

Finance Sub-Committee

Agenda

Date: Monday, 10th March, 2025
Time: 10.00 am
Venue: Capesthorne Room, Macclesfield Town Hall

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

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

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

1. **Apologies for Absence**

To note any apologies for absence from Members.

2. **Declarations of Interest**

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

3. **Minutes of Previous Meeting** (Pages 3 - 12)

To approve as a correct record the minutes of the previous meeting held on 9 January 2025.

For requests for further information

Contact: Nikki Bishop, Democratic Services Officer

Tel: 01270 686462

E-Mail: Nikki.bishop@Cheshireeast.gov.uk

4. **Public Speaking/Open Session**

In accordance with paragraph 2.24 of the Committee Procedure Rules and Appendix on Public Speaking, set out in the [Constitution](#), a total period of 15 minutes is allocated for members of the public to put questions to the Sub-Committee on any matter relating to this agenda. Each member of the public will be allowed up to two minutes to speak; the Chair will have discretion to vary this where they consider it appropriate. Members of the public wishing to speak are required to provide notice of this at least three clear working days in advance of the meeting.

5. **Service Budgets 2025/26** (Pages 13 - 54)

To consider the report which sets out the allocation of approved budgets for 2025-26.

6. **Work Programme** (Pages 55 - 60)

To consider the Work Programme and determine any required amendments.

7. **Beechmere Fire and Renegotiation of PFI contract for Extra Care Housing**
(Pages 61 - 68)

To consider the report which updates on the circumstances related to the fire at the Beechmere Extra Care Housing complex and the subsequent activity and contract renegotiations.

8. **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 Paragraphs 1 and 2 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

9. **Beechmere Fire and Renegotiation of PFI contract for Extra Care Housing**
(Pages 69 - 92)

To consider the Part 2 report.

Membership: Councillors L Anderson (Vice-Chair), D Brown, D Clark (Chair), J Clowes, B Drake, K Edwards and C O'Leary

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Finance Sub-Committee**
held on Thursday, 9th January, 2025 in the Council Chamber, Municipal
Buildings, Crewe, CW1 2BJ

PRESENT

Councillor D Clark (Chair)
Councillor L Anderson (Vice-Chair)

Councillors D Brown, J Clowes, B Drake, R Kain, A Coiley and S Gardiner

OFFICERS IN ATTENDANCE

Adele Taylor, Interim Executive Director of Resources and S151 Officer
Paul Goodwin, Director of Finance and Deputy S151 Officer
Peter Skates, Director of Growth and Enterprise
Chris Hindle, Head of Infrastructure
Lianne Halliday, Head of Procurement
Julie Gregory, Interim Head of Legal Services
Nikki Bishop, Democratic Services Officer

34 APOLOGIES FOR ABSENCE

Apologies were received from Councillors Ken Edwards and Chris O'Leary. Councillors Alan Coiley and Stewart Gardiner were present as substitutes.

35 DECLARATIONS OF INTEREST

Councillor Stewart Gardiner, during consideration of item 10 – Disposal of a Residential Development Site Leighton Green, Minshull New Road, Crewe, declared that participating in the debate would compromise his position as the Strategic Planning Board Chairman. Councillor Gardiner left the room during the debate and vote on this item.

During consideration of the Work Programme, Councillors Dawn Clark and Stewart Gardiner, in the interests of openness and transparency, declared that they were beneficiaries of the Cheshire Pension Fund.

36 MINUTES OF PREVIOUS MEETING**RESOLVED:**

That the minutes of the meeting held on Thursday 7 November 2024 be approved as a correct record and signed by the Chair.

37 PUBLIC SPEAKING/OPEN SESSION

There were no members of the public registered to speak.

38 THIRD FINANCIAL REVIEW OF 2024/25

The committee considered the report which provided an update on the current forecast outturn position for the financial year 2024-25 based on income, expenditure and known commitments as at the end of October 2024. The Third Financial Review (FR3) forecast revenue outturn was reported as an adverse variance of £18.3m (prior to the application of any Exceptional Financial Support) which was an improvement of £1.8m from Financial Review 2 (FR2). It was agreed that whilst there had been some improvement, the forecast overspend of £18.3m remained a significant financial challenge for the Council and that the level of reserves was insufficient to cover the current forecasted revenue outturn for the year, without any further action.

The committee sought clarity on the proposal to utilise the £17.6m conditional Exceptional Financial Support (EFS) to balance the forecasted year-end overspend, and also the information set out within appendix D of the Medium-Term Financial Strategy report (item 6) relating to council tax. It was confirmed that EFS in general could take the form of either a capitalisation direction (which could be funded through borrowing, or using capital receipts), or through requesting flexibility around setting council tax rates.

The 2024-25 council tax had been set at 5% (being 3% general council tax; and 2% for adult social care precept). Consequently, it was clarified that any EFS utilised in respect of the 2024/25 financial year would be in the form of a capitalisation direction (enabling the Council to achieve a balanced outturn, via the capitalisation of revenue budget pressures).

It was also clarified that the ability to set higher council tax rates was only announced as a potential option, for local authorities needing exceptional financial support, very recently at the end of November 2024 as part of the Finance Policy just ahead of the Provisional Local Government Finance Settlement. Local authorities would not be able to raise taxes by a higher amount than the referendum limit of 5%, without first gaining permission from the Ministry of Housing, Communities and Local Government (MHCLG) to have flexibility for a higher limit. It was confirmed that no decision had been made in relation setting a higher rate of council tax in Cheshire East, and that doing so would remain a decision for Full Council.

The recommendations were proposed and seconded and following the debate a recorded vote on recommendation 2 was requested with the following results:

FOR

Councillors Lata Anderson, Dawn Clark, Alan Coiley and Brian Drake.

NOT VOTING

Councillors David Brown, Janet Clowes, Stewart Gardiner and Reg Kain.

The motion was declared carried with 4 votes for and 4 not voting.

The committee voted on recommendations 1, 3, 4, 5 and 6 together. Recommendation 2 was voted upon separately.

RESOLVED (unanimously):

That the Finance Sub Committee

1. Note the factors leading to a forecast adverse Net Revenue financial pressure of £18.3M against a revised budget of £390.5m (4.7%) and note the contents of Annex 1, Section 2 and the progress on the delivery of the MTFS approved budget policy change items, the RAG ratings and latest forecasts, and also note the actions being undertaken to address any adverse variances from the approved budget.
3. Note the in-year forecast capital spending of £144.7m against an approved MTFS budget of £215.8m, due to slippage that has been re-profiled into future years.
4. Note the available reserves position as set out in Annex 1, Section 5.
5. Recommend to Full Council the approval of the Supplementary Revenue Estimate request for Allocation of Additional Grant Funding over £1,000,000 as set out in Annex 1, Section 3, Table 1.
6. Note the Capital Virements above £500,000 up to and including £5,000,000 as set out in Annex 1, Section 4, Table 4 will be approved in accordance with the Council's Constitution.

RESOLVED (by majority):

That the Finance Sub Committee

2. Approve the utilisation of the £17.6m conditional Exceptional Financial Support to balance the forecast overspend at the year-end in order to protect and minimise the use of reserves.

39 MEDIUM TERM FINANCIAL STRATEGY CONSULTATION 2025/26 - 2028/29 PROVISIONAL SETTLEMENT UPDATE (FINANCE SUB COMMITTEE)

The Sub Committee considered the report which provided an update on the development of the Medium-Term Financial Strategy (MTFS) 2025-26 to 2028-29. Final approval of the 2025-26 budget would take place at Full Council on 26 February 2025, following a recommendation from the Corporate Policy Committee on 6 February 2025. Councillor Clowes read out a statement from Councillor C O'Leary, a member of the Sub Committee who was unable to attend the meeting, in relation to this item.

The committee noted the creation of a contingency budget line in the MTFS which had been created to cover inflation risks across the council including changes resulting from recent national budget announcements impacting local contractors. It was highlighted that this included commissioned services across the council and that this sum continued to be reviewed as new information was shared. As part of the budget report considered by the Corporate Policy Committee on 6 February this would set out, should any contingency budget be required in-year, how this would be appropriately vired. The risk budget line within the MTFS recognised the risk of unachievable budget savings or growth demands exceeding estimates. It was important, in light of the council's low reserves, that the council had the ability to set aside monies should risks arise.

The committee debated the 'Smoothing MTFS Reserve' and felt that there was a lack of transparency and clarity around this. It was therefore proposed, seconded and subsequently carried unanimously that:

'The Finance Sub Committee request that the Corporate Policy Committee consider the MTFS smoothing reserve to be disaggregated and returned to general reserves'.

It was noted that pay inflation continued to add financial pressure. The committee considered the estimated impact of the next pay award. An amendment was proposed, seconded and subsequently carried unanimously that:

'The Finance Sub Committee request that the Corporate Policy Committee looks at the reserve situation and considers if they are adequate and have capacity to cover any above anticipated inflationary pay award in the region of a further 3% of what has been budgeted for'.

The committee considered and debated upon the benchmarking data set out in Appendix D relating to Council Tax. Concerns were raised by some committee members in relation to an increase above the current 5% and the pressures this would place upon local residents and Town and Parish Councils.

The recommendations, as amended, were proposed and seconded and following the debate a recorded vote on recommendation A was requested with the following results:

FOR

Councillors Lata Anderson, Dawn Clark, Alan Coiley and Brian Drake.

AGAINST

Councillors David Brown, Janet Clowes, Stewart Gardiner and Reg Kain.

The Chair exercised her powers to give a casting vote. The motion was therefore declared carried with 5 votes for and 4 against.

RESOLVED (by majority):

That the Finance Sub Committee

- A) Recommend to the Corporate Policy Committee, for their meeting on 6 February 2025, all proposals within Appendix A, as related to the Committee's responsibilities, for inclusion on the Council's budget for 2025/26.

RESOLVED (unanimously):

That the Finance Sub Committee

- B) Note the capital growth items listed in Appendix B and the revenue implications noted in paragraph 23. These will be reviewed by the Capital Review Programme Board in January before a final list is brought to Corporate Policy committee in February.
- C) Note the contents of Appendix C – Provisional Local Government Settlement 2025/26 (Finance Sub Committee).
- D) Note the contents of Appendix D – Council Tax benchmarking and scenarios (Finance Sub Committee).
- E) Recommend that the Corporate Policy Committee consider the MTFS smoothing reserve to be disaggregated and returned to general reserves.
- F) Recommend that the Corporate Policy Committee looks at the reserve situation and considers if they are adequate and have capacity to cover any above anticipated inflationary pay award in the region of a further 3% of what has been budgeted for.

The meeting adjourned for a comfort break at 11.58 and reconvened at 12.10pm.

40 ENTERPRISE CHESHIRE AND WARRINGTON FINANCIAL REVIEW

The committee considered the report which set out the financial performance of Enterprise Cheshire and Warrington (ECW), a jointly owned company with Cheshire West and Chester and Warrington Borough Councils. Overall net positive financial position for the year was noted.

The committee noted that the format, content and frequency of reports to the committee would be developed as the company aligned further to the CIPFA best practice and local authority reporting standards. The committee requested that future reports detailed more information, including: a breakdown of what Cheshire and Warrington do, their key projects/activities, timelines and a summary of potential impact/risks.

The Marketing Cheshire deficit position was noted by the committee. The committee queried what steps ECW would be taking to address this. Officers committed to providing a written response.

The committee noted the revenue income for both ECW and Marketing Cheshire as set out in Section 1 of the report. The committee queried why ECW had two lines for 'interest of idle funds'. Officers committed to providing a written response.

RESOLVED:

That the Finance Sub Committee

1. Note the information provided in the in-year financial review for Enterprise Cheshire & Warrington.
2. Note that this is the first such report under the new arrangements and the format, content and frequency of reporting to the Sub-Committee will be developed during 2025/26.

41 WORK PROGRAMME

The committee considered the Work Programme. The following was noted:

- Enterprise Cheshire and Warrington Financial Review (more detailed report as set out earlier in the meeting) to be added to the Work Programme for the committee to consider as soon as possible. Included in this, the committee requested a definition of what the key programmes were, an overview of timescales for delivery and anticipated benefits.
- The committee referred to the Devolution White Paper and impact on Cheshire Pension Fund. It was suggested that a report be prepared and added to the committee Work Programme.

RESOLVED:

That the Work Programme be received and noted.

