

# Environment and Communities Committee

## Agenda

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**Date:** Tuesday, 30th January, 2024  
**Time:** 2.00 pm  
**Venue:** Committee Suite 1,2 & 3, Westfields, Middlewich Road,  
Sandbach CW11 1HZ

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The agenda is divided into 2 parts. Part 1 is taken in the presence of the public and press. Part 2 items will be considered in the absence of the public and press for the reasons indicated on the agenda and at the foot of each report.

It should be noted that Part 1 items of Cheshire East Council decision making and Overview and Scrutiny meetings are audio recorded and the recordings will be uploaded to the Council's website

### **PART 1 – MATTERS TO BE CONSIDERED WITH THE PUBLIC AND PRESS PRESENT**

1. **Apologies for Absence**

To note any apologies for absence from Members.

2. **Declarations of Interest**

To provide an opportunity for Members and Officers to declare any disclosable pecuniary interests, other registerable interests, and non-registerable interests in any item on the agenda.

3. **Minutes of Previous Meeting** (Pages 3 - 14)

To approve as a correct record the minutes of the previous meeting held on 9 November 2023.

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For requests for further information

**Contact:** Josie Lloyd

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**E-Mail:** [josie.lloyd@cheshireeast.gov.uk](mailto:josie.lloyd@cheshireeast.gov.uk) with any apologies

4. **Public Speaking/Open Session**

In accordance with paragraph 2.24 of the Council's Committee Procedure Rules and Appendix on Public Speaking, set out in the [Constitution](#), a total period of 15 minutes is allocated for members of the public to put questions to the committee on any matter relating to this agenda. Each member of the public will be allowed up to two minutes each to speak, and the Chair will have discretion to vary this where they consider it appropriate.

Members of the public wishing to speak are required to provide notice of this at least three clear working days in advance of the meeting.

5. **Third Financial Review 2023/24 (Environment and Communities Committee)**  
(Pages 15 - 50)

To consider a report on the third review of the Cheshire East Council forecast outturn for the financial year 2023/24.

6. **Medium Term Financial Strategy Consultation 2024/25 - 2027/28 Provisional Settlement Update (Environment & Communities Committee)** (Pages 51 - 68)

To consider the proposals within the budget consultation relating to the Committee's responsibilities.

7. **Work Programme** (Pages 69 - 72)

To consider the work programme and determine any required amendments.

**Membership:** Councillors J Bird, M Brooks, L Buchanan, T Dean, A Farrall, S Gardiner, D Jefferay, B Posnett, H Seddon, L Smetham, J Snowball (Vice-Chair), M Warren (Chair) and H Whitaker

**CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Environment and Communities Committee**  
held on Thursday, 9th November, 2023 in the Committee Suite 1,2 & 3,  
Westfields, Middlewich Road, Sandbach CW11 1HZ

**PRESENT**

Councillor M Warren (Chair)  
Councillor J Snowball (Vice-Chair)

Councillors J Bird, M Brooks, T Dean, A Farrall, S Gardiner, D Jefferay,  
B Posnett, H Seddon, L Smetham and H Whitaker

**OFFICERS IN ATTENDANCE**

Tom Shuttleworth, Interim Director of Environment and Neighbourhoods  
Chris Allman, Head of Neighbourhood Services  
Ralph Kemp, Head of Environmental Services  
David Malcolm, Head of Planning  
Tracey Bettaney, Head of Regulatory Services  
Jeremy Owens, Development Planning Manager  
Tom Evans, Neighbourhood Planning Manager and Interim Environmental  
Planning Manager  
Dr Susie Roberts, Consultant in Public Health  
Tracy Baldwin, Finance Manager  
James Thomas, Principal Solicitor  
Josie Lloyd, Democratic Services Officer  
Michael Todd, Internal Audit Manager (joined remotely via Microsoft Teams)

**ALSO PRESENT**

Councillor L Anderson  
Councillor M Beanland  
Councillor J Clowes  
Councillor P Coan  
Councillor A Harrison  
Councillor A Kolker  
Councillor G Marshall

**106 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllr Buchanan. Cllr Crane attended as a substitute.

**107 DECLARATIONS OF INTEREST**

The following declarations of interest were made in relation to the Strategic Leisure Review Update:

- Cllr Brooks declared that she is a member of Macclesfield Leisure Centre
- Cllr Whitaker declared that she is a member of Poynton Leisure Centre
- Cllr Jefferay declared that he is a member of Wilmslow Leisure Centre

108      **MINUTES OF PREVIOUS MEETING**

It was noted that the committee had decided to discuss the reports of the previous meeting in a different order to that which was set out in the agenda. It was requested that the minutes be amended to reflect this.

**RESOLVED (by majority):**

That the minutes of the meeting held on 28 September 2023 be agreed as a correct record, subject to the above amendment.

109      **PUBLIC SPEAKING/OPEN SESSION**

Ms Debbie Jamison addressed the committee in relation to the Strategic Leisure Review. Ms Jamison asked the committee to refuse the proposals to go out to consultation and felt that the matter was predetermined with the only option to close four leisure centres. Ms Jamison asked the committee to do due diligence and scrutinise the fairness, lawfulness and risks. Ms Jamison raised concerns about the impact on educational outcomes and curriculum, public health outcomes and carbon neutrality.

Ms Catherine Kenny spoke in relation to the Strategic Leisure Review and stated that she was present to protest against the proposals and asked the committee to consider the matter carefully as it affected a large number of people.

Ms Gemma Barthorpe spoke in relation to the Strategic Leisure Review with regards to the Middlewich site. Ms Barthorpe stated that there was a lack of leisure facilities in Middlewich and asked whether the Sutton Lane development would still go ahead. The Chair responded that information would need to be sought in order to provide an informed response and advised Ms Barthorpe to go through her local ward councillor to speak directly on updates to the Sutton Lane development.

Ms Haf Barlow attended the meeting to speak on behalf of Ms Julie Felton, representing Poynton Dippers Swimming Club, in relation to the Strategic Leisure Review. Ms Felton had stated that Poynton Leisure Centre was the focal point of the community and that closure would have a cross-generational impact on residents' physical and mental wellbeing for years to come. With reference to Cheshire East's Local Plan, it was stated that there was a need for local facilities which were easily accessible for all, but that the closure of leisure centres and focusing investment at larger facilities would not be in line with this. Ms Felton was concerned about the evidence base within the Strategic Leisure Review and felt that it was flawed and misleading for the following reasons:

- It appeared that casual users, clubs, primary schools and Poynton High School use had not been included within the site usage figures for Poynton
- Bollington was included within the population of Poynton, despite Bollington having its own leisure facility that was outside the scope of the review
- The site assessment appeared to favour larger sites which served larger populations
- Stockport being included in the benchmarking exercise despite it being more densely populated
- The public health data appearing to be outdated with some dating back to 2006

Ms Sue Allan attending the meeting and spoke in relation to the Strategic Leisure Review. Ms Allan raised a number of concerns including:

- Whether the usage figures quoted in the report include those who use facilities which have been booked by one person on behalf of a group
- Whether the usage figures had been weighted to account for Knutsford being a joint use facility with Knutsford Academy, meaning some facilities were not available to the public during the day
- An objection to spending money on Crewe, Nantwich and Shavington Leisure Centres, which were geographically close together, while considering the closure of leisure centres with further to travel to an alternative site
- The report stating that there was no impact on rural communities despite there being rural communities surrounding Knutsford
- The impact on education and health services, sports facilities at Knutsford Academy and pupils learning to swim
- Provision for local sports teams and groups which were vital to the local community

Cllr Brian Bath, on behalf of Holmes Chapel Parish Council, addressed the committee in relation to the Strategic Leisure Review. Cllr Bath asked the committee to reject the report and consultation and raised the following points:

- Holmes Chapel Parish Council had expected to be approached for input into the review as they were in a joint use agreement with Cheshire East, however this had not happened
- There was no indication of expected savings from the four closures
- Leisure centres were a vital community resource used extensively outside school hours for a range of purposes including sports clubs, community activities and events; however this was not considered in the report
- No other sports pitches were available locally
- The community centre referenced in the report was not a viable alternative
- Schools were unaware of the proposals for closure

- There was no mention made of Sport England being approached
- Holmes Chapel Parish Council challenge the utility costs quoted and could see no substantiation for the figure
- The consultation would run over the Christmas period and should be extended

Cllr Matthew Robertson, on behalf of Knutsford Town Council, spoke in relation to the Strategic Leisure Review. Knutsford Town Council objected to the general principle of removing a leisure centre from a key service centre and stated that this should not go to consultation. Over 100 families had contacted the Town Council on this issue and it was felt that this would be catastrophic to the health, wellbeing and education of Knutsford residents. Access to leisure centres was recommended by GPs and convenience was one of the most important factors in ensuring use. Cllr Robertson stated that the reality of the leisure centre closing would be a less active and healthy community which would cause long term issues and therefore long term costs for Cheshire East Council in years to come.

Cllr Michael Beanland spoke on behalf of Poynton Town Council in relation to the Strategic Leisure Review and raised the following points:

- This did not appear to be a review aimed at sustaining a healthy future of the residents of north east Cheshire
- Closure would directly affects 3000 pupils
- All leisure centres proposed for closure were joint use sites with schools
- Other options were not being considered in the report
- The report appeared to contain basic errors, for example it stated that the pool size at the Poynton site was 25m but it was 20m and there were no direct rail links with Hazel Grove
- Youth clubs were essential in reducing anti-social behaviour and would need a suitable venue
- That the committee should reject this report and ask for an open review examining all options which would be fair to all Cheshire East residents

Cllr Anthony Harrison addressed the committee in relation to the Strategic Leisure Review and stated that within the last seven days he had received over 100 emails from residents who were opposed to the withdrawal of key funding to Knutsford Leisure Centre. Cllr Harrison asked the committee to oppose the recommendations in the report and raised the following concerns:

- Regarding the impact assessment, the figures in the report did not represent true usage of the centres and omitted club figures, school figures and other activities
- By removing a key strategic site such as Knutsford Leisure Centre, the Council was creating a 200 square mile geographical void where residents would not have access to a local public leisure centre facility
- Using the tartan rug to remove facilities that would allow people to maintain their mental and physical health
- On Friday 3 November, central government awarded £68,000 to leisure in Congleton, £112,000 to Macclesfield, £119,000 to Crewe and Nantwich, £202,000 to Eddisbury and £127,734 to Tatton, all of which was additional

income to prevent closures but could not be covered in the report due to being declared after the agenda was published

110      **SECOND FINANCIAL REVIEW 2023/24 (ENVIRONMENT AND COMMUNITIES COMMITTEE)**

The committee received the report which provided the second review of the Cheshire East Council forecast outturn for the financial year 2023/24.

A query was raised regarding earmarked capital for Poynton Leisure Centre that had not been spent and what the reason for this was. It was requested that this be looked into.

Members were asked to consider the serious financial challenges being experienced by the Council, and other local authorities across the country, and to recognise the important activities aimed at minimising the impact on services.

A request was made for future reports to be clearer when information was for noting only. Some members felt that the use of 'consider' in recommendations could appear that members were being asked to do more than receive the information.

An amendment to the recommendations in the report was moved and seconded which sought to amend 'consider' to 'note'. This was carried by majority.

**RESOLVED (by majority):**

That the Environment and Communities Committee:

1. Note the report of the Finance Sub Committee, 2 November 2023
2. Note the factors leading to a forecast adverse Net Revenue financial pressure of £3.5m against a revised budget of £48.7m (7.2%)
3. Note the forecast and further mitigations needing to be identified, aimed at bringing spending back in line with budget
4. Note the in-year forecast Capital Spending of £10.2m against an approved MTFS budget of £12.0m, due to slippage that has been re-profiled into future years
5. Scrutinise the contents of Annex 1 and Appendix 5 and note that any financial mitigation decisions requiring approval will be made in line with relevant delegations

111      **MEDIUM TERM FINANCIAL STRATEGY CONSULTATION 2024/25 - 2027/28 (ENVIRONMENT AND COMMUNITIES COMMITTEE)**

The committee received the report which set out the indicative financial envelope for this committee to support consultation on the development of the Cheshire East Medium-Term Financial Strategy 2024/25 to 2027/28.

There was a typographical error in paragraph one of the report which stated that members were being asked to approve the indicative financial envelope. It was confirmed that this was for noting only and no decision was required at this stage.

**RESOLVED:**

That the Environment and Communities Committee:

1. Note the indicative budget envelope for this committee, as approved at the Finance Sub-Committee on 2 November, as a way of setting financial targets in support of achieving a balanced budget for 2024/25
2. Note that officers will develop further proposals in consultation with Members to enable wider stakeholder consultation prior to approval by Council
3. Note that Committees will be presented with the opportunity to further review financial proposals, designed to achieve a balanced budget, as part of their January cycle of meetings prior to recommendations being made to Council for approval

112      **MTFS 90 STRATEGIC LEISURE REVIEW - UPDATE**

The committee considered the report which provided an update on the progress of the implementation of the Strategic Leisure Review following the approval of the Council's Medium Term Financial Strategy 2023-27 (MTFS) at Full Council on 22 February 2023.

