

## Council

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<b>Date of Meeting:</b>	22 June 2021
<b>Report Title:</b>	Supplementary Capital and Revenue Estimates
<b>Report of:</b>	Alex Thompson, Director of Finance and Customer Services
<b>Ward(s) Affected:</b>	All

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### 1. Executive Summary

- 1.1. Council is being asked to approve expenditure related to the receipt of nine government grants: Towns Fund; Levelling Up Fund; Covid Support Grant; Holiday Activity Fund; Domestic Abuse Grant, Transport Grant, Future High Streets Fund; Wellbeing for Education Grant; and Staying Put Grant.
- 1.2. The decisions are treated as Supplementary Capital or Revenue Estimates, as the funding associated with these grants will support an increase in the Council's approved budget for 2021/22.
- 1.3. The value of the Towns and Levelling Up Funds are not yet known, so it is recommended that Council delegate the decision to accept and spend the funding. This approach avoids any risk of delay in starting the projects previously identified.
- 1.4. The Covid Support Grant was awarded by the Department of Work and Pensions (DWP) in May, with an initial Grant of £207,170. It is possible that this grant may be extended to cover Summer Holidays, but at the time of this meeting, increased funding levels are not yet known, so it is recommended that Council delegate the decision to accept and spend the funding. This approach avoids any risk of delay in extending the projects previously identified.
- 1.5. The Holiday Activity Fund Grant of £881,340 was awarded in January but split into two payments. The first payment was approved for spending during the Easter Holidays, and Council are now being asked to approve spending for the summer and Christmas activities.

- 1.6. The Domestic Abuse Grant of £680,000 was awarded in April, with the expectation that it supports the Council to comply with implementing the Domestic Abuse Bill.
- 1.7. The Additional Dedicated Home to School and College Transport Grants of £330,970, £257,881, and £26,152.50 were awarded to support the costs of additional transport capacity needed due to social distancing. Further funding may be available dependent on the social distancing review, so it is recommended that Council delegate the decision to accept and spend the funding. This approach avoids any risk of delay in arranging transport for children and young people.
- 1.8. The value of the Future High Streets Fund grant is £14.1m to be invested in a range of regeneration projects in Crewe town centre between 2021/22 and 2023/24. The acceptance of this funding follows a previous Cabinet resolution (Nov 2021) and an officer decision (ODR) relating to the associated delegations from that Cabinet resolution.
- 1.9. The value of the Wellbeing for Education Grant for 2021/22 is £48,163. The grant is awarded to provide support to schools and colleges on mental health and wellbeing.
- 1.10. The value of the Staying Put Grant for 2021/22 is £112,982. The grant is awarded to support young people to continue to live with their former foster carers once they turn 18.

## **2. Recommendations**

### **2.1. That the Council approves:**

- 2.1.1. Delegation of authority to the Executive Director – Place to approve Supplementary Capital and Revenue Estimates up to the value of the Towns Fund grant award, and further delegates authority to incur expenditure in line with the conditions of the Fund.
- 2.1.2. Delegation of authority to the Executive Director – Place to approve a Supplementary Revenue Estimate up to the value of the Levelling Up Fund, and further delegates the authority to incur expenditure in line with the conditions of the Fund
- 2.1.3. A Supplementary Revenue Estimate for £1,088,510 and delegates authority to the Executive Director – Children’s Services to incur expenditure in line with the conditions of the Covid Support Fund and Holiday Activity Fund.
- 2.1.4. A Supplementary Revenue Estimate for £647,000 and delegates authority to the Executive Director – Children’s Services, to incur expenditure in line with the conditions of the Domestic Abuse Fund.
- 2.1.5. A Supplementary Revenue Estimate for £615,003.50 and delegates authority to the Executive Director – Children’s Services to accept further funding from the Additional Dedicated Home to School and

College Transport Grant and to incur expenditure in line with the conditions of the Grant.

- 2.1.6.** A Supplementary Capital Estimate of £14,148,128 and to note that Resolution 53 (3 b-e) from Cabinet of 10 November 2020 delegated authority to the Executive Director Place, in consultation with others, to accept the grant, approve budgets and take all necessary actions to implement the proposals.
- 2.1.7.** A Supplementary Revenue Estimate for £48,163 and delegates authority to the Executive Director – Children’s Services, to incur expenditure in line with the conditions of the Wellbeing for Education Grant.
- 2.1.8.** A Supplementary Revenue Estimate for £112,982 and delegates authority to the Executive Director – Children’s Services, to incur expenditure in line with the conditions of the Staying Put Grant.

### **3. Reasons for Recommendations**

**3.1.** Following the announcement of the £4.8bn Levelling Up Fund at the 2020 Spending review, the Chancellor provided further details on the government’s commitments to the Levelling Up Fund at the 3 March Budget. The fund is open to bids from all local authorities and it will provide a source of capital investment to support local regeneration and transport priorities to support other government programmes such as the Towns Fund.

