

Economy and Growth Committee

Agenda

Date: Wednesday 25th September 2024
Time: 4.00 pm
Venue: Committee Suite 1,2 & 3, Westfields, Middlewich Road,
Sandbach CW11 1HZ

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

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

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

1. **Apologies for Absence**

To note any apologies for absence from Members.

2. **Declarations of Interest**

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

3. **Minutes of Previous Meeting** (Pages 3 - 6)

To approve as a correct record the minutes of the meeting held on 10 September 2024.

For requests for further information

Contact: Rachel Graves

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4. **Public Speaking/Open Session**

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

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

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

5. **Crewe Towns Fund Budget Reallocation and the future of the former Flag Lane Baths** (Pages 7 - 20)

To consider the proposed variation to an existing funding arrangement between Crewe Town Board, the Council and the Ministry for Housing, Communities & Local Government.

6. **First Financial Review 2024/25** (Pages 21 - 80)

To receive a report on the first financial review for Economy and Growth services for the financial year 2024/25.

7. **Work Programme** (Pages 81 - 84)

To consider the Work Programme and determine any required amendments.

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

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Economy and Growth Committee**
held on Tuesday, 10th September, 2024 in the Committee Suite 1,2 & 3,
Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor M Gorman (Chair)
Councillor F Wilson (Vice-Chair)

Councillors D Brown, L Buchanan, A Burton, J Clowes, P Coan, B Drake,
K Hague, G Marshall, P Redstone, J Saunders and R Vernon

OFFICERS IN ATTENDANCE

Peter Skates, Acting Executive Director Place
Karen Carsberg, Head of Housing
Joanne Jones, Property Services Manager
Julie Gregory, Legal Services
Steve Reading, Finance Officer
Rachel Graves, Democratic Services Officer

11 APOLOGIES FOR ABSENCE

Apologies were received from Councillor A Heler and C O'Leary.
Councillors K Hague and J Saunders attended as substitutes.

12 DECLARATIONS OF INTEREST

No declarations of interest were made.

13 MINUTES OF PREVIOUS MEETING**RESOLVED:**

That the minutes of the meeting held on 4 June 2024 be confirmed as a correct record.

14 PUBLIC SPEAKING/OPEN SESSION

There were no public speakers.

15 ADDRESSING THE NEED FOR PERMANENT GYPSY AND TRAVELLER SITES

The Committee considered the report on addressing the need for permanent gypsy and traveller sites in Cheshire East.

The need for adequate pitches to meet the housing need of both the Gypsy and Traveller and Travelling Showpeople had been established

through the Gypsy and Traveller Accommodation Assessment, which was most recently updated in 2018. The updated Assessment informed policies in the SADPD, adopted in 2022, which identified the following level of need up to 2030 (policies HOU 5 and 6):

- (a) 5 to 10 transit pitches for Gypsies and Travellers
- (b) 32 permanent pitches for Gypsies and Travellers
- (c) 5 plots for Travelling Showpeople.

One of the sites allocated in the SADPD to provide permanent residential Gypsy and Traveller pitches was located at Coppenhall Moss, Crewe and was within the ownership of Cheshire East. A number of options had been considered to bring the site forward to provide seven residential pitches and these were outlined in Appendix 2 to the report.

The report recommended that option 2 – Conditional Sale, be taken forward as this would not place financial pressure on the Council and had the potential to bring forward a capital receipt, therefore resulting in a positive impact on the Medium-Term Financial Strategy.

RESOLVED: That the Committee

- 1 note the options to bring forward the development of the Coppenhall Moss site in Crewe.
- 2 approve the progression of option two which is to proceed with a conditional sale of the land for the provision of a permanent residential Gypsy and Traveller site.

16 **WORK PROGRAMME**

The Committee considered the work programme for 2024/25.

It was reported that there was a need for an additional meeting of the Committee to consider an urgent matter relating to the Town Fund Projects in Crewe, which would be seeking approval for reallocation of funds. The meeting was proposed to be held on Wed 25 September 2024.

It was noted that the First Financial Report had not been brought to the meeting as it was being held before the meeting of the Finance Sub Committee on 12 September. It was therefore proposed that the First Financial Report be brought to the additional meeting on 25 September.

RESOLVED:

That the Work Programme be noted.

17 **AFFORDABLE HOUSING UPDATE**

The Committee considered the update report on Affordable Housing.

The Committee had previously at its meeting in November 2022 agreed a set of priorities for the allocation of financial contributions from developers in lieu of provision of affordable housing on development sites. In order to help with the provision of affordable housing in Cheshire East, it was proposed that a Housing Fund be established under priority 4. This would pool a number of contributions to create a fund in the region of £1.5m, subject to the terms of the S106 agreements allowing this and available contributions. The fund would be used to enable Registered Housing Providers to purchase properties on the open market and let them at social rent levels.