Cllr Clowes attended the meeting as a visiting member. Cllr Clowes highlighted that all centres identified for potential closure were aligned with school academies and asked, with regard to legislation pertaining to academies, whether the Council was at risk of legal challenge. Cllr Clowes stated that there were no alternative options appraisals to consult on, there was a need for better understanding of capacity to fulfil the Council's statutory duties in relation to primary school swimming at alternative sites before going out to consultation and that there would be an impact on loss of classroom time and increased costs of transport for schools. Cllr Clowes asked what data had been sought from Swim England to inform the process going forward. Cllr Clowes also asked where the fiscal analysis was to support the proposal that removing four centres would not destabilise the fiscal viability of Everybody Health and Leisure (EHL). The contract would expire in 2029 but Cllr Clowes felt that any attempt to attract outside capital would be increasingly compromised by not thinking beyond the MTFS period.

In response, officers gave assurances that the report had been reviewed by the Council's Legal services. Swim England would be consulted as part of the consultation process. With regard to the commercial position of EHL, it was noted that the Council had been working with EHL who had provided usage data. There had been no specific issues around ongoing viability raised by EHL to the



Council's leisure commissioning team through the discussions which had been ongoing for several months.

Cllr Anderson attended the meeting as a visiting member and Trustee of Everybody Health and Leisure. Cllr Anderson raised a number of concerns including the impact on employment at EHL, the decommissioning costs, the impact on waiting lists if the number of swimming pools were reduced, the data not including groups. Cllr Anderson advised that EHL were committed to working with Cheshire East to find a mutually agreeable way forward.

Cllr Kolker spoke as a visiting member and Trustee of Everybody Health and Leisure. Cllr Kolker understood the financial pressures on the Council but did not support the approach outlined in the report and was concerned about the sites being joint use and impacting schools. Cllr Kolker stated that school usage figures needed to be included in the analysis to get a true indication of centre usage. There were currently 10,700 children on learn to swim schemes with a waiting list of 3000 and Cllr Kolker stated that the same level of service could not be provided with two fewer schools.

Cllr Coan spoke as a visiting member and stated that he had received extensive correspondence from residents. There was no public transport from Knutsford to Wilmslow in the morning or evening. There was currently an 18 month waiting list for swimming lessons in Knutsford. Residents relied on the leisure centre for health and recovery from illness and Cllr Coan asked the committee to reject the proposals in the report and instead ask officers to work with EHL to bring back proposals for consultation that delivers budget savings but retains leisure facilities in key service centres.

During consideration of the item, the committee resolved to move into the part 2 to consider the confidential report and appendices.

The committee moved back into part 1 for the debate in which the following points were raised:

- Cheshire East had an obligation to provide swimming facilities for Key Stage 1 and 2 pupils, however the report did not set out how this would be met if the consultation led to closure. Some schools had indicated to members that they would not be able to fulfil their statutory duties without access to swimming pools and sports sites
- There would be an impact on Cheshire East's carbon neutrality targets if residents were travelling further to access leisure facilities
- Concerns about the capacity of other sites and how they would accommodate increased users
- There appeared to be no recognition of the cost of exiting current joint use agreements with schools
- Some members felt that the matter was at risk of predetermination
- There were concerns about how the data was collected and used. Some members felt that the data was flawed and did not reflect the full usage
- Sport England had assessed Poynton to be a facility in demand with a lack of proximity to other swimming pools and facilities

- Money earmarked for Poynton Leisure Centre had not been utilised and, had that investment taken place, the leisure centre may not be in the current position
- There was a need to ensure creative thinking to prevent the reduction in facilities
- There was a risk of penalising young people inadvertently
- Members had received extensive correspondence from residents opposing the proposals
- There was recognition that the Council was facing financial difficulty and funds needed to be available for statutory services
- Leisure facilities support health outcomes for residents and therefore impact other areas of the Council
- Input was needed from wider stakeholders
- There was concern that if the consultation runs over the Christmas period there may be missed opportunities for engagement

A query was raised as to why there was no weighting to reflect usage as a percentage of the population in each area. Officers undertook to provide a written response.

A further query was raised as to whether the Council had bids in for the next phase of swimming pool grants for 2024-25 and on which sites. Officers advised that a bid was in for the next round of capital allocation to implement further carbon measures on facilities. The detail of which sites this would be for was not available during the meeting but could be provided in a written response.

An amendment was moved and seconded which sought to amend recommendation 2 in the report to the following:

*2. Authorise the Interim Director of Environment and Neighbourhood Services to carry out public consultation, following consultation with the Environment and Communities Committee, based on the proposals to deliver the Medium-Term Financial Strategy line 90 Strategic Leisure Review savings*

This was carried unanimously and became part of the substantive proposition.

**RESOLVED (unanimously):**

That the Environment and Communities Committee:

1. Note the objectives of and progress to date of the work to bring forward the Strategic Leisure Review alongside its contribution to delivering the Council's Medium-Term Financial Strategy, as adopted at council on 22 February 2023;
2. Authorise the Interim Director of Environment and Neighbourhood Services to carry out public consultation, following consultation with the Environment and Communities Committee, based on the proposals to deliver the Medium-Term Financial Strategy line 90 Strategic Leisure Review savings and;

3. Note that following the consultation process, a report will be brought back to Committee setting out the final proposed delivery model and the financial implications of a proposed investment plan.

113      **EXCLUSION OF THE PRESS AND PUBLIC**

**RESOLVED:**

That the press and public be excluded from the meeting during consideration of the following item pursuant to Section 100(A)(4) of the Local Government Act 1972 as amended on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 and the public interest would not be served in publishing this information.

114      **MTFS 90 STRATEGIC LEISURE REVIEW - UPDATE (PART 2)**

The committee considered the confidential report and appendices.

*The committee adjourned for a short break after the Strategic Leisure Review item. Councillors Bird, Farrall, Whitaker and Crane left the meeting and did not return.*

115      **LOCAL PLAN NEXT STEPS**

The committee received the report which provided detail on the transitional arrangements for local plan preparation now confirmed by the Department for Levelling Up, Housing and Communities (DLUHC) as part of its proposed reforms to the planning system. The report highlighted the impact these arrangements will have on the Council's programme for preparing the new Local Plan and set out proposed next steps to support the preparation of the new Local Plan.

**RESOLVED (unanimously):**

That the Environment and Communities Committee:

1. Agree that the Council prepares a 'new style' local plan under the reforms to the plan-making system being taken forward by the Department for Levelling Up, Housing and Communities
2. Agree that an issues paper is prepared to provide an initial opportunity for public engagement to help shape the direction of the Council's new Local Plan
3. Agree that, alongside the issues paper:
  - a) public consultation is carried out on a draft Land Availability Assessment Methodology, a draft Sustainability Appraisal Scoping Report and a draft Settlement Hierarchy Review
  - b) a 'call for sites' is carried out

116 **S106 KEY FINDINGS - INTERNAL AUDIT REPORT**

The committee received the report which provided an update on progress following the recent Internal Audit review of arrangements for the management and monitoring of Section 106 agreements and set out draft terms of reference for the Member Working Group relating to Section 106.

Cllr Beanland attended as a visiting member and Chair of the Audit and Governance Committee and gave assurance that the Audit and Governance Committee would give any support and assistance required going forward and would work with the member working group as needed.

**RESOLVED (unanimously):**

That the Environment and Communities Committee:

1. Note the findings of the internal audit report and the progress made to date implementing the recommendations
2. Agree the terms of reference for the Member working group relating to Section 106

117 **DEVELOPER CONTRIBUTIONS SUPPLEMENTARY PLANNING DOCUMENT**

The committee received the report which sought approval to carry out a public consultation on the final draft of the Developer Contributions Supplementary Planning Document for a minimum period of four weeks.

**RESOLVED (unanimously):**

That the Environment and Communities Committee:

1. Agree to the publication of the final draft Developer Contributions SPD (appendix 2) and report of consultation (appendix 1) for public representations for a period of a minimum of four weeks
2. Agree to the publication of the associated Strategic Environmental Assessment and Habitats Regulations Assessment Screening Report ("SEA") (appendix 3)
3. Agree to the publication of the associated Equalities Impact Assessment Screening Report ("EQIA") (appendix 4)

118 **ENVIRONMENTAL PROTECTION SUPPLEMENTARY PLANNING DOCUMENT**

The committee received the report which sought approval to consult on the final draft of the Environmental Protection Supplementary Planning Document.

**RESOLVED (unanimously):**

That the Environment and Communities Committee:

1. Approve the publishing of the Final Draft Environmental Protection Supplementary Planning Document (Appendix A) for a period of four weeks public consultation
2. Approve the publishing of the associate Report of Consultation (Appendix B)
3. Approve the publishing of the associated Strategic Environmental Assessment and Habitats Regulations Assessment Screening Report (Appendix C)
4. Approve the publishing of the associated Equalities Impact Assessment Screening Report (Appendix D)

119      **UPDATE ON THE PLANNING MODERNISATION PLAN**

The committee received the report which provided an update on the progress made so far on the Planning Modernisation Plan that was endorsed by the Environment and Communities Committee on 31 October 2022.

**RESOLVED:**

That the progress made implementing the actions of the modernisation plan be noted.

120      **MID-YEAR PERFORMANCE REVIEW 2023/24**

The committee considered the report which provided an update on the performance across Environment and Neighbourhood Services to the mid-point of the fiscal year 2023-24 against the relevant priorities, actions and measures of success within the Council's Corporate Plan 2021-25.

**RESOLVED:**

That the performance of the department be noted.

121      **WORK PROGRAMME**

It was noted that the work programme as set out in the agenda contained a significant number of papers for the February meeting but currently only one for March. Some papers scheduled for February that were not time critical would therefore be deferred to March to balance the length of the two meetings. Officers were looking to bring forward the date of the March meeting to accommodate this and reduce any delays for the deferred reports.

A request was made for officers to give further consideration to sharing reports with committee members in advance of the statutory publication date.

**RESOLVED:**

That the work programme be noted.

The meeting commenced at 10.00 and concluded at 17.15

Councillor M Warren (Chair)

**OPEN**

**Environment and Communities  
Committee**

**Thursday, 1 February 2024**

**Third Financial Review 2023/24**

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**Report of: Alex Thompson, Director of Finance and Customer  
Services (s151 Officer)**

**Report Reference No: [To be provided by Democratic Services]**

**Ward(s) Affected: All Wards**

**Purpose of Report**

- 1 This report provides Members with the third review of the Cheshire East Council forecast outturn for the financial year 2023/24. Members are being asked to consider the serious financial challenges being experienced by the Council (and other councils) and to recognise the important activities aimed at minimising the impact on services.
- 2 Members of the Committee are being asked to consider the financial performance of the Services relevant to their terms of reference.

**Executive Summary**

- 3 The Council operates a financial cycle of planning, monitoring and reporting. This review is part of the monitoring cycle and provides a forecast outturn position for the 2023/24 financial year. The information in this report also supports planning for next year's budget. This report supports the Council priority of being an open and enabling organisation, ensuring that there is transparency in all aspects of Council decision making.
- 4 The full report was received by Finance Sub Committee on 11 January 2024. Service Committees will receive the sections relevant to their committee.

## RECOMMENDATIONS

The Environment and Communities Committee:

1. Consider the report of the Finance Sub Committee: [Finance Sub Committee, 11th January, 2024](#)
2. Consider the factors leading to a forecast adverse Net Revenue financial pressure of £3.1m against a revised budget of £48.7m (6.4%), for Environment and Communities Committee services.
3. Consider the forecast and further mitigations needing to be identified, aimed at bringing spending back in line with budget.
4. Consider the in-year forecast Capital Spending of £6.9m against an approved MTFS budget of £12.0m, due to slippage that has been re-profiled into future years, in respect of Environment and Communities Committee projects.
5. Approve fully funded supplementary revenue estimates over £500,000 up to £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 5 Environment and Communities Committee, Section 2 Corporate Grants Register, Table 2.**
6. Scrutinise the contents of Annex 1 and Appendix 5 and note that any financial mitigation decisions requiring approval will be made in line with relevant delegations.

### Reasons for Recommendations

- 5 Committees are responsible for discharging the Council's functions within the Budget and Policy Framework provided by Council. The Budget will be aligned with Committee and Head of Service responsibilities as far as possible.
- 6 Budget holders are expected to manage within the budgets provided by full Council. Committee and Sub-Committees are responsible for monitoring financial control and making decisions as required by these rules.