42 PROCUREMENT PIPELINE

The committee considered the report which provided an update on the pipeline of procurement activity, contracts awarded during this fiscal year and an update on the use of waivers.

RESOLVED (unanimously):

The Finance Sub Committee

1. Approve the 9 pipeline projects in Appendix 1 column G as business as usual.
2. Note the reason for 2 waivers approved between 1 November 2024 and 30 November 2024 (11 in total in 2024/25).
3. Note the contracts awarded since April 2024, Appendix 2.
4. Note the update on the Procurement Act.

43 DISPOSAL OF A RESIDENTIAL DEVELOPMENT SITE - LEIGHTON GREEN, MINSHULL NEW ROAD, CREWE

The committee considered the report which requested permission to proceed with the freehold disposal of the Site (Leighton Green, Crewe) to Persimmon Homes Limited.

The committee noted that the Site was a residential development site with the benefit of outline planning permission for development of up to 400 dwellings. Any sale of the Site would generate a significant capital receipt (conditional on planning).

The committee noted that payments would be phased and sought assurance that there were mechanisms in place to secure payments. This detail would form part of the ongoing negotiations and that there were numerous ways that payment could be secured, including a land charge.

The committee asked questions in relation to the Part 1 report, before moving into Part 2 to consider and debate upon the confidential appendices. The committee moved back into Part 1 for the vote.

RESOLVED (by majority):

That the Finance Sub Committee

1. Delegate authority to the Director of Growth and Enterprise to dispose of the Site on terms and conditions to be agreed in consultation with the Governance, Compliance and Monitoring Officer and the Executive Director of Resources and S151 Officer.
2. Delegate authority to the Director of Growth and Enterprise, in consultation with the Governance, Compliance and Monitoring Officer and the Executive Director of Resources and S151 Officer; to complete all legal documentation required to complete the disposal of the Site and including (but not limited to) the completion of any licence or similar agreements and planning agreements required prior to disposal or relating to the Councils retained former landfill area.

44 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED (unanimously):

That the press and public be excluded from the meeting during consideration of the final item on the agenda pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 1, 2 and 3 of Part 1 of Schedule 12A to the Local Government Act 1972 and the public interest would not be served in publishing the information.

45 DISPOSAL OF A RESIDENTIAL DEVELOPMENT SITE - LEIGHTON GREEN, MINSHULL NEW ROAD, CREWE

The committee considered the confidential appendices relating to the Disposal of a Residential Development Site – Leighton Green, Minshull New Road, Crewe.

RESOLVED:

That the information contained within the appendices be received and noted by the Finance Sub Committee.

46 DRAINAGE - LEIGHTON NORTH WEST CREWE

The committee considered the Part 2 report relating to Drainage – Leighton Northwest, Crewe.

RESOLVED (unanimously):

That the Finance Sub Committee

1. Agree the recommendations as set out within the Part 2 report.

The meeting commenced at 10.10 am and concluded at 1.30 pm

Councillor D Clark (Chair)

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OPEN

Finance Sub-Committee

10 March 2025

Service Budgets 2025/26

**Report of: Adele Taylor, Interim Executive Director of Resources
(s151 Officer)**

Report Reference No: FSC/20/24-25

Ward(s) Affected: All Wards

For Decision

Purpose of Report

- 1 This report will determine the allocation of the approved budgets to each of the service committees and inform the financial reporting cycle for 2025/26.
- 2 The report contributes to the commitment of being an effective and enabling Council.

Executive Summary

- 3 The Medium-Term Financial Strategy (MTFS) for Cheshire East Council for the four years 2025/26 to 2028/29 was approved by full Council on 26 February 2025.
- 4 Service committees will be allocated budgets for 2025/26 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.
- 5 Following on from the implementation in 2024/25, in addition to the usual comprehensive reporting at First, Second and Third Financial Reviews (September, November and January cycles) and in recognition of the Council's continuing challenging financial position and the importance of achieving a balanced outturn, service committee

meetings during 2025/26 will continue to receive an update report on the delivery of the approved budget change items. This will be based on the Section 2 items shown in Annex A, for each respective committee, and will include RAG-rating and accompanying commentary in respect of each item.

RECOMMENDATIONS

The Finance Sub Committee is recommended to:

1. Approve allocation of the revenue and capital budgets, approved budget change items and earmarked reserves to the following Committees in accordance with the approved MTFS 2025-29, as set out in Annex A:
 - Adults & Health Committee
 - Children & Families Committee
 - Corporate Policy Committee
 - Economy & Growth Committee
 - Environment & Communities Committee
 - Finance Sub-Committee
 - Highways & Transport Committee
2. Approve the virement of up to £0.7m from the central Contingency budget to the Children and Families budget to cover inflationary pressures in 2025/26.
3. Recommend to Council to approve the virement of up to £8m, from the central Contingency budget to the Adults and Health budget to cover inflationary pressures in 2025/26.

The Finance Sub Committee is being asked to note:

4. The draft financial reporting timetable for 2025/26 set out in Annex B.

Background

- 6 All councils are legally required to set a balanced budget each year. The MTFS for 2025-29 was approved by full Council on 26 February 2025.
- 7 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 2025/26 with the use of Exceptional Financial Support. 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.

- 8 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 Finance Procedure Rules.
- 9 To support accountability and financial control under the committee system the 2025/26 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.
- 10 Each committee function has been associated with a Director budget. Budget holders are responsible for budget management. Where a team supports multiple Directorates (most notably in Corporate Services) the budget remains with the Service Director and is not split; for example, Governance and Democratic Services budgets are aligned to the Corporate Policy Committee even though the activities of the team relate to services provided to all Directorates of the Council.
- 11 The financial alignment of budgets to each Committee is set out in Table 1 with further details in Annex A.

Table 1: Revenue and capital budgets allocated to service committees as per the approved MTFS				Capital Budget	Total Revenue and Capital Budget
Service Area	Expenditure £000	Income £000	Net Budget £000	£000	£000
Adults and Health	252,154	-92,705	159,449	389	159,838
Children and Families	107,383	-10,095	97,288	37,723	135,011
Corporate Policy	108,802	-66,014	42,788	12,745	55,533
Corporate Policy – Council Wide Transformation	-12,702	-750	-13,452		-13,452
Economy and Growth	38,144	-9,703	28,441	36,081	64,522
Environment and Communities	68,964	-23,263	45,701	19,357	65,058
Highways and Transport	28,370	-11,469	16,901	66,782	83,683
Finance Sub – Central	54,012	-3,492	50,520		50,520

Total Cost of Service	645,127	-217,491	427,636	173,077	600,713
Total Funding		-402,375	-402,375		
Exceptional Financial Support	-25,261		-25,261		
Net Position	619,866	-619,866	-		

- 12 The MTFS 2025-29 includes a net revenue budget of £402.4m and an approved capital programme of £173.0m for the financial year 2025/26. Further details on the schemes within the capital programme are provided in Annex A.
- 13 Annex 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 2025/26 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.
- 14 Annex 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. During 2024/25 all schemes requiring borrowing as part of their funding have been subject to review with a view to reducing their impact on the revenue budget and this has mainly been achieved through reprofiling and some budget reductions. There remains a significant amount of borrowing required to fund the programme in 2025/26 and the Capital Programme Board will provide review of and challenge to projects with a view to reducing the revenue cost impact.
- 15 The 2025/26 budget was approved at full Council in February 2025 including the use of up to £25.3m of Exceptional Financial Support to balance the overall budget, as expenditure outweighed the income forecast. Further information on this can be found in the MTFS, Appendix A, Section 2.

Transformational savings

16 During 2024/25, in developing this MTFS, the Council has worked with an external partner, Inner Circle, to develop a Transformation Plan. The Transformation Plan is designed to ensure that Council can deliver sustainable services and support infrastructure projects that reflect 'whole life' costs. The production and implementation of a Transformation Plan to deliver key Council objectives and secure the medium-term financial position is also a pre-condition of MHCLG approving the Council's bid for Exceptional Financial Support.

17 The Transformation Plan will support the delivery of approved/proposed savings, cost avoidance, cost mitigation and identify new savings for the coming years. There are six programmes within the plan agreed in 2024/25, each containing a range of projects and other initiatives across:

- Workforce
- Social Care
- Place
- Early Intervention and Prevention
- Digital
- Special Projects

The approved Transformation Plan can be accessed here:

<https://moderngov.cheshireeast.gov.uk/ecminutes/documents/s119437/Transformation%20Plan%20V1%20Final%20CPC%20003.pdf>

18 The revenue and capital implications for growth, investment and savings associated with the above initiatives have been reflected in the MTFS 2025-29. For the financial year 2025/26, there are 19 Transformation projects which are also MTFS approved budget changes; in total these will deliver net budget savings of £24.4m for 2025/26. Within this total budget saving, there are £13.452m of Council wide cross cutting savings which are held centrally; work is continuing to refine how these savings will be delivered in detail and these savings will be allocated to service committee budgets as soon as possible.

19 Progress on the delivery of Transformation projects and their associated budget savings will be reported on a monthly basis to the Council's Transformation Board. In addition, all Transformation savings will form an integral part of the Council's existing comprehensive financial reporting process which is set out in paragraph 13.

20 The headline reserves table, as included in the MTFS, is shown below:

	Opening Balance 2024/25 £m	Forecast Closing Balance 2024/25 £m	Forecast Closing Balance 2025/26 £m	Change from closing 2024/25 £m
General Reserves	5,580	3,696	5,000	1,304
Earmarked Reserves**	32,277	11,539	9,386	-2,153
Total Revenue Reserves	37,857	15,235	14,386	-849

* Closing and Opening balances are dependent on outturn at 31 March 2025.

** All remaining Earmarked reserves, excluding those held for ring-fenced purposes or forecast for use in 2025/26, are being transferred into the General Fund reserve during 2024/25 to support the forecast deficit position.

- 21 The detail behind the earmarked reserve balances included in the table above, by Committee, is set out in Annex A.
- 22 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 2025/26 at the Council meeting on 26 February (MTFS - Appendix A, Annex 8 (Reserves Strategy) and Page 42 (S.25 statement)).
- 23 The Finance Sub-Committee has additional responsibility for the oversight, scrutiny and budget review of the following functions: Land and Property; Central budgets; Pensions; Grants; Council Tax; Business Rates; Reserves; and other funding.
- 24 The table below summarises the estimated four-year position, as included in the MTFS. Early work on business planning for 2026/27 and future years will continue, as part of the Transformation Programme.

	Approved Net Budget 2025/26 £m	Estimated Net Budget 2026/27 £m	Estimated Net Budget 2027/28 £m	Estimated Net Budget 2028/29 £m
Total Service Expenditure	377.1	362.6	356.3	366.1
Central Budgets:				
Capital Financing	35.0	38.8	41.9	43.2
Income from Capital Receipts	-1.0	-1.0	-1.0	-1.0
Bad Debt Provision (change)	-0.1	-0.1	-0.1	-0.1
Contingency Budget	16.0	30.9	42.8	55.7
Risk Budget	0.0	3.8	2.0	0.8
Pension adjustment	-0.7	-0.7	-0.7	-0.7
Use of Reserves	1.3	5.0	8.9	8.9

	Approved Net Budget 2025/26 £m	Estimated Net Budget 2026/27 £m	Estimated Net Budget 2027/28 £m	Estimated Net Budget 2028/29 £m
Total Central Budgets	50.5	76.6	93.7	106.9
TOTAL: SERVICE + CENTRAL	427.6	439.3	450.0	473.0
Funded by:				
Council Tax	-307.3	-325.6	-345.0	-365.5
Business Rates Retention	-57.1	-57.1	-57.1	-57.1
Revenue Support Grant	-0.8	-0.8	-0.8	-0.8
Specific Unringfenced Grants	-37.1	-34.1	-34.1	-34.1
TOTAL: FUNDED BY	-402.4	-417.7	-437.0	-457.6
Exceptional Financial Support - Capitalisation Direction	-25.3			
FUNDING POSITION	0.0	21.6	13.0	15.4

Note – table may not add across/down due to roundings

Consultation and Engagement

- 25 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.
- 26 The Medium-Term Financial Strategy has been developed during 2024 and an online budget engagement survey was published on 19 December 2024.

Reasons for Recommendations

- 27 In accordance with the Cheshire East 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.
- 28 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.
- 29 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.