**3.1.1.** Up to £20m will be made available for individual projects subject to a bid process. Each bid requires the support of the local MP. There is also scope for funds for larger high value transport projects which can be submitted by any bidding Local Transport Authority. In total Cheshire East can put in up to five bids (one for each parliamentary constituency) and an additional transport authority bid.

**3.1.2.** The first round for these bids is 18 June 21, and we expect the second round to be opened later this year with a deadline in the Autumn.

**3.1.3.** Since March, officers have been working with local MPs to identify and agree potential bids

**3.1.4.** It has been agreed with local MPs that the Council will submit one Round 1 bid which relates to the regeneration of Macclesfield town centre. The bid package covers three aligned projects:

i)the transformation of the Council owned Indoor Market into a contemporary market, food court and entertainment space.

ii)the development of a further significant phase of public realm works in Macclesfield with the facilitation of outdoor hospitality as a key design objective.

iii) the remodelling of the Old Sunday School, a Grade II\* landmark building, owned by the Silk Heritage Trust and situated on a prominent site in the town centre.

- 3.1.5.** At the time of writing, the likely date of a decision on successful Levelling Up Funds bids is not known. It is a requirement of the bid that some funds are spent in the current financial year. Delegation to approve a Supplementary Revenue Estimate is therefore sought to allow approval in a timely manner to allow compliance with this requirement.
- 3.2.** The Council is the accountable body for Crewe Town Board, a body established to oversee the regeneration of Crewe. The Crewe Town Board has submitted a bid for the Towns Fund in January 21 for £24.8m. At the time of writing the bid is currently being assessed by the government and the outcome is unknown. Delegations to approve Supplementary Capital and Revenue Estimates are therefore sought to allow approvals in a timely manner to allow compliance with the government's delivery requirements for this funding.
- 3.3.** The funding to Children and Families will support the delivery of the outcomes in the Corporate Plan under our priority to be a council that empowers and cares about people. Children and young people who suffer the greatest inequality in terms of lack of household income will directly benefit from accepting these grants. The Additional Home to School and College Transport grant will support us to continue to ensure safe arrangements are in place for children's transport by funding additional transport capacity needed due to the impact of social distancing. The Wellbeing for Education grant will enable us to support schools and colleges to support the mental health and wellbeing of pupils. The Staying Put Grant will enable us to support young people to continue to live with their former foster carers once they turn 18.
- 3.4.** Following the submission of a Future High Streets funding bid to support a range of regeneration projects in Crewe town centre, the Government has now formally awarded £14.1m towards the cost of their delivery. The projects have been developed with the engagement and support of local stakeholders, including local members, and these align with both the objectives of both the Corporate Plan objectives and the Crewe Town Centre Regeneration Delivery Framework.

#### **4. Other Options Considered**

- 4.1.** The only alternative option would be to refuse to accept the additional revenue support to Children and Families from Central Government which would not be acceptable.
- 4.2.** In terms of the Future High Streets Fund (secured), Towns Fund and Levelling Up Fund (sought), the only alternative would be to decline the grant funding awarded. No other funding sources have been identified for

the projects to be delivered utilising such funding, so they would not be able to proceed. This would have both local and national reputational implications for the Council.

## **5. Background**

- 5.1.** The Covid Support Grant will be distributed in the form of e-vouchers via early years settings, schools, colleges and families who are vulnerable to financial hardship due to the impact of the pandemic as outlined by the DWP in their Letter and terms of Grant dated 12 May.
- 5.2.** The Holiday Activity Fund will be administered via the existing Community Grants Policy. A transparent application process will be advertised on the Council's website with clear terms and conditions of use directly aligned to the terms of grant set out by the DfE Offer Letter of 29 January 2021 and the Plan submitted to government on 14 May. Eligibility for free holiday activity places will be for children who are eligible for Free School Meals which will be checked and verified by our data sharing arrangement with DWP.
- 5.3.** The Domestic Abuse Fund will be allocated against specific conditions of grant, with a focus on the responsibility of the Council to find suitable and safe accommodation and support for victims and their children when they present to the Council's Domestic Abuse Hub or our existing Commissioned Domestic Abuse Partner MyCWA.
- 5.4.** The Home to School and College Transport Grant will be allocated in line with the conditions of the grant as set out in the DfE offer letter dated 20 May 2021. The grant funds additional transport capacity needed due to the impact of social distancing.
- 5.5.** The Future High Streets funding is a s31 grant, subject to acceptance of a Grant Offer Letter and Memorandum of Understanding, which has been determined through a decision delegated by Cabinet to the Executive Director – Place. Ten Council-led town centre projects will be delivered, including four that relate to improved accessibility and permeability, two that relate to in-town living, two that relate to business incubation/co-working space, one that relates to the delivery of a History Centre and one that relates to a Sustainable Energy/Heat Network.
- 5.6.** The Wellbeing for Education Grant will be allocated in line with the conditions of the grant as set out in the DfE offer letter dated 26 May 2021.
- 5.7.** The Staying Put Grant will be allocated in line with the conditions of the grant as set out in the DfE offer letter in March 2021.