### Access to Information

Contact Officer:	Alex Thompson, Director of Finance and Customer Services (s151 Officer) <a href="mailto:alex.thompson@cheshireeast.gov.uk">alex.thompson@cheshireeast.gov.uk</a> Paul Goodwin, Head of Finance & Deputy Chief
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	Finance Officer <a href="mailto:paul.goodwin@cheshireeast.gov.uk">paul.goodwin@cheshireeast.gov.uk</a>
Appendices:	1 Third Financial Review 2023/24 2 Annex 1 – Third Financial Review 2023/24
Background Papers:	<a href="#">Medium Term Financial Strategy 2023-27</a> <a href="#">First Financial Review 2023/24</a> <a href="#">Second Financial Review 2023/24</a> <a href="#">Third Financial Review 2023/24</a>

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OPEN

## **Finance Sub Committee**

**11 January 2024**

### **Third Financial Review 2023/24**

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**Report of: Alex Thompson, Director of Finance and Customer Services**

**Report Reference No: FSC/29/23-24**

**Ward(s) Affected: All Wards**

#### **Purpose of Report**

- 1 This report provides Members with the third review of the Cheshire East Council forecast outturn for the financial year 2023/24. Members are being asked to consider the serious financial challenges being experienced by the Council (and other councils) and to recognise the important activities aimed at minimising the impact on services.
- 2 The report highlights the ongoing negative impact of high inflation, rising interest rates and increasing demand for services since the Council set its budget in February 2023. Annex 1 of the report highlights in detail what the Council is forecasting to achieve as part of the 2023/24 budget. Tables include updates to items identified in the MTFS plus further items identified in-year.
- 3 Reporting the financial forecast outturn supports the Council's vision to be an open Council as set out in the Corporate Plan 2021 to 2025. In particular, the priorities for an open and enabling organisation, ensure that there is transparency in all aspects of Council decision making.
- 4 The report also requests Member approval for amendments to the Council's budget in-line with authorisation levels within the Constitution.

#### **Executive Summary**

- 5 The Council operates a financial cycle of planning, monitoring and reporting. This review is part of the monitoring cycle and provides a forecast outturn position for the 2023/24 financial year. The information

in this report also supports planning for next year's budget. This report supports the Council priority of being an open and enabling organisation, ensuring that there is transparency in all aspects of Council decision making.

- 6 The Council set its 2023/24 annual budget in February 2023. The budget was balanced, as required by statute, and included important assumptions about spending in the year. The budget is part of the Medium-Term Financial Strategy (MTFS) 2023 to 2027.
- 7 The MTFS for 2023/24 included £70m of service growth and £42m of service savings. The equivalent figures for 2022/23 were £21m of growth and £7m of savings. This highlights the challenge of delivering the 2023/24 budget even before the impact of increased demand, prevailing high inflation and rising interest rates.
- 8 Prices, and demand, for services to support children and adults that require Council services continue to rise, reflecting complexity of care needs and market conditions.
- 9 The third financial review of 2023/24 is forecasting a pressure of £13.0m by 31 March 2024, an improvement of £5.7m compared to second financial review.
- 10 Improvements since second financial review include:
  - (a) Increased use of flexible capital receipts.
  - (b) Increased income.
  - (c) Holding vacant posts.
  - (d) Reducing non-essential spend.
- 11 As the Council continues to monitor the position closely, the aim is to reduce the financial pressure to Nil in 2023/24. This will ensure that the Council's reserves will be protected for future years.
- 12 The Council's General Fund Reserve balance is currently at £14.1m. A forecast outturn of £13.0m deficit would nearly eradicate the Council's remaining General Fund Reserve balance, severely reducing the ability of the Council to produce a balanced MTFS for the next financial year(s). There is also limited scope in the Council's other earmarked reserves to help mitigate the current forecast pressure as they have been set aside for specific purposes such as: funding the capital programme, future changes in funding Local Authorities by central government, and Insurance claims.
- 13 The Reserves balances are still lower than the Council would like, so the Council will be looking at opportunities to increase the General Fund Reserve, or to not draw down on an earmarked reserve where that is

possible, to ensure the Council has a robust level of reserves moving forward and is financially resilient.

- 14 In October 2023, the Cheshire East Budget Response Team (CEBERT) was set up to lead on coordinating this work across the organisation. Weekly meetings are chaired by the Chief Executive with updates relating to the workstreams identified in the review. These workstreams include Establishment Management, Spending Control Panel, Pricing Strategies and Capital Spending. The impact of this work, as well as focused activity on services within each committee is reflected in Annex 1. The Chief Executive has arranged for frequent Member updates on progress.
- 15 The financial pressures being experienced by Cheshire East Council are not unique. A recent [Local Government Association \(LGA\) Survey](#) reported that almost one in five council leaders and chief executives in England surveyed think it is very or fairly likely that their chief finance officer will need to issue a Section 114 notice this year or next due to a lack of funding to keep key services running. The LGA estimates that councils in England face a £4 billion funding gap over the next two years just to keep services standing still.
- 16 The LGA survey of council leaders and chief executives also reported:
  - (a) Half are not confident they will have enough funding to fulfil their legal duties next year (2024/25). This includes the delivery of statutory services.
  - (b) Nearly two thirds of council leaders and chief executives said there were no announcements in the Autumn Statement that they thought would help them deal with their council's financial position.
- 17 The LGA said the circumstances that have led to a Section 114 notice so far have been unique to each local area and the pressures they face. However, all those that have had to curb spending in this way have faced the same underlying pressures - councils' core spending power falling by 27 per cent in real terms from 2010/11 to 2023/24, the impact of the pandemic, rising demand for services, in particular statutory services like social care and homelessness support, and the extra costs to provide them.
- 18 The UK Parliament's Levelling Up, Housing and Communities Committee opened up a new inquiry [Financial distress in local authorities](#) in early November 2023 to "examine the current landscape of financial resilience in local authorities in England, what lessons can be learned from the recent issuers of section 114 notices, and how the various responsible bodies are fulfilling their responsibilities to ensure effective and sustainable local government". The Committee has

considered oral and written evidence on the subject over various hearings in November/December 2023. It is usual for a report to be published following such an inquiry.

- 19 Local authorities that have committed, or are likely to commit to, financial activities beyond their legal means must issue a s.114 notice. This has already happened for various reasons at eight local authorities to date (Birmingham, Northamptonshire, Nottingham, Northumberland, Croydon, Woking, Thurrock, and Slough). The pressures quoted in these councils are between £35m and £1.5bn.
- 20 Please see Financial Implications section for risks and consequences relating to a s.114 notice.
- 21 Press articles continue to report that more councils are concerned about further s.114 notices being issued. Further Councils identified since [Second Financial Review](#) include Dudley, Hampshire and Windsor and Maidenhead. The pressures quoted in these councils reported range from £8.5m to £47m.
- 22 Local authorities, including Cheshire East Council, therefore continue to liaise with Government departments over the severity of so many emerging financial issues. The Council achieves this liaison either directly or through professional or political networks. The focus of this lobbying for Cheshire East Council is on the following important local issues:
  - (a) High needs / special educational needs deficit.
  - (b) Capital Funding and HS2.
  - (c) Children's Services.
  - (d) Local Government Settlement.
- 23 **Annex 1: Third Financial Review 2023/24**
- 24 **Financial Stability:** Provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2023/24 is being funded, including the positions on overall service budgets, centrally held budgets, council tax and business rates. Further details are contained in the appendices.
- 25 **Appendices:**
  - Appendix 1** Adults and Health Committee.
  - Appendix 2** Children and Families Committee.
  - Appendix 3** Corporate Policy Committee.
  - Appendix 4** Economy and Growth Committee.

**Appendix 5** Environment and Communities Committee.

**Appendix 6** Highways and Transport Committee.

**Appendix 7** Finance Sub-Committee.

**Appendix 7a** Update to the Treasury Management Strategy.

**Appendix 7b** Update to the Investment Strategy.

## RECOMMENDATIONS

The Finance Sub Committee:

1. Consider the factors leading to a forecast adverse Net Revenue financial pressure of £13.0m against a revised budget of £353.1m (3.7%).
2. Consider the forecast and further mitigations needing to be identified, aimed at bringing spending back in-line with budget.
3. Consider the in-year forecast Capital Spending of £171.1m against an approved MTFS budget of £214.7m, due to slippage that has been re-profiled into future years.
4. Scrutinise the contents of Annex 1 and each of the appendices and note that any financial mitigation decisions requiring approval will be made in-line with relevant delegations.
5. Approve fully funded supplementary revenue estimates over £500,000 up to £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 2 Children and Families Committee, Section 2 Corporate Grants Register, Table 3.**
6. Approve fully funded supplementary revenue estimates over £500,000 up to £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 5 Environment and Communities Committee, Section 2 Corporate Grants Register, Table 2.**
7. As recommended by the Economy and Growth Committee on the 12<sup>th</sup> September 2023, approve a virement of £6.8m from the North Cheshire Garden Village project to create a separate project for the S106 Development obligations that is required by the Local Planning Authority to fund the initial infrastructure works on the site. As detailed in **Appendix 7 Finance Sub Committee, Section 5 Capital Strategy, Table 5.**

## Background

- 26 Managing performance is essential to the achievement of outcomes. This is especially important in evidencing the achievement of value for money across an organisation the size of Cheshire East Council. The Council is the third largest local authority in the Northwest of England, responsible for approximately 500 services, supporting over 398,000 local people. Gross annual spending is over £750m, with a revised net revenue budget for 2023/24 of £353.1m.
- 27 The management structure of the Council is organised into four directorates: Adults, Health and Integration; Children's Services; Place; and Corporate Services. The Council's reporting structure provides forecasts of a potential year-end outturn within each directorate during the year, as well as highlighting activity carried out in support of each outcome contained within the Corporate Plan.
- 28 The political structure of the Council is organised into six committees, with a single sub-committee, all with financial responsibilities acutely aligned to the management structure. Performance against the 2023/24 Budget within each Committee, and the sub-committee, is outlined in Table 1 below.

**Table 1 – Revenue Outturn Forecast split by the Six Service Committees and the Finance Sub-Committee**

2023/24	Revised Budget	Forecast Outturn	Forecast Variance FR3	Forecast Variance FR2	Movement from FR2 to FR3
	(NET) £m	£m	£m	£m	£m
<b>Service Committee</b>					
Adults and Health	136.5	141.5	5.0	4.7	0.3
Children and Families	80.3	90.3	10.0	10.8	(0.8)
Corporate Policy	41.7	40.7	(1.0)	(0.5)	(0.5)
Economy and Growth	24.8	22.0	(2.8)	(1.9)	(0.9)
Environment and Communities	48.7	51.8	3.1	3.5	(0.4)
Highways and Transport	11.2	11.0	(0.2)	1.2	(1.4)
<b>Sub-Committee</b>					
Finance Sub	(343.2)	(344.3)	(1.1)	0.9	(2.0)
<b>TOTAL</b>	<b>-</b>	<b>13.0</b>	<b>13.0</b>	<b>18.7</b>	<b>(5.7)</b>

## National Key issues causing the pressures

- 29 The national economic position of the UK has seen prevailing high inflation. The Office for Budget Responsibility (OBR) forecast, in March 2023, that inflation should reduce to 2.9% by quarter 4 of 2023.



However, that forecast has been updated (in November 2023) to 4.8%. The Council is affected by inflation in wages (for Council staff and staff of contracted services), utilities and fuel. But the Council cannot inflate in-year income from Council Tax, Business Rates or Government Grants. The forecast impact of additional pay inflation above the estimates in February is £2.8m.

- 30 The national economic position of the UK is seeing increasing interest rates. In January 2023, when the current MTFS was drafted, interest rates were at 3.5%. Current interest rates are 5.25%. The Council has loans of £303m, mainly acquired to support important Highway and Regeneration schemes, and is therefore exposed to financial pressure from increasing borrowing costs. The Council is receiving more money from investments, but this does not offer adequate compensation. Interest rates are forecast to reduce once inflation is controlled which means a shift to long-term borrowing at this point is not a favourable option.
- 31 In November 2023, the Chancellor presented the Autumn Statement. There were no direct announcements on funding for Local Government that changed the announcements already made. The Chancellor will use the new powers to de-couple the business rates multipliers, to freeze the small business rating multiplier, and to index the standard multiplier. This will complicate the settlement, but it will not significantly affect the funding that is received by local authorities.
- 32 Details of the funding allocations for each local authority will be confirmed at the provisional settlement due w/c 18th December 2023 but will mainly focus on allocations for 2024/25. Council tax referendum limits were confirmed as part of the Policy Statement 2024/25 made on 5th December. Limits for “core” Band D council tax have been set once again at 2.99% for base increases, plus 2% ringfenced for Adult Social Care. The Policy Statement also confirmed the continuation of the New Homes Bonus grant for another year, again, attracting no legacy payments.
- 33 Demand for public services, particularly those that are required to support the health and wellbeing of local residents, has increased since the pandemic. Temporary grants associated with the pandemic have ended though. The Council is experiencing demand for care for more individuals, which is driving up costs, as well as experiencing more complex demand that requires more hours of support in each case.

## **Consultation and Engagement**

- 34 As part of the budget setting process the Pre-Budget Consultation provided an opportunity for interested parties to review and comment on

the Council's Budget proposals. The budget proposals described in the consultation document were Council-wide proposals and that consultation was invited on the broad budget proposals. Where the implications of individual proposals were much wider for individuals affected by each proposal, further full and proper consultation was undertaken with people who would potentially be affected by individual budget proposals.

### **Reasons for Recommendations**

- 35 The overall process for managing the Council's resources focuses on value for money, good governance and stewardship. The approach to these responsibilities is captured in the Medium-Term Financial Strategy.
- 36 The budget and policy framework sets out rules for managing the Council's financial affairs and contains the financial limits that apply in various parts of the Constitution. As part of sound financial management and to comply with the Constitution any changes to the budgets agreed by Council in the MTFS require approval in-line with the financial limits within the Finance Procedure Rules.
- 37 This report provides strong links between the Council's statutory reporting requirements and the in-year monitoring processes for financial and non-financial management of resources.
- 38 In approving the Cheshire East Council Medium-Term Financial Strategy Members of the Council had regard to the robustness of estimates and adequacy of reserves as reported by the s.151 Officer. The s.151 Officer's report highlighted the importance of each element of the MTFS and the requirement to achieve all the proposals within it. The recommendations of this report highlight the need for ongoing activity to manage the financial pressure being experienced by the Council.