- 30 Recommendations 2 and 3 in this report request approval from the Finance Sub Committee to vire values from the Contingency budget to the service budgets, these requests are linked to proposed fee increases to providers. Commissioners, finance and service managers have considered and calculated many options and variations for fee increases in order to arrive at the recommended options. The recommended values in this report aim to provide balance between the market pressures linked to increases in National Living Wage and National Insurance, alongside the financial challenges the Council faces. These were first considered by the Interim Executive Director of Resources (S151) and Chief Executive Officer.

Other Options Considered

- 31 Not applicable.

Implications and Comments

Monitoring Officer/Legal

- 32 The legal implications surrounding the process of setting the 2025 to 2029 Medium-Term Financial Strategy were dealt with in the reports relating to that process.

Section 151 Officer/Finance

- 33 Contained within the main body of the report.

Policy

- 34 The Cheshire East 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.

<p>Commitment 3: An effective and enabling council</p>

Equality, Diversity and Inclusion

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

- 37 - Advance equality of opportunity between those who share a protected characteristic and those who do not share it; and
- 38 - Foster good relations between those groups.
- 39 The protected characteristics are age, disability, sex, race, religion and belief, sexual orientation, gender re-assignment, pregnancy and maternity, and marriage and civil partnership.
- 40 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.
- 41 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.
- 42 Positive impacts include significant investment in services for children and adults (protected characteristics primarily age and disability).
- 43 The Cheshire East Plan’s vision reinforces the Council’s commitment to meeting its equalities duties, promoting fairness and working openly for everyone. Cheshire East is a diverse place and we want to make sure that people are able to live, work and enjoy Cheshire East regardless of their background, needs or characteristics.

Human Resources

- 44 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

- 45 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 2025/26 budget and the level of general reserves were factored into the 2025/26 financial scenario, budget and reserves strategy.

Rural Communities

- 46 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)

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

Public Health

48 Public health implications that arise from activities that this report deals with will be dealt with as separate reports to Members or Officer Decision Records as required.

Climate Change

49 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 Executive Director of Resources Services (Section 151 Officer)</p> <p>adele.taylor@cheshireeast.gov.uk</p>
Appendices:	<p>Annex A - Allocation of revenue and capital budgets, budget change items and earmarked reserves to service committees</p> <p>Annex B – Draft Financial Reporting Timetable 2025/26</p>
Background Papers:	<p>The following are links to key background documents:</p> <p>Medium-Term Financial Strategy 2025-2029</p>



Service Budgets 2025/26

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Section 1: Allocation of Revenue and Capital Budgets 2025/26

Cheshire East Council - Summary	Revenue Budget			Capital Budget	Total Revenue and Capital Budget
Service Area	Expenditure £000	Income £000	Net Budget £000	£000	£000
Adults and Health	252,154	-92,705	159,449	389	159,838
Children and Families	107,383	-10,095	97,288	37,723	135,011
Corporate Policy	108,802	-66,014	42,788	12,745	55,533
Corporate Policy – Council Wide Transformation	-12,702	-750	-13,452		-13,452
Economy and Growth	38,144	-9,703	28,441	36,081	64,522
Environment and Communities	68,964	-23,263	45,701	19,357	65,058
Highways and Transport	28,370	-11,469	16,901	66,782	83,683
Finance Sub – Central	54,012	-3,492	50,520		50,520
Total Cost of Service	645,127	-217,491	427,636	173,077	600,713
Total Funding		-402,375	-402,375		
Exceptional Financial Support	-25,261		-25,261		
Net Position	619,866	-619,866	-		

Adults and Health	Revenue Budget			Capital Budget	Total Revenue and Capital Budget
Service Area	Expenditure £000	Income £000	Net Budget £000	£000	£000
Directorate	515	-8,379	-7,864		-7,864
Adult Social Care Operations	214,610	-47,056	167,554	389	167,943
Commissioning	17,407	-17,648	-241		-241
Public Health	19,622	-19,622	-		-
Total Cost of Service	252,154	-92,705	159,449	389	159,838

Children and Families	Revenue Budget			Capital Budget	Total Revenue and Capital Budget
Service Area	Expenditure £000	Income £000	Net Budget £000	£000	£000
Directorate	6,391	-1,125	5,266		5,266
Family Help and Children's Social Care	61,865	-1,448	60,417	3,061	63,478
Education, Strong Start and Integration	36,365	-7,491	28,874	34,662	63,536
Commissioning, QA and Partnerships	2,762	-31	2,731		2,731
Total Cost of Service	107,383	-10,095	97,288	37,723	135,011

Corporate Policy	Revenue Budget			Capital Budget	Total Revenue and Capital Budget
Service Area	Expenditure £000	Income £000	Net Budget £000	£000	£000
Resources (Finance)	58,887	-47,831	11,056	1,021	12,077
Governance and Compliance Services	15,499	-4,155	11,344		11,344
Resources (People)	6,022	-461	5,561		5,561
Resources (Digital)	24,414	-12,719	11,695	11,724	23,419
Assistant Chief Executive	3,980	-848	3,132		3,132
Total Cost of Service	108,802	-66,014	42,788	12,745	55,533

Corporate Policy – Council Wide Transformation	Revenue Budget			Capital Budget	Total Revenue and Capital Budget
Service Area	Expenditure £000	Income £000	Net Budget £000	£000	£000
Transformation Programme - Council Wide	-12,702	-750	-13,452		-13,452
Total Cost of Service	-12,702	-750	-13,452		-13,452

Economy and Growth	Revenue Budget			Capital Budget	Total Revenue and Capital Budget
Service Area	Expenditure £000	Income £000	Net Budget £000	£000	£000
Directorate	303		303		303
Assets	3,078	-2,587	491	2,250	2,741
Growth and Enterprise Management	147		147		147
Facilities Management	17,702	-270	17,432	5,927	23,359
Farms	437	-785	-348		-348
Economic Development	1,985	-551	1,434	12,854	14,288
Housing	3,996	-414	3,582	6,893	10,475
Rural and Cultural Management	165		165	8,157	8,322
Tatton Park	5,653	-4,445	1,208		1,208
Green Infrastructure	2,124	-302	1,822		1,822
Cultural Economy	1,113		1,113		1,113
Visitor Economy	558	-349	209		209
Pay Inflation	883		883		883
Total Cost of Service	38,144	-9,703	28,441	36,081	64,522

Environment and Communities	Revenue Budget			Capital Budget	Total Revenue and Capital Budget
Service Area	Expenditure £000	Income £000	Net Budget £000	£000	£000
Director of Environmental and Neighbourhood Services	143		143		143
Development Management	4,471	-2,767	1,704		1,704
Building Control	1,222	-918	304		304
Local Land Charges and Planning Support	748	-407	341		341
Strategic Planning	1,436		1,436		1,436
Neighbourhood Planning	283	-220	63		63
Environmental – Commissioning ANSA*	45,037	-1,745	43,292	14,217	57,509
Environmental – Commissioning Orbitas*	2,094	-2,927	-833	600	-233
Environmental – Management Services	2,207	-12,290	-10,083	3,540	-6,543
Regulatory Services	4,050	-1,228	2,822		2,822
Libraries	3,329	-297	3,032		3,032
Leisure Commissioning	948	-420	528	1,000	1,528
Emergency Planning	237	-61	176		176
Head of Neighbourhood Services & ASB/CEO	648	17	665		665
Pay Inflation	2,111		2,111		2,111
Total Cost of Service	68,964	-23,263	45,701	19,357	65,058

*The companies are coming back in house in 2025/26 therefore commissioning budgets will be realigned to the correct service area

Highways and Transport	Revenue Budget			Capital Budget	Total Revenue and Capital Budget
Service Area	Expenditure £000	Income £000	Net Budget £000	£000	£000
Car Parking	2,266	-7,446	-5,180	83	-5,097
Strategic Transport	8,700	-503	8,197	2,964	11,161
ANSA Transport Commissioning (Management Fee)*	1,235		1,235		1,235
Highways	14,625	-2,820	11,805	30,971	42,776
Integrated Rail and Transport (formerly HS2)	450		450		450
Highways and Infrastructure Director	145		145		145
Infrastructure	776	-700	76	32,764	32,840
Pay Inflation	173		173		173
Total Cost of Service	28,370	-11,469	16,901	66,782	83,683

*The companies are coming back in house in 2025/26 therefore commissioning budgets will be realigned to the correct service area

Finance Sub – Central Budgets	Revenue Budget			Capital Budget	Total Revenue and Capital Budget
Service Area	Expenditure £000	Income £000	Net Budget £000	£000	£000
Capital Financing	37,531	-2,492	35,039		35,039
Income from use of Capital Receipts		-1,000	-1,000		-1,000
Pension Cost adjustment	-727		-727		-727
Contingency Budget	15,953		15,953		15,953
Transfer to/(from) Reserves	1,304		1,304		1,304
Bad Debt Provision adjustment	-50		-50		-50
Other Income/Expenditure	1		1		1
Total Cost of Service	54,012	-3,492	50,520		50,520

Section 2: Approved Budget Change Items 2025/26

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
	Adults and Health	+21.494	-2.204	+1.516	+1.480
1	Client Contributions	-5.182	-0.879	-1.654	-1.706
2	Revenue Grants for Adult Social Care	-0.220			
3	Pensions Cost Adjustment	-0.517	-1.019	-0.171	-0.184
4	Demand in Adult Social Care	+5.000	+5.000	+5.000	+5.000
5	Pay Inflation	+2.251	+1.142	+1.171	+1.200
6	Funding the staffing establishment	+3.800			
7	Fully Funding current care demand levels 2024/25	+24.500			
8	Remodel extra care housing catering service	-0.270			
9T	Prevent, Reduce, Enable - Older People	-1.500	-2.830	-2.830	-2.830
10T	Learning Disability service transformation	-2.500	-2.500		
11T	Commissioning and brokerage transformation	-0.500	-0.250		
12T	Preparing for Adulthood	-0.868	-0.868		
13T	Health and Social Care Partnership Case Review	-2.500			

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
	Childrens and Families	+8.659	-0.064	-0.201	-0.258
14	Pension costs adjustment	-0.537	-0.923	-0.155	-0.167
15	Growth to deliver statutory Youth Justice service, and meet Safeguarding Partnership duties	+0.203	+0.167	+0.031	+0.034
16	Growth in School, SEND and Social Care Transport budget	+1.501	+1.548	+0.476	
17	Pay Inflation	+2.624	+1.096	+1.124	+1.152
18	Fully Funding current care demand levels 2024/25	+3.295			
19	Court Progression Improvement	+0.023			
20	Growth for annual contribution to the Regional Adoption Agency	+0.213	+0.048	+0.048	+0.048
21	Growth for Unaccompanied Asylum Seeking Children due to emerging pressures	+0.500			
22	Reversal of a one year policy change for traded services	+0.120			
23	Schools Improvement	+0.175			
24	Funding the staffing establishment	+2.739		-1.000	-0.600
25	Safe Walking Routes to School	-0.250			
26T	New accommodation with support offer for 16-25 young people	-1.100	-0.700		
27T	Birth to Thrive	-0.500			
28T	Right Child, Right Home	-1.320	-1.300	-0.725	-0.725
29	Extended Rights to Free Transport	+0.388			
30	Children's Social Care Prevention Grant – Expenditure	+0.905			
31	Children's Social Care Prevention Grant – Grant Income	-0.905			
32	Foster4	+0.114			
33	Foster Carers uplift of National Minimum Allowance (NMA)	+0.471			

