

Economy and Growth Committee

Agenda

Date: Tuesday 4th June 2024
Time: 2.00 pm
Venue: Committee Suite 1,2 & 3, Westfields, Middlewich Road,
Sandbach CW11 1HZ

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 top of each report.

It should be noted that Part 1 items of Cheshire East Council decision making 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 5 - 12)**

To approve as a correct record the minutes of the meeting held on 12 March 2024.

For requests for further information

Contact: Rachel Graves

Tel: 01270 686473

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4. **Public Speaking/Open Session**

In accordance with the Council's Committee Procedure Rules and Appendix on Public Speaking, 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.

Petitions - To receive any petitions which have met the criteria - [Petitions Scheme Criteria](#), and falls within the remit of the Committee. Petition organisers will be allowed up to three minutes to speak.

5. **Final Outturn 2023/24 (Pages 13 - 32)**

To consider the Final Outturn position for 2023/24.

6. **Service Budgets 2024/25 (Pages 33 - 58)**

To consider the report which sets out the allocation of approved budgets for 2024/25 for services under the Committee's remit.

7. **Crewe Towns Fund Grant - Budget Reallocation (Pages 59 - 70)**

To consider the proposed variation to an existing funding arrangement between Crewe Town Board, the Council (as accountable body for Crewe Town Board) and the Government's Department for Levelling Up Housing & Communities.

8. **Work Programme (Pages 71 - 74)**

To consider the Work Programme and determine any required amendments.

9. **Exclusion of the Press and Public**

The reports relating to the remaining items on the agenda have been withheld from public circulation and deposit pursuant to Section 100(B)(2) of the Local Government Act 1972 on the grounds that the matters may be determined with the press and public excluded.

The Committee may decide that the press and public be excluded from the meeting during consideration of the following items pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 and public interest would not be served in publishing the information.

PART 2 - MATTERS TO BE CONSIDERED WITHOUT THE PUBLIC AND PRESS PRESENT

10. Westfields: Future Use - Update (Pages 75 - 112)

To consider the future use of Westfields.

Membership: Councillors D Brown, L Buchanan, J Clowes, B Drake, M Gorman (Chair), A Heler, N Mannion (Vice-Chair), G Marshall, R Morris, C Naismith, C O'Leary, P Redstone and F Wilson

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CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Economy and Growth Committee**
held on Tuesday, 12th March, 2024 in the Committee Suite 1,2 & 3,
Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor M Gorman (Chair)
Councillor N Mannion (Vice-Chair)

Councillors S Adams, R Chadwick, J Clowes, B Drake, A Heler, G Marshall,
R Moreton, C Naismith, C O'Leary, P Redstone and F Wilson

OFFICERS IN ATTENDANCE

Peter Skates, Acting Executive Director Place
Charles Jarvis, Head of Economic Development
Karen Carsberg, Head of Housing
Nic Abbott, Housing Options and Homelessness Manager
Jo Wise, Development and Regeneration Manager
Steve Reading, Finance Officer
Adrian Leslie, Legal Services
Rachel Graves, Democratic Services Officer

The Chair invited Councillor M Goldsmith to speak. Councillor Goldsmith thanked officers for their support whilst he was Chair of the Economy and Growth Committee. He stated that during the previous committee meeting on 26 January 2024, some of those in attendance had thought he had been rude to speakers from the Friends of Poynton Pool. He apologised if he had given that impression, but his intention had been to convey the legal obligations of the Council regarding public safety, and he apologised for falling below the standards expected at that meeting.

51 APOLOGIES FOR ABSENCE

Apologies were received from Councillors D Brown and R Morris.
Councillors S Adams and R Chadwick attended as substitutes.

52 DECLARATIONS OF INTEREST

Councillor C O'Leary declared a non-pecuniary interest in agenda items 5 and 11.

In relation to Item 11, Councillor N Mannion declared that he was a Trustee for the Fence Trust and Stanley and Brocklehurst Almshouse Trust. Councillor F Wilson declared that she was employed by the Fence Trust and Stanley and Brocklehurst Almshouse Trust.

53 MINUTES OF PREVIOUS MEETING

RESOLVED:

That the minutes of the meeting held on 26 January 2024 be confirmed as a correct record.

54 PUBLIC SPEAKING/OPEN SESSION

There were no members of the public in attendance.

55 CHESHIRE EAST COMMON ALLOCATIONS POLICY

The Committee considered the report on the review of the Cheshire East Common Allocations Policy.

It was a statutory requirement for every council, whether they have housing stock or not, to have an allocations policy in place which outlined how social housing located within their authority was allocated.

The Committee, at its meeting in July 2023, had approved consultation on changes to the policy. The report and appendices before the Committee set out the outcome of the public consultation and the changes to the Cheshire East Common Allocations Policy.

Reference was made to the British Legion response to the consultation, and it was asked if the Council intended to conduct and publish the results of any pieces of work to record the number of ex-service personnel who were currently homeless and what steps did the Council take to identify if an applicant was an ex-service person.

In response it was stated that the Council did not get a large number of homeless ex-service personnel, and that there would be a concern about publishing information as needed to be compliant with data protection rules, but the Council did use the data held to inform and commission accommodation especially for armed forces personnel. There had recently been an opportunity to apply for capital funding for accommodation specifically for armed forces personnel. The data held had identified a need and the service had spoken to registered providers to see if they would be happy to work with the Council. In relation to identifying an ex-service person, there was a field on the application form which enabled the applicant to state whether or not they were actually serving or whether or not they were ex-military. It was up to the applicant to decide whether or not they wanted to disclose this information.

RESOLVED (unanimously): That the Committee

- 1 note the outcome of the Public Consultation, as set out in Appendix 1 to the report.

- 2 approve the revised Cheshire East Common Allocations Policy, as set out in Appendix 2 to the report.
- 3 delegate authority to make any future minor amendments or legislation changes to the Policy to the Director of Growth and Enterprise in consultation with the Chair of the Economy and Growth Committee.

56 RENTERS REFORM AND SELECTIVE LICENSING SCHEME UPDATE

The Committee considered the update report on the Renters Reform Bill and the Selective Licensing Scheme.

The private rental market was now the second largest tenure behind homeownership, overtaking social housing provision. Whilst it was acknowledged that many private landlords managed their tenants and maintained properties to a good standard, there was also a number of landlords whose management and properties did not meet acceptable standards.

Local Authorities had a discretionary power under Part 3 of the Housing Act 2004 to introduce a Selective Licensing Scheme in an identified priority area. In 2019 the Nantwich Road area of Crewe was identified as a priority area for intervention as it was displaying multiple issues around poor property conditions, higher levels of deprivation, crime and of anti-social behaviour that was considerably higher than other areas of Cheshire East. A two-stage approach was agreed for the area and a working group was established to develop a collaborative plan across a number of Council services to co-ordinate services and develop a detailed interventions to drive improvement in the Nantwich Road area. The report before the Committee detailed the work undertaken to improve conditions. However, one key essential component was unable to be progressed due to an ongoing challenge to secure funding for the resources required to undertake proactive housing enforcement work. This meant the Council was not able to progress to the next stage of the implementation of a Selective Licensing scheme.

The Renters (Reform) Bill was introduced to Parliament in May 2023 and was presently at the report stage. A key proposal in the Bill was the introduction of a new Government Landlord registration scheme for the UK which would negate the need for a Selective Licensing scheme to be introduced in the Nantwich Road area, as once introduced all landlords would be legally required to register themselves and their properties on a Property Portal and could be subject to fines if they marketed or let out a property without registering it and providing the required information.

RESOLVED (by majority): That the Committee

- 1 note the work being undertaken by the Crewe Neighbourhood project working group and progress made to date to help improve the area.
- 2 agree to wait the Royal Assent of the Renters (Reform) Act and the introduction of a new Government Landlord registration scheme for the UK, which would remove the need for a Selective Licensing scheme to be introduced in the Nantwich Road area.
- 3 note, that while awaiting implementation of the Renters (Reform) Act, the Council shall continue to assess and evaluate available evidence and options to facilitate effective oversight and licensing of landlord properties in the area.

57 UPDATE OF UK SHARED PROSPERITY FUND

The Committee considered the update report on the progress made with the allocation of UK Shared Prosperity Funding (UKSPF).

The Council was the accountable body for the UKSPF in Cheshire East and was responsible for the management of UKSPF allocation for 22/23-24/25, which amounted to £13,948,936.

The funding was divided into three elements:

- Core UKSPF allocation of £11,585,762 split across three years, which would be spent on defined types of interventions within three categories – People and Skills, Communities and Places, and Business Support.
- Rural ‘top up’ allocation of £827,627 for years 23/24 and 24/25 only to be spent on capital schemes supporting rural business, communities, and place.
- £1,563,749 to be spent exclusively on the Multiply (Adult Numeracy) Programme.

Due to the tight timescales imposed centrally for the delivery of key workstreams and spend, Council on 20 July 2022 had delegated authority to various officers the management of the funds. Projects led by the Council and from wider call outs for further projects from suitable organisations across the Borough had been selected to receive UKSPF funding in several tranches. The appendices to the report set out the schemes to which funding was allocated to and the progress with these schemes.

It was noted that funding constraints to spend the UKSFP had been set by the Government which had caused delays in funding being allocated. The Committee felt that parish councils and community groups may not have the knowledge or resources to respond quickly to calls for interest and

applications, and it was suggested that engagement and training be done with parish councils and community groups.

It was noted that the Town Centre Vitality Plans set out ideas for improvement and a supporting Tool Kit had been developed which could be used to help develop bids for UKSPF funding. It was agreed that that a link to these would be circulated to committee members.

RESOLVED:

That the Committee note the progress made in allocating and utilising the 2022-25 Cheshire East UKSPF allocation; together with the issues faced in pursuing spend by March 2025; the risk of underspend; and the mitigation proposed to reduce that risk.

58 MACCLESFIELD INDOOR MARKET REFURBISHMENT

The Committee considered the report on the proposals to refurbish elements of Macclesfield Indoor Market utilising UK Shared Prosperity Funding (UKSPF) and approval was sought to enter into a contract with a value of over £1m for the refurbishment work.

The approved Macclesfield Town Centre Strategic Regeneration Framework identified the desirability of investment in Macclesfield Indoor Market to increase its attractiveness to a wider range of residents and visitors.

The refurbishment project had been awarded £1,349,400 from the UKSPF in November 2023 with an additional £229,100 for branding and capital works in February 2024. There was a tight timescale for delivery of UKSPF funded projects with the current rules requiring spend of all UKSPF allocations by the end of March 2025.

The Committee were supportive of the project which would help towards the Town Centre regeneration and followed on from the provision of the Changing Places Toilet in the Indoor Market. It was noted that Macclesfield now had more independent shops and a revamped indoor market would offer opportunities for people to start businesses who could not afford to lease shop premises. It was asked if the Indoor Market would have the opportunity to open in the evenings to allow it to be used for events, like at Crewe Market Hall, as at present it closed when the shopping centre closed. In response it was stated that the shopping centre owners had been included in discussions and were supportive of the proposals as it would improve footfall within the shopping centre.