### **Other Options Considered**

- 39 None. This report is important to ensure Members of the Committee are sighted on the financial pressure the Council is facing and the activity to date to try and mitigate this issue. Activity is required to ensure the Council balances its expenditure and income without serious impact on essential Council services.
- 40 Do nothing. Impact – Members are not updated on the financial position of the Council. Risks – Not abiding by the Constitution to provide regular reports.

## **Implications and Comments**

### *Monitoring Officer/Legal*

- 41 The legal implications surrounding the process of setting the 2023 to 2027 Medium-Term Financial Strategy were dealt with in the reports relating to that process. The purpose of this paper is to provide a progress report for 2023/24. Implications arising from individual proposals regarding service growth and savings have and will continue to be the subject of ongoing advice and support.
- 42 Implications arising directly from this report relating to the internal processes of approving supplementary estimates and virements referred to are governed by the Constitution and in particular the Finance Procedure Rules.
- 43 In relation to the proposed review to ensure that all available resources are directed towards the delivery of statutory functions, savings and efficiency plans, it should be noted that local authorities are creatures of statute. They are created by statute and are regulated through the legislative regime and whilst they have in more recent times been given a general power of competence, this must operate within that regime. Within the statutory framework there are specific obligations placed upon a local authority to support communities. These duties encompass general and specific duties and there is often significant local discretion in respect of how those services or duties are discharged. These will need to be assessed and advised on as each circumstance is considered.

### *Section 151 Officer/Finance*

- 44 The Council's financial resources are agreed by Council and aligned to the achievement of stated outcomes for local residents and communities. Monitoring and managing performance helps to ensure that resources are used effectively, and that business planning and financial decision making are made in the right context.
- 45 Reserve levels are agreed, by Council, in February each year and are based on a risk assessment that considers the financial challenges facing the Council. If spending associated with in-year delivery of services is not contained within original forecasts for such activity it may be necessary to vire funds from reserves.
- 46 The unplanned use of financial reserves could require the Council to deliver a greater level of future savings to replenish reserve balances and/ or revise the level of risks associated with the development of the Reserves Strategy in future.

- 47 As part of the process to produce this report, senior officers review expenditure and income across all services to support the development of mitigation plans that will return the outturn to a balanced position at year-end.
- 48 Forecasts contained within this review provide important information in the process of developing the Medium-Term Financial Strategy. Analysis of variances during the year will identify whether such performance is likely to continue, and this enables more robust estimates to be established.
- 49 The risk associated with the scale of these challenges is that the Council could act illegally, triggering the requirement for a s.114 report from the Chief Financial Officer. Illegal behaviour in this context could materialise from two distinct sources:
- i) Spending decisions could be made that exceed the available resources of the Council. This would unbalance the budget, which is unlawful.
  - ii) Spending decisions to restrict or hide pressures could be made that avoid an immediate deficit, but in fact are based on unlawful activity.
- 50 The consequences of the Council undermining a budget with illegal activity, or planned illegal activity, is the requirement to issue a s.114 report. Under these circumstances statutory services will continue and existing contracts and commitments must be honoured. But any spending that is not essential or which can be postponed must not take place.
- 51 Further consequences would be highly likely and could include the appointment of Commissioners from the DLUHC, and potential restrictions on the decision-making powers of local leaders.

### *Policy*

- 52 This report is a backward look at Council activities and predicts the year-end position. It supports the Corporate Plan aim Open and priority to be an open and enabling organisation.
- 53 The forecast outturn position, ongoing considerations for future years, and the impact on general reserves will be fed into the assumptions underpinning the 2024 to 2028 Medium-Term Financial Strategy.
- 54 The approval of supplementary estimates and virements are governed by the Finance Procedure Rules section of the Constitution.

*Equality, Diversity and Inclusion*

- 55 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.

*Human Resources*

- 56 This report is a backward look at Council activities at outturn and states the year end position. 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.

*Risk Management*

- 57 Financial risks are assessed and reported on a regular basis, and remedial action taken if required. Risks associated with the achievement of the 2022/23 budget and the level of general reserves were factored into the 2023/24 financial scenario, budget, and reserves strategy.

*Rural Communities*

- 58 The report provides details of service provision across the borough.

*Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)*

- 59 The report provides details of service provision across the borough and notes the pressure on Children in Care.

*Public Health*

- 60 This report is a backward look at Council activities at the third review and provides the forecast year end position. Any public health 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.

*Climate Change*

- 61 There are no direct implications for climate change.

<b>Access to Information</b>	
Contact Officer:	<p>Alex Thompson</p> <p>Director of Finance and Customer Services (Section 151 Officer)</p> <p><a href="mailto:alex.thompson@cheshireeast.gov.uk">alex.thompson@cheshireeast.gov.uk</a></p> <p>01270 685876</p>
Appendices:	<p><b>Annex 1 including:</b></p> <p><b>Section 1</b> provides information on the overall financial stability and resilience of the Council. Further details are contained in the appendices.</p> <p><b>Appendix 1</b> Adults and Health Committee.</p> <p><b>Appendix 2</b> Children and Families Committee.</p> <p><b>Appendix 3</b> Corporate Policy Committee.</p> <p><b>Appendix 4</b> Economy and Growth Committee.</p> <p><b>Appendix 5</b> Environment and Communities Committee.</p> <p><b>Appendix 6</b> Highways and Transport Committee.</p> <p><b>Appendix 7</b> Finance Sub-Committee.</p> <p><b>Appendix 7a</b> Update to the Treasury Management Strategy.</p> <p><b>Appendix 7b</b> Update to the Investment Strategy.</p>
Background Papers:	<p>The following are links to key background documents:</p> <p><a href="#">Medium Term Financial Strategy 2023-2027</a></p> <p><a href="#">First Financial Review</a></p> <p><a href="#">Second Financial Review</a></p>



# Third Financial Review 2023/24

January 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:**

**[RandC@cheshireeast.gov.uk](mailto:RandC@cheshireeast.gov.uk)**



# Introduction

Cheshire East Council is the third largest Council in the Northwest of England, supporting over 398,000 local people with annual spending of over £750m.

Local government is going through a period of financial challenges, with a combination of the impact of increasing demand for services and rising costs due to inflation and interest rates. There is also increasing uncertainty associated with income from business rates and government grants.

Demand for Council services is increasing, with more individuals and families needing support and services than ever before. This reflects an increase in population but also reflects changes in demographics and the national cost of living increases. This demand is resulting in a forecast outturn of £13.0m against a net revenue budget of £353.1m. The most significant impact is within the rising costs of Children's Social Care. Further activity is required to identify other mitigating measures.

When the 2023/24 budget was set, in February 2023, it was highlighted that the use of reserves was not sustainable in the medium term. Net spending therefore needs to be contained within the estimates of expenditure that form the budget. The forecasts at first review highlight pressures due to demand, inflation, interest rates and pay negotiations. These will almost certainly affect the medium term finances of the Council. This situation must be addressed now and as part of the MTFS process for 2024 to 2028.

To support openness and transparency, and provide evidence of strong governance, the report has a main section, to provide background and context, and then nine supporting appendices with

detailed information about allocation and management of public money during 2023/24.

The **Financial Stability** section provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2023/24 is being funded, including the positions on overall service budgets, centrally held budgets, Council Tax and Business Rates. Further details are contained in the appendices.

- **Appendix 1** Adults and Health Committee.
- **Appendix 2** Children and Families Committee.
- **Appendix 3** Corporate Policy Committee.
- **Appendix 4** Economy and Growth Committee.
- **Appendix 5** Environment and Communities Committee.
- **Appendix 6** Highways and Transport Committee.
- **Appendix 7** Finance Sub-Committee.
- **Appendix 7a** Update to the Treasury Management Strategy.
- **Appendix 7b** Update to the Investment Strategy.

*Alex Thompson*

Director of Finance and Customer Services  
(Section 151 Officer)

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# 2023/24 Outturn Forecast - Financial Position

2023/24	Revised Budget  (NET) £m	Forecast Outturn £m	Forecast Variance £m	For further information please see the following sections
SERVICE DIRECTORATES				
Adults, Health and Integration	136.5	141.5	5.0	Appendix 1
Children's Services	80.3	90.3	10.0	Appendix 2
Place - Directorate/Growth & Enterprise	24.8	22.0	(2.8)	Appendix 4
Place - Environment & Neighbourhood Services	48.7	51.8	3.1	Appendix 5
Place - Highways & Infrastructure	11.2	11.0	(0.2)	Appendix 6
Corporate Services	41.7	40.7	(1.0)	Appendix 3
<b>Total Services Net Expenditure</b>	<b>343.2</b>	<b>357.3</b>	<b>14.1</b>	
CENTRAL BUDGETS				
Capital Financing	19.0	19.0	-	Appendix 7 Section 5
Transfer to/(from) Earmarked Reserves	(7.4)	(7.4)	-	Appendix 7 Section 6
Transfer from MTFs Earmarked Reserve	-	-	-	Appendix 7 Section 6
Corporate Contributions / Central Budgets	(1.7)	(2.8)	(1.1)	Appendix 7
<b>TOTAL NET EXPENDITURE</b>	<b>353.1</b>	<b>366.1</b>	<b>13.0</b>	
Business Rates Retention Scheme	(55.3)	(55.3)	-	Appendix 7 Section 2
Specific Grants	(26.8)	(26.8)	-	Appendix 7 Section 3
Council Tax	(271.1)	(271.1)	-	Appendix 7 Section 2
<b>Net Funding</b>	<b>(353.1)</b>	<b>(353.1)</b>	<b>-</b>	
<b>NET (SURPLUS) / DEFICIT</b>	<b>-</b>	<b>13.0</b>	<b>13.0</b>	

# Financial Stability

## Introduction

1. The Council has a track record of sound financial management. Nevertheless, in common with all UK local authorities the Council finds itself in a position where pressures on the revenue budget are intensifying as a result of inflation, the legacy impact of the Coronavirus pandemic on people and on the economy and increasing cost of living pressure on households. These issues have the effect of increasing the demand for services and increasing costs of services.
2. Complexity and market sustainability in Adults' and Children's Social Care remains the most significant financial pressure for the Council in the medium term. The affects of inflation on contracts, utilities and wage levels are affecting costs across all services.
3. **Table 1** provides a service summary of financial performance. The current forecast is that services will be £14.1m over budget in the current year which includes mitigating actions identified to date. The 2023/24 Approved Budget Policy Changes and Forecast Variances provide further details and changes to service net budgets since the Medium-Term Financial Strategy (Section 2 in the **Appendices 1-6**).
4. It also shows that central budgets are forecast to be £1.1m below budget resulting in an overall forecast outturn of £13.0m against a net revenue budget of £353.1m.
5. Further items impacting on the level of the Council's balances are detailed in **Appendix 7**.