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
	Corporate Policy	+1.078	+4.396	+1.890	+1.485
34	Enforce prompt debt recovery and increase charges for costs	-0.077			
35	Pension costs adjustment	-0.396	-0.685	-0.115	-0.124
36	Pay Inflation	+1.494	+1.531	+1.570	+1.609
37	Shared Services Review - Move to Hybrid Model for ICT	-0.733			
38	The achievement of additional Registration Service income, over and above that which is currently identified as required	-0.350			
39	Recognising the annual receipt of £45k of Police and Crime Panel grant income	-0.045			
40	Remove unspent element of phones budgets in corporate services	-0.060			
41T	Digital Acceleration Revenue Growth		+1.150		
42T	Digital Blueprint Revenue Growth		+2.400	+0.435	
43	Transactional Shared Services stabilisation plan	+0.270			
44	Additional cost of External Audit Fees	+0.265			
45	Reduce Members Allowances budget	-0.100			
46	Additional Cost of Bank Charges from 2025/26	+0.120			
47	Reverse reduction in leadership and management costs as posts are being retained	+0.540			
48	Reinstatement of a one-off saving of £150,000 from election budgets for 2024/25	+0.150			
	Council Wide Transformation	-13.452	-20.730	-11.030	-
49T	Digital Customer Enablement Invest to Save	-0.750	-0.750	-0.700	
50T	Digital Acceleration Invest to Save	-0.600	-6.250	-5.250	
51T	Digital Blueprint - Invest to Save	-4.000	-6.000	-4.500	
52T	Target Operating Model (TOM)	-3.000	-7.000		
53T	Agency Staffing	-0.352			
54T	Workforce Productivity	-1.000			
55T	Fees and Charges	-0.750	-0.040	-0.040	
56T	Third Party Spend	-3.000	-0.690	-0.540	

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
	Economy and Growth	+0.534	+0.695	+0.432	+0.328
57	Office estate rationalisation	-0.150			
58	Pension Costs Adjustment	-0.164	-0.313	-0.053	-0.057
59	Tatton Park ticketing and EPOS upgrade	+0.001	+0.001	+0.001	+0.001
60	CEC Archives	+0.014	+0.093	+0.004	
61	Rural and Visitor Economy Electricity costs	-0.021			
62	Minimum energy efficiency standards (MEES) - Estates - Revenue Adjustment	+0.023		-0.055	-0.047
63	Pay Inflation	+1.064	+0.429	+0.440	+0.450
64	Maintenance and operation of new assets in Crewe town centre	+0.205	+0.279	+0.118	+0.006
65	Land Fill Site Assessments Revenue Adjustment - Estates – Review and Risk Assessment of Council owned Landfill sites (53 sites) Review and Risk Assessment completions	+0.010			
66	Tatton Park Estate Dwellings Refurbishment	+0.015			
67	Improving Crewe Rented Housing Standards	+0.188	-0.188		
68	Maximise potential of Countryside Access Management System	+0.020	-0.018		
69	Assets - building and operational – Energy	-0.860			
70	Assets - building and operational – Maintenance	+0.465	+0.533		
71	Tatton Park - Increase Fees and Charges	-0.126	-0.021	-0.023	-0.025
72T	Corporate Landlord Model Refresh	-0.050			
73T	Asset Strategy Refresh	-0.100	-0.100		

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
	Environment and Communities	-2.741	+3.269	+0.982	+6.792
74	Strategic Leisure Review (Stage 2)	+0.403	-0.203	-0.166	
75	Libraries Strategy - Stage 1	-0.100			
76	Reduce revenue impact of carbon reduction capital schemes	+0.171			
77	Pay Inflation	+2.270	+1.380	+1.409	+1.436
78	Pension Costs Adjustment	-0.159	-0.315	-0.053	-0.057
79	Explore a Trust delivery model for Libraries and other services	-0.150			
80	Land Charge Income Adjustment	+0.147			
81	Local Plan Review	+0.315	-0.090	+0.005	-0.005
82	Review of CCTV service - service efficiencies and income generation from existing services	-0.040			
83	Environmental Services Growth 2025/26 onwards	+3.041	+1.882	+0.690	+0.710
84	Environmental Services Savings 2025/26 onwards	-2.366	-2.580	-1.181	-0.549
85	Environmental Services Growth - Pensions	+0.727	-0.395	-0.066	-0.071
86	Environmental Services – expected income from Extended Producer Responsibility for packaging	-7.000	+3.590	+0.344	+5.328

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
	Highways and Transport	+1.061	+0.152	+0.068	+0.030
87	Increase parking charges	-0.450	-0.186	-0.191	-0.197
88	Safe Haven outside schools (Parking)	+0.010			
89	Parking PDA / Back Office System contract - fall out of one off set up cost	-0.030			
90	Parking - Part-year effect of strategy changes	-0.720			
91	Parking - Staff and member parking	-0.250			
92	Transport and Infrastructure Strategy Team – Restructure		-0.150		
93	Local Bus	+1.545			
94	FlexiLink Service Improvement Plan - invest to save	+0.592	+0.294	-0.003	-0.135
95T	Advertising Income. Initial project scoping work being undertaken to understand scale/complexity and resourcing needs	-0.025	-0.075	-0.050	
96	Pension Costs Adjustment	-0.055	-0.108	-0.018	-0.020
97	Pay Inflation	+0.228	+0.111	+0.114	+0.117
98	Flood and Water Management Act 2010 SuDS and SABs Schedule 3 Implementation		+0.050	+0.050	+0.100
99	Highways: Revenue Service	+0.216	+0.216	+0.216	+0.216
100	Highways: Depots			-0.050	-0.051

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
	Finance Sub (central budgets)	+35.294	+26.123	+17.082	+13.104
101	Capital Financing - Minimum Revenue Provision	+3.387	+3.719	+3.102	+1.388
102	Creation of Contingency Budget	+15.953	+14.908	+11.922	+12.926
103	Risk of unachievable budget savings or growth demands exceeding estimates		+3.800	-1.840	-1.210
104	Pension adjustment – linked to E&C growth item	-0.727			
105	Use of Earmarked Reserves (reversal of 2024/25 one off use of central EMRs)	+3.723			
106	Top up of Earmarked Reserves			+3.898	
107	Use of General Reserves (reversal of one off use in 2024/25)	+11.654			
108	Top up General Reserves	+1.304	+3.696		
	Finance Sub (funding budgets)	-26.666	-15.285	-19.391	-20.515
109	Council Tax increase % growth	-14.326	-15.290	-16.204	-17.214
110	Council Tax increase base growth	-5.852	-3.037	-3.187	-3.301
111	Business Rates Retention	-0.495			
112	Unringfenced general grants change	-3.012	+3.042		
113	National Insurance increase contribution	-2.981			

Section 3: Capital Programme 2025/26

Adults and Health												CAPITAL	
CAPITAL PROGRAMME 2025/26 - 2028/29													
Scheme Description		Forecast Expenditure						Forecast Funding					Total Funding
	Total Approved Budget	Prior Years	Forecast Budget 2025/26	Forecast Budget 2026/27	Forecast Budget 2027/28	Forecast Budget 2028/29	Total Forecast Budget 2025-29	Government Grants	External Contributions	Revenue Contributions	Capital Receipts	Prudential Borrowing	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Committed Schemes													
Adult Social Care													
Electronic Call Monitoring System	389	0	389	0	0	0	389	0	0	389	0	0	389
Total Adults Social Care Schemes	389	0	389	0	0	0	389	0	0	389	0	0	389

CAPITAL PROGRAMME 2025/26-2028/29													
Scheme Description	Total Approved Budget £000	Forecast Expenditure						Forecast Funding					Total Funding £000
		Prior Years £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Forecast Budget 2028/29 £000	Total Forecast Budget 2025-29 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
Committed Schemes													
Childrens Social Care													
Children's Home Sufficiency Scheme	1,404	904	500	0	0	0	500	0	0	0	0	500	500
Crewe Youth Zone	4,826	2,420	2,406	0	0	0	2,406	1,559	0	0	0	847	2,406
Family Hubs Transformation	236	131	105	0	0	0	105	105	0	0	0	0	105
Foster Carer Capacity Scheme	534	484	50	0	0	0	50	0	0	0	0	50	50
Total Children's Social Care	7,000	3,939	3,061	0	0	0	3,061	1,664	0	0	0	1,397	3,061
Strong Start, Family Help & Integration													
Childcare Capital Expansion	749	449	300	0	0	0	300	300	0	0	0	-	300
Early Years Sufficiency Capital Fund	1,036	957	79	0	0	0	79	79	0	0	0	-	79
Total Strong Start, Family Help & Integration	1,785	1,406	379	0	0	0	379	379	0	0	0	0	379
Education and 14-19 Skills													
Adelaide Academy	903	155	748	0	0	0	748	578	0	0	0	170	748
Basic Need Grant Allocation	7,569	5,127	2,442	0	0	0	2,442	2,442	0	0	0	0	2,442
Congleton Planning Area - Primary (1)	2,209	179	2,030	0	0	0	2,030	764	1,266	0	0	0	2,030
Congleton Planning Area - Primary (3)	7,504	54	0	2,200	5,250	0	7,450	4,250	3,200	0	0	0	7,450
Devolved Formula Grant - Schools	1,533	893	330	310	0	0	640	640	0	0	0	0	640
Energy Efficiency Grant - Schools	672	672	0	0	0	0	0	0	0	0	0	0	0
Gainsborough Primary - Flooring	304	50	254	0	0	0	254	254	0	0	0	0	254
Handforth Planning Area - New School	13,002	103	400	4,000	8,499	0	12,899	126	12,773	0	0	0	12,899
Macclesfield Planning Area - Secondary New places	730	5	725	0	0	0	725	725	0	0	0	0	725
Macclesfield Planning Area - New School	4,001	1	0	0	4,000	0	4,000	0	4,000	0	0	0	4,000

CAPITAL PROGRAMME 2025/26-2028/29

Scheme Description	Total Approved Budget £000	Forecast Expenditure						Forecast Funding					Total Funding £000
		Prior Years £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Forecast Budget 2028/29 £000	Total Forecast Budget 2025-29 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
Committed Schemes													
Mobberley Primary School	1,207	37	609	561	0	0	1,170	870	0	0	300	0	1,170
Nantwich Planning Area - Kingsbourne Primary Academy (New school)	9,061	1,233	7,328	500	0	0	7,828	5,308	2,520	0	0	0	7,828
New AP Free School	500	0	500	0	0	0	500	500	0	0	0	0	500
New Satellite school - 2	9,000	50	950	5,000	3,000	0	8,950	8,950	0	0	0	0	8,950
New SEN places - Springfields Wilmslow /Dean Row Community Centre	1,089	339	750	0	0	0	750	750	0	0	0	0	750
New SEN Free School	998	5	745	248	0	0	993	993	0	0	0	0	993
Poynton Planning Area - Vernon Primary	1,500	113	1,387	0	0	0	1,387	584	803	0	0	0	1,387
Provision of Sufficient School Places - SEND (Springfield Crewe)	7,183	6,861	322	0	0	0	322	0	0	0	0	322	322
Schools Condition Capital Grant	7,828	3,828	2,000	2,000	0	0	4,000	4,000	0	0	0	0	4,000
SEN/High Needs Capital Allocation	4,827	327	2,000	2,500	0	0	4,500	4,500	0	0	0	0	4,500
Shavington Planning Area - Basford New Primary School	8,040	256	1,000	6,784	0	0	7,784	5,449	2,335	0	0	0	7,784
Springfield Satellite Site - Middlewich	6,000	500	5,500	0	0	0	5,500	5,500	0	0	0	0	5,500
Tytherington High School	2,800	272	2,528	0	0	0	2,528	2,528	0	0	0	0	2,528
Wheelock Primary School	2,411	1,201	1,210	0	0	0	1,210	1,210	0	0	0	0	1,210
Wilmslow High School BN	14,179	13,654	525	0	0	0	525	0	477	0	0	48	525
Total Education & 14-19 Skills	115,050	35,915	34,283	24,103	20,749	0	79,135	50,921	27,374	0	300	540	79,135
													0
Total Committed Schemes	123,835	41,260	37,723	24,103	20,749	0	82,575	52,964	27,374	0	300	1,937	82,575
Total New Schemes	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Children and Families Schemes	123,835	41,260	37,723	24,103	20,749	0	82,575	52,964	27,374	0	300	1,937	82,575