RESOLVED (unanimously):

That the Committee authorise the Head of Economic Development to select and enter into a contract with a provider to deliver refurbishment

works to Macclesfield Indoor Market, noting the value of the contract will exceed £1,000,000.

59 **WORK PROGRAMME**

The Committee considered the Work Programme for the 2024/25 municipal year.

The Chair stated that he was open to new ideas for the work programme and had already been approached by committee members with ideas, which he would discuss with officers. He stated that there would be a move away for having reports for 'noting only' on the agendas.

It was reported that the Work Programme on the agenda was limited and not all future decisions had been feed through to the document. The focus would be on reports coming to Committee that required a decision. For matters that did not require a decision briefing sessions would be arranged. Handforth Garden Village was a continuous project, and an update on the high-level business case, options appraisal and recommended delivery strategy would be brought to the Committee in either June or July 2024. The Rural Action Plan would be brought back to the Committee in the next 12 months. Other items coming forward were the Farm Strategy and the Housing Strategy.

It was asked if the Farms Working Group had met yet, and if not, could this be facilitated. In response it was stated that the Group had not yet met. It was confirmed that the following committee members were on this working group – Councillors J Clowes, B Drake, A Heler, G Marshall and C Naismith.

It was noted that the budget proposals, including the future use of Westfields, which were accepted by the Committee had not yet come through onto the Work Programme and it was asked if these could be added so that the Committee knew when they would be coming to committee or briefing so that members could have oversight and scrutiny to make sure they were being delivered in a timely way to meet budget requirements.

In response in relation to the future use of Westfields, it was stated that it was the intention to bring a fully worked up business case to the Committee for approval. These proposals were presently undergoing detailed analysis.

Reference was made to the Royal Arcade Reference Group, and it was reported that the Group had not yet been convened and work was being undertaken to confirm the final membership for the Group, which would not just be members of the Committee.

The Rural Action Plan Member Advisory Group had been established to help develop the Rural Action Plan 2022/23 -2025/26, which had been

approved by the Committee in September 2022. A take-off paper for the next Rural Action Plan would be brought during the year, which was expected to instigate a new Member Advisory Group.

RESOLVED:

That the Work Programme be noted.

60 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 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 2, 3 and 4 of Part 1 of Schedule 12A to the Local Government Act 1972 and public interest would not be served in publishing the information.

61 RE-COMMISSIONING OF HOUSE RELATED SUPPORT CONTRACTS

The Committee considered the report on the Re-Commissioning of Housing Related Support Contracts.

RESOLVED (unanimously):

That the recommendations be approved as set out in the report.

The meeting commenced at 2.00 pm and concluded at 3.43 pm

Councillor M Gorman (Chair)

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OPEN

Economy and Growth Committee

4 June 2024

Final Outturn 2023/24

Report of: Adele Taylor, Interim Director of Finance and Customer Services (s151 Officer)

Report Reference No: EG/04/24-25

Ward(s) Affected: All Wards

Purpose of Report

- 1 This report provides Members with the final outturn, for Economy and Growth Committee services, 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 the final outturn position for the 2023/24 financial year. 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 will be received by Finance Sub Committee on 25 June 2024. Service Committees will receive the sections relevant to their committee (see Annex 1).
- 5 The Outturn is reported as part of the Statutory Accounts and is therefore subject to audit. The audited Accounts will be presented to the Audit and Governance Committee on 30 September 2024.

RECOMMENDATIONS

The Economy and Growth Committee:

1. Consider the factors leading to a positive Net Revenue financial outturn of £4.3m against a revised budget of £24.2m (17.8%), for Economy and Growth Committee services.
2. Scrutinise the contents of Annex 1 and note that any financial mitigation decisions requiring approval will be made in line with relevant delegations.

Reasons for Recommendations

- 6 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.
- 7 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:	Adele Taylor, Interim Director of Finance and Customer Services (s151 Officer) adele.taylor@cheshireeast.gov.uk Paul Goodwin, Head of Finance & Deputy Chief Finance Officer paul.goodwin@cheshireeast.gov.uk
Appendices:	Annex 1 – Final Outturn 2023/24 – Economy and Growth
Background Papers:	Medium Term Financial Strategy 2023-27 First Financial Review 2023/24 Second Financial Review 2023/24 Third Financial Review 2023/24



Final Outturn 2023/24

Economy and Growth Committee

June 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

Economy and Growth Committee

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Table 3: Delegated Decision Additional Grant Funding (General Use) previously named in the MTFS

3. Debt Management

4. Capital Strategy

Table 1: Capital Programme

Table 2: Delegated Decision – Supplementary Capital Estimates (SCEs) and Capital Budget Virements

5. Reserves Strategy

Economy and Growth Committee

1. 2023/24 Final Outturn and Commentary

2023/24	Revised Budget (NET)	Outturn	Variance	Forecast Variance FR3	Movement from FR3 to Outturn
	£000	£000	£000	£000	£000
Directorate	637	432	(205)	(205)	-
Growth & Enterprise	24,214	19,955	(4,259)	(2,614)	(1,645)

Outturn Commentary

Place Outturn 2023/24

Overall the Place Directorate is reporting an underspend of £3.6m at outturn against a £94.1m budget. Pressures from planning income, waste, car park income and energy have been managed through vacancy management and reducing expenditure. This is an improvement of £3.7m since the third financial review mainly as a result of use of reserves and additional income.

Economy & Growth Committee

Growth and Enterprise Directorate and Place Directorate have an underspend of £4.5m against a net budget of £24.8m. This is an improvement of £1.6m from the third finance review.

The key reasons for the underspend are:

Assets Service: -£0.3m underspend

- Underlying issues relating to historic MTFS items that cannot be delivered £59k, reduced income levels on tenancy £17k and additional consultant costs £62k that cannot be recharged.
- Temporary mitigations include a one-off business rate rebate of -£108k plus stopping all non-essential spending saving -£57k, holding vacancies -£230k and an overachievement by property projects on their income budget -£82k.

This is an improvement of £0.2m from the third finance review with key differences relating to:

- The end of year alignment of recharges of costs to other services -£0.1m, the projects income, better performance of portfolio income than been forecast, lower water costs than forecast and further staff underspends due to interim arrangements and vacancies.

Facilities Management -£1.7m underspend

- Underlying issues relating to: additional spend on responsive maintenance +£962k (offset by a reduction in planned maintenance - £545k); savings from the 2023/24 “Review of Buildings and Estates Transformation” item not being fully implemented +£174k; under-recovery on cleaning recharges +£65k; and supplies and services pressures +£98k.
- Temporary mitigations include lower spend on electricity and gas -£767k; vacancy management and interim arrangements -£296k, water savings of -£106k due to lower usage and a reduced level of business rates due to prior year appeals - £1,190k. There has also been a reduction in non-essential spend of £29k and unbudgeted income received of £68k.

This is an improvement of £0.6m from the third finance review with key differences relating to:

- The service prioritised reactive maintenance over planned -£545k.

Economic Development: -£1.1m underspend

- Mainly temporary issues relating to: vacancy management and travel -£259k; additional recharges to capital -£209k; transfer of budget to the Place restructuring saving -£36k; recharges to Shared Prosperity Fund -£181k; saving on supplies & services -£246k; and release of reserves £249k.

This is an improvement of £0.4m from the third finance review with key differences relating to:

- A higher level of recharge to Shared Prosperity of -£350k by including all valid costs.

Housing: -£0.6m underspend

- Mainly temporary issues relating to: vacancy management -£219k; fully utilising grants within Homelessness & Housing Options - £216k; Private Sector Housing increased income -£33k; higher than budgeted recharges to capital -£84k; and reduced supplies and services spend -£29k.

This is an improvement of £0.1m from the third finance review.

Note: There will be a review focussing on the specific areas where there were major variances to see whether they are a one-off variance, or if there is an underlying budget variance that needs to be addressed in 2024/25. Findings will be reported at the next Economy and Growth Committee meeting.

Economy and Growth Committee

2. Corporate Grants Register

- 2.1 Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. Specific use grants are held within the relevant service with a corresponding expenditure budget. Whereas general purpose grants are held in central budgets with a corresponding expenditure budget within the allocated service area.
- 2.2 Spending in relation to specific use grants must be in line with the purpose for which it is provided.
- 2.3 **Table 1** provides a detailed listing of all Economy & Growth related grants, their movements between the reporting period and the treatment of the grant.
- 2.4 **Table 2** shows additional specific purpose grant allocations that have been received which are £500,000 or less and are for noting only.
- 2.5 **Table 3** shows delegated decisions for additional specific purpose grants previously named within the MTFS.

Table 1 – CORPORATE GRANTS REGISTER

Grants 2023/24	Original Budget	Revised Forecast FR3	Final Outturn	Change from Revised Forecast FR3	Treatment of Grant
	2023/24 £000	2023/24 £000	2023/24 £000	2023/24 £000	Notes 2 - 5
ECONOMY & GROWTH					
Specific Purpose (Held within Services)					
Rough Sleeping Initiative - brought-forward	0	0	113	113	
Rough Sleeping Initiative	0	319	237	-82	
Rough Sleeping Initiative - carried-forward	0	0	10	10	
Rough Sleeper Initiative: Target Group Priority Funding	0	15	15	0	
Rough Sleeper Initiative: Move on Prevention	0	0	62	62	SRE
Homelessness Prevention Grant - brought-forward	0	0	1,032	1,032	
Homelessness Prevention Grant	0	608	608	0	
Homelessness Prevention Grant - carried-forward	0	0	1,029	1,029	
Homelessness Prevention Grant: Homes for Ukraine top-up 2023/24	0	422	422	0	
Shared Prosperity Fund - brought-forward	0	1,119	1,166	47	
Shared Prosperity Fund	0	2,412	2,262	-150	
Shared Prosperity Fund - carried-forward	0	0	-1,065	-1,065	
LRSG/RESTART Grants - brought-forward	0	0	112	112	
Local Enterprise Partnership (LEP): Core Funding	375	250	250	0	
Local Enterprise Partnership (LEP): Growth Hub Funding	231	261	261	0	
Local Enterprise Partnership (LEP): NP (Northern Powerhouse) 11	500	500	589	89	SRE
Local Enterprise Partnership (LEP): Skills Bootcamp	1,500	1,355	606	-749	
Towns Fund - Ice Cream Van	0	15	15	0	
Towns Fund - Ice Cream Van - carried-forward	0	0	-15	-15	
Natural England - Stewardship scheme	0	0	64	64	SRE
Natural England - Stewardship scheme - carried forward	0	0	-32	-32	
COVID-19 Final SFC 2020-21 Claim Post Assurance Compensation	0	0	49	49	SRE
Total Economy & Growth - Specific Purpose	2,606	7,275	7,790	515	
General Use (Held Corporately)					
TOTAL ECONOMY & GROWTH	2,606	7,275	7,790	515	

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 – DECISION DELEGATED TO OFFICERS

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose) £500,000 or less

Committee	Year	Type of Grant	£000	Details
Economy & Growth	2023/24	Rough Sleeper Initiative: Move on Prevention (Specific Purpose)	62	This is a new grant from the Department for Levelling Up, Housing and Communities (DLUHC). The purpose is to immediately intervene in, prevent and reduce rough sleeping in 2023/24.
Economy & Growth	2023/24	Natural England - Stewardship scheme (Specific Purpose)	64	This is a new grant from Natural England / Rural Payments Agency. The Countryside Stewardship Grant has been a part of both Tatton Park and Countryside Management for over 10 years. A new agreement came into force from the 1st October 2023 immediately on the ending of the previous 10 year agreement. This new agreement is for 5 years. The Countryside Stewardship (CS) schemes provide funding to farmers and land managers to improve their local environment. CS supports a range of enhanced environmental outcomes from restoring wildlife habitats and creating woodlands, to managing flood risk.
Economy & Growth	2023/24	COVID-19 Final SFC 2020-21 Claim Post Assurance Compensation (Specific Purpose)	49	This is a new grant from the Department for Levelling Up, Housing and Communities (DLUHC). There is additional grant income of £49,174 to be received from DLUHC that is due to Tatton Park, this relates to the final Covid Sales, Fees & Charges compensation reconciliation.
Total Specific Purpose Allocations less than £500,000			175	

Table 3 – DECISION DELEGATED TO OFFICERS

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose) previously named in the MTFS.