**Table 1 - Service Revenue Outturn Forecasts**

2023/24	Revised Budget	Forecast Outturn	Forecast Variance	Forecast Variance FR1	Movement from FR2 to FR3
	(NET)				
	£m	£m	£m	£000	£000
<b>SERVICE DIRECTORATES</b>					
Adult Social Care - Operations	137.9	142.9	4.9	4.7	0.3
Commissioning	(1.4)	(1.4)	0.1	0.1	0.0
Public Health	-	-	-	-	-
<b>Adults and Health Committee</b>	<b>136.5</b>	<b>141.5</b>	<b>5.0</b>	<b>4.7</b>	<b>0.3</b>
Directorate	0.7	0.5	(0.2)	0.1	(0.3)
Children's Social Care	49.0	58.1	9.2	9.4	(0.3)
Strong Start, Family Help and Integration	7.4	6.4	(1.0)	(0.6)	(0.4)
Education & 14-19 Skills	23.2	25.2	2.0	1.8	0.2
<b>Children and Families Committee</b>	<b>80.3</b>	<b>90.3</b>	<b>10.0</b>	<b>10.8</b>	<b>(0.8)</b>
Directorate	0.3	0.1	(0.2)	(0.2)	-
Growth & Enterprise	24.5	21.9	(2.6)	(1.7)	(0.9)
<b>Economy and Growth Committee</b>	<b>24.8</b>	<b>22.0</b>	<b>(2.8)</b>	<b>(1.9)</b>	<b>(0.9)</b>
Environment & Neighbourhood Services	48.7	51.8	3.1	3.5	(0.4)
<b>Environment and Communities Committee</b>	<b>48.7</b>	<b>51.8</b>	<b>3.1</b>	<b>3.5</b>	<b>(0.4)</b>
Highways & Infrastructure	11.2	11.0	(0.2)	1.2	(1.3)
<b>Highways and Transport Committee</b>	<b>11.2</b>	<b>11.0</b>	<b>(0.2)</b>	<b>1.2</b>	<b>(1.3)</b>
Directorate	0.6	0.3	(0.26)	(0.1)	(0.2)
Finance & Customer Services	13.3	13.1	(0.19)	0.2	(0.3)
Governance & Compliance Services	10.8	10.4	(0.37)	(0.4)	0.1
Communications	0.7	0.7	0.01	0.0	0.0
HR	2.6	2.2	(0.35)	(0.2)	(0.1)
ICT	11.8	12.1	0.28	0.4	(0.1)
Policy & Change	2.0	1.9	(0.08)	(0.3)	0.2
<b>Corporate Policy Committee</b>	<b>41.7</b>	<b>40.7</b>	<b>(1.0)</b>	<b>(0.5)</b>	<b>(0.5)</b>
<b>TOTAL SERVICES NET EXPENDITURE</b>	<b>343.2</b>	<b>357.3</b>	<b>14.1</b>	<b>17.8</b>	<b>(3.6)</b>
<b>CENTRAL BUDGETS</b>					
Capital Financing	19.0	19.0	-	0.4	(0.4)
Transfer to/(from) Earmarked Reserves	(7.4)	(7.4)	-	-	-
Corporate Contributions / Central Budgets	(1.7)	(2.8)	(1.1)	0.5	(1.6)
<b>Finance Sub-Committee - Central Budgets</b>	<b>9.9</b>	<b>8.8</b>	<b>(1.1)</b>	<b>0.9</b>	<b>(2.0)</b>
<b>TOTAL NET EXPENDITURE</b>	<b>353.1</b>	<b>366.1</b>	<b>13.0</b>	<b>18.7</b>	<b>(5.7)</b>
Business Rates Retention Scheme	(55.3)	(55.3)	-	-	-
Specific Grants	(26.8)	(26.8)	-	-	-
Council Tax	(271.1)	(271.1)	-	-	-
<b>Finance Sub-Committee - Net Funding</b>	<b>(353.1)</b>	<b>(353.1)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET (SURPLUS) / DEFICIT</b>	<b>-</b>	<b>13.0</b>	<b>13.0</b>	<b>18.7</b>	<b>(5.7)</b>
<b>General Reserves Balance</b>					
2023/24 Budget					
£m					
Opening Balance April 2023	14.1	Actual			
2023/24 Impact on Reserves (see above)	(13.0)	Forecast			
Closing Balance March 2024	1.1	Forecast			

# Appendices to Third Financial Review 2023/24

**January 2024**

# Appendix 5: Environment and Communities Committee

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1. Changes to Revenue Budget 2023/24 since Second Financial Review
2. 2023/24 Approved Budget Policy Changes and Forecast Variances
3. Corporate Grants Register
  - Table 1: Environment and Communities Committee Grants
  - Table 2: Committee Decision Additional Grant Funding (Specific Purpose) over £500,000 up to £1,000,000
4. Debt Management
5. Capital Strategy
6. Reserves Strategy

# Appendix 5

## Environment and Communities Committee

### 1. Changes to Revenue Budget 2023/24 since Second Financial Review

	Second Review Revised Net Budget	Adjustments to FR2 Budget	Third Review Revised Net Budget	Unringfenced Grants to be Actioned
	£000	£000	£000	£000
Environment & Neighbourhood Service	48,749	-	48,748	-
Environment and Communities Committee	48,749	-	48,748	-

Note the unringfenced grants to be actioned column includes the expenditure part of centrally held unringfenced grants. These budget adjustments will take place once all third financial review approvals have been given.

# Environment and Communities Committee

## 2. 2023/24 Approved Budget Policy Changes and Forecast Variances

### Forecast Outturn Commentary:

Environment & Neighbourhood Services are reporting a pressure of £3.1m against a net budget of £48.7m. This is an improvement of £0.4m from the second finance review. The main changes are:

- a reduction in the cost of the one-off changes to Libraries staff contracts (-£0.2m)
- additional capitalisation and the release of an earmarked reserve in Environmental Services (-£0.2m)
- general savings from holding vacancies and stopping non-essential spend (-£0.3m) across all services.
- These have been offset by a £0.3m adverse position for Environment Commissioning as described below.

Of the £3.1m pressure, Environment Commissioning is reporting a pressure of £2.3m against a net budget of £38.4m. This reflects:

- continued increase in contract inflation for the waste disposal contracts and increased tonnages (+£0.9m)
- the impact of recycling income shortfall due to a decline in the markets (+£1.0m)
- Greenspaces review in-year shortfall (+£0.2m)
- a reduction in fuel inflation (-£0.1m)
- improvement in net bereavement services income (-£0.2m)
- The agreed pay rise above budgeted rates has also resulted in a (+£0.5m) pressure for the wholly owned companies.

The overall Environment Commissioning pressure has moved adversely by £0.3m since second finance review, mainly due to an increase in fuel prices plus an increase in the tonnage forecast offset by an improvement in net bereavement services income.

£1m of the £3.1m adverse position relates to ongoing pressures in Planning and Building Control, predominantly from reduced income. The pay rise above budgeted rates is expected to result in a £0.3m pressure for Cheshire East services. Implications related to one off changes to staff contracts of £0.1m have been included in the forecast for Libraries as a result of the recently approved reduction in opening hours. These pressures have been offset by holding staff vacancies across the services, reducing expenditure, capitalising the Carbon team staff costs and releasing earmarked reserves.



MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
	<b>Environment and Communities Committee</b>	<b>4.543**</b>		** Totals will not match to MTFS as Place Restructuring items all moved under E&G. No.98 moved to H&T.
80	Waste Disposal - Contract Inflation and Tonnage Growth	4.976	1.848	Regular monitoring of actual vs forecast tonnages continues to be undertaken across all waste streams collected. This monitoring also covers the unit rate disposal costs where these vary due to market forces, such as recyclates collected at the kerbside.
81	Pay Inflation – Wholly Owned Companies	1.378	0.496	The total cost of pay inflation will exceed 5% based on national pay negotiations. This may be mitigated through management of vacancies.
82	Pay inflation - CEC	1.239	0.259	The total cost of pay inflation may exceed 5% based on national pay negotiations. This may be mitigated through management of vacancies.
83	Planning and Building Control income	0.800	1.315	Budget adjusted for 2023/24. Delays in implementing the national planning application fee regulations, along with a national drop in planning application submissions has resulted in a pressure. This will need to be monitored through the year to see if income improves – this is subject to national economic trends. Government announcements advise national planning application fee increases will be implemented from December 2023 – this should mitigate this pressure in the following financial year.
84	Environmental Hub maintenance	0.447	-	Maintenance works to this key Council owned operational facility are ongoing and continue to be delivered within forecast budget.
85	Review of governance of Council Wholly Owned Companies and seeking increased opportunities for savings / commercial opportunities	0.240	-	Budget adjustment only to balance previous under recovery of savings target – now actioned.
86	Orbitas management fee uplift	0.175	-	Now included in agreed Orbitas management fee for 2023/24.
87	Bereavement income	-0.175	-	Now included in agreed Environment Commissioning budget for 2023/24 and latest income forecasts are ahead of original projection (shown as part of in-year savings line below).

88	Closed Cemeteries	0.093	-0.065	A single closed cemetery has now transferred to Cheshire East Council and regular works have been incorporated within commissioned maintenance schedules.
89	Local Plan Review	0.036	-	On track, subject to ongoing monitoring. Anticipated new legislation may change the spend profile for the review however this is not known at this time as further details are not available from Government.
90	Strategic Leisure Review	-1.291	-	The Strategic Leisure Review is now well established and 2023/24 savings have been secured from a variety of sources including via the operating contract with Everybody Health & Leisure and a £0.5m one-off grant receipt from Sport England's Swimming Pool Support Fund. On 9th November the Environment and Communities Committee approved a delegation to undertake a public consultation on the next stage of the review which launched on 23rd November.
91	Maintenance of green spaces	-0.398	0.198	On 28th September the Environment and Communities Committee approved a delegation to undertake a public consultation on the draft policy document and associated schedules which has now closed. A final set of recommendations are due to be presented at the February meeting. Environmental Services as the commissioner continue to work with ANSA Environmental Services as the appointed provider to mitigate any in-year effects.
92	Review Waste Collection Service - Green Waste	-0.900	-	Environment and Communities Committee approved the implementation of the green waste subscription charge on 27 July 2023. Subscription payments opened in early October as planned and paid for collections will commence in January 2024.
93	Libraries - Service Review	-0.519	0.102	Environment and Communities Committee approved the implementation of the revised opening hours informed by public consultation on 27 July 2023. Two Town Councils have committed to topping up opening hours – Crewe and Nantwich, with these agreements set to commence on 1st April 2024 for a period of 3 years. Following further work to undertake a formal staff consultation the new opening hours go live as of 1st December.
94	Pension Costs Adjustment	-0.676	-	On track, subject to ongoing monitoring, dependent on in-year staffing costs.

95	Investment in improving the customer experience in Planning Services	-0.500*	-	Action complete – budget adjusted.
97	Review Closed Landfill Sites	-0.300	-	Budget line adjustment only – now actioned.
99	Environment Strategy and Carbon Neutrality	-0.061	-	Budget line adjustment only – now actioned.
100	CCTV	-	-	Income opportunities are currently being explored both new and by expansion of existing external customer base offer.
101	Household Waste and Recycling Centres - introduce residency checks	-0.021	-	Implementation of the physical site checks has been delayed but the budget saving has been secured through the operating contract.
	In-year savings across wholly owned companies		-0.261	
	In-year savings across Environment & Communities (excluding wholly owned companies)		-0.797	Mainly staffing savings and reduced expenditure
	<b>TOTAL FORECAST VARIANCE</b>		<b>3.095</b>	
	Further Mitigating Actions		TBD	Stop non-essential spend and continued vacancy management.
	<b>REVISED FORECAST VARIANCE</b>		<b>3.095</b>	

# Environment and Communities Committee

## 3. Corporate Grants Register

- 3.1 Cheshire East Council receives two main types of Government grants; specific purpose grants and general use grants. Specific purpose grants are held within the relevant service with a corresponding expenditure budget. Whereas general use grants are held in central budgets with a corresponding expenditure budget within the allocated service area.

3.2 Spending in relation to specific purpose grants must be in line with the purpose for which it is provided.
- 3.3 **Table 1** provides a detailed listing of all Environment & Communities related grants, their movements between the reporting period and the treatment of the grant.

3.4 **Table 2** shows additional specific purpose grant allocations that have been received which are over £500,000 and up to £1m, and are for Committee approval.

**Table 1 – Corporate Grants Register**

Grants 2023/24	Original Budget	Revised Forecast	Revised Forecast	Change from	Treatment of
	2023/24	Mid-Year	FR3	Mid-Year	Grant
	£000	£000	£000	£000	Notes 2 - 5
<b>ENVIRONMENT &amp; COMMUNITIES</b>					
<b>Specific Purpose (Held within Services)</b>					
Bikeability Grant	240	240	240	0	
Swimming Pool Support Fund	0	0	500	500	SRE
Enforcement Grant (Planning) - brought forward	0	30	30	0	
High Speed 2 (HS2) Ltd	0	850	850	0	
Air Quality Grant (Awareness) - brought-forward	0	25	25	0	
Air Quality Grant (Cycling) - brought-forward	0	10	10	0	
Offensive weapons - brought-forward	0	4	4	0	
Cosmetic fillers - brought-forward	0	7	7	0	
Food Information Grant - Natasha's Law - brought forward	0	11	11	0	
Food Information Grant - Natasha's Law	0	0	0	0	
Food Standards Agency - 22-23	0	1	1	0	
Food Standards Agency 23-24	0	0	0	0	
Section 31 grant - Biodiversity net gain	0	20	20	0	
Taxi and PHV Database Payment Notification	0	0	0	0	
Natural England - Stewardship scheme	0	2	2	0	
Natural England - Stewardship scheme	0	7	7	0	
Apprentice Incentive Scheme	0	2	2	0	
<b>Total Environment &amp; Communities - Specific Purpose</b>	<b>240</b>	<b>1,209</b>	<b>1,709</b>	<b>500</b>	
<b>TOTAL ENVIRONMENT &amp; COMMUNITIES</b>	<b>240</b>	<b>1,209</b>	<b>1,709</b>	<b>500</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 – COMMITTEE DECISION**

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose) over £500,000 up to £1,000,000

Committee	Year	Type of Grant	£000	Details
Environment and Communities	2023/24	Swimming Pool Support Fund	500	This grant is a new grant from Sport England. The funding is to be used to support utilities costs associated with the ongoing revenue cost.
Total Specific Purpose Allocations over £500,000 up to £1,000,000			500	

# Environment and Communities Committee

## 4. Debt Management

	Outstanding Debt £000			Over 6 months old £000		
	Sep-23	Oct-23	Increase / (Decrease)	Sep-23	Oct-23	Increase / (Decrease)
Environment and Communities Committee						
Environment and Neighbourhood Services	331	325	(6)	206	214	8

Note: Increase in over 6 month debt mainly due to £15,000 invoice.