CAPITAL PROGRAMME 2025/26 - 2028/29

Scheme Description	Total Approved Budget £000	Forecast Expenditure					Total Forecast Budget 2025-29 £000	Forecast Funding					Total Funding £000
		Prior Years £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Forecast Budget 2028/29 £000		Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
Committed Schemes													
ICT Services													
Accelerate Digital	1,460	760	700	0	0	0	700	0	0	0	0	700	700
Care Act Phase 2	6,314	5,234	1,080	0	0	0	1,080	0	0	0	0	1,080	1,080
ICT Device Replacement	1,912	1,412	500	0	0	0	500	0	0	0	0	500	500
IADM (Information Assurance and Data Management)	19,465	18,065	1,400	0	0	0	1,400	0	0	0	0	1,400	1,400
Infrastructure Investment Programme (IIP)	34,429	31,796	1,804	830	0	0	2,634	0	0	0	0	2,634	2,634
Vendor Management	1,006	788	218	0	0	0	218	0	0	0	0	218	218
Total ICT Services Schemes	64,586	58,054	5,702	830	0	0	6,532	0	0	0	0	6,532	6,532
Finance & Customer Services													
Core Financials	11,317	10,362	662	293	0	0	955	0	0	0	0	955	955
Vendor Management - Phase 2	99	24	25	50	0	0	75	0	0	0	0	75	75
Total Finance & Customer Services Schemes	11,417	10,386	687	343	0	0	1,030	0	0	0	0	1,030	1,030
Total Committed Schemes	76,003	68,440	6,389	1,173	0	0	7,562	0	0	0	0	7,562	7,562
New Schemes													
Finance & Customer Services													
Core Business Systems	1,826	0	334	492	800	200	1,826	0	0	0	0	1,826	1,826
ICT Services													
Accelerate Digital – (Digital efficiencies) Capital	4,259	0	1,532	1,350	1,377	0	4,259	0	0	0	0	4,259	4,259
Digital Blueprint - Capital	6,530	0	3,490	1,663	1,377	0	6,530	0	0	0	0	6,530	6,530
ICT Device Replacement		0	1,000	250	200	400	1,850	0	0	0	0	1,850	1,850
Total New Schemes	12,615	0	6,356	3,755	3,754	600	14,465	0	0	0	0	14,465	14,465
Total Corporate Policy	88,618	68,440	12,745	4,928	3,754	600	22,027	0	0	0	0	22,027	22,027

CAPITAL PROGRAMME 2025/26 - 2028/29													
Scheme Description	Total Approved Budget £000	Forecast Expenditure					Total Forecast Budget 2025-29 £000	Forecast Funding					Total Funding £000
		Prior Years £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Forecast Budget 2028/29 £000		Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
Committed Schemes													
Culture & Tourism													
Countryside Vehicles	1,579	790	355	217	217	0	789	0	0	0	0	789	789
Culture & Tourism S106 Schemes	509	97	385	5	5	17	412	0	412	0	0	0	412
Green Infrastructure Structures Investment	384	0	271	113	0	0	384	0	0	0	0	384	384
New Archives Premises CTC1	7,115	442	6,433	240	0	0	6,673	0	0	0	0	6,673	6,673
PROW CMM A6 MARR	103	74	29	0	0	0	29	29	0	0	0	0	29
Tatton Park Investment Phase 2	2,843	1,434	684	725	0	0	1,409	0	0	0	0	1,409	1,409
Total Culture & Tourism Committed Schemes	12,533	2,837	8,157	1,300	222	17	9,696	29	412	0	0	9,255	9,696
Economic Development													
Crewe Towns Fund - Mill Street Corridor	4,027	3,229	798	0	0	0	798	798	0	0	0	0	798
Crewe Towns Fund - Crewe Youth Zone non-grant costs	351	188	163	0	0	0	163	163	0	0	0	0	163
Crewe Towns Fund - Repurposing Our High Streets	1,132	625	507	0	0	0	507	507	0	0	0	0	507
Crewe Town Centre Regeneration	32,293	31,293	1,000	0	0	0	1,000	0	0	0	0	1,000	1,000
Connecting Cheshire Phase 3	8,000	928	2,000	2,200	2,000	872	7,072	0	7,072	0	0	0	7,072
Connecting Cheshire 2020	9,250	6,265	0	0	0	2,985	2,985	2,985	0	0	0	0	2,985
Handforth Heat Network	13,219	680	50	450	12,039	0	12,539	1,924	7,428	0	0	3,187	12,539
History Centre Public Realm & ICV (Crewe Towns Fund) CTC1	580	210	370	0	0	0	370	370	0	0	0	0	370
Leighton Green	2,096	1,618	478	0	0	0	478	0	0	0	0	478	478
South Macclesfield Development Area	34,630	3,359	100	0	0	31,171	31,271	10,000	10,000	0	11,271	0	31,271
Macclesfield Indoor Market Refurbishment (MIMR)	2,213	1,713	500	0	0	0	500	500	0	0	0	0	500
Nantwich Town Centre Public Realm Improvements	100	0	100	0	0	0	100	0	100	0	0	0	100
North Cheshire Garden Village	57,866	12,287	6,588	17,285	21,706	0	45,579	15,044	0	0	21,700	8,835	45,579
Handforth Garden Village s106 Obligations	6,841	0	0	2,740	0	4,101	6,841	0	0	0	0	6,841	6,841
UK Shared Prosperity Fund - Core	1,150	950	200	0	0	0	200	200	0	0	0	0	200
Total Economic Development Committed Schemes	173,748	63,345	12,854	22,675	35,745	39,129	110,403	32,491	24,600	0	32,971	20,341	110,403

CAPITAL PROGRAMME 2025/26 - 2028/29													
Scheme Description	Total Approved Budget £000	Forecast Expenditure					Total Forecast Budget 2025-29 £000	Forecast Funding					Total Funding £000
		Prior Years £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Forecast Budget 2028/29 £000		Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
Facilities Management													
PSDS - 3B - Lot 1	1,028	904	124	0	0	0	124	124	0	0	0	0	124
PSDS - 3C	1,672	324	1,348	0	0	0	1,348	1,159	0	0	0	189	1,348
Septic Tanks	636	310	75	251	0	0	326	0	0	0	0	326	326
Schools Capital Maintenance	8,315	7,271	1,044	0	0	0	1,044	1,044	0	0	0	0	1,044
Premises Capital (FM)	39,690	36,053	2,488	1,149	0	0	3,637	0	0	0	0	3,637	3,637
Poynton Pool Spillway	1,380	744	636	0	0	0	636	0	0	0	0	636	636
Total Facilities Management Committed Schemes	52,721	45,606	5,715	1,400	0	0	7,115	2,327	0	0	0	4,788	7,115
Estates													
Corporate Landlord - Non-Operational	1,336	0	1,336	0	0	0	1,336	0	0	0	0	1,336	1,336
Malkins Bank Landfill Site	1,360	777	583	0	0	0	583	0	0	0	0	583	583
Farms Strategy	2,910	1,744	331	209	209	417	1,166	0	0	0	1,166	0	1,166
Total Estates Committed Schemes	5,606	2,521	2,250	209	209	417	3,085	0	0	0	1,166	1,919	3,085
Housing													
Crewe Towns Fund - Warm and Healthy Homes	2,126	858	1,268	0	0	0	1,268	1,268	0	0	0	0	1,268
Disabled Facilities	22,025	13,761	2,664	2,800	2,800	0	8,264	8,264	0	0	0	0	8,264
Green Homes Grant	3,105	2,427	339	339	0	0	678	678	0	0	0	0	678
Home Repairs Vulnerable People	1,338	936	402	0	0	0	402	0	0	0	0	402	402
Home Upgrade Grant Phase 2	4,409	2,740	1,669	0	0	0	1,669	1,669	0	0	0	0	1,669
Local Authority Housing Fund	742	433	309	0	0	0	309	309	0	0	0	0	309
Total Housing Committed Schemes	33,746	21,156	6,651	3,139	2,800	0	12,590	12,188	0	0	0	402	12,590
Total Committed Schemes	278,355	135,466	35,627	28,723	38,976	39,563	142,889	47,035	25,012	0	34,137	36,705	142,889
New Schemes													
Culture & Tourism													
Green Structures investment (Public Rights of Way)	512	0	0	126	195	191	512	0	0	0	0	512	512
Housing													
Disabled Facilities	3,360	0	242	106	106	2,906	3,360	3,360	0	0	0	0	3,360
Facilities Management													
Septic Tanks	949	0	0	149	400	400	949	0	0	0	0	949	949
Premises Capital * see note 1	7,163	0	212	1,551	2,700	2,700	7,163	0	0	0	0	7,163	7,163
Total Economic Development New Schemes	11,984	0	454	1,933	3,401	6,197	11,984	3,360	0	0	0	8,624	11,984
Total Economy and Growth Schemes	290,339	135,466	36,081	30,656	42,377	45,760	154,873	50,395	25,012	0	34,137	45,329	154,873

Note 1 : Approval for this scheme is for 2025-26 only. Future years to be considered for approval in 2026-30 MTFs

Environment and Communities

CAPITAL

CAPITAL PROGRAMME 2025/26 - 2028/29													
Scheme Description	Total Approved Budget £000	Forecast Expenditure					Total Forecast Budget 2025-29 £000	Forecast Funding					Total Funding £000
		Prior Years £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Forecast Budget 2028/29 £000		Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
Committed Schemes													
Environment Services													
Booth Bed Lane, Goostrey	140	40	100	0	0	0	100	0	100	0	0	0	100
Bosley Village Play Area	20	10	10	0	0	0	10	0	10	0	0	0	10
Carbon Offset Investment	568	268	75	75	75	75	300	0	0	0	0	300	300
Carnival Fields	42	0	42	0	0	0	42	0	42	0	0	0	42
Closed Cemeteries	152	50	102	0	0	0	102	0	0	0	0	102	102
Fleet EV Transition	6,897	1,596	2,974	327	1,000	1,000	5,301	0	0	0	0	5,301	5,301
Fleet Vehicle Electric Charging	585	305	140	140	0	0	280	0	0	0	0	280	280
Green Investment Scheme (Solar Farm)	4,150	3,944	51	155	0	0	206	0	0	0	0	206	206
Household Waste Recycling Centres	860	270	590	0	0	0	590	0	0	0	0	590	590
Jim Evison Playing Fields	161	0	161	0	0	0	161	0	161	0	0	0	161
Litter and Recycling Bins	208	136	25	25	22	0	72	0	0	0	0	72	72
Macclesfield Chapel Refurbishment	429	29	400	0	0	0	400	0	0	400	0	0	400
Park Development Fund	846	723	36	87	0	0	123	0	0	0	0	123	123
Review of Household Waste Recycling Centres	1,000	100	900	0	0	0	900	0	0	0	0	900	900
Carbon Neutral 2030 Investments	13,980	101	300	300	4,400	8,879	13,879	0	0	0	0	13,879	13,879
The Carrs Improvement Project	61	15	46	0	0	0	46	0	46	0	0	0	46
Weekly Food Waste Collections	2,712	80	2,132	500	0	0	2,632	2,632	0	0	0	0	2,632
Woodland South of Coppice Way, Handforth	89	73	16	0	0	0	16	0	16	0	0	0	16
Wybunbury St Chad's Closed Cemetery	219	0	219	0	0	0	219	0	0	0	0	219	219
Total Environment Services Schemes	33,119	7,740	8,319	1,609	5,497	9,954	25,379	2,632	375	400	0	21,972	25,379
Neighbourhood Services											0		
Crewe Towns Fund - Valley Brook Green Corridor	3,339	1,699	1,640	0	0	0	1,640	1,640	0	0	0	0	1,640
Crewe Towns Fund - Cumberland Arena	3,093	2,268	825	0	0	0	825	825	0	0	0	0	825
Crewe Towns Fund - Pocket Parks	1,481	1,088	393	0	0	0	393	393	0	0	0	0	393
Strategic Leisure Review	3,400	1,750	1,000	650	0	0	1,650	0	0	0	0	1,650	1,650
Total Neighbourhood Services	11,313	6,805	3,858	650	0	0	4,508	2,858	0	0	0	1,650	4,508
Total Committed Schemes	44,432	14,545	12,177	2,259	5,497	9,954	29,887	5,490	375	400	0	23,622	29,887
New Schemes													
Environment Services													
Weekly Food Waste Collections - Additional Capital Requirement	5,497	0	5,497	0	0	0	5,497	0	0	5,497	0	0	5,497
Macclesfield Cemetery Second Chapel - Additional requirement	200	0	200	0	0	0	200	0	0	200	0	0	200
Parks	1,483	0	1,483	0	0	0	1,483	0	1,483	0	0	0	1,483
Total New Schemes	7,180	0	7,180	0	0	0	7,180	0	1,483	5,697	0	0	7,180
Total Environment and Communities Schemes	51,612	14,545	19,357	2,259	5,497	9,954	37,067	5,490	1,858	6,097	0	23,622	37,067