Committee	Year	Type of Grant	£000	Details
				On 22 nd February 2023 Council delegated authority to the Chief Finance Officer, to approve supplementary estimates if the value of any named grant changes from the figures contained within Appendix C, Annex 7 of the MTFS.
Economy & Growth	2023/24	Local Enterprise Partnership (LEP): NP (Northern Powerhouse) 11 (Specific Purpose)	89	Increase on MTFS 2023-27 estimate. This grant is from the Business Energy and Industrial Strategy Department. To enable the 11 Northern LEPs (the NP11) to develop a more unified Northern Powerhouse economic development programme and voice. The NP11 will work together on issues where a pan-Northern approach to economic development can add value.
Total Delegated Decision Specific Purpose Allocations previously named in the MTFS			89	

3. Debt Management

	Outstanding Debt £000	Over 6 months old £000
Economy and Growth Committee		
Growth and Enterprise	581	328

Total outstanding debt has reduced from £1,777k at Third Financial Review to £581k at 31st March 2024. Debt over 6 months old has increased from £222k to £328k.

4. Capital Strategy

Table 1 Capital Programme

Economy & Growth								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	Forecast Budget 2023-27 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000		
Committed Schemes in progress														
Facilities Management														
Public Sector Decarbonisation Fund - FM 1	1,909	1,759	151	0	0	0	151	128	0	0	0	22	151	
Public Sector Decarbonisation Fund - FM 2	646	452	194	0	0	0	194	128	0	0	0	67	194	
Public Sector Decarbonisation Fund - FM 3	5,214	3,931	1,092	191	0	0	1,283	285	0	0	0	998	1,283	
PSDS - 3B - Lot 1	3,278	0	77	2,201	1,000	0	3,278	2,015	0	0	0	1,263	3,278	
PSDS - 3B - Lot 3 (schools)	5,300	0	3,267	2,033	0	0	5,300	5,191	0	109	0	0	5,300	
Septic Tanks	636	280	5	351	0	0	356	0	0	0	0	356	356	
Schools Capital Maintenance	8,315	4,639	936	2,740	0	0	3,676	3,395	0	281	0	0	3,676	
Corporate Landlord - Operational	1,027	962	33	31	0	0	65	0	0	0	0	65	65	
Premises Capital (FM)	38,774	30,705	1,825	3,775	2,469	0	8,069	0	0	0	0	8,069	8,069	
Poynton Pool Spillway	1,380	296	173	885	27	0	1,084	0	0	200	0	884	1,084	
Housing														
Home Upgrade Grant Phase 2	6,210	0	740	5,470	0	0	6,210	6,210	0	0	0	0	6,210	
Crewe Towns Fund - Warm and Healthy Homes	2,126	10	21	706	1,389	0	2,116	2,116	0	0	0	0	2,116	
Social Housing Decarbonisation Fund	1,565	86	1,471	8	0	0	1,479	1,479	0	0	0	0	1,479	
Future High Street Funding - Chester Street	8	3	0	5	0	0	5	5	0	0	0	0	5	
Future High Street Funding - Delamere Street	10	5	1	4	0	0	5	5	0	0	0	0	5	
Green Homes Grant	3,105	2,249	128	728	0	0	856	854	2	0	0	0	856	
Sustainable Warmth - Home Upgrade Grant	855	631	184	40	0	0	224	175	50	0	0	0	224	
Home Repairs Vulnerable People	1,306	659	210	178	258	0	647	0	21	0	0	626	647	
Disabled Facilities	16,103	6,989	3,192	3,580	2,342	0	9,114	7,902	285	0	0	928	9,114	
Warm Homes Fund	239	198	15	26	0	0	41	41	0	0	0	0	41	
Temporary Accommodation	1,479	878	192	410	0	0	601	0	355	246	0	0	601	
Gypsy and Traveller Sites	4,136	1,289	1,649	1,198	0	0	2,847	700	438	0	0	1,709	2,847	

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	
Estates													
Corporate Landlord - Non-Operational	1,336	0	0	1,336	0	0	1,336	0	0	0	0	1,336	1,336
Malkins Bank Landfill Site	1,360	565	97	699	0	0	795	0	0	0	7	788	795
Farms Strategy	2,910	1,671	19	191	310	720	1,240	0	0	0	1,240	0	1,240
Economic Development													
Crewe Towns Fund - Repurposing Our High	1,450	38	125	644	644	0	1,412	1,412	0	0	0	0	1,412
Crewe Towns Fund - Flag Lane Baths	3,935	306	277	3,352	0	0	3,629	3,629	0	0	0	0	3,629
Crewe Towns Fund - Mill Street Corridor	3,620	190	494	2,138	798	0	3,430	3,430	0	0	0	0	3,430
Crewe Towns Fund - Mirion St	732	30	135	568	0	0	703	703	0	0	0	0	703
Crewe Towns Fund - Crewe Youth Zone non-	351	49	76	226	0	0	302	302	0	0	0	0	302
Crewe Towns Fund - History Centre Public Realm	380	14	-4	0	370	0	366	366	0	0	0	0	366
Handforth Heat Network	13,219	0	17	663	50	12,489	13,219	2,604	7,428	0	0	3,187	13,219
Demolition of Crewe Library & Concourse (Future High Street Funding - History Centre Preparatory)	3,396	181	677	2,538	0	0	3,215	1,692	0	0	0	1,523	3,215
Future High Street Funding - CEC Innovation	3,973	59	471	3,443	0	0	3,915	3,915	0	0	0	0	3,915
Crewe Town Centre Regeneration	32,293	15,058	15,935	1,300	0	0	17,235	341	64	0	0	16,829	17,235
Macclesfield Indoor Market Toilet Refurbishment	186	12	174	0	0	0	174	50	98	0	0	26	174
Macclesfield Town Centre	358	0	-3	361	0	0	358	0	0	0	0	358	358
Macc on Foot (MOF)	415	0	5	410	0	0	415	415	0	0	0	0	415
Macclesfield Indoor Market Refurbishment (MIMR)	1,269	0	40	1,230	0	0	1,269	1,269	0	0	0	0	1,269
South Macclesfield Development Area	34,630	3,237	22	11,371	20,000	0	31,393	10,000	10,000	0	11,371	22	31,393
North Cheshire Garden Village	57,866	6,002	1,024	20,365	30,475	0	51,864	21,189	0	0	21,700	8,975	51,864
Leighton Green	2,096	1,464	5	628	0	0	632	0	0	0	0	632	632
Connecting Cheshire Phase 3	8,000	0	128	1,972	2,000	3,900	8,000	0	8,000	0	0	0	8,000
Connecting Cheshire 2020	9,250	3,709	1,971	2,570	1,000	0	5,542	4,858	683	0	0	0	5,542

Economy & Growth

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	
Culture & Tourism													
Countryside Vehicles	1,579	580	120	226	219	434	999	0	0	935	64	0	999
Culture & Tourism S106 Schemes	633	65	26	312	225	5	568	8	560	0	0	0	568
New Archives Premises	10,256	0	442	9,047	667	100	10,256	0	0	0	0	10,256	10,256
PROW Capital Works	1,051	957	85	9	0	0	94	94	0	0	0	0	94
PROW CMM A6 MARR	100	9	60	31	0	0	91	91	0	0	0	0	91
PROW Flood Damage Investment	72	63	7	1	0	0	8	0	0	0	0	8	8
Tatton Park Investment Phase 2	3,280	1,407	28	672	350	823	1,873	0	0	0	0	1,873	1,873
Total Committed Schemes	303,620	91,686	38,008	90,862	64,594	18,470	211,934	86,997	27,984	1,770	34,381	60,802	211,934
New Schemes													
Housing													
Local Authority Housing Fund	978	0	293	684	0	0	978	978	0	0	0	0	978
Economic Development													
UK Shared Prosperity Fund - Core	950	0	202	748	0	0	950	950	0	0	0	0	950
Handforth Garden Village s106 Obligations	6,841	0	0	0	3,000	3,841	6,841	0	0	0	0	6,841	6,841
Culture & Tourism													
Cattle Handling Facility - Oakwood Farm	367	0	367	0	0	0	367	0	0	367	0	0	367
Rural Shared Prosperity Fund	415	0	113	302	0	0	415	415	0	0	0	0	415
Total New Schemes	782	0	975	1,734	3,000	3,841	9,551	2,342	0	367	0	6,841	9,551
Total Growth & Enterprise	304,402	91,686	38,983	92,596	67,594	22,312	221,484	89,339	27,984	2,137	34,381	67,643	221,484

Table 2 Delegated Decision - Supplementary Capital Estimates (SCEs) and Capital Budget Virements

Committee / Capital Scheme	Amount Requested £	Reason and Funding Source
Facilities Management		
Public Sector Decarbonisation Fund - FM 3	449	To increase budget to take in to consideration the grant received is higher than approved. Match funding for the Public Sector Decarbonisation Programme, contributions from Schools
PSDS - 3B - Lot 3 (schools)	108,532	
Housing		
Disabled Facilities	284,829	To increase the budget to incorporate the contributions made towards the in-year costs.
Home Repairs Vulnerable People	21,112	
Green Homes Grant	2,320	
Sustainable Warmth - Home Upgrade Grant	49,549	
Green Infrastructure		
Cattle Handling Facility - Oakwood Farm	177,084	Revenue contributions to cover the in-year cost of works.
Total Supplementary Capital Estimates Requested	643,875	