# Environment and Communities Committee

## 5. Capital Strategy

Environment & Communities														CAPITAL
CAPITAL PROGRAMME 2023/24 - 2026/27														
Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000	
	Total Approved Budget £000	Prior Years £000	Forecast Budget 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		
Committed Schemes in progress														
Environment Services														
Arnold Rhodes Public Open Space Improvements Phase 2	89	89	0	0	0	0	0	0	0	0	0	0	0	
Bereavement Service Data System	35	6	29	0	0	0	29	0	0	29	0	0	29	
Carbon Offset Investment	568	78	40	250	200	0	490	0	0	0	0	490	490	
Chelford Village Hall Open Space and Sport Improvements	164	115	35	15	0	0	50	0	50	0	0	0	50	
Church Lane Community Park Development	95	93	2	0	0	0	2	0	2	0	0	0	2	
Congleton Household Waste Recycling Centre Development	20	20	0	0	0	0	0	0	0	0	0	0	0	
Energy Improvements at Cledford Lane	985	890	95	0	0	0	95	0	0	0	0	95	95	
Future High Street Funding - Sustainable Energy Network	1,780	289	1,291	200	0	0	1,491	1,491	0	0	0	0	1,491	
Green Investment Scheme (Solar Farm)	3,950	339	3,286	325	0	0	3,611	0	0	0	0	3,611	3,611	
Household Waste Recycling Centres	860	39	50	756	15	0	821	0	0	0	0	821	821	
Litter and Recycling Bins	208	111	25	25	25	22	97	0	0	0	0	97	97	
Little Lindow Open Space Improvements	69	63	5	0	0	0	5	0	5	0	0	0	5	
Nantwich Cemetery Roadway Extension	75	72	3	0	0	0	3	0	0	3	0	0	3	
Newtown Sports Facilities Improvements	99	81	5	13	0	0	18	0	18	0	0	0	18	
Park Development Fund	931	577	89	89	89	87	354	0	0	0	0	354	354	
Pastures Wood De-carbonisation	51	31	20	0	0	0	20	0	0	20	0	0	20	
Pitch Improvements - Alderley Edge Park and Chorley Hall Lane	25	13	12	0	0	0	12	0	12	0	0	0	12	
Queens Park Lake Planting	18	17	1	0	0	0	1	0	1	0	0	0	1	
Rotherhead Drive Open Space and Play Area	141	113	0	7	7	14	28	0	28	0	0	0	28	
Solar Energy Generation	14,180	48	70	1,960	10,800	1,302	14,132	0	0	0	0	14,132	14,132	
Victoria Park Pitch Improvements	29	5	24	0	0	0	24	0	24	0	0	0	24	
Woodland South of Coppice Way, Handforth	89	66	6	16	0	0	22	0	22	0	0	0	22	
Wynbunbury Parish Open Space	5	1	4	0	0	0	4	0	4	0	0	0	4	



# Environment & Communities

# CAPITAL

## CAPITAL PROGRAMME 2023/24 - 2026/27

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding
	Total Approved Budget £000	Prior Years £000	Forecast Budget 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>Neighbourhood Services</b>													
Congleton Leisure Centre	12,860	12,676	184	0	0	0	184	0	0	0	0	184	184
Crewe Towns Fund - Valley Brook Green Corridor	100	54	46	0	0	0	46	46	0	0	0	0	46
Crewe Towns Fund - Cumberland Arena	3	0	3	0	0	0	3	3	0	0	0	0	3
Crewe Towns Fund - Pocket Parks	110	0	110	0	0	0	110	110	0	0	0	0	110
Macclesfield Leisure Centre Improvements	3,865	3,398	467	0	0	0	467	0	0	0	0	467	467
Middlewich Leisure Centre	60	51	9	0	0	0	9	0	0	0	0	9	9
Libraries - Next Generation - Self Service	374	329	44	0	0	0	44	0	0	0	0	44	44
Poynton Leisure Centre	4,606	417	0	0	0	4,189	4,189	0	0	0	0	4,189	4,189
<b>Planning Services</b>													
Regulatory Systems & Environmental Health ICT System	313	267	46	0	0	0	46	0	0	21	0	25	46
Replacement CCTV Cameras	301	135	166	0	0	0	166	0	0	166	0	0	166
<b>Total Committed Schemes</b>	<b>47,056</b>	<b>20,483</b>	<b>6,168</b>	<b>3,656</b>	<b>11,136</b>	<b>5,614</b>	<b>26,574</b>	<b>1,650</b>	<b>166</b>	<b>239</b>	<b>0</b>	<b>24,518</b>	<b>26,574</b>
<b>New Schemes</b>													
<b>Environment Services</b>													
Barony Skate Park Refurbishment	100	0	100	0	0	0	100	100	0	0	0	0	100
Fleet EV Transition	6,897	0	100	3,496	3,301	0	6,897	0	0	0	0	6,897	6,897
Fleet Vehicle Electric Charging	585	0	155	314	116	0	585	0	0	0	0	585	585
Macclesfield Chapel Refurbishment	429	0	10	419	0	0	429	0	0	0	0	429	429
Unsafe Cemetery Memorials	35	0	35	0	0	0	35	0	0	0	0	35	35
Cremator Flue Gas Modifications	30	0	30	0	0	0	30	0	0	0	0	30	30
Wynbury St Chad's Closed Cemetery	219	0	219	0	0	0	219	0	0	0	0	219	219
Grounds Maintenance System	121	0	121	0	0	0	121	0	0	0	0	121	121
<b>Total New Schemes</b>	<b>0</b>	<b>0</b>	<b>770</b>	<b>4,229</b>	<b>3,417</b>	<b>0</b>	<b>8,416</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,316</b>	<b>8,416</b>
<b>Total Environment and Communities Schemes</b>	<b>47,056</b>	<b>20,483</b>	<b>6,937</b>	<b>7,885</b>	<b>14,553</b>	<b>5,614</b>	<b>34,990</b>	<b>1,750</b>	<b>166</b>	<b>239</b>	<b>0</b>	<b>32,834</b>	<b>34,990</b>

# Environment and Communities Committee

## 6. Reserves Strategy

### Environment and Communities Committee

Name of Reserve	Opening Balance 1 April 2023 £000	Forecast Movement in Reserves 2023/24 £000	Forecast Closing Balance 31 March '24 £000	Notes
<b><u>Environment and Neighbourhood Services</u></b>				
Strategic Planning	568	0	568	To meet costs associated with the Local Plan - site allocations, minerals and waste DPD.
Trees / Structures Risk Management	166	(56)	110	New reserve to respond to increases in risks relating to the environment, in particular the management of trees, structures and dealing with adverse weather events.
Spatial Planning - revenue grant	89	(47)	42	Funding IT costs over 4 years.
Neighbourhood Planning	82	(0)	82	To match income and expenditure.
Air Quality	36	(19)	17	Air Quality Management - DEFRA Action Plan. Relocating electric vehicle charge point in Congleton.
Street Cleansing	26	(26)	0	Committed expenditure on voluntary litter picking equipment and electric blowers.
Community Protection	17	(17)	0	£4k illicit tobacco grant; £13k Natasha's Law grant.
Licensing Enforcement	8	(8)	0	Three year reserve to fund a third party review and update of the Cheshire East Council Taxi Licensing Enforcement Policies.
Flood Water Management (Emergency Planning)	2	0	2	Relating to Public Information Works.
<b>ENVIRONMENT AND COMMUNITIES TOTAL</b>	<b>994</b>	<b>(173)</b>	<b>821</b>	

**OPEN**

**Environment and Communities  
Committee**

**Thursday, 1 February 2024**

**Medium Term Financial Strategy  
Consultation 2024/25 - 2027/28  
Provisional Settlement Update  
(Environment & Communities  
Committee)**

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**Report of: Alex Thompson, Director of Finance and Customer  
Services (s151 Officer)**

**Report Reference No: EC/15/23-24**

**Ward(s) Affected: (All Wards);**

**Purpose of Report**

- 1 The Environment and Communities Committee is being asked to provide feedback, as consultees, on the development of the Cheshire East Medium-Term Financial Strategy 2024/25 to 2027/28. Feedback is requested in relation to the responsibilities of the Committee.
- 2 The Medium-Term Financial Strategy (MTFS) sets out how the Council will resource the achievement of the Corporate Plan and the budget change proposals within that report are subject to consultation and approval on an annual basis.
- 3 Developing the MTFS requires a wide range of stakeholder engagement. Members are key stakeholders in their capacity as community leaders and also have specific responsibilities as decision makers in setting the Council's budget.
- 4 All feedback will be collated and provided as evidence to the Corporate Policy Committee on 13 February 2024.

- 5 Final approval of the 2024/25 budget will take place at full Council on 27 February 2024 following recommendation from the Corporate Policy Committee.

## Executive Summary

- 6 Financial strategies underpin how Cheshire East Council will allocate resources, achieve the Corporate Plan and provide in the region of 500 local services every day. The strategies must be affordable, based on robust estimates and balanced against adequate reserves.
- 7 Committees are responsible for overseeing the achievement of the Council's priorities contained within the Corporate Plan. Resources for the 2023/24 financial year, including Revenue, Capital and Reserves were allocated by the Finance Sub-Committee in March 2023, following the budget Council. All resources are allocated to a specific Service Committee or the Finance Sub-Committee.
- 8 The reports received by Committees in November 2023 set out the indicative budget envelopes for Committee budgets for 2024/25. The reports recommended that officers work with Members to develop further proposals to enable budgets to be set within each envelope for 2024/25.
- 9 The indicative budget envelopes for 2024/25 for all Committees were set as follows:

	2023/24 Original Approved budget	2024/25 Revised indicative budget envelope*	2024/25 Roll forward proposals	2024/25 Target growth/ savings	2023/24 Pay inflation shortfall	2024/25 Overall Committee target
	£m	£m	£m	£m	£m	£m
Adults and Health	136.3	137.7	+6.1	-5.5	+0.8	+1.4
Children and Families	79.1	89.0	+2.9	+6.4	+0.6	+9.9
Corporate Policy	41.0	41.2	+1.0	-1.2	+0.4	+0.2
Economy and Growth	25.0	27.0	+2.4	-0.7	+0.2	+2.0
Environment and Communities	48.3	47.2	-0.3	-1.6	+0.7	(1.1)
Highways and Transport	11.0	12.3	+1.5	-0.4	+0.1	+1.3
Finance Sub (Central)	12.4	18.4	+6.1	-	-	+6.0
<b>TOTAL</b>	<b>353.1</b>	<b>372.7</b>	<b>+19.6</b>	<b>-2.8</b>	<b>+2.8</b>	<b>+19.6</b>

Note 1 - Full list of budget proposals for 2024/25 is included at Appendix A

Note 2 – there may be roundings present in the table totals and when compared to Appendix A due to the presentation to one and three decimal places respectively.

\*\* virements between Committees during 2023/24 will revise the figures for the 2024/25 permanent budgets and will be set out within the MTFS budget report.

- 10 Work by members and officers has been undertaken since these meetings to put forward key change proposals for 2024/25 that help to align budgets to these targets, exceeding targets wherever possible.
- 11 The key budget change proposals are contained within the Budget Consultation survey which was launched on 9 January 2024. The consultation is due to run until 28 January 2024. Feedback received up to the close of 22 January will be shared with all members as soon as is available.
- 12 The budget items identified in the consultation were insufficient to ensure long term financial viability for the council. It is therefore necessary to raise additional income or reduce expenditure further and additional general themes/options were put forward in the consultation for consideration of how to achieve this. The consultation proposals are summarised in the table below:

Proposal details included at Appendix A	Overall Committee target £m	Budget change proposals (growth) £m	Budget change proposals (savings) £m	Shortfall (-) / exceeding (+) target £m
Adults and Health	+1.4	+10.8	(9.7)	+0.3
Children and Families	+9.9	+15.6	(5.7)	-
Corporate Policy	+0.2	+2.5	(5.2)	+2.9*
Economy and Growth	+2.0	+4.9	(1.6)	(1.3)
Environment and Communities	(1.1)	+8.2	(8.2)	(1.1)
Highways and Transport	+1.3	+5.8	(1.0)	(3.5)
Finance Sub (Central)	+6.0	+14.6	-	(8.6)
Finance Sub (Funding)	-	-	(18.2)	(1.4)
<b>TOTAL</b>	<b>+19.6</b>	<b>+62.4</b>	<b>(49.6)</b>	<b>(12.7)</b>

\*includes cross cutting savings proposal of £3.2m relating to agency and overtime costs which will be apportioned across service committees

- 13 Committees should aim to put forward additional change proposals to either meet or exceed their committee target to ensure that an overall balanced position for the Council can be recommended by Corporate Policy to full Council on 27 February 2024.
- 14 The Provisional Local Government finance settlement was received on 18 December 2024. There was no material impact on the target funding envelope for the Environment and Communities Committee

## RECOMMENDATIONS

The Environment and Communities Committee are being asked to:

- (a) Recommend to the Corporate Policy Committee, for their meeting on 13 February 2024, all proposals within the budget consultation, as related to the Committee's responsibilities, for inclusion in the Council's budget for 2024/25.
- (b) Identify further budget change proposals, as related to the Committee's responsibilities, that could assist Corporate Policy Committee in presenting an overall balanced budget to Council for 2024/25.