CAPITAL PROGRAMME 2025/26- 2028/29

Scheme Description	Total Approved Budget £000	Forecast Expenditure					Total Forecast Budget 2025-29 £000	Forecast Funding					Total Funding £000
		Prior Years £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Forecast Budget 2028/29 £000		Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
Committed Schemes													
Strategic Infrastructure													
A500 Dualling scheme	89,456	11,131	950	0	0	77,375	78,325	74,025	4,300	0	0	0	78,325
A500 Corridor OBC Update	1,705	150	1,555	0	0	0	1,555	1,555	0	0	0	0	1,555
A50 / A54 Holmes Chapel	603	100	0	0	0	503	503	0	503	0	0	0	503
A54 / A533 Leadsmyth Street, Middlewich	563	176	0	0	0	387	387	0	387	0	0	0	387
A6 MARR Technical Design	473	279	194	0	0	0	194	70	124	0	0	0	194
A556 Knutsford to Bowdon	504	417	87	0	0	0	87	0	87	0	0	0	87
Peacock Roundabout Junction	750	52	500	0	0	198	698	0	698	0	0	0	698
Congleton Link Road	83,991	72,837	1,254	1,279	1,000	7,621	11,154	316	10,838	0	0	0	11,154
Crewe Green Roundabout	7,500	7,057	443	0	0	0	443	0	443	0	0	0	443
Flowerpot Phs 1 & Pinchpoint	5,519	1,609	588	336	337	2,649	3,910	3,187	723	0	0	0	3,910
Future High Street Funding - Flag Lane Link	1,558	1,249	309	0	0	0	309	309	0	0	0	0	309
Highways & Infrastructure S106 Funded Schemes	4,701	1,790	1,179	494	0	1,238	2,911	107	2,804	0	0	0	2,911
Transport & Infrastructure Development Studies	350	60	290	0	0	0	290	290	0	0	0	0	290
Middlewich Eastern Bypass	96,599	27,268	22,140	22,876	19,848	4,467	69,331	45,747	14,611	0	0	8,973	69,331
Mill Street Corridor - Station Link Project	1,534	992	542	0	0	0	542	0	242	0	0	300	542
North-West Crewe Package	51,367	50,167	300	300	300	300	1,200	0	1,200	0	0	0	1,200
Old Mill Road / The Hill Junction	1,324	187	1,137	0	0	0	1,137	0	1,137	0	0	0	1,137
Poynton Relief Road	54,848	48,906	1,096	1,146	1,435	2,265	5,942	0	2,751	0	1,000	2,191	5,942
Sydney Road Bridge	10,502	10,137	200	165	0	0	365	0	365	0	0	0	365
Total Strategic Infrastructure Schemes	413,847	234,564	32,764	26,596	22,920	97,003	179,283	125,606	41,213	0	1,000	11,464	179,283
Highways													
Alderley Edge Bypass Scheme Implementation	60,611	60,384	227	0	0	0	227	0	0	0	0	227	227
Integrated Block - LTP	8,012	0	2,003	2,003	2,003	2,003	8,012	8,012	0	0	0	0	8,012
Incentive Fund - LTP	5,800	0	1,450	1,450	1,450	1,450	5,800	5,800	0	0	0	0	5,800
Maintenance Block - LTP	25,275	0	7,878	5,799	5,799	5,799	25,275	23,196	0	0	0	2,079	25,275
Managing and Maintaining Highways	4,712	0	4,712	0	0	0	4,712	0	0	0	0	4,712	4,712
Pothole Funding	23,196	0	5,799	5,799	5,799	5,799	23,196	23,196	0	0	0	0	23,196
Programme Management	1,548	1,515	33	0	0	0	33	33	0	0	0	0	33
Road Safety Schemes Minor Wks	6,423	6,323	100	0	0	0	100	0	0	0	0	100	100
Traffic Signal Maintenance	1,095	835	260	0	0	0	260	260	0	0	0	0	260
Ward Members Local Highway Measures	872	357	515	0	0	0	515	139	0	0	0	376	515
Winter Service Facility	958	772	97	89	0	0	186	0	0	0	0	186	186
Total Highways Schemes	138,502	70,186	23,074	15,140	15,051	15,051	68,316	60,636	0	0	0	7,680	68,316

Highways and Transport

CAPITAL

CAPITAL PROGRAMME 2025/26- 2028/29

Scheme Description		Forecast Expenditure						Forecast Funding					
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Forecast Budget 2027/28 £000	Forecast Budget 2028/29 £000	Total Forecast Budget 2025-29 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	Total Funding £000
Committed Schemes													
Strategic Transport & Parking Services													
Active Travel Fund	3,100	1,680	1,420	0	0	0	1,420	1,420	0	0	0	0	1,420
LEVI Capital Fund 23/24	2,172	0	543	543	543	543	2,172	2,172	0	0	0	0	2,172
Sustainable Travel Access Prog	2,438	2,238	200	0	0	0	200	200	0	0	0	0	200
Local Access - Crewe Transport Access Studies	400	188	212	0	0	0	212	212	0	0	0	0	212
Local Access - Macclesfield Transport Access Studies	300	161	139	0	0	0	139	139	0	0	0	0	139
LTP Development & Monitoring Studies	901	480	200	221	0	0	421	421	0	0	0	0	421
Digital Car Parking Solutions	140	113	27	0	0	0	27	0	0	0	0	27	27
Car Parking Improvements (including residents parking)	322	266	56	0	0	0	56	0	0	0	0	56	56
Total Strategic Transport & Parking Services Schemes	9,773	5,126	2,797	764	543	543	4,647	4,564	0	0	0	83	4,647
Total Committed Schemes	562,122	309,876	58,635	42,500	38,514	112,597	252,246	190,806	41,213	0	1,000	19,227	252,246
New Schemes													
Highways													
Highways Maintenance Capital	41,846	0	7,340	11,502	11,502	11,502	41,846	27,773	0	0	0	14,073	41,846
Highways: Depots (Macclesfield)	2,386	0	411	750	1,225	0	2,386	0	0	0	0	2,386	2,386
Highways: Depots (Wardle)	696	0	146	458	92	0	696	0	0	0	60	636	696
Strategic Transport & Parking Services													
Strategic Transport Model	750	0	250	250	250	0	750	0	0	0	0	750	750
Total New Schemes	45,678	0	8,147	12,960	13,070	11,502	45,679	27,773	0	0	60	17,845	45,679
Total Highways & Transport Schemes	607,800	309,876	66,782	55,460	51,584	124,099	297,925	218,579	41,213	0	1,060	37,072	297,925

Section 4: Reserves 2025/26

Adults and Health Reserve Account	Opening Balance 01 April 2024 £000	Transfers to General Fund - MTFS Feb 2024 £000	2024/25 Net Movement on Reserve £000	Transfers to General Fund Feb 2025 £000	Closing Balance Forecast 31 March 2025 £000	2025/26 Net Movement on Reserve £000	Closing Balance Forecast 31 March 2026 £000
PFI Equalisation - Extra Care Housing	2,857	(2,795)	0	(62)	0	46	46
Public Health Reserve	2,369	0	9	0	2,378	(1,025)	1,353
Adults and Health Reserves Total	5,226	(2,795)	9	(62)	2,378	(979)	1,399

Children and Families Reserve Account	Opening Balance 01 April 2024 £000	Transfers to General Fund - MTFS Feb 2024 £000	2024/25 Net Movement on Reserve £000	Transfers to General Fund Feb 2025 £000	Closing Balance Forecast 31 March 2025 £000	2025/26 Net Movement on Reserve £000	Closing Balance Forecast 31 March 2026 £000
Domestic Abuse Partnership	131	0	(131)	0	0	0	0
Troubled Families Initiative	1,593	0	(1,593)	0	0	0	0
Children and Families Reserves Total	1,724	0	(1,724)	0	0	0	0

Corporate Policy and Central Reserves	Opening Balance 01 April 2024	Transfers to General Fund - MTFS Feb 2024	2024/25 Net Movement on Reserve	Transfers to General Fund Feb 2025	Closing Balance Forecast 31 March 2025	2025/26 Net Movement on Reserve	Closing Balance Forecast 31 March 2026
Reserve Account	£000	£000	£000	£000	£000	£000	£000
Corporate Directorate Reserve	1,164	(935)	0	(229)	0	0	0
Collection Fund Management	8,154	(1,235)	(2,933)	0	3,986	3,469	7,455
Capital Financing Reserve	4,530	0	(4,530)	0	0	0	0
MTFS Reserve	2,914	(741)	255	(2,428)	0	0	0
2025/26 Transformation	0	0	3,500	0	3,500	(3,500)	0
Brighter Futures Transformation Programme	490	(470)	(20)	0	0	0	0
Section 31 Revenue Grants	14	0	0	(14)	0	0	0
Insurance Reserve	3,098	(3,098)	0	0	0	0	0
Elections General	132	0	0	0	132	0	132
Brexit Funding	13	(13)	0	0	0	0	0
HR	59	(59)	0	0	0	0	0
Pay Structure	54	0	0	(54)	0	0	0
Digital Solutions Architect	150	0	(150)	0	0	0	0
Corporate Policy and Central Reserves Total	20,772	(6,551)	(3,878)	(2,725)	7,618	(31)	7,587

Economy and Growth	Opening Balance 01 April 2024	Transfers to General Fund - MTFS Feb 2024	2024/25 Net Movement on Reserve	Transfers to General Fund Feb 2025	Closing Balance Forecast 31 March 2025	2025/26 Net Movement on Reserve	Closing Balance Forecast 31 March 2026
Reserve Account	£000	£000	£000	£000	£000	£000	£000
Place Directorate Reserve	1,164	0	(612)	(306)	246	(246)	0
Investment (Sustainability)	610	0	(21)	(40)	549	(549)	0
Legal Proceedings	212	0	(104)	0	108	(108)	0
Investment Portfolio	534	(534)	0	0	0	0	0
Homelessness & Housing Options - Revenue Grants	129	0	(129)	0	0	0	0
Tatton Park Trading Reserve	128	(128)	0	0	0	0	0
Economy and Growth Reserves Total	2,777	(662)	(866)	(346)	903	(903)	0

Environment and Communities	Opening Balance 01 April 2024	Transfers to General Fund - MTFS Feb 2024	2024/25 Net Movement on Reserve	Transfers to General Fund Feb 2025	Closing Balance Forecast 31 March 2025	2025/26 Net Movement on Reserve	Closing Balance Forecast 31 March 2026
Reserve Account	£000	£000	£000	£000	£000	£000	£000
Strategic Planning	568	(281)	(287)	0	0	0	0
Trees / Structures Risk Management	139	(55)	(30)	0	54	(54)	0
Air Quality	36	0	(5)	0	31	(31)	0
Licensing Enforcement	8	0	0	0	8	(8)	0
Flood Water Management (Emergency Planning)	2	0	(2)	0	0	0	0
Neighbourhood Planning	82	(41)	0	0	41	(41)	0
Spatial Planning - revenue grant	13	(13)	0	0	0	0	0
Street Cleansing	22	0	(4)	0	18	(18)	0
Environment and Communities Reserve Total	870	(390)	(328)	(0)	152	(152)	0

Highways and Transport Reserve Account	Opening Balance 01 April 2024 £000	Transfers to General Fund - MTFS Feb 2024 £000	2024/25 Net Movement on Reserve £000	Transfers to General Fund Feb 2025 £000	Closing Balance Forecast 31 March 2025 £000	2025/26 Net Movement on Reserve £000	Closing Balance Forecast 31 March 2026 £000
Rail and Transport Integration	385	(185)	(200)	0	0	0	0
Flood Risk and Adverse Weather Events	400	0	0	0	400	0	400
Highways Procurement Project	104	(20)	(15)	0	69	(69)	0
LEP-Local Transport Body	19	0	0	0	19	(19)	0
Highways and Transport Reserve Total	908	(205)	(215)	0	488	(88)	400

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Annex B - Draft Financial Reporting Timetable