## **6. Consultation and Engagement**

- 6.1.** The package bid for Levelling up Fund has been the subject of discussions with the Macclesfield MP, Macclesfield Central Ward members,

Macclesfield Town Council, and the Macclesfield Town Centre Recovery Working Group.

- 6.2.** The business planning process involves engagement with local people and organisations. Local authorities have a statutory duty to consult on their budget with certain stakeholder groups including the Schools Forum and businesses. In addition, the Council chooses to consult with other stakeholder groups. The Council continues to carry out stakeholder analysis to identify the different groups involved in the budget setting process, what information they need from us, the information we currently provide these groups with, and where we can improve our engagement process.
- 6.3.** The development of the projects included with the Crewe Towns Fund bid were selected by Crewe Town Board, in consultation with Cheshire East Council and others, and follows an extensive public consultation and stakeholder engagement programme in late 2020, which also informed the development of a Town Investment Plan, which is a requirement of the Government.
- 6.4.** Consultation on eligibility of the Covid Support Grant and the Holiday Activity Fund has involved extensive conversation with early years settings, schools, colleges and the Voluntary Community and Faith sectors.
- 6.5.** The Domestic Abuse Fund has been set in the context of extensive consultation with the Cheshire Domestic Abuse Partnership which builds on the experience of survivors and their children to determine the strategy for safety and protection of those who suffer Domestic Abuse in Cheshire East.
- 6.6.** Arrangements for additional transport capacity have been put in place in consultation with children, young people, parents, and carers.

The development of the projects to be supported through the Future High Streets Fund have been developed over the last two years, including with Crewe local members and other key stakeholders. Local members - The Economy & Growth Committee and Crewe Town Board will be briefed as the projects are developed and delivered.

- 6.7** Arrangements for the Wellbeing for Education Grant will be put in place in consultation with schools and colleges considering the needs of pupils.

## **7. Implications**

### **7.1. Legal**

- 7.1.1** On enquiry it has been explained to the Legal Team that the purpose of this report is to allow for transparent increases to the amount of the current 2021/22 budget via Supplementary Estimates by the Council. The MTFs approved in February included the Capital and Revenue budgets for 2021/22 but

subsequent grant awards, some urgent in nature, are due to be received by the Council. The recommendations are designed for transparency, so Council is sighted on values, where known, and responsibilities. In all cases the Supplementary Revenue and/or Capital Estimates are restricted by the value of the award and the associated conditions. The values and conditions will be evidenced by the award letters from Central Government in each case. In each case actual spend to be incurred will be reported via the relevant committees. The Council will need to have regard to the provisions of paragraph 3.8 et seq of the Financial Procedure Rules set out in Chapter 3 Part 4 of its Constitution (“FPRs”) when it comes to any budgetary increases; and to the provision of paragraph 6.23 et seq of the FPRs with reference to the acceptance and administration of grant funding. The Council in relation to the Towns Fund monies is called on to act as the accountable body and therefore must act in accordance with the provisions as set out in the paragraph 6.11 of the FPRs.

## **7.2. Finance**

**7.2.1.** Contained within the main body of the report.

## **7.3. Policy**

**7.3.1.** The policy context is the Corporate Plan. Any policy 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.

## **7.4. Equality**

**7.4.1.** The Council needs to ensure that in taking decisions on the Medium-Term Financial Strategy, the Budget and the Corporate Plan, 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. 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.

**7.4.2.** 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.

**7.4.3.** There are positive implications in relation to the protective characteristic age, particularly for children and young people. See paragraph 7.8 below.

## **7.5. Human Resources**

- 7.5.1.** 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.

## **7.6. Risk Management**

- 7.6.1.** 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 2021/22 financial scenario, budget, and reserves strategy.

## **7.7. Rural Communities**

- 7.7.1.** Children and families in rural areas of the Council will directly benefit from receipt of these recommendations as we harness distribution methods through our network of community early years settings, schools, and colleges.
- 7.7.2.** The report provides details of service provision across the borough.

## **7.8. Children and Young People/Cared for Children**

- 7.8.1.** Children and young people who suffer the greatest inequality in terms of lack of household income will directly benefit from accepting these grants.
- 7.8.2.** The report provides details of service provision across the borough.

## **7.9. Public Health**

- 7.9.1.** 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.

## **7.10. Climate Change**

- 7.10.1.** Any climate change 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.

**Access to Information**

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Appendices:	None
Background Papers:	None