build and Custom Housebuilding Act 2015. The Act requires authorities to keep a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in the authority's area and, unless exempt, to grant sufficient development permissions to meet the demand for self-build and custom housebuilding. The Regulations also mean that by 2019, local authorities in England are responsible for granting planning permission for sufficient shovel ready plots to meet the demand gathered by the Right to Build Registers.

Service	Type of Grant	£000	Details
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	Property Searches New Burdens (General Purpose)	67	Land charges payment being made by the Government towards the ongoing claims made against each LA re the Tinkler and APPS claims.
Corporate	Local Government Transparency Code (General Purpose)	13	New burdens in relation to the Council's obligation to publish information in line with the Government's Transparency Code 2014. The spend will be on staffing and systems development to implement compliance with Transparency Code.
Corporate	Funding the transition to Individual Electoral Registration (General Purpose)	102	The funding is to be used on activities associated with the Individual Electoral Registration (IER) service within the Elections area.
Total Allocation (2017/18)		706	
People - 2018/19	Adult Social Care Support Grant	907	This funding is to support sustainable local care markets. Budget transfer to Adult Social Care required as currently budgeted in central reserves.
Total Transfer (2018/19)		907	

Table 2 - Summary of Grants

	Original Budget	Revised Forecast TQR	Final Outturn	Change
	2017/18 £m	2017/18 £m	2017/18 £m	2017/18 £m
SPECIFIC USE				
Held within Services	251.0	255.0	254.0	-1.0
GENERAL PURPOSE				
Revenue Support Grant	13.4	13.4	13.4	0.0
<u>Service Funding</u>				
People - Childrens & Families	0.9	1.6	1.9	0.3
People - Adult Social Care & Independent Living	2.4	2.7	2.7	0.0
Place	0.0	0.2	0.4	0.2
Corporate - Customer Operations	1.7	1.7	1.8	0.1
Corporate - Chief Operating Officer	11.9	12.4	18.1	5.7
Total Service Funding	16.9	18.6	24.9	6.3
TOTAL GENERAL PURPOSE	30.3	32.0	38.3	6.3
TOTAL GRANT FUNDING	281.3	287.0	292.3	5.3

Table 3 – Corporate Grants Register

Corporate Grants Register 2017/18		Original Budget	Revised Forecast TQR	Final Outturn	Change from TQR	SRE / Balances (Note 2)
	<i>Note</i>	2017/18 £000	2017/18 £000	2017/18 £000	2017/18 £000	
SPECIFIC USE (Held within Services)						
PEOPLE						
Schools	1	156,113	150,121	150,116	-5	
Children & Families		0	514	741	227	
Adult Social Care		0	9,022	9,022	0	
Public Health		16,833	16,833	16,833	0	
Total		172,946	176,490	176,712	222	
PLACE						
Growth and Regeneration		0	1,157	1,157	0	
Planning and Sustainable Development		0	121	121	0	
Directorate		0	787	787	0	
Total		0	2,065	2,065	0	
CORPORATE						
Customer Operations		78,068	76,425	75,165	-1,260	
Total		78,068	76,425	75,165	-1,260	
TOTAL SPECIFIC USE		251,014	254,980	253,942	-1,038	
GENERAL PURPOSE (Held Corporately)						
Central Funding						
Revenue Support Grant		13,415	13,415	13,415	0	
Total Central Funding		13,415	13,415	13,415	0	

Corporate Grants Register 2017/18		Original Budget	Revised Forecast TQR	Final Outturn	Change from TQR	SRE / Balances (Note 2)
	<i>Note</i>	2017/18 £000	2017/18 £000	2017/18 £000	2017/18 £000	
People - Children & Families						
Tackling Troubled Families		110	654	654	0	SRE
Troubled Families - Co-ordinator		85	0	0	0	
Staying Put Implementation Grant		0	113	113	0	SRE
Remand Funding		0	7	7	0	SRE
Adult Skills (Lifelong Learning)		706	706	837	131	SRE
Extended Rights to Free Transport (Home to School Transport)		0	123	124	1	Balances
Controlled Migration Fund - Unaccompanied Asylum Seeking Children		0	0	94	94	SRE
30 Hours Free Childcare Delivery Support Fund		0	0	90	90	SRE
People - Adult Social Care & Independent Living						
Independent Living Fund		917	917	917	0	
Local Reform and Community Voices		0	201	201	0	SRE / Balances
Social Care in Prisons		0	77	77	0	SRE / Balances
War Pension Scheme Disregard		0	64	64	0	SRE
Adult Social Care Support Grant		1,457	1,457	1,457	0	
Controlled Migration Fund - Crewe Community Cohesion		0	0	27	27	SRE
Tobacco Products Directive and Age of Sale Grant - New Burdens		0	0	5	5	SRE
Place						
Brownfield Register & Payments In Principle		0	0	6	6	SRE
Lead Local Flood Authorities		14	14	14	0	
Neighbourhood Planning Grant for Local Planning Authorities		0	60	200	140	SRE
Letting Agents Transparency and Redress Schemes		0	0	1	1	SRE
Homelessness Reduction Act - new burdens		0	49	49	0	SRE
Property Searches New Burdens		0	0	67	67	SRE
Local Authority Custom Build Grant		0	0	30	30	SRE

Corporate Grants Register 2017/18	Original Budget	Revised Forecast TQR	Final Outturn	Change from TQR	SRE / Balances (Note 2)
<i>Note</i>	2017/18 £000	2017/18 £000	2017/18 £000	2017/18 £000	
Corporate - Customer Operations					
Housing Benefit and Council Tax Administration	1,209	1,209	1,209	0	
NNDR Administration Grant	506	506	564	58	Balances
Universal Support Grant	0	62	59	-3	Balances
Business Rates Relief Schemes: Payment of New Burdens 2017/18	0	12	12	0	SRE
Council Tax Discount for Family Annexes	0	0	14	14	Balances
Corporate - Chief Operating Officer					
New Homes Bonus	8,254	8,254	8,254	0	
New Homes Bonus: Returned Funding Grant 2017/18	0	96	96	0	Balances
Education Services Grant	678	641	641	0	Balances
Transitional Funding	2,974	2,974	2,974	0	
Transition to Individual Electoral Registration 2017/18	0	64	64	0	SRE
Transition to Individual Electoral Registration 2017/18 - Additional	0	0	102	102	SRE
Local Government Transparency Code - New Burdens	0	0	13	13	SRE
Business Rates 2017/18 Tax Loss Compensation Payment	0	378	5,957	5,579	Collection Fund Reserve
Total Service Funding	16,910	18,638	24,993	6,355	
TOTAL GENERAL PURPOSE	30,325	32,053	38,408	6,355	
TOTAL GRANT FUNDING	281,339	287,033	292,350	5,317	

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.