Report	Financial Cycle	Committee	When
Service Budgets 2025/26	Planning	All Service Committees	March/April 2025
Cheshire Pension Fund update	Reporting	Finance Sub Committee	March 2025 (available on Members hub)
Medium Term Financial Strategy Assumptions and Reporting Cycle for 2026-30	Planning	Finance Sub Committee	June 2025
Financial Management Code update	Reporting	Finance Sub Committee	June 2025
Financial Outturn 2024/25	Reporting	All Committees / Council	June 2025 July 2025 (Council)
Final Outturn and Draft Statement of Accounts 2024/25	Reporting	Audit and Governance	July 2025
Companies Draft Statements of Accounts 2024/25	Reporting	Audit and Governance / Finance Sub Committee	July 2025 September 2025
First Financial Review 2025/26	Monitoring	All Committees / Council	September / October 2025 October 2025 (Council)
ECW (Enterprise Cheshire & Warrington) First Financial Review 2025/26	Monitoring	Finance Sub Committee	September 2025
Companies First Financial Review 2025/26	Monitoring	Finance Sub Committee	September 2025
Cheshire Pension Fund update	Reporting	Finance Sub Committee	June 2025 (available on Members hub)

Annex B - Draft Financial Reporting Timetable

Report	Financial Cycle	Committee	When
Medium Term Financial Planning Assumptions - update	Planning	Finance Sub Committee	September 2025
Cheshire Pension Fund update	Monitoring	Finance Sub Committee	September 2025
ECW (Enterprise Cheshire & Warrington) 2024/25 Accounts - Audit & Governance Committee	Reporting	Audit and Governance / Council	September 2025 October 2025 (Council)
Medium Term Financial Strategy Consultation for 2026/27-2029/30 - launch	Planning	Corporate Policy Committee	October 2025
Second Financial Review 2025/26	Monitoring	All Committees / Council	November 2025 December 2025 (Council)
ECW (Enterprise Cheshire & Warrington) Second Financial Review 2025/26	Monitoring	Finance Sub Committee	November 2025
Companies Second Financial Review 2025/26	Monitoring	Finance Sub Committee	November 2025
Medium Term Financial Strategy Consultation 2026/27-2029/30 - committees to review their respective Service proposals	Planning	All Committees	November 2025
Final Statement of Accounts 2024/25	Reporting	Audit and Governance / Council	December 2025
Audit of Accounts 2024/25 - report from A&G Committee to Council on main items from the external auditors report	Reporting	Audit and Governance / Council	December 2025
Companies Audited Financial Statements 2024/25	Reporting	Audit and Governance / Council	December 2025

Annex B - Draft Financial Reporting Timetable

Report	Financial Cycle	Committee	When
Council Tax Base 2026/27	Reporting	Corporate Policy Committee / Council	November 2025 December 2025 (Council)
Financial Management Code – In Year update	Monitoring	Finance Sub Committee	January 2026
Cheshire Pension Fund update	Monitoring	Finance Sub Committee	January 2026
Third Financial Review 2025/26	Monitoring	All Committees / Council	January / February 2026 February 2026 (Council)
ECW (Enterprise Cheshire & Warrington) Third Financial Review 2025/26	Monitoring	Finance Sub Committee	January 2026
Companies Third Financial Review 2025/26	Monitoring	Finance Sub Committee	January 2026
Medium Term Financial Strategy Consultation 2026/27 to 2029/30 plus Provisional Settlement update	Planning	All Committees	January / February 2026
Medium Term Financial Strategy 2026/27-2029/30 - including any supplementary updates	Reporting	Corporate Policy Committee / Council	February 2026
Cheshire Pension Fund update	Monitoring	Finance Sub Committee	March 2026
Service Budgets 2026/27	Planning	Finance Sub Committee	March 2026

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Finance Sub Committee 2025-26 Work Programme

Report Reference	Finance Sub Committee	Title	Purpose of Report	Lead Officer	Is the report for decision or scrutiny?	Cheshire East Plan Commitment	Consultation	Equality Impact Assessment	Part of Budget and Policy Framework
June 2025									
FSC/01/25-26	02/06/2025	Appointments to Working Groups and Wholly Owned Companies	To consider a report on appointments to the Shareholder Working Group, Joint Extra Case Housing Management Board and to appoint Shareholder representatives to attend and observe the wholly owned companies boards.	Governance, Compliance and Monitoring Officer	Decision	Open	No	No	No
CF/01/25-26 FSC/26/25-26	02/06/2025	Final Outturn 2024/25	This report outlines how the Council managed its resources to achieve both positive outcomes and value for money in the delivery of services during the 2024/25 Financial Year. The purpose of the report is to note and comment on the final financial and performance outturn position and (if necessary) to approve Supplementary Estimates and Virements	Executive Director of Resources and S151 Officer	Scrutiny	Open	No	No	Yes
FSC/04/25-26	02/06/2025	Financial Management Code Update (Finance Sub Committee)	The purpose of this report is to inform the Sub Committee of the current status of the Council's compliance with CIPFA's Finance Management Code and to advise on next steps	Executive Director of Resources and S151 Officer	Scrutiny	Open	No	No	Yes
FSC/05.25-26	02/06/2025	Medium Term Financial Strategy Assumptions - update 2026/27 to 2029/30 (Finance Sub Committee)	To set out the current financial assumptions underpinning the fur year MTFS that was approved at full council in February 2025. The report will allow members to review and comment on the assumptions for the coming MTFS period 2026-30	Executive Director of Resources and S151 Officer	Scrutiny	Open	No	No	Yes
FSC/06/25-26	02/06/2025	Local Government Pension Scheme and Cheshire Pension Fund Update - June 2025	The purpose of this report is to present the latest in a series of briefing notes in respect of key items being presented to the Cheshire Pension Fund Committee	Executive Director of Resources and S151 Officer	Scrutiny	Open	No	No	Yes

Finance Sub Committee 2025-26 Work Programme

September 2025									
FSC/07/25-26	01/09/2025	Medium Term Financial Planning Assumptions - Update (Finance Sub Committee)	To consider the update report on the development of the Medium-Term Financial Strategy 2026 to 2030	Executive Director of Resources and S151 Officer	Scrutiny	Open	No	No	Yes
CF/02/25-26 FSC/25/25-26	01/09/2025	First Financial Review of 2025/26	To note and comment on the First Financial Review and Performance Position of 2025/26, including progress on policy proposals and material variances from the MTFS and (if necessary) approve Supplementary Estimates and Virements	Executive Director of Resources and S151 Officer	Scrutiny	Open	No	No	Yes
FSC/08/25-26	01/09/2025	Local Government Pension Scheme and Cheshire Pension Fund Update - September 2025	The purpose of this report is to present the latest in a series of briefing notes in respect of key items being presented to the Cheshire Pension Fund Committee	Executive Director of Resources and S151 Officer	Scrutiny	Open	No	No	Yes
FSC/09/25-26	01/09/2025	Companies Draft Financial Statements 2024/25	The purpose of this report is to present the draft financial statements of Ansa Environmental Services Ltd and Orbitas Bereavement Services Ltd for the year 2024/25	Executive Director of Resources and S151 Officer	Scrutiny	Open	No	No	Yes
FSC/10/25-26	01/09/2025	ECW (Enterprise Cheshire & Warrington) First Financial Review 2025/26	To note and comment on the ECW (Enterprise Cheshire & Warrington)'s First Financial Review and Performance position of 2025/26.	Executive Director of Resources and S151 Officer	Scrutiny	Open	No	No	Yes
November 2025									
CF/03/25-26 EG/07/25-26 FSC/11/25-26	03/11/2025	Second Financial Review of 2025/26	To note and comment on the Second Financial Review and Performance position of 2025/26, including progress on policy proposals and material variances from the MTFS and (if necessary) approve Supplementary Estimates and Virements	Executive Director of Resources and S151 Officer	Scrutiny	Open	No	No	Yes

Finance Sub Committee 2025-26 Work Programme

CF/04/25-26 EG/06/25-26 FSC/12/25-26	03/11/2025	Medium Term Financial Strategy Consultation 2026/27 - 2029/30	All committees are being asked to provide feedback in relation to their financial responsibilities as identified within the Constitution and linked to the budgets approved by the Finance Sub-Committee in 2025. Responses to the consultation would be reported to the Corporate Policy Committee to support that Committee in making recommendation to Council on changes to the current financial strategy	Executive Director of Resources and S151 Officer	Scrutiny	Open	No	No	Yes
FSC/13/25-26	03/11/2025	ECW (Enterprise Cheshire & Warrington) Second Financial Review 2025/26	To note and comment on the ECW (Enterprise Cheshire & Warrington)'s Second Financial Review and Performance position of 2025/26.	Executive Director of Resources and S151 Officer	Scrutiny	Open	No	No	Yes
January 2026									
FSC/14/25-26	12/01/26	Financial Management Code - In Year Update (Finance Sub Committee)	The purpose of the report is to inform the Sub Committee of the current status of the Council's compliance with CIPFA's Financial Management Code and to advise on the next steps	Executive Director of Resources and S151 Officer	Scrutiny	Open	No	No	Yes
CF/05/25-26 EG/04/25-25 FSC/15/25-26	12/01/2026	Third Financial Review of 2025/26	To note and comment on the Third Financial Review and Performance position of 2025/26, including progress on policy proposals and material variances from the MTFS and (if necessary) approve Supplementary Estimates and Virements	Executive Director of Resources and S151 Officer	Scrutiny	Open	No	No	Yes
CF/06/25-26 EG/05/25-26 FSC/16/24-25	12/01/2026	Medium Term Financial Strategy Consultation 2026/27 - 2029/30 Provisional Settlement Update	All Committees are being asked to provide feedback in relation to their financial responsibilities as identified in the Constitution and linked to the budgets approved by the Finance Sub Committee in 2025. Responses to the consultation would be reported to the Corporate Policy Committee in making recommendations to Council on changes to the current financial strategy. Finance Sub Committee will also receive an update on the Local Government Financial Provisional Settlement	Executive Director of Resources and S151 Officer	Scrutiny	Open	Yes	No	Yes

Finance Sub Committee 2025-26 Work Programme

FSC/17/25-26	12/01/2026	MTFS Strategies - Investment Strategy	To note and comment on the Council's Investment Strategy in light of the ongoing budget consultation document and to set out the Council's approach to managing investments in 2026/27	Executive Director of Resources and S151 Officer	Scrutiny	Open	No	No	Yes
FSC/18/25-26	12/01/2026	MTFS Strategies - Treasury Management Strategy	The Treasury Management Strategy details the activities of the Treasury Management function in the forthcoming year 2026/27. To review the draft Treasury Management Strategy as part of the performance management framework	Executive Director of Resources and S151 Officer	Scrutiny	Open	No	No	Yes
FSC/19/25-26	12/01/2026	MTFS Strategies - Capital Strategy	The Capital Strategy is a key document for the Council and forms part of the authority's integrated revenue, capital and balance sheet planning. It provides a high level of overview of how capital expenditure; capital financing and treasury management activity contribute to the provision of services. It also provides a framework within which the Council's capital investment plans will be delivered	Executive Director of Resources and S151 Officer	Scrutiny	Open	No	No	Yes
FSC/20/25-26	12/01/2026	MTFS Strategies - Reserves Strategy	To provide information about the requirements to maintain financial reserves, and to provide statements on the types of reserves and current and predicted balances	Executive Director of Resources and S151 Officer	Scrutiny	Open	No	No	Yes
FSC/21/25-26	12/01/2026	Local Government Pension Scheme and Cheshire Pension Fund Update - December 2025	The purpose of this report is to present the latest in a series of briefing notes in respect of key items being presented to the Cheshire Pension Fund Committee	Executive Director of Resources and S151 Officer	Scrutiny	Open	No	No	Yes
FSC/22/25-26	12/01/2026	ECW (Enterprise Cheshire & Warrington) Third Financial Review 2025/26	To note and comment on the ECW (Enterprise Cheshire & Warrington)'s Third Financial Review and Performance position of 2025/26.	Executive Director of Resources and S151 Officer	Scrutiny	Open	No	No	Yes
March 2026									
FSC/23/25-26	09/03/2026	Local Government Pension Scheme and Cheshire	The purpose of this report is to present the latest in a series of briefing notes in respect of	Executive Director of Resources	Scrutiny	Open	No	No	Yes

Finance Sub Committee 2025-26 Work Programme

		Pension Fund Update - March 2025	key items being presented to the Cheshire Pension Fund Committee	and S151 Officer					
CF/07/25- 26 EG/03/25- 26 FSC/24/25- 26	09/03/2026	Service Budgets 2026/2027	The purpose of the report is to set out the allocation of budgets for 2026/27, for all Committees, following Council's approval of the Medium-Term Financial Strategy in February 2024, as determined by Finance Sub	Executive Director of Resources and S151 Officer	Scrutiny	Open	No	No	Yes

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Finance Sub-Committee**10 March 2025****Beechmere Fire and Renegotiation of
the PFI Contract**

**Report of: Helen Charlesworth-May, Executive Director for Adults,
Health and Integration****Report Reference No: FSC/34/24-25****Ward(s) Affected: Crewe St Barnabas, Handforth, Middlewich****For Decision or Scrutiny: Decision****Purpose of Report**

- 1 The purpose of this report is to update members on the Cheshire Extra Care Housing (ECH) Private Finance Initiative (PFI) contract and the progress of the renegotiations of that contract, following the destruction of the Beechmere scheme by fire in 2019.
- 2 Members are being asked to authorise the Executive Director for Adults, Health and Integration in consultation with the Chair of Finance Sub-Committee and the Governance, Compliance & Monitoring Officer to continue and conclude the renegotiation of the PFI contract as lead authority and on behalf of Cheshire East Council and take all steps to implement the actions and outcomes of changes made to the contract.