Service / Capital Scheme	Amount Requested £	Reason and Funding Source
Capital Budget Virements that have been made up to £500,000		
Facilities Management		
Schools Capital Maintenance	191,515	Virement from School Condition Grant to cover expenditure in relation to Rode Heath Primary School.
PSDS - 3B - Lot 3 (schools)	167,777	Virements from Children & Families as match funding for the Public Sector Decarbonisation Programme: Funded by School Condition Grant
	33,513	Funded by Devolved Formula Capital grant
	16,876	Funded by Energy Efficiency Capital grant
Public Sector Decarbonisation Fund - FM 1	31,986	To re-align the Public Sector Decarbonisation Fund budgets, to match where the expenditure was incurred.
Public Sector Decarbonisation Fund - FM 1	22,247	Virement from Premises Capital budget to fund costs coded here but not funded by the claims from PSDS.
Public Sector Decarbonisation Fund - FM 2	66,569	
Total Capital Budget Virements Approved	530,483	
Total Supplementary Capital Estimates and Virements	1,174,358	

5. Reserves Strategy

Economy and Growth Committee

Name of Reserve	Opening Balance 1 April 2023 £000	Forecast Movement in Reserves 2023/24 £000	Forecast Closing Balance 31 March 2024 £000	Notes
<u>Directorate</u>				
Place Directorate	1,722	(558)	1,164	To support a number of widespread projects within the Place Directorate.
Investment (Sustainability)	648	(39)	609	To support investment that can increase longer term financial independence and stability of the Council.
<u>Growth and Enterprise</u>				
Legal Proceedings	228	(16)	212	To enable legal proceedings on land and property matters.
Investment Portfolio	361	173	534	Reserve being built up to be used in the future if the site is vacated. Current lease extends beyond 2026.
Homelessness & Housing Options - Revenue Grants	130	0	130	To cover costs of purchase and refurbishment of properties to be used as temporary accommodation to house vulnerable families. Remaining portion of historic grants - not been used due to high levels of ringfenced Homeless Prevention & Rough Sleepers Grants being utilised.
Tatton Park Trading Reserve	0	128	128	Ringfenced Trading Reserve used to support projects and overall position at Tatton.
Royal Arcade Crewe	20	(20)	0	Original purpose was to fund vacant possession related costs for the Royal Arcade until demolition. The balance will now be used to pay for ongoing rates and maintenance costs for Crewe Bus station.
ECONOMY AND GROWTH TOTAL	3,109	(332)	2,777	

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Economy and Growth Committee

Tuesday, 4 June 2024

Service Budgets 2024/25 (Economy & Growth Committee)

Report of: Adele Taylor, Interim Director of Finance and Customer Services (s151 Officer)

Report Reference No: EG/01/24-25

Ward(s) Affected: All Wards

Purpose of Report

- 1 This report sets out the allocation of the approved budgets for 2024/25 to the Economy & Growth Committee.
- 2 The report contributes to the Council's objective of being an open and enabling organisation.

Executive Summary

- 3 The Medium-Term Financial Strategy (MTFS) for Cheshire East Council for the four years 2024/25 to 2027/28 was approved by full Council on 27 February 2024.
- 4 Due to the unprecedented financial circumstances that the council finds itself in it was not possible to present a fully balanced budget for the medium term this time. The focus has been wholly on 2024/25 to ensure that effective scrutiny could be achieved in every area to work towards presenting a balanced position in February.
- 5 Service committees are being allocated budgets for 2024/25 in line with the approved MTFS. The financial reporting cycle will provide regular updates on progress on delivery of the budget change items, the forecast outturn position, progress on capital schemes, movement on reserves and details of any supplementary estimates and virements.

The financial reporting timetable for 2024/25 was approved by Finance Sub-Committee on 22 March 2024 and is included at Appendix B.

- 6 In addition to the usual comprehensive reporting at First, Second and Third Financial Reviews (September, November and January cycles), in recognition of the Council's challenging financial position and the importance of achieving a balanced outturn, it has been agreed by the Finance Sub Committee that all service committee meetings during 2024/25 will receive an update report on the delivery of the approved MTFS budget policy change items. This will be based on the tables of budget policy items shown in Appendix A, for each respective committee, and will include RAG-rating and accompanying commentary as reviewed and approved by Corporate Leadership Team in respect of each item.
- 7 Appendix A contains the first update on progress against each revenue budget change item for 2024/25.

RECOMMENDATIONS

The Economy & Growth Committee is recommended:

1. To note the decision of the Finance Sub-Committee to allocate the approved revenue and capital budgets, related budget policy changes and earmarked reserves to the Economy & Growth Committee, as set out in Appendix A.
2. To note the financial reporting timetable for 2024/25 set out in Appendix B as approved at Finance Sub-Committee on 22 March 2024.
3. To review progress on the delivery of the MTFS budget policy change items, the RAG ratings and latest forecasts, and to understand the actions to be taken to address any adverse variances from the approved budget.

Background

- 8 All councils are legally required to set a balanced budget each year. The MTFS was approved by full Council on 27 February 2024.
- 9 The MTFS includes a Report from the Chief Finance Officer in line with the Section 25(1) of the Local Government Finance Act 2003. This report confirms that the MTFS is balanced for 2024/25. The report also highlights the factors taken into account in arriving at this judgement including relevant financial issues and risks facing the Council during the medium term.

- 10 Finance Procedure Rules set limits and responsibilities for movement of funds, treating reserves as part of this overall balanced position. Any movement within this balanced position is treated as a virement. To increase the overall size of the MTFS requires a supplementary estimate, which must be backed with appropriate new funding and approved in line with the Procedure Rules.
- 11 To support accountability and financial control under the committee system the 2024/25 budget is being reported across the service committees based on their associated functions. This report sets out the allocation of the revenue and capital budgets and earmarked reserves to the relevant service committee in accordance with their functions.
- 12 Each committee function has been associated with a Director budget. Budget holders are responsible for budget management.
- 13 The financial alignment of budgets to each Committee is set out in Table 1 with further details in Appendix A.

Table 1: Revenue and capital budgets allocated to service committees as per the approved MTFS:

ALL COMMITTEES - Summary					
Service Area	Revenue Budget			Capital Budget	Total Revenue and Capital Budget
	2024/25			2024/25	2024/25
	Expenditure £000	Income £000	Net £000	£000	Net £000
Adults and Health	223,849	-86,407	137,442	799	138,241
Children and Families	99,583	-10,620	88,963	38,908	127,871
Corporate Policy	111,416	-69,760	41,656	10,379	52,035
Economy and Growth	36,169	-8,227	27,942	80,263	108,205
Environment and Communities	65,291	-16,642	48,649	18,978	67,627
Highways and Transport	28,669	-12,839	15,830	66,452	82,282
Finance Sub-Committee	18,727	-3,500	15,227	0	15,227
Total Cost of Service	583,704	-207,995	375,709	215,779	591,488

- 14 The 2024-28 MTFS includes a net revenue budget of £375.7m and an approved capital programme of £215.8m for the financial year 2024/25. Further details on the schemes within the capital programme are provided in Appendix A.
- 15 Appendix A sets out the list of budget change items that were approved as part of the MTFS. All budget changes must be successfully delivered during 2024/25 to avoid a further overspend in the coming financial year. Detailed monitoring of these items will continue at every reporting opportunity and the Council's reporting 'masterplan' and committee work programmes will reflect reporting on the monitoring and delivery of

all MTFS change items, including matters requiring consultation and/ or decisions. This will ensure regular reporting to Corporate Leadership Team and all service committees on implementation of the MTFS and achievement of savings, throughout the coming year. In addition to reporting at the formal 'financial review' points in the year, other progress reports will be scheduled for reporting to particular service committees, on their items as appropriate.

- 16 Appendix A sets out the capital programme tables by committee. The four-year capital programme includes investment plans of around £0.6bn. It is proposed that it will be funded through a mixture of Government grants, contributions from other external partners and Council resources. At present this programme is not affordable, with interest rates for borrowing at an average for the Council of 5.6% and a continuing need to borrow, the capital programme needs to be reduced significantly in order for the Council to be able to fund the schemes solely or partly funded by Council resources. The capital programme is currently being reviewed.
- 17 The 2024/25 budget was approved at full Council in February 2024 including the use of a further £11.7m of earmarked reserves in 2024/25 to balance the overall budget, as expenditure outweighed the income forecast. The low level of reserves and forecast further use of reserves to support the 2024/25 budget must be addressed as soon as possible. The headline reserves table, as included in the MTFS, is shown below:

	Opening Balance 2023/24 £m	Forecast Closing Balance 2023/24 as at MTFS Feb 2024 £m	Forecast Closing Balance 2024/25 as at MTFS Feb 2024 £m
General Reserves	14.1	1.1*	2.1*
Earmarked Reserves**	61.6	24.3	1.7
Total Revenue Reserves	75.7	25.4	3.8

* Closing balances are dependent on outturn at 31 March 2024 (see *Outturn Report 2023/24* for further updated final position for 2023/24).

** As at the MTFS, all remaining Earmarked reserves excluding those held for ring-fenced purposes are being transferred into the General Fund reserve during 2024/25 to support the forecast deficit position (*this will be reviewed during 2024/25 following Outturn for 2023/24*).

The detail behind the earmarked reserve balances included in the table above, for the Economy & Growth Committee, is set out in Appendix A and is shown in the table below:

Name of Reserve	Opening Balance 2023/24 £000	Forecast Closing Balance 2023/24 as at MTFS Feb 24 £000	Forecast Closing Balance 2024/25 as at MTFS Feb 24 £000
Directorate			
Place Directorate	1,722	(1,249)	473
Investment (Sustainability)	648	(221)	427
Growth and Enterprise			
Legal Proceedings	228	(124)	104
Investment Portfolio	361	174	535
Homelessness & Housing Options - Revenue Grants	130	(130)	0
Tatton Park Trading Reserve	0	128	128
Royal Arcade Crewe	20	(20)	0
ECONOMY & GROWTH TOTAL	3,109	(1,442)	1,667

- 18 The Council must transform to create sustainable services and support infrastructure projects that reflect 'whole life' costs. This must cover the medium to long term and be backed by reserves that can manage any emerging risks. This is crucial if the Council is to maintain the value that local decision making can bring to local services.
- 19 The Chief Executive has taken the initiative to engage senior officers in a self-assessment of the Council against the Local Government Association (LGA) – Transformation Capability Framework. As requested by Members, the Council has also commissioned an LGA Corporate Peer Review which took place during March 2024. The outcome of these reviews will inform a programme of transformation activity across the Council during the 2024/25 year.
- 20 The transformation programme, needed to help address the financial deficit, as set out in the MTFS report, will focus on:
- (a) Reprioritisation, to create an opportunity to invest in critical areas but also disinvest from areas.
 - (b) Customer engagement and experience, through using technology to streamline service delivery enabling self-service available 24/7, whilst ensuring specialised support and guidance is given to those that need it.
 - (c) Achieving value for money in and across all services, by reducing manual, repetitive tasks through automation of systems and processes.