## Background

- 15 The Council's financial resources are provided from a combination of local taxes, government grants, investment returns on assets and other direct contributions from individuals or organisations. Financial plans are based on estimated spending and income over the next four years and the report of the Chief Finance Officer brings Members' attention to the processes and risks associated with developing these estimates.
- 16 The Council aims to achieve value for money based on Economy (how much we pay for things), Efficiency (how well we use things) and Effectiveness (how we use things to achieve outcomes). Public feedback and internal and external scrutiny create the necessary framework to hold the Council to account for achieving these aims.
- 17 All councils are legally required to set a balanced budget each year and the immediate focus will be on balancing the 2024/25 financial year rather than on the whole medium term as has been the case previously. This reflects the extremely challenging circumstances all councils are facing currently.
- 18 The budget consultation is based on the Provisional Local Government Finance Settlement for 2024/25. This was released on 18 December 2023. The final settlement is expected in early February 2024 with a debate by Members of Parliament in the House of Commons expected in mid-February (after the publication date of this report to Committee) to agree the final position.

- 19 The provisional settlement set out the Core Spending Power for the authority, based on the assumption that council tax will be increased in line with the maximum allowable before a referendum would have to be held (4.99%). Some of the grants included in the Core Spending Power calculation are ringfenced for use within the relevant service. There was no material impact on the target funding envelope for the Environment and Communities Committee.
- 20 Any changes made as a result of the engagement process and further debate will be reported to Members at the Council meeting on 27 February 2024.

### **Consultation and Engagement**

- 21 This report forms part of the consultation process for Members on the budget setting for 2024/25. Each committee will receive a report covering their own area of responsibilities.
- 22 All feedback from each Committee will be presented to the Corporate Policy Committee. That Committee will then make recommendations on spending and income estimates for 2024/25 to the full Council meeting on 27 February 2024.
- 23 This report and other committee meeting debates will form part of a series of engagement events with wider stakeholders to gather opinion and collate feedback on the final budget for 2024/25.

### **Reasons for Recommendations**

- 24 In accordance with the Constitution, Committees play an important role in planning, monitoring and reporting on the Council's finances. Each Committee has specific financial responsibilities.
- 25 The Council's annual budget must be balanced. The proposals within it must be robust and the strategy should be supported by adequate reserves. The assessment of these criteria is supported by each Committee having the opportunity to help develop the financial proposals before they are approved by full Council.

### **Other Options Considered**

- 26 The Council has a legal duty to set a balanced annual budget taking regard of the report from the Chief Finance Officer. As such options cannot be considered that would breach this duty. Any feedback from the Committee must still recognise the requirement for Council to fulfil this duty.

- 27 There is no option to “do nothing”. The Council has statutory obligations to provide certain services, which would be unaffordable if the Council failed to levy an appropriate Council Tax.

## **Implications and Comments**

### *Monitoring Officer/Legal*

- 28 The Council should have robust processes so that it can meet statutory requirements and fulfil its fiduciary duty.

### *Section 151 Officer/Finance*

- 29 The Council’s financial resources are agreed by Council on an annual basis and aligned to the achievement of stated outcomes for local residents and communities. Monitoring and managing performance helps to ensure that resources are used effectively, and that business planning and financial decision making are made in the right context.
- 30 Reserve levels are agreed, by Council, in February each year and are based on a risk assessment that considers the financial challenges facing the Council. If spending associated with in-year delivery of services is not contained within original forecasts for such activity it may be necessary to vire funds from reserves.
- 31 The requirement to use reserves to fund annual spending is not sustainable. The unplanned use of financial reserves will therefore require the Council to deliver a greater level of future savings to replenish reserve balances and reduce the level of risks associated with the development of the Reserves Strategy in future.
- 32 The risk associated with the scale of the current financial challenges, in line with many councils in England, is that the Council could act illegally, triggering the requirement for a Section 114 report from the Chief Financial Officer. Illegal behaviour in this context could materialise from two distinct sources:
- (a) Spending decisions could be made that exceed the available resources of the Council. This would unbalance the budget, which is unlawful.
- (b) Spending decisions to restrict or hide pressures could be made that avoid an immediate deficit, but in fact are based on unlawful activity.



- 33 The consequences of the Council undermining a budget with illegal activity, or planned illegal activity, is the requirement to issue a s.114 report. Under these circumstances statutory services will continue and existing contracts and commitments must be honoured. But any spending that is not essential or which can be postponed must not take place.
- 34 Further consequences would be highly likely and could include the appointment of Commissioners from the DLUHC, and potential restrictions on the decision-making powers of local leaders.

### *Policy*

- 35 The existing Corporate Plan and the refreshed plan due to be approved later in 2024 will drive and inform Council policy and priorities for service delivery. The priorities and actions may have direct policy implications and will be considered on a case-by-case basis.

<b>An open and enabling organisation</b>
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### *Equality, Diversity and Inclusion*

- 36 Under the Equality Act 2010, decision makers must show “due regard” to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation;
  - (b) Advance equality of opportunity between those who share a protected characteristic and those who do not share it; and
  - (c) Foster good relations between those groups.
- 37 The protected characteristics are age, disability, sex, race, religion and belief, sexual orientation, gender re-assignment, pregnancy and maternity, and marriage and civil partnership.
- 38 Having “due regard” is a legal term which requires the Council to consider what is proportionate and relevant in terms of the decisions they take.
- 39 The Council needs to ensure that in taking decisions on the Medium-Term Financial Strategy and the Budget that 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.

- 40 The proposals within the MTFS include positive and negative impacts. A separate Equality Impact Assessment for the budget as a whole is routinely included in the full MTFS report each year.
- 41 The Corporate Plan's vision reinforces the Council's commitment to meeting its equalities duties, promoting fairness and working openly for everyone. Cheshire East is a diverse place and we want to make sure that people are able to live, work and enjoy Cheshire East regardless of their background, needs or characteristics.

#### *Human Resources*

- 42 Consultation on the budget change proposals will include staff. Any changes involving staff will be managed in consultation with staff and Trade Unions.

#### *Risk Management*

- 43 Cheshire East recognises that in pursuit of its objectives and outcomes, it may choose to accept an increased degree of risk. Where the Council chooses to accept an increased level of risk it will do so, subject always to ensuring that the potential benefits and threats are fully understood before developments are authorised, that it has sufficient risk capacity and that sensible measures to mitigate risk are established.
- 44 The Council also establishes a level of reserves that are adequate to protect the Council against financial risks, such as emergencies, which are not specifically budgeted for in individual years.
- 45 The Council will continue to be flexible about investing revenue funding in maintaining sustainable services and reflecting changes to the risks facing the Council. The full Budget Report will include a revised Reserves Strategy for 2024/25 to provide further detail on estimated balances and the application of reserves in the medium term.

#### *Rural Communities*

- 46 There are no direct implications for rural communities.

*Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)*

- 47 Budget change proposals and further mitigations that need to be identified which will affect the Children's area of the budget have been set out in the report to the Children and Families Committee.

#### *Public Health*

- 48 There are no direct implications for Public Health due to the nature of this budget being ringfenced.

#### *Climate Change*

- 49 The current Corporate Plan has a very strong environmental thread throughout with a specific aim for the Council to be 'Greener'.
- 50 Budget change proposals which would affect the Council's commitment of being carbon neutral by 2025 will be included in the relevant Committee report to which they relate.

<b>Access to Information</b>	
Contact Officer:	Alex Thompson, Paul Goodwin, Honor Field  alex.thompson@cheshireeast.gov.uk, paul.goodwin@cheshireeast.gov.uk, honor.field@cheshireeast.gov.uk
Appendices:	Appendix A – Extract from Budget Consultation and Detailed list of proposals
Background Papers:	<a href="#">Outturn Report 2022/23</a> <a href="#">Medium Term Financial Strategy 2023-27</a> <a href="#">First Financial Review 2023/24</a> <a href="#">Second Financial Review 2023/24</a> <a href="#">Third Financial Review 2023/24</a>

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**Extract from Budget Consultation:****Environment and Communities Committee proposals**

Details about the purpose and responsibilities of the Environment and Communities Committee can be found [here](#).

The Environment and Communities Committee Budget for 2023/24 is £48.3 million. Expenditure is forecast to increase by £8.2 million next year. Over 40% of this increase relates to waste services. These increases are caused by having more houses and higher tonnages of waste per house as well as reductions in the value of recycled materials. The remainder is split between a reduction in available reserves, requirements to review the local plan and other inflation factors such as pay.

When reviewing the Council's funding from 1 April 2024 Councillors agreed that the affordable budget for Environment and Communities should reduce by £1.1 million. This means savings of £9.3 million would have to be identified. The Council has already implemented the Green Waste charging scheme and revised grounds maintenance regimes, it has reduced Library opening hours, and pensions costs have also fallen. These changes reduce financial growth requirements by £4.0 million. This still means savings of £5.3 million are required to mitigate the increasing expenditure. Managing large scale change presents financial risks, but the Council has very low reserves to protect against risk. The Council should therefore aim to over-achieve savings targets where possible.

A total of 7 savings proposals have been put forward from services overseen by the Environment and Communities Committee, totalling £4.0 million of savings for 2024 / 25, and brief detail of each of these proposals are given below.

More details of how these savings will be delivered will be presented in High level business cases that will be considered by committees in January and February 2024.

**Proposal EC1: Refresh wholly owned company overheads and contributions**

Review of ANSA Environmental Services and Orbitas Bereavement Services to consider whether a company operating model is achieving its original objectives to increase commercial opportunities that offset increased direct costs, opportunities that could not otherwise be accessed by a Local Authority. The review will consider how the current company financial positions can more directly support the Council's immediate financial requirements.

Potential savings for 2024/25 = £1.0 million

Generally speaking, do you support or oppose this proposal? *Tick one box only*

Your support or opposition for a proposal does not constitute a 'vote' for or against - this consultation informs a decision-making process - as such it is important that you provide additional information about why you support, oppose or are not sure.

- ☐ Support
- ☐ Oppose
- ☐ Not sure

Do you have any comments about this proposal? *Write in below*

## Proposal EC2: Strategic Leisure Review (Stage 2)

The second stage of the Strategic Leisure Review will run from 2024/25 and will focus on the medium-term financial sustainability of the commissioned leisure services. This includes, but is not limited to: reviewing pricing for leisure services across the borough; reduction in corporate landlord costs via asset transfer; exploring potential invest to save capital schemes removing all current programme allocations that cannot be delivered on an invest to save basis; removal of historical subsidies relating to free car parking; use of public health and other one off grants and; partnership working with Town Councils to secure contributions towards safeguarding provisions in their local area.

Full consultation on this proposal closes on 7 January 2024, with consultation results to be taken to Environment and Communities Committee for consideration in the New Year 2024.

Potential savings for 2024/25 = £1.3 million

Generally speaking, do you support or oppose this proposal? *Tick one box only*  
Your support or opposition for a proposal does not constitute a 'vote' for or against - this consultation informs a decision-making process - as such it is important that you provide additional information about why you support, oppose or are not sure.

- ☐ Support
- ☐ Oppose
- ☐ Not sure

Do you have any comments about this proposal? *Write in below*

## Proposal EC3: Reduce costs of waste disposal and number of Household Waste Recycling Centres (HWRC)

Mitigate the impact of contract inflation and tonnage growth, through new or revised contracts and review of commissioner contract risk budgets. Emergency reduction of Household Waste Recycling Centres (HWRC) to four core sites at Alsager, Crewe, Knutsford and Macclesfield from 1 April 2024 in advance of the formal HWRC review being presented to Committee later in 2024.

Potential savings for 2024/25 = £0.75 million

Generally speaking, do you support or oppose this proposal? *Tick one box only*  
Your support or opposition for a proposal does not constitute a 'vote' for or against - this consultation informs a decision-making process - as such it is important that you provide additional information about why you support, oppose or are not sure.

- ☐ Support
- ☐ Oppose
- ☐ Not sure

Do you have any comments about this proposal? *Write in below*

Appendix A – Environment and Communities Budget Consultation proposals

**Proposal EC4: Fund libraries a different way**

Seek alternative funding to maintain either current or a reduced level of service delivery, including partnership working with Town and Parish Councils to secure contributions towards safeguarding service provision in their local area. As part of this continue to push forward with new income generation initiatives within the wider library estate, utilising the building assets to offer new third-party services to the public.

Potential savings for 2024/25 = £0.37 million

Generally speaking, do you support or oppose this proposal? *Tick one box only*

Your support or opposition for a proposal does not constitute a 'vote' for or against - this consultation informs a decision-making process - as such it is important that you provide additional information about why you support, oppose or are not sure.

- ☐ Support
- ☐ Oppose
- ☐ Not sure

Do you have any comments about this proposal? *Write in below*

**Proposal EC5: Reduce costs of street cleansing operations**

Revise street cleansing operations boroughwide to secure operational efficiencies.

Potential savings for 2024/25 = £0.2 million

Generally speaking, do you support or oppose this proposal? *Tick one box only*

Your support or opposition for a proposal does not constitute a 'vote' for or against - this consultation informs a decision-making process - as such it is important that you provide additional information about why you support, oppose or are not sure.