Executive Summary

- 3 Under PFI arrangements, the responsibility to design, build, finance and operate assets transfers to the private sector. The contracting authority pays the costs for the facilities through a monthly unitary charge. The funding for the unitary charge comes from a combination of funding from the contracting authority's budget and support from central government in the form of a revenue grant.
- 4 Cheshire County Council commissioned five ECH schemes through a PFI arrangement in 2007. The County Council entered into a 30-year contract with Advantage (Cheshire) Limited, a Special Purpose Vehicle (SPV) created especially for this project. Two of the five schemes are within the Cheshire West and Chester footprint and three (including Beechmere) are in Cheshire East.

- 5 Following local government reorganisation in 2009, Cheshire East Council manages the PFI Contract on behalf of both local authorities.
- 6 On 08 August 2019, there was a major fire at Beechmere in Crewe which destroyed most of the building. Fortunately, all residents, staff and visitors were safely evacuated from the building.
- 7 The Councils have entered into formal negotiations with Advantage with a view to agreeing a settlement and variation to the original PFI Project Agreement ("PA Variation").
- 8 The Councils, Advantage and Your Housing Group (YHG - Advantage's sole shareholder) are currently meeting virtually on a weekly basis, and monthly in-person, to progress the negotiations at pace.
- 9 The purpose of this report is to seek endorsement of the current proposed approach and a delegation to the Executive Director for Adults, Health and Integration in consultation with the Chair of Finance Sub-Committee and the Governance, Compliance & Monitoring Officer to agree a settlement and implement a renegotiated contract.
- 10 The principles for renegotiation have been developed in consultation with the Infrastructure and Projects Authority (IPA - advisers to HM Treasury) and the Ministry of Housing, Communities and Local Government (MHCLG), and take into account advice from the Councils' external legal and financial advisers and the progress of the negotiations to date.
- 11 It is to be noted that the proposed approach aims to reach an agreement so that the council operates within the existing financial envelope and contract mechanisms for the project.

RECOMMENDATIONS

The Finance Sub-Committee is recommended to:

1. Note the progression of negotiations in relation to the Extra Care Housing arrangements in an effort to reach a negotiated settlement for the survival of the project.
2. Note that any settlement agreement is subject to approval from the MHCLG and HM Treasury/Infrastructure and Projects Authority.
3. Authorise the Executive Director for Adults, Health and Integration in consultation with the Chair of Finance Sub-Committee and the Governance, Compliance & Monitoring Officer to negotiate and enter into a settlement agreement with the PFI Provider for the Extra Care Housing contract.

4. Authorise the Governance, Compliance & Monitoring Officer to implement any subsequent amendments required to the PFI contract as a result of the settlement agreement.
5. Authorise the Executive Director for Adults, Health and Integration to extend external adviser contracts as needed to achieve the settlement agreement and implementation.

Background

CHESHIRE EXTRA CARE HOUSING PFI ARRANGEMENTS

- 12 In October 2007, Cheshire County Council entered into an Extra Care Housing PFI contract with Avantage (Cheshire) Limited. Services commenced in January 2009. The contract covers the design, build, financing and management of five mixed tenure ECH schemes, three in Cheshire East (Willowmere in Middlewich, Oakmere in Handforth and Beechmere in Crewe) and two in Cheshire West & Chester (Hollymere in Ellesmere Port and Hazelmere in Winsford) and runs for 30 years.
- 13 On the dissolution of Cheshire County Council, the PFI contract was passed down to Cheshire East Council and Cheshire West and Chester Council and it was agreed that Cheshire East Council would be the lead council for this project.
- 14 Commissioning assets using PFI arrangements means that the responsibility to design, build, finance and operate the assets transfers to the private sector. The contracting authority pays for the facilities and services provided via a monthly unitary payment. This unitary payment is funded partly by revenue support from central government in the form of PFI Grant and partly via a top-up from the contracting authority's budget.
- 15 Under the Cheshire PFI arrangements, Cheshire County Council commissioned Avantage to design, build, finance and operate five extra care schemes.

BEECHMERE FIRE

- 16 Of the five schemes built under the Cheshire PFI Agreement, the scheme in Crewe, Beechmere, was the largest. It was mixed tenure (with social rented, shared ownership and leasehold apartments) and had extensive communal areas. There were 132 apartments in the scheme: 75 were rented apartments included in the PFI Agreement and the other 57 were shared ownership and leasehold apartments that

were not covered by the PFI arrangements. The PFI arrangements covered all communal and management areas.

- 17 On 08 August 2019, fire broke out at Beechmere and spread quickly, leading to the virtual destruction of the scheme.
- 18 All residents, staff and visitors were safely evacuated from the building and residents were relocated to emergency temporary accommodation, such as care homes and other extra care schemes. All 147 residents were subsequently moved again into longer-term temporary accommodation, where many still reside.
- 19 Almost immediately after the fire, the Councils began discussions with Advantage over the reinstatement of the scheme.
- 20 In the meantime, investigations and surveys were carried out on the part of the building that remained after the fire and they revealed that there were construction/design defects which contributed to the spread of the fire, including defective or missing cavity barriers and a lack of roof compartmentation.
- 21 Subsequent surveys undertaken on the remaining four PFI Extra Care Housing schemes revealed that similar fire protection defects were also present in those schemes.

RENEGOTIATION OF THE PFI CONTRACT

- 22 Formal negotiations to agree a settlement and variations to the original Project Agreement commenced shortly after YHG took control of Advantage. The negotiations were initially led by Cheshire East's Executive Director of Place, Frank Jordan, who received delegated responsibility to negotiate and enter into a settlement agreement from Finance Sub-Committee in July 2021. The lead officer for Cheshire East has changed several times since then and responsibility for continuing the discussions is currently with the Executive Director for Adults, Health and Integration. This report seeks to regularise the position and formally authorise the Executive Director for Adults, Health and Integration in consultation with the Chair of Finance Sub-Committee/Governance, Compliance & Monitoring Officer to conclude and implement any agreed settlement. Cheshire West and Chester Council have been working closely with Cheshire East Council on the negotiations and their lead officers have also changed more than once during the negotiations, with responsibility currently lying with Simon Riley, Chief Operations Officer.
- 23 The negotiating leads for both Councils are supported by internal Legal, Finance and Technical colleagues and by externally commissioned advisers.

- 24 Any changes to the Project Agreement (the main contract between the Councils and Advantage) resulting from the negotiations must be approved by MHCLG and HM Treasury. The Councils are in discussions with MHCLG and HM Treasury's Infrastructure and Projects Authority (IPA) to ensure as far as possible that any proposals being discussed with Advantage will meet their approval.

ESTIMATED TIMELINE FROM 01 MARCH 2025

- 25 The table below details the estimated timeline for the negotiations and building of the new scheme. The timings beyond March 2025 are progressively more uncertain.

31 March 2025	Heads of Terms to be agreed by all parties
Summer 2025	Advantage to obtain planning permission for the new building (may take 3-6 months)
November/December 2025	All matters agreed, and Settlement Agreement and other associated documents drafted.
Dec 2025-Mar 2026	Settlement Agreement to be approved by all parties including the relevant central government body/bodies and signed by the contract parties. PA Variation to be implemented.
Spring/Summer 2026	Construction to begin
Late 2027/Early 2028	New scheme opens?

NB central government approval could take 6 weeks to 6 months depending on the type and complexity of changes to be made to the contract documents and transfer of risk.

Consultation and Engagement

- 26 The Councils have consulted with MHCLG, the IPA and HM Treasury on the proposed negotiating position. All have indicated that they are willing to support the project to avoid a termination scenario.
- 27 Originally, Advantage set up regular meetings with the former residents of Beechmere to ensure that they were kept informed of progress and could comment on designs for the new scheme. As time has passed,

these meetings have become more sporadic, but Advantage are continuing to keep residents informed of significant developments.

Reasons for Recommendations

- 28 The Councils have considered all available contractual options and have taken account of external advice on the implications of each option on the project.
- 29 The negotiation principles and proposal set out in this report are designed to enable the Councils to operate within the existing financial parameters for the Project.

Other Options Considered

- 30 The current preferred option is to renegotiate the PFI contract to include the building of a smaller scheme. Should the negotiations be unsuccessful termination will have a range of legal and financial implications.

Implications and Comments

Monitoring Officer/Legal

- 31 The content of this report is based on advice from the Councils' externally appointed specialist legal, financial and technical advisers.
- 32 Prior to any agreed settlement, the Councils will ensure that there is no objection to such settlement from Central Government/IPA/MHCLG (in particular any objection to what might be deemed "contribution" by the Councils to that settlement). In addition, the Councils will ensure that Subsidy Control requirements and/or restrictions are complied with.
- 33 Any agreed settlement terms, including any variation to the Project Agreement, shall be on legally binding formal written terms, with input from externally appointed specialist legal, financial and technical advisers, as well as internal officers.
- 34 In the event that settlement is not secured, the Councils will ensure that external legal, financial and technical advice is obtained.

Section 151 Officer/Finance

- 35 The proposals recommended in this report have several potential financial implications for Cheshire East Council's approved budget and Medium-Term Financial Strategy (MTFS). The result of the negotiations will determine the value of these.
- 36 The Finance team supports the recommended approach, recognising that based on the information available, it will likely result in the best

value for money outcome. If the negotiations yield a positive outcome, it is possible that no unexpected additional costs will be incurred. However, the Council should be aware that unforeseen expenses may arise during the renegotiation process.

Budget

- 37 The majority of the ECH PFI contract is covered by the PFI Grant of £4.12m per annum. The Councils are working to secure ongoing payment of this amount from MHCLG.

Accumulated Beechmere PFI Grant

- 38 This paper explains that since the fire, the Councils have not been paying the unitary charge in respect of Beechmere. By the end of 2024/25, £7.276m of PFI Grant received in relation to Beechmere will have been accumulated.

39 Financial Implications associated with the recommendation

- Approval - Delays to central government's approval for the settlement agreement and PA Variation could result in extended advisory costs.
- Use of the accrued PFI Grant is subject to MHCLG approval. If this approval was withheld for any reason, this would result in a funding shortfall that the Council would need to address.

Policy

- 40 The new extra care scheme planned for the Beechmere site would be subject to planning permission and would have to comply with relevant planning policies.

Equality, Diversity and Inclusion

- 41 There are no policy equality, diversity and inclusion implications to this report.

Human Resources

- 42 There has been considerable officer resource assigned to the renegotiation and this is likely to continue until the negotiations have concluded. Should the negotiations be successful, there will then be a period of more limited but still additional resource required during the building phase, prior to transfer back to business as usual.

Risk Management

- 43 The main risks to the Council associated with the PFI Project are around the possible termination of the contract. The mitigation against these risks is to negotiate a settlement with the PFI contractor that is agreed by all stakeholders.

Rural Communities

- 44 There are no implications to rural communities in this report.

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

- 45 There are no implications to children and young people, and cared for children, in this report.

Public Health

- 46 As part of the negotiation process and in considering a specification for the new build, reduction of health inequalities will be considered.

Climate Change

- 47 Again, as part of the negotiation process, consideration will be given to designing the new building to meet climate change requirements and contribute towards the aim for the borough to be carbon neutral.

Access to Information	
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Appendices:	Appendix 1 – Part 2
Background Papers:	n/a

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