- (d) Reviewing organisational structures and operating models to maximise performance and outcomes.
- (e) Developing the right skills and behaviours across the entire workforce to achieve high productivity levels.
- (f) Achieving financial targets through the effective implementation of well informed and clear decisions informed by data and insight.
- (g) Developing the Asset Management Plan to align it to service requirements and dispose of surplus assets.

- 21 Further background information on the reserves balances is available in the Reserves Strategy and the S.25 statement which was approved as part of the MTFS for 2024/25 at the Council meeting on 27 February (Appendix C: MTFS – Annex 13 (Reserves Strategy) and Page 16 (S.25 statement)).
- 22 The council has been in discussion with government for a number of months about particular specific financial issues, including increased demand and unfunded costs for special educational needs, and the continued financial uncertainty following the government’s announcement, in October 2023, of the cancellation of HS2 north of Birmingham and spending already incurred by the council in preparation for HS2 phase 2.
- 23 On 29 February 2024, the government announced some Exceptional Financial Support for Cheshire East Council. The support will be in the form of a capitalisation direction. It provides the council with the facility to spread the cost of any additional emerging pressures, up to £17.6m, to future years, effectively providing an alternative to use of reserves should the need arise. This reduces the risk of a Section 114 notice. The support is not in the form of cash. The council would need to pay back expenditure capitalised under this arrangement, in the longer term.
- 24 Reducing these financial risks will enable investment in providing the required organisational capacity and resources in 2024/25 for a council-wide transformational change programme, to create sustainability in the medium-term.
- 25 The table below summarises the estimated four-year position, as included in the MTFS. Early work on business planning for 2025/26 and future years is underway, as part of the Transformation Programme.

Estimated Net Budget 2024/25 £m	Estimated Net Budget 2025/26 £m	Estimated Net Budget 2026/27 £m	Estimated Net Budget 2027/28 £m
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	Estimated Net Budget 2024/25 £m	Estimated Net Budget 2025/26 £m	Estimated Net Budget 2026/27 £m	Estimated Net Budget 2027/28 £m
Total Service Expenditure	360.5	380.2	399.1	417.1
Central Budgets:				
Capital Financing	28.5	43.0	57.1	69.8
Income from Capital Receipts	-1.0	-1.0	-1.0	-1.0
Use of Reserves	-12.2	-	-	-
Total Central Budgets	15.2	42.0	56.0	68.7
TOTAL: SERVICE + CENTRAL BUDGETS	375.7	422.2	455.2	485.9
Funded by:				
Council Tax	-287.1	-298.8	-310.6	-322.9
Business Rates Retention	-56.6	-56.6	-56.6	-56.6
Revenue Support Grant	-0.4	-0.4	-0.4	-0.4
Specific Unringfenced Grants	-31.6	-24.5	-24.5	-24.5
TOTAL: FUNDED BY	375.7	380.3	392.2	404.4
FUNDING POSITION	0.0	41.9	63.0	81.5

Consultation and Engagement

- 26 The annual business planning process involves engagement with local people and organisations. Local authorities have a statutory duty to consult on their budget with certain stakeholder groups including the Schools Forum and businesses. In addition, the Council chooses to consult with other stakeholder groups. The Council continues to carry out stakeholder analysis to identify the different groups involved in the budget setting process, what information they need from us, the information we currently provide these groups with, and where we can improve our engagement process.
- 27 Cheshire East Council conducted an engagement process on its Medium-Term Financial Plans through a number of stages running from January 2024 to Council in February 2024.
- 28 The budget consultation launched on-line on 9 January 2024, included details of the proposals against each Corporate Plan aim. This consultation was made available to various stakeholder groups and through a number of forums.

Reasons for Recommendations

- 29 In accordance with the Corporate Plan and the Policy Framework the Finance Sub-Committee has the responsibility to co-ordinate the management and oversight of the Council's finances, performance and risk management arrangements.
- 30 The Sub-Committee is responsible for allocating budgets across the service committees. This responsibility includes the allocation of revenue and capital budgets as well as relevant earmarked reserves.
- 31 The Sub-Committee has responsibilities within the Constitution to approve, or recommend for approval, virement and supplementary estimates that will amend the MTFS. Such requests are brought to the Committee as they arise.

Other Options Considered

- 32 Not applicable.

Implications and Comments

Monitoring Officer/Legal

- 33 The legal implications surrounding the process of setting the 2024 to 2028 Medium-Term Financial Strategy were dealt with in the reports relating to that process.

Section 151 Officer/Finance

- 34 Contained within the main body of the report.

Policy

- 35 The Corporate Plan sets the policy context for the MTFS and the two documents are aligned. Any policy implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

An open and enabling organisation
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Equality, Diversity and Inclusion

- 36 Under the Equality Act 2010, decision makers must show 'due regard' to the need to:
- 37 - Eliminate unlawful discrimination, harassment and victimisation;

- 38 - Advance equality of opportunity between those who share a protected characteristic and those who do not share it; and
- 39 - Foster good relations between those groups.
- 40 The protected characteristics are age, disability, sex, race, religion and belief, sexual orientation, gender re-assignment, pregnancy and maternity, and marriage and civil partnership.
- 41 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.
- 42 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.
- 43 Positive impacts include significant investment in services for children and adults (protected characteristics primarily age and disability).
- 44 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.
- 45 The proposals within the MTFS approved in February 2024 include positive and negative impacts. A separate Equality Impact Assessment has been produced and is included in the MTFS 2024-28 Appendix C, Annex 3. Any service changes will be subject to a specific EqIA process as part of their development.

Human Resources

- 46 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

- 47 Financial risks are assessed and reported on a regular basis, and remedial action taken if and when required. Risks associated with the achievement of the 2024/25 budget and the level of general reserves

were factored into the 2024/25 financial scenario, budget and reserves strategy.

Rural Communities

48 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)

49 The report provides details of service provision across the borough.

Public Health

50 Public Health implications of any service budget or policy changes which may be brought forward under the remit of this committee will be considered on a case by case basis.

Climate Change

51 Any climate change implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

Access to Information	
Contact Officer:	<p>Adele Taylor</p> <p>Interim Director of Finance and Customer Services (Section 151 Officer)</p> <p>adele.taylor@cheshireeast.gov.uk</p>
Appendices:	<p>A - Allocation of revenue and capital budgets, budget change items and earmarked reserves for the Economy & Growth Committee</p> <p>B – Financial Reporting Timetable 2024/25</p>
Background Papers:	<p>The following are links to key background documents:</p> <p>Medium-Term Financial Strategy 2024-2028</p>

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Service Budgets Appendix A

Economy and Growth Committee

Contents

Economy and Growth Committee Extracts

1. Allocation of Revenue and Capital Budgets
2. Approved Budget Policy Change items
3. Capital Programme
4. Earmarked Reserves

Economy and Growth Committee

1. Allocation of Revenue and Capital Budgets

ECONOMY and GROWTH COMMITTEE - Summary					
Service Area	Revenue Budget			Capital Budget	Total Revenue and Capital Budget
	2024/25			2024/25	2024/25
	Expenditure £000	Income £000	Net £000	£000	Net £000
Directorate	-597		-597	0	-597
Assets	1,757	-1,249	508	864	1,372
Growth and Enterprise Management	147		147	0	147
Facilities Management	18,650	-468	18,182	7,527	25,709
Farms	434	-785	-351	0	-351
Economic Development	2,292	-469	1,823	50,895	52,718
Housing	3,806	-529	3,277	10,736	14,013
Rural and Cultural Management	165		165	0	165
Tatton Park	5,214	-4,079	1,135	350	1,485
Public Rights of Way	869	-53	816	686	1,502
Cultural Economy	1,056		1,056	285	1,341
Countryside	1,204	-245	959	193	1,152
Visitor Economy	550	-350	200	8,727	8,927
Pay Inflation	622		622		622
Total Cost of Service	36,169	-8,227	27,942	80,263	108,205

2. Approved Budget Policy Change items

MTFS Section 1 Ref No	Detailed List of Approved Budget Changes – Service Budgets	Budget Consultation Reference	2024/25 MTFS £m	2024/25 Forecast Outturn £m	Progress 2024/25 (RAG rating and commentary)	2025/26 £m	2026/27 £m	2027/28 £m
	Economy and Growth Committee		+3.316	+4.410		+1.184	+1.764	+0.440
49	Service Restructures within Place based Services	EG1	-0.787	0	Red – achievement through permanent savings remains challenging without a full restructure – which is pending the LGA review.	-	-	-
50	Reduce opening hours for main offices	EG2	-0.050	-0.050	Completed	-	-	-
51	Office estate rationalisation		-0.550	-0.250	Red - due to a pending committee decision.	-0.150	-	-
52	Tatton Park		-0.046	-0.046	Amber rating reflects the fact that the Tatton Vision capital programme is currently under review.	-	-	-
53	Transfer of Congleton Visitor Information Centre		-0.020	-0.020	Green - Transfer of Congleton VIC to the Town Council has already occurred.	-	-	-
54	Pension costs adjustment		-0.157	-0.157	Completed	-0.164	-	-
55	Tatton Park ticketing and electronic point of sale (EPOS) upgrade		+0.005	+0.005	Green - A procurement process is currently underway to source a supplier who can ensure onsite and web-based delivery of a new system which aligns with present and future needs.	+0.001	+0.001	+0.001

MTFS Section 1 Ref No	Detailed List of Approved Budget Changes – Service Budgets	Budget Consultation Reference	2024/25 MTFS £m	2024/25 Forecast Outturn £m	Progress 2024/25 (RAG rating and commentary)	2025/26 £m	2026/27 £m	2027/28 £m
56b	Cultural Economy capacity		0	+0.015	Amber - It is proposed that an apprenticeship post is added to the team. This would enable important succession planning for the Council's events management resource and additional cultural economy resource on a cost effective basis.			
56c	West Park collection		+0.012	+0.012	Green - Cost for vital conservation and storage of West Park Museum collections and ongoing temporary storage requirements.			
56d	CEC archives		+0.008	0	Completed - Timescales for implementation of the Archives capital project have slipped due to grant funding decisions, with revised opening date of Spring 2026.	+0.089		
57	Property Information and Management System - Estates – Revenue Adjustment		+0.030	+0.030	Green - Procurement of new contract to commence shortly.	-	-	-
58	Housing		+0.035	+0.035	Green - Consultation on the Housing Restructure commences 22nd May and includes the post that the funding is attributed to. The new structure will be implemented by 1st August 2024	-	-	-