- ☐ Support
- ☐ Oppose
- ☐ Not sure

Do you have any comments about this proposal? *Write in below*

**Proposal EC6: Reduce revenue impact of carbon reduction capital schemes**

Appendix A – Environment and Communities Budget Consultation proposals

Capitalisation of the carbon team. Delay council funded capital projects, prioritise securing and delivery of external grant funded carbon reduction initiatives.

Potential savings for 2024/25 = £0.34 million

Generally speaking, do you support or oppose this proposal? *Tick one box only*

Your support or opposition for a proposal does not constitute a 'vote' for or against - this consultation informs a decision-making process - as such it is important that you provide additional information about why you support, oppose or are not sure.

- ☐ Support
- ☐ Oppose
- ☐ Not sure

Do you have any comments about this proposal? *Write in below*

**Proposal EC7: Increase Garden Waste charges to recover costs**

Increase garden waste charge for new subscriptions taken out for 2025 collections (payments from October 2024) to £59.

Potential savings for 2024/25 = £0.05 million

Generally speaking, do you support or oppose this proposal? *Tick one box only*

Your support or opposition for a proposal does not constitute a 'vote' for or against - this consultation informs a decision-making process - as such it is important that you provide additional information about why you support, oppose or are not sure.

- ☐ Support
- ☐ Oppose
- ☐ Not sure

Do you have any comments about this proposal? *Write in below*



**Detailed list of proposals:**

Reference	Item	Description	2024/25 budget change £m
EC1	Refresh wholly owned company overheads and contributions	As per consultation extract	(1.000)
EC2	Strategic Leisure Review (Stage 2)	As per consultation extract	(1.305)
EC3	Reduce costs of waste disposal and number of Household Waste Recycling Centres (HWRC)	As per consultation extract	(0.753)
EC4	Fund libraries a different way	As per consultation extract	(0.365)
EC5	Reduce costs of street cleansing operations	As per consultation extract	(0.200)
EC6	Reduce revenue impact of carbon reduction capital schemes	As per consultation extract	(0.336)
EC7	Increase Garden Waste charges to recover costs	As per consultation extract	(0.045)
<b>Growth included in narrative section (see consultation extract)</b>	MTFS 80 (Feb 23) - Waste Disposal - Contract Inflation and Tonnage Growth (updated forecast)	Waste Disposal - Contract Inflation and Tonnage Growth – additional pressure, which includes changes to legislation around ability for the Council to charge for rubble waste at HWRCs.	+3.577
<b>Growth included in narrative section (see consultation extract)</b>	Pay inflation (including additional pay inflation required for 2023/24 shortfall) – CEC & ASDV	This proposal includes incremental increases for eligible staff and nationally negotiated pay awards. Average increases are forecast at c.3% for 2024/25. This may not apply evenly across pay bands due to implications of the Living Wage. The proposal also recognises the additional impact of the higher than budgeted 2023/24 final pay award	+1.944

## Appendix A – Environment and Communities Budget Consultation proposals

Reference	Item	Description	2024/25 budget change £m
<b>Saving included in narrative section (see consultation extract)</b>	Pension Costs Adjustment	This item relates to pension contributions funded by the Council. Contributions can be reduced from 2023/24. This results from a successful financial strategy to secure stability in the funding of future pension liabilities. The effect is a reduction in overheads in pay cost budgets following a change in the employer's contribution rate confirmed by the Cheshire Pension Fund	(0.151)
<b>Growth included in narrative section (see consultation extract)</b>	MTFS 90 (Feb 23) Strategic Leisure Review	Growth item to replace savings of £1.291M achieved in 2023/24 against stage 1 of the review.	+1.250
<b>Saving included in narrative section (see consultation extract)</b>	MTFS 91 (Feb 23) – Green Spaces Maintenance Review	Year 2 saving associated with an operational review aimed at the reduction of existing maintenance regimes to parks, public open spaces and other green spaces - specifically but not limited to frequency of grass cutting, tree and flower bed planting and other related grounds maintenance activities. Opportunity to allow rewilding of specific areas and promote increase in biodiversity	(0.200)
<b>Saving included in narrative section (see consultation extract)</b>	MTFS 92 (Feb 23) - Review Waste Collection Service - Green Waste	Year 2 income forecast from subscription charge introduced October 2023.	(3.150)
<b>Saving included in narrative section (see consultation extract)</b>	Review MTFS 92 (Feb 23) Garden waste subscription financial model in line with latest subscription levels and with actual observed position on any waste migration	Review of existing scheme business model to make adjustments with intelligence of actual subscription rates and any adverse impacts related to waste migration to other collection streams.	(0.429)
<b>Saving included in narrative section (see consultation extract)</b>	MTFS 93 (Feb 23) Libraries - Service Review	Year 2 of savings associated with recent adjustments to library opening hours, along with initial income generation opportunities	(0.200)
<b>Growth included in narrative section (see consultation extract)</b>	Explore a Trust delivery model for Libraries and other services	Undertake feasibility works relating to the potential to implement a Charitable Trust based operating model for library service plus potential to also include other arts, culture and recreational services within the same alternative delivery vehicle. This is to release savings around both operational costs and also efficiencies across the corporate estate.	+0.150
<b>Saving included in narrative</b>	CCTV	Opportunities for additional income generation – the £30,000 saving in 2024/25 is a current estimate	(0.030)

## Appendix A – Environment and Communities Budget Consultation proposals

Reference	Item	Description	2024/25 budget change £m
<b>section (see consultation extract)</b>		subject to additional service improvements / investment.	
<b>Saving included in narrative section (see consultation extract)</b>	Congleton Town Council Collaboration Agreement – Grounds Maintenance	A 20% reduction in grounds maintenance elements of the grant payable to the Town Council, in line with the same level of reduction taken from the Council's own Green Spaces Maintenance Review (MTFS 91)	(0.062)
<b>Growth included in narrative section (see consultation extract)</b>	Closed Cemeteries	Closed cemeteries will transfer over to CEC as the highest tier authority with a statutory obligation to maintain - revenue implications relate to forecast costs of future annual grounds maintenance activities.	+0.005
<b>Growth included in narrative section (see consultation extract)</b>	Environmental Hub maintenance	This facility is a key operational site used to support the Council's waste services. Since opening the facility, the regular maintenance of this site has been funded from within the Council's Facilities Management budget. This is not a permanent solution for such an important site, so this proposal now fully reflects the ongoing increased costs of operating such a modern waste transfer station facility. This approach also ensures ongoing compliance with statutory environmental permits, specifically relating to the requirement for an odour control system	+0.023
<b>Growth included in narrative section (see consultation extract)</b>	Review Closed Landfill Sites	The Council has responsibility for a number of closed landfill sites across the borough for which it holds a provision. The proposal relates to a risk-based review of these closed landfill sites to understand their residual liability for the coming years.	+0.300
<b>Growth included in narrative section (see consultation extract)</b>	Land Charge Income Adjustment	Due to national legislative changes where some land charges services will be delivered by HMLR, there will a reduction in income to the Council	+0.050
<b>Growth included in narrative section (see consultation extract)</b>	Building Control Income Alignment	The Building (Local Authority Charges) Regulations 2010 authorises recovery of costs associated with Building Regulation applications (Fee Earning Activity) only. CIPFA produced guidance to support these Regulations, isolating costs from other activities. Fee earning activity represents 75% of total costs and income should reflect this hence the adjustment needed. Budget / Income realignment after return to in-house provision	+0.203
<b>Growth included in narrative section (see consultation extract)</b>	Local Plan Review	It is a statutory requirement to review the Local Plan within prescribed timescales. This will determine amongst other things the amount and location of future housing and other economic development in the Borough. It is highly complex requiring significant technical evidence, significant public consultation	+0.255

## Appendix A – Environment and Communities Budget Consultation proposals

Reference	Item	Description	2024/25 budget change £m
		and three stages of formal examination by Government inspectors.	
<b>Growth included in narrative section (see consultation extract)</b>	Planning income	Due to current national downturn in application submissions planning application income is below target. Planning fees are set nationally by the Government and cannot be adjusted locally.	+0.400
<b>Overall Committee Target</b>			<b>(1.132)</b>
<b>Total growth proposals</b>			<b>+8.157</b>
<b>Total savings proposals</b>			<b>(8.226)</b>
<b>Shortfall against Target</b>			<b>(1.063)</b>

## Environment and Communities Committee Work Programme 2023-24

Report Reference	Environment & Communities Committee	Title	Purpose of Report	Lead Officer	Consultation	Equality Impact Assessment	Corporate Plan Priority	Part of Budget and Policy Framework	Exempt Item
EC/27/22-23	01/02/2024	Approval of Cemeteries Strategy	To seek committee approval of the updated Cemeteries Strategy	Interim Director Environment and Neighbourhoods	Yes	Yes	Open	Yes	Yes
EC/24/23-24	01/02/2024	MTFS 91 Green Spaces Maintenance Review - Final Recommendations	To seek Committee approval to implement the final recommendations of the green spaces review, informed by public consultation feedback	Interim Director Environment and Neighbourhoods	Yes	Yes	Open	Yes	Yes
EC/35/23-24	01/02/2024	Sustainable Urban Drainage Supplementary Planning Document	Seek approval to adopt the Sustainable urban Drainage Supplementary Planning Document	Interim Director of Planning	Yes	Yes	Green	No	No
EC/36/23-24	01/02/2024	Conservation Area Appraisals and Management Plans	Approval to adopt Conservation Area Appraisals and Management Plans for Legh Road Knutsford, Holmes Chapel, Gawsorth and Bollin Hill Wilmslow	Interim Director of Planning	No	TBC	Green	No	No
EC/26/23-24	11/03/2024	MTFS 90 Strategic Leisure Review - Final Recommendations	To present for Committee approval the final recommendations from the review, informed by public consultation feedback.	Interim Director Environment and Neighbourhoods	Yes	Yes	Open	Yes	TBC
EC/27/23-24	11/03/2024	Updated Playing Pitch & Open Spaces Strategy	To seek Committee approval to the revised Playing Pitch & Open Spaces Strategy for the borough	Interim Director Environment and Neighbourhoods	Yes	Yes	Open;#Green	Yes	No
EG/26/23-24	11/03/2024	Carbon Neutral Programme - Progress Update	To provide an update to Committee on the progress in	Interim Director Environment and Neighbourhoods	No	No	Green	No	No

## Environment and Communities Committee Work Programme 2023-24

Report Reference	Environment & Communities Committee	Title	Purpose of Report	Lead Officer	Consultation	Equality Impact Assessment	Corporate Plan Priority	Part of Budget and Policy Framework	Exempt Item
			delivering the Councils carbon neutral programme						
EC/33/23-24	11/03/2024	Tree Risk Management Strategy Update Report	To provide an update on work carried out under the Tree Risk Management Strategy to date, report key issues and outline future work and pressures.	Interim Director of Planning	Yes	TBC	Green	Yes	Yes
EC/37/23-24	11/03/2024	Revised Draft Local Validation Checklists for Planning Applications	This report seeks approval to adopt revisions to the Council's Local Validation Checklists for planning applications following consultation. The Local Validation Checklists set out the information that will usually be required to be submitted with a planning application.	Interim Director of Planning	Yes	Yes	Open	No	No
EC/38/23-24	11/03/2024	Local Plan Issues Paper	To obtain the agreement of the Environment and Communities Committee to publish an Issues Paper to enable residents, local councils, businesses and others to provide feedback on the scope of the Council's new Local Plan.	Interim Director of Planning	Yes	Yes	Open;#Green;#Fair	Yes	No
EC/40/23-24	11/03/2024	Environmental Protection Supplementary Planning Document	To seek approval to adopt the Environmental Protection	Interim Director of Planning	Yes	Yes	Green	No	No

## Environment and Communities Committee Work Programme 2023-24

Report Reference	Environment & Communities Committee	Title	Purpose of Report	Lead Officer	Consultation	Equality Impact Assessment	Corporate Plan Priority	Part of Budget and Policy Framework	Exempt Item
			Supplementary Planning Document						
EC/41/23-24	11/03/2024	Developer Contributions Supplementary Planning Document	To seek approval to adopt the Developer Contributions Supplementary Planning Document	Interim Director of Planning	Yes	Yes	Open	No	No
EC/01/24-25	June 2024	Service Budgets 2024/25 (Environment & Communities Committee)	The purpose of this report is to set out the allocation of approved budgets for 2024/25 for services under the Committee's remit, as determined by Finance Sub Committee	Director of Finance & Customer Services	No	No	Open	Yes	No
EC/28/23-24	June 2024	Street Trading Policy	To receive and approve the adoption of the updated Policy	Interim Director Environment and Neighbourhoods	Yes	Yes	Open	No	No
EC/39/23-24	June 2024	Biodiversity Net Gain Supplementary Planning Document	To seek approval to adopt the Biodiversity Net Gain Supplementary Planning Document	Interim Director of Planning	Yes	Yes	Green	No	No
EC/02/24-25	June 2024	Jodrell Bank Observatory Supplementary Planning Document	To seek approval to consult on the final draft of the Jodrell Bank Observatory Supplementary Planning Document	Interim Director of Planning	Yes	Yes	Green	No	No
EC/03/24-25	June 2024	Air Quality Strategy	The report seeks approval to consult on the draft updated Air Quality Strategy.	Interim Director Environment and Neighbourhoods	Yes	No	Green	No	No

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