MTFS Section 1 Ref No	Detailed List of Approved Budget Changes – Service Budgets	Budget Consultation Reference	2024/25 MTFS £m	2024/25 Forecast Outturn £m	Progress 2024/25 (RAG rating and commentary)	2025/26 £m	2026/27 £m	2027/28 £m
59	Environmental Hub Waste Transfer Station		+0.040	+0.040	Green	-	-	-
60	Rural and Visitor Economy		+0.045	+0.045	Green - Additional revenue support is required to cover the increase in electricity charges for the Rural and Culture Economy Service to maintain existing service provision at Tatton Park and Countryside sites.	-0.021	-	-
61	Minimum energy efficiency standards (MEES) - Estates - Revenue Adjustment		+0.079	+0.079	Amber – dependent on third party lease renewals and EPC requirements. Lease renewals identified and commenced internally.	+0.023	-0.047	-0.055
62	Public Rights of Way Income Realignment		+0.115	+0.115	Completed	-	-	-
63	Pay inflation	Revised post consultation	+0.788	+0.788	Amber - NJC Pay Claim process has started (claim is £3,000 or 10% vs MTFS 3%).	+0.418	+0.428	+0.428
64	Crewe town centre maintenance and operation		+0.650	+0.650	Green	+0.352	+0.089	+0.066
65	Assets - Buildings and Operational		+3.119	+3.119	Green	+0.423	+1.481	-
66	Landfill Site Assessments revenue adjustment - Estates – CE Owned Landfill sites (53 sites) Review and Risk Assessment completions		-	0	Amber - £10k cost growth in for 25/26. Second stage of the review to commence shortly. Internal capacity within Environmental Service to be identified.	+0.010	-	-

MTFS Section 1 Ref No	Detailed List of Approved Budget Changes – Service Budgets	Budget Consultation Reference	2024/25 MTFS £m	2024/25 Forecast Outturn £m	Progress 2024/25 (RAG rating and commentary)	2025/26 £m	2026/27 £m	2027/28 £m
67	Tatton Park Estate Dwellings Refurbishment		-	0	Completed - Provision for response maintenance issues for 8 onsite dwellings to ensure properties meet standards required as part of tenancy agreements and the National Trust lease.	+0.015	-	-
68	Improving Crewe Rented Housing Standards		-	0	Green	+0.188	-0.188	-

3. Capital Programme

Economy and Growth								CAPITAL						
CAPITAL PROGRAMME 2024/25 - 2027/28														
Scheme Description	Total Approved Budget £000	Forecast Expenditure					Total Forecast Budget 2024-28 £000	Forecast Funding					Total Funding £000	
		Prior Years £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000		Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000		
Committed Schemes														
Culture & Tourism														
Countryside Vehicles	1,579	733	193	219	217	217	845	0	0	845	0	0	845	
Culture & Tourism S106 Schemes	379	112	267	0	0	0	267	8	259	0	0	0	267	
**New Archives Premises	10,256	761	8,727	667	100	0	9,495	0	0	0	0	9,495	9,495	
PROW CMM A6 MARR	100	65	35	0	0	0	35	35	0	0	0	0	35	
Visitor Economy - Rural Shared Prosperity Fund	415	130	285	0	0	0	285	285	0	0	0	0	285	
**Tatton Park Investment Phase 2	3,280	1,757	350	350	823	0	1,523	0	0	0	0	1,523	1,523	
Total Culture & Tourism Committed Schemes	16,008	3,558	9,857	1,236	1,140	217	12,450	328	259	845	0	11,018	12,450	
Economic Development														
Crewe Towns Fund - Repurposing Our High Streets	1,450	265	541	644	0	0	1,185	1,185	0	0	0	0	1,185	
Crewe Towns Fund - Flag Lane Baths	3,935	542	3,393	0	0	0	3,393	3,393	0	0	0	0	3,393	
Crewe Towns Fund - Mill Street Corridor	3,620	778	2,043	798	0	0	2,841	2,841	0	0	0	0	2,841	
Crewe Towns Fund - Mirion St	732	130	603	0	0	0	603	603	0	0	0	0	603	
Crewe Towns Fund - Crewe Youth Zone non-grant costs	351	148	203	0	0	0	203	203	0	0	0	0	203	
History Centre Public Realm & ICV (Crewe Towns Fund)	380	10	0	370	0	0	370	370	0	0	0	0	370	
Handforth Garden Village s106 Obligations	6,841	0	0	3,000	3,841	0	6,841	0	0	0	0	6,841	6,841	
Handforth Heat Network	13,219	86	594	50	450	12,039	13,133	2,518	7,428	0	0	3,187	13,133	
**Demolition of Crewe Library & Concourse	3,396	1,017	2,379	0	0	0	2,379	856	0	0	0	1,523	2,379	
Future High Street Funding - CEC Innovation Centre	3,973	1,362	2,611	0	0	0	2,611	2,611	0	0	0	0	2,611	
Future High Street Funding - Christ Church Innovation Centre	80	80	0	0	0	0	0	0	0	0	0	0	0	
Crewe Town Centre Regeneration	32,303	31,073	1,229	0	0	0	1,229	0	0	0	0	1,229	1,229	
**Macclesfield Town Centre	2,219	1,861	358	0	0	0	358	0	0	0	0	358	358	
**South Macclesfield Development Area	34,630	3,382	11,248	20,000	0	0	31,248	10,000	10,000	0	11,248	0	31,248	
North Cheshire Garden Village	57,866	8,402	18,989	30,475	0	0	49,464	18,921	0	0	21,568	8,975	49,464	
**Leighton Green	2,096	1,564	532	0	0	0	532	0	0	0	0	532	532	
Connecting Cheshire Phase 3	8,000	600	1,500	2,000	1,950	1,950	7,400	0	7,400	0	0	0	7,400	
Connecting Cheshire 2020	9,250	6,012	2,238	1,000	0	0	3,238	3,238	0	0	0	0	3,238	
UK Shared Prosperity Fund - Core	950	301	649	0	0	0	649	649	0	0	0	0	649	
Total Economic Development Committed Schemes	185,292	57,614	49,111	58,337	6,241	13,989	127,678	47,389	24,828	0	32,816	22,646	127,678	
Facilities Management														
PSDS - 3B - Lot 1	3,278	200	2,078	1,000	0	0	3,078	1,815	0	0	0	1,263	3,078	
PSDS - 3B - Lot 3 (schools)	4,946	4,572	375	0	0	0	375	0	0	375	0	0	375	
**Septic Tanks	636	285	351	0	0	0	351	0	0	0	0	351	351	
Schools Capital Maintenance	6,956	6,478	479	0	0	0	479	479	0	0	0	0	479	
**Corporate Landlord - Operational	1,027	997	30	0	0	0	30	0	0	0	0	30	30	
**Premises Capital (FM)	38,989	33,020	3,500	2,469	0	0	5,969	0	0	0	0	5,969	5,969	
Poynton Pool Spillway	1,380	638	715	27	0	0	742	0	0	0	0	742	742	
Total Facilities Management Committed Schemes	57,213	46,190	7,527	3,496	0	0	11,023	2,294	0	375	0	8,355	11,023	

CAPITAL PROGRAMME 2024/25 - 2027/28													
Scheme Description	Total Approved Budget £000	Forecast Expenditure					Total Forecast Budget 2024-28 £000	Forecast Funding					Total Funding £000
		Prior Years £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000		Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
Committed Schemes													
Estates													
Malkins Bank Landfill Site	1,360	676	684	0	0	0	684	0	0	0	0	684	684
**Farms Strategy	2,910	1,700	180	310	180	540	1,210	0	0	0	1,210	0	1,210
Total Estates Committed Schemes	4,270	2,376	864	310	180	540	1,894	0	0	0	1,210	684	1,894
Housing													
Home Upgrade Grant Phase 2	6,210	1,553	4,658	0	0	0	4,658	4,658	0	0	0	0	4,658
Crewe Towns Fund - Warm and Healthy Homes	2,126	30	707	1,389	0	0	2,096	2,096	0	0	0	0	2,096
Green Homes Grant	3,103	2,620	483	0	0	0	483	483	0	0	0	0	483
**Home Repairs Vulnerable People	1,285	768	258	258	0	0	516	0	0	0	0	516	516
Disabled Facilities	21,418	10,189	3,287	2,342	2,800	2,800	11,229	10,302	0	0	0	928	11,229
Temporary Accommodation	1,178	1,088	90	0	0	0	90	0	0	90	0	0	90
Gypsy and Traveller Sites	4,136	2,884	1,252	0	0	0	1,252	175	0	0	0	1,077	1,252
Total Housing Committed Schemes	39,456	19,131	10,736	3,989	2,800	2,800	20,325	17,714	0	90	0	2,521	20,325
Total Committed Schemes	302,240	128,869	78,095	67,368	10,361	17,546	173,371	67,724	25,087	1,310	34,026	45,224	173,371
New Schemes													
Culture & Tourism													
**Green Structures Investment	384	0	384	0	0	0	384	0	0	0	0	384	384
Economic Development													
Nantwich Town Centre Public Realm Improvements	100	0	100	0	0	0	100	0	100	0	0	0	100
Macclesfield Indoor Market Refurbishment (MIMR)	1,269	0	1,269	0	0	0	1,269	1,269	0	0	0	0	1,269
Macclesfield on Foot (MOF)	415	0	415	0	0	0	415	415	0	0	0	0	415
Total Economic Development New Schemes	2,168	0	2,168	0	0	0	2,168	1,684	100	0	0	384	2,168
Total Economy and Growth Schemes	304,408	128,869	80,264	67,368	10,361	17,546	175,539	69,409	25,187	1,310	34,026	45,608	175,539

4. Earmarked Reserves

Economy and Growth Committee

Name of Reserve	Opening Balance 1 April 2023 £000	Forecast Movement in Reserves 2023/24 £000	Opening Balance 1 April 2024 £000	Forecast Movement in Reserves 2024/25 £000	Transfer to General Fund Reserve £000	Final Balance 31 March 2025 £000	Notes
Directorate							
Place Directorate	1,722	(1,249)	473	(473)	0	0	To support a number of widespread projects within the Place Directorate. A significant number of these projects are expected to be fully utilised in year, with the remaining reserve to be fully used in 2024/25.
Investment (Sustainability)	648	(221)	427	(427)	0	0	To support investment that can increase longer term financial independence and stability of the Council. Forecasts based on timelines for individual projects making up the reserve.
Growth and Enterprise							
Legal Proceedings	228	(124)	104	(104)	0	0	To enable legal proceedings on land and property matters. Hard to gauge the pace of cases but this is the anticipated amount based on current costs.
Investment Portfolio	361	174	535	175	(710)	0	Reserve being built up to be used in the future if the site is vacated. Current lease extends beyond 2026.
Homelessness & Housing Options - Revenue Grants	130	(130)	0	0	0	0	To cover costs of purchase and refurbishment of properties to be used as temporary accommodation to house vulnerable families. Remaining portion of historic grants - not been used due to high levels of ringfenced Homeless Prevention & Rough Sleepers Grants being utilised.
Tatton Park Trading Reserve	0	128	128	0	(128)	0	Ringfenced Trading Reserve used to support projects and overall position at Tatton Park.
Royal Arcade Crewe	20	(20)	0	0	0	0	Original purpose was to fund vacant possession related costs for the Royal Arcade until demolition. The balance will now be used to pay for ongoing rates and maintenance costs for Crewe Bus station.
ECONOMY AND GROWTH TOTAL	3,109	(1,442)	1,667	(829)	(838)	0	

Appendix B - Financial Reporting Timetable

Report	Financial Cycle	Committee	When
Companies Financial Statements 2022/23	Reporting	Audit and Governance	May 2024
Service Budgets 2024/25	Planning	All Service Committees	June 2024
Local Government Pension Scheme and Cheshire Pension Fund update June 2024	Reporting	Finance Sub Committee / Pension Committee	June 2024 / TBC
Medium Term Financial Strategy Assumptions and Reporting Cycle for 2025-29	Planning	Finance Sub Committee	June 2024
Financial Management Code - compliance with the Code	Reporting	Finance Sub Committee	June 2024
Financial Outturn 2023/24	Reporting	All Committees / Council	June 2024 July 2024 (Council)
Draft Statement of Accounts 2023/24	Reporting	Audit and Governance	July 2024
Companies Draft Statements of Accounts 2023/24	Reporting	Audit and Governance	July 2024
First Financial Review 2024/25	Monitoring	All Committees / Council	September / October 2024 October 2024 (Council)
Companies First Financial Review 2024/25	Monitoring	Finance Sub Shareholder Working Group	TBC
Medium Term Financial Planning Assumptions	Planning	Finance Sub Committee	September 2024

Appendix B - Financial Reporting Timetable

Report	Financial Cycle	Committee	When
Final Statement of Accounts 2023/24	Reporting	Audit and Governance / Council	September 2024 October 2024 (Council)
Audit of Accounts 2023/24 - report from A&G Committee to Council on main items from the external auditors report	Reporting	Audit and Governance / Council	September 2024 October 2024 (Council)
Companies Audited Financial Statements 2023/24	Reporting	Audit and Governance / Council	September 2024 October 2024 (Council)
Local Government Pension Scheme and Cheshire Pension Fund update September 2024	Monitoring	Finance Sub Committee / Pension Committee	September 2024 / TBC
Medium Term Financial Strategy Consultation for 2025/26-2028/29 - launch	Planning	Corporate Policy Committee	October 2024
Financial Management Code - interim update	Monitoring	Finance Sub Committee	November 2024
Second Financial Review 2024/25	Monitoring	All Committees / Council	November 2024 December 2024 (Council)
Companies Second Financial Review 2024/25	Monitoring	Finance Sub Shareholder Working Group	TBC
Medium Term Financial Strategy Consultation 2025/26-2028/29 - committees to review their respective Service proposals	Planning	All Committees	November 2024

Appendix B - Financial Reporting Timetable

Report	Financial Cycle	Committee	When
Council Tax Base 2025/26	Reporting	Corporate Policy Committee / Council	November 2024 December 2024 (Council)
Third Financial Review 2023/24	Monitoring	All Committees / Council	January / February 2025 February 2025 (Council)
Medium Term Financial Strategy Consultation 2024/25 to 2027/28 plus Provisional Settlement	Planning	All Committees	January / February 2025
MTFS Strategies - Treasury Mgt, Investment, Capital and Reserves	Planning	Finance Sub Committee / Council	January 2025 February 2025 (Council)
Local Government Pension Scheme and Cheshire Pension Fund update December 2024	Monitoring	Finance Sub Committee / Pension Committee	January 2025 / TBC
Companies Third Financial Review 2024/25	Monitoring	Finance Sub Shareholder Working Group	TBC
Medium Term Financial Strategy 2024/25-2027/28 - including any supplementary updates	Reporting	Corporate Policy Committee / Council	February 2025
Local Government Pension Scheme and Cheshire Pension Fund update March 2025	Monitoring	Finance Sub Committee / Pension Committee	March 2025 / TBC
Service Budgets 2025/26	Planning	Finance Sub Committee	March 2025

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Economy & Growth Committee

4 June 2024

Crewe Towns Fund budget reallocation

**Report of: Peter Skates, Acting Executive Director – Place and
Director of Growth & Enterprise**

Report Reference No: EG/05/24-25

Ward(s) Affected: Crewe Central Ward

Purpose of Report

1. This report provides details of a proposed variation to an existing funding arrangement between Crewe Town Board, the Council (as accountable body for Crewe Town Board) and the Government's Department for Levelling Up Housing & Communities (DLUHC). It sets out the position regarding three projects within Crewe's Towns Fund programme and seeks agreement to confirm the reallocation of funding between projects, to be reflected in the Council's Medium Term Financial Strategy.

Executive Summary

2. A comprehensive programme of regeneration is already underway in Crewe town centre, building on initial investment by the council in 2015 and including funding secured from Government, notably the Towns Fund, which is overseen by the independent Crewe Town Board with the support of the Council as accountable body and programme manager.
3. In 2021, the Government allocated £22.9m to support a range of regeneration projects in Crewe. This report relates to three of those projects: Repurposing Our High Streets project, Crewe YouthZone and Pocket Parks.

4. It is proposed that a Project Adjustment Request is submitted to DLUHC seeking approval to reallocate the Towns Fund budget already allocated between these three projects.

RECOMMENDATIONS

The Economy & Growth Committee is recommended to:

1. Approve the submission of a Project Adjustment Request to the Department of Levelling Up, Housing & Communities to:
 - a) reduce the Towns Fund capital grant allocation for the Repurposing Our High Streets project budget from £1,450,000 to £1,132,144 (a reduction of £317,866 or 22%)
 - b) note the reduction in target outputs associated with the budget reduction in a) above, detailed in Table 1.
 - c) increase the Towns Fund capital grant allocation for the Crewe YouthZone (Onside project at Oak Street) from £2,626,497 to £2,934,997 (an increase of £308,500 or 12%).¹
 - d) increase the Towns Fund capital grant allocation for the Crewe Pocket Parks (Jubilee site) project from £174,634 to £184,000 (an increase of £9,366 or 5%).²
2. Approve adjustments to the Council's Medium Term Financial Strategy that reflect the recommendations above.
3. Note the updated Towns Fund budgets for each project in Table 2 and authorise the expenditure of grants for those projects being managed by the Council, and the payment of grants to those projects being managed by third parties in line with existing and future grant agreements.

¹ The Oak Street YouthZone project is part of the overarching YouthZone project (as defined by Crewe Town Board), so an increased allocation of £308,500 equates to an 8.3% increase in its existing TF budget allocation.

² The Jubilee site sub-project is part of the Pocket Parks project (as defined by Crewe Town Board), so an increased allocation of £9,366 equates to a 0.7% increase in its existing TF budget allocation.

Background

5. A comprehensive programme of regeneration is already underway in Crewe town centre, building on initial investment by the council in 2015 and including funding secured from Government, including the Towns Fund, which is overseen by the independent Crewe Town Board ('Town Board') with the support of the Council as accountable body and programme manager.
6. In 2021, the Government allocated £22.9m to support a range of regeneration projects in Crewe. This report relates to three of those projects: Repurposing Our High Streets project, Crewe YouthZone and Pocket Parks.
7. A £317,856 reduction in the Towns Fund capital grant allocation for the Repurposing Our High Streets project budget would require the reduction in target outputs associated, which are summarised in Table 1 below:

Table 1: Proposed changes in project outputs.

Repurposing Our High Streets Project Outputs	% Change
Amount of Towns Fund grant reduction:	317,866 (21.9%)
No. enterprises receiving grants reduced by:	20.8%
Co-funding reduced by:	7.0%
FTE jobs created reduced by:	19.0%
FTE jobs safeguarded reduced by:	22.6%
'Floorspace repurposed' reduced by:	15.5%
'Office space renovated' reduced by:	0.6%
'Retail, leisure or food & beverage space renovated/improved' reduced by:	14.3%

8. The current and proposed Towns Fund grant allocations are shown in Table 2 below. The Towns Fund grant is required to be defrayed by 31 March 2026. At 30th September 2023 £1.84m had been defrayed.

Table 2: Current and proposed Towns Fund grant allocations

Project Name (Delivery organisation)	Current	Proposed	Notes
Lyceum Powerhouse (Cheshire East Council)	£260,000	£260,000	No change. Project has now terminated. Budget reflects costs incurred prior to termination.
Flag Lane Baths (Always Ahead Charity)	£3,935,178	£3,935,178	No change.
Cumberland Arena (Cheshire East Council)	£2,391,984	£2,391,984	No change.
Mill Street Corridor (Cheshire East Council)	£3,619,603	£3,619,603	No change.
Warm & Healthy Homes (Cheshire East Council)	£2,126,194	£2,126,194	No change.
History Centre Public Realm (Cheshire East Council)	£796,454 (of which £30,000 revenue for an element of ancillary operating costs)	£796,454 (of which £30,000 revenue for an element of ancillary operating costs)	No change.
Repurposing Our High Streets (Cheshire East Council)	£1,450,000	£1,132,134	Reduction of £317,866
Pocket Parks (Cheshire East Council/ANSA)	£1,271,697 (of which £174,634 for Jubilee site project)	£1,281,063 (of which £184,000 for Jubilee site project)	Increase of £9,366 (all of which is for Jubilee site project).
Valley Brook Green Corridor (Cheshire East Council)	£3,338,684	£3,338,684	No change
Crewe YouthZone (OnSide YouthZones Charity and Crewe Youth Club Charity)	£3,710,204 (of which 2,626,497 for Oak Street Youthzone; £732,402 for Mirion Street Youth Club); and £351,305 relating to enabler and external fees)	£4,018,704 (of which 2,934,997 for Oak Street Youthzone; £732,402 for Mirion Street Youth Club); and £351,305 relating to enabler and external fees)	Increase of £308,500 (all of which is for Oak Street YouthZone).

Consultation and Engagement

9. Consultation regarding this recommendation has primarily been undertaken through the Town Board which comprises representatives from across the local community, including the Vice Chair of Economy & Growth Committee (as the Council's nominated representative on the Town Board), the MP for Crewe & Nantwich, and the Leader of Crewe Town Council.
10. In the development of the options to be considered by the Town Board, representatives of each organisation leading on the Towns Fund projects were also engaged.

Reasons for Recommendations

11. Crewe town centre has the largest regeneration programme in the borough and one of the most significant in the north-west. Cheshire East Council is responsible for managing this programme and most of the projects within it, and it also has responsibilities as the accountable body for the grant funding that has been secured.
12. Previous Full Council and Cabinet decisions have delegated responsibility for most decisions related to the regeneration programme to the Executive Director – Place and/or the Director of Finance & Customer Services. Where appropriate, officers provide briefings to local members.
13. At its meeting on 3 May 2024, the Town Board considered information relating to the performance of projects, including their expenditure forecasts. Council officers provided information obtained for each project including whether:
 - a) the original outputs for each project/sub-project can be achieved (which is the key priority);
 - b) whether the original scope/vision can be achieved (which is a secondary consideration); and
 - c) the extent to which co-funding has been secured/sought to meet any funding gap.
14. The Town Board also considered a number of options in relation to amending budget allocations and outputs.
15. In accordance with DLUHC's guidance for project adjustments, the Board took the decision noted in the recommendation above. This has been supported by the constituency MP, as required by DLUHC.

16. As accountable body for the Town Board and the Towns Fund, the Council's S151 Officer is required to approve any change requests to Government, which has been secured. However, as the grant payments are part of the Council's Medium Term Financial Strategy, the reallocation of grant between projects in the Towns Fund programme requires a committee decision.
17. Analysing the responses from all projects, the position is summarised as follows:
 - a) One project is capable of releasing Towns Fund grant: Repurposing Our High Streets project.
 - b) Two projects have identified a shortfall in funding key to the delivery of their project's original vision/scope or outputs: Crewe YouthZone (including both the Oak Street YouthZone and Mirion Street Youth Club) and Pocket Parks (in relation to the Jubilee site project – on Council-owned land located between Jubilee House and Jubilee Gardens).
 - c) The project requiring most funding is the Oak Street YouthZone project. It has experienced additional costs that have arisen principally because of delays – mainly from timescales for statutory processes – which has exposed the budget to significant cost inflation. Whilst it anticipates meeting 50% of this cost increase from other sources, the balance is sought through an increase in the amount of its grant from the Towns Fund.
18. The timing of this decision is critical to the YouthZone (Oak Street) project, to allow it to proceed, and its sponsors – OnSide YouthZones Charity has indicated it has exhausted other opportunities for funding the balance of the capital cost of construction.
19. The Oak Street YouthZone is considered one of the most significant regeneration projects in Crewe, and has major profile locally, with the potential to make a transformative impact on Crewe, both in terms of its target users - young people - and its physical location. It should be noted that, in addition to the Towns Fund allocation, the Council has also committed to contribute funding to the Crewe YouthZone (Oak Street) project - an additional £2.2m capital (unfunded by external sources) and £400k revenue p.a. for the three years from 2025-26.
20. At its meeting on 3rd May, the Town Board considered the options available and decided to:
 - a) reduce the Towns Fund grant allocation for the Repurposing Our High Streets project by the minimum amount required (£317,866

to meet the absolute requirements of two projects to deliver their outputs); and

- b) distribute the minimum amount of additional Towns Fund grant required for projects to deliver the quantity of outputs required by DLUHC ('absolute need') rather than the amount required for projects to deliver the quality of outcome their business cases aspired to.

21. The implications of these decisions are that they would:

- a) minimise the reduction of budget and outputs associated with the Repurposing Our High Streets project;
- b) secure the YouthZone (Oak Street) sub-project subject to their co-funding strategy and/or the underwrite being sufficient; and
- c) meet the current forecast budget requirement for the Pocket Parks (Jubilee site) project, although it is noted that there are other risks related to its delivery, in terms of design/planning and impact).

22. These decisions do not impact on the ability of the Town Board to consider the reallocation of other funding in the future.

Other Options Considered

23. In relation to the briefing elements of this report:

Option	Impact	Risk
Reallocate a larger amount	This would enable other projects to benefit from an increased budget.	It would neither deliver any additional outputs, nor meet all funding requirements.
Reallocate funding to other projects	This would enable other projects to benefit from an increased budget.	This could create significant uncertainty as to whether the YouthZone (Oak Street) project could proceed, given that it would require additional co-funding to be secured which, given the time it
Do nothing	This would not enable any projects to benefit	

	from an increased budget.	would take to secure, would result in the main source of co-funding (Youth Investment Fund) being put at significant risk. Neither would this redistribution be sufficient to fully close the funding gap on the other two sub-projects.
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Implications and Comments

Monitoring Officer/Legal

24. There are no material points that Legal would flag in this context, what is proposed is a remarshalling of funding for which DLUHC approval as funder is required, if approved budgetary adjustments will be required.

Section 151 Officer/Finance

25. The Towns Fund allocation is included within the Capital Programme published as part of the 2024-2028 Medium Term Financial Strategy. Whilst the changes do not necessitate the addition of budget to the programme there will be some movement between individual projects in terms of their value and forecast expenditure by year.
26. The Council has made clear that its financial position precludes further funds being provided from its own resources. There is a risk that this is not the last time between now and 2026 that a project comes forward with a request for further budget in order to complete. The time taken to develop projects from a standing start means that the vast majority of spend across the projects will be in 2024/25 and 2025/26. There is significant risk that once projects move towards actual spend they will identify further budget pressures. These need to be met within the programme and careful consideration will need to be given as to how value for money and outputs can be maximised within a fixed budget.
27. Consequently, there is a significant ask of programme managers to ensure that the Council is protected from further budget increase requests. It is noted that the specific project which has requested further budget and received the lion share of the reallocation via this decision has already secured £2.2m of Council capital funding for the project and £0.4m per annum of revenue support in its first three years of operation.

There is a risk that the Council is seen as funder of first resort rather than last. Some consideration should be given to the ongoing viability of schemes once completed and any related funding strategies to ensure that the projects deliver long term benefits for the town and borough so as to justify the investment.

28. The impact of any potential change in government policy pre or post general election should be understood as part of an updated risk assessment.

Policy

29. This report relates to the Council's Corporate Plan priority "a thriving and sustainable place", specifically:
- a great place for people to live, work and visit;
 - welcoming, safe and clean neighbourhoods;
 - a transport network that is safe and promotes active travel; and
 - thriving urban and rural economies with opportunities for all
30. This project aligns with the priorities of the Council's existing Crewe Town Centre Regeneration Delivery Framework and Local Plan, as well as Crewe Town Board's Town Investment Plan that has been endorsed by the Council.

Equality, Diversity and Inclusion

31. The proposed funding reallocation would help secure the equalities benefits related to the Crewe YouthZone – primarily relating to young people and young people with disabilities.
32. There are not considered to be any other equalities implications relating to this decision.

Human Resources

33. None.

Risk Management

34. Risks are articulated elsewhere in this report and relate to the Council and/or DLUHC not approving the reallocation of grant between projects, which would result in the need to undertake significant value

engineering/rescoping, or – more likely – result in the termination of the Oak Street YouthZone.

35. Given that the grant recipient needs to progress with the project prior to receiving DLUHC approval of the additional funding, the lead delivery partner, OnSide, has provided a letter of comfort confirming that they “will accept the risk involved in commencing the scheme on Oak Street without having DLUHC approval for increasing Towns Fund allocation in place”.

Rural Communities

36. The Crewe YouthZone (Oak Street) project will be the principal beneficiary of the proposed funding reallocation. It will be operated as a facility open to all young people in Cheshire East, including those in rural communities. Given its location close to Crewe bus station and railway station, it will be accessible by public transport.

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

37. The Crewe YouthZone (Oak Street) project will be the principal beneficiary of the proposed funding reallocation. This project will directly benefit young people including children with special education needs and disabilities, so the recommendations of this report will specifically benefit this community.

Public Health

38. The proposed funding reallocation would help secure the equalities benefits related to the Crewe YouthZone – primarily relating to young people’s public health.

Climate Change

39. None.

Access to Information	
Contact Officer:	Jez Goodman jez.goodman@cheshireeast.gov.uk 01270 685906
Appendices:	Appendix 1: Extract from Minutes of Council 22nd June 2021.
Background Papers:	None

OPEN

Extract from Minutes of Council 22nd June 2021.

See highlighted section. Also linked [here](#):

18 RECOMMENDATION TO COUNCIL: SUPPLEMENTARY REVENUE ESTIMATE

Consideration was given to the request to approve expenditure relating to the receipt of nine government grants.

The grants related to the Towns Fund; Levelling Up Fund; Covid Support Grant; Holiday Activity Fund; Domestic Abuse Grant; Transport Grant; Future High Streets Fund; Wellbeing for Education Grant; and Staying Put Grant. The decisions were treated as Supplementary Capital or Revenue Estimates as funding associated with these grants would support an increase in the Council's approved budget for 2021/22.

RESOLVED: That Council approves

- 1 delegation of authority to the Executive Director – Place to approve Supplementary Capital and Revenue Estimates up to the value of the Towns Fund grant award, and further delegates authority to incur expenditure in line with the conditions of the Fund.

Economy and Growth Committee Work Programme 2024/25

Report Reference	Committee Date	Title	Purpose of Report	Lead Officer	Consultation	Equality Impact Assessment	Corporate Plan Priority	Part of Budget and Policy Framework	Exempt Item
EG/04/24-25	10/09/24	Handforth Garden Village Delivery Strategy	To receive an update on the high-level business case for Handforth Garden Village and advise of options appraisal and recommended delivery strategy	Acting Executive Director of Place	No	Yes	Open; Green; Fair	TBC	No
EG/06/24-25	10/09/24	First Financial Review of 2024/25	To note and comment on the First Financial Review and Performance position of 2024/25, and (if necessary) approve Supplementary Estimates and Virements.	Director of Finance and Customer Service – Section 151 Officer	No	No	Open	Yes	No
EG/07/24-25	10/09/24	West Park Museum Review	To brief members on the review and future options for West Park Museum	Acting Executive Director of Place	No	No	Green	No	No
EG/15/24-25	10/09/24	Addressing the need for permanent Gypsy and Traveller sites	To outline the options for delivery and seek approval to progress with the preferred option.	Head of Housing	No	No	Green	No	TBC
EG/08/24-25	12/11/24	Second Financial Review of 2024/25	To note and comment on the Second Financial Review and Performance	Director of Finance and Customer	No	No	Open	Yes	No

			position of 2024/25, and (if necessary) approve Supplementary Estimates and Virements.	Service – Section 151 Officer					
EG/12/24-25	12/11/24	Medium Term Financial Strategy Consultation 2025/26 - 2028/29	To provide feedback in relation to their financial responsibilities as identified within the Constitution and linked to the budget alignment approved by the Finance Sub-Committee in March 2024.	Director of Finance and Customer Service – Section 151 Officer	No	No	Open	Yes	No
EG/03/24-25	14/01/25	Westfields - Progress update	To provide an update on Progress on the Westfields Offices.	Acting Executive Director of Place	Yes	Yes	Open	Yes	Yes in part
EG/09/24-25	14/01/25	Farms Review	To brief Members on the review and future options for CEC Farms	Head of Rural and Cultural Economy	No	TBC	Green	No	TBC
EG/10/24-25	14/01/25	Third Financial Review of 2024/25	To note and comment on the Third Financial Review and Performance position of 2024/25, and (if necessary) approve Supplementary Estimates and Virements.	Director of Finance and Customer Service – Section 151 Officer	No	No	Open	Yes	No
EG/11/24-25	14/01/25	Rural Action Plan	To update Members on progress on the Rural Action Plan 2022-2026	Head of Rural and Cultural Economy	No	No	Green	No	No

EG/14/24-25	14/01/25	Medium Term Financial Strategy Consultation 2025/26 - 2028/29 Provisional Settlement Update	To provide feedback in relation to their financial responsibilities as identified within the Constitution and linked to the budget alignment approved by the Finance Sub-Committee in March 2024.	Director of Finance and Customer Service – Section 151 Officer	No	No	Open	Yes	No
EG/12/24-25	11/03/25	Service Budgets 2025/26	To set out the allocation of approved budgets for 2025/26 for services under the Committee's remit, as determined by Finance Sub Committee	Director of Finance and Customer Service – Section 151 Officer	No	No	Open	Yes	No

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