The Committee in July 2021 had agreed to include the former Vernon Infant School site in Poynton into the Housing Development Framework to bring forward affordable homes. The Section 77 process to seek approval to dispose of the land had commenced, but not yet been concluded. Since this decision, a review of Special Educational Needs (SEN) provision has been undertaken and the former school had now been identified as a suitable site for a SEN school. The report therefore sought approval to remove the site from the Housing Development Framework and, subject to an approved business case, approve the allocation of the site for SEN provision.

RESOLVED (unanimously): That the Committee

- 1 note the contents of the report.
- 2 approve the establishment of a Housing Fund to enable open market properties to be purchased and converted to socially rented accommodation by Registered Housing Providers and delegate authority to the Director of Enterprise and Growth to approve the final scheme and the process for the allocation of funds.
- 3 approve the removal of the former Vernon Infant School site in Poynton from the Housing Development Framework and delegate authority to the Director of Growth and Enterprise to reassign the site for the provision of a SEN school, subject to an approved business case.

18 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED:

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

19 AFFORDABLE HOUSING UPDATE

The Committee considered the exempt appendix on the Housing Development Framework.

RESOLVED:

That Committee note the update report on the Housing Development Framework sites.

The meeting commenced at 4.00 pm and concluded at 5.10 pm

Councillor M Gorman (Chair)

OPEN

Economy & Growth Committee

25 September 2024

Crewe Towns Fund budget reallocation and the future of the former Flag Lane Baths

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

Report Reference No: EG/18/24-25

Ward(s) Affected: All Crewe wards

Purpose of Report

1. This report provides details of a proposed variation to an existing funding arrangement between Crewe Town Board, the Council (as accountable body for Crewe Town Board) and the Government's Ministry for Housing, Communities & Local Government (MHCLG). It sets out the position regarding the Flag Lane Baths project and seeks approval to confirm the reallocation of funding between projects through a project adjustment request (PAR) to MHCLG, that these changes to be reflected in the Council's Medium Term Financial Strategy and sets out the preferred option for the future of the former Flag Lane Baths.
2. The report seeks approval to:
 - a) terminate an existing grant funding agreement with the organisation leading on the Flag Lane Baths project, following the recommendation by Crewe Town Board to withdraw Towns Fund support for the project;
 - b) reallocate existing Towns Fund grant between projects, and make appropriate changes to the Council's Medium Term Financial Strategy, subject to MHCLG approval;
 - c) reallocate CEC capital grant from the Crewe Youth Zone to the Flag Lane Baths budget, and appropriate changes to the Council's MTFS; and
 - d) progress revised plans for the former Flag Lane Baths, Crewe with the preferred option being for a new Alternative Provision school at this location.

Executive Summary

3. A comprehensive programme of regeneration is already underway in Crewe town centre, building on initial investment by the council in 2015 and including funding secured from Government, notably the Towns Fund, which is overseen by the independent Crewe Town Board with the support of the Council as accountable body / programme manager.
4. In 2021, the Government allocated £22.9m to support a range of regeneration projects in Crewe. This report principally relates to one of those projects – Flag Lane Baths – but also relates to the budgetary allocations of five other projects: Crewe Youth Zone (both sub-projects at Mirion Street and Oak Street), Cumberland Arena, Mill Street Corridor, Pocket Parks and History Centre Public Realm.
5. It is proposed that budgetary approval is given, subject to securing approval from MHCLG as the grant-awarding body.

RECOMMENDATIONS

The Economy & Growth Committee is recommended to:

1. Following the recommendations of Crewe Town Board, and in accordance with the Council's role as accountable body for the Town Board and the Towns Fund grant funding, to approve:
 - a) the withdrawal of further funding for the Flag Lane Baths project that was proposed by the Always Ahead charity (AA), and to delegate authority to the Director of Growth & Enterprise to take all steps necessary to terminate the grant funding agreement between AA and the Council;
 - b) that following the approval of a Project Adjustment Request by the Ministry of Housing, Communities & Local Government the remaining £3,319,583 Towns Fund grant from the Flag Lane Baths project be reallocated to other projects in the Crewe Towns Fund programme, with up to the following amounts:

YouthZone (Oak Street)	£1,353,000
YouthZone (Mirion Street)	£458,000
Mill Street Corridor	£407,583
History Centre Public Realm	£200,000
Pocket Parks	£200,000
Cumberland Arena	£701,000
2. Delegate authority to the Director of Growth & Enterprise to explore other options for the former Flag Lane Baths noting the preference for its use as a new Alternative Provision School and develop a business case to be reported back to the committee in due course; and

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| 3. In support of alternative plans for the former Flag Lane Baths, approve the reallocation of £1,353,000 Cheshire East Council funding from the Crewe Youth Zone (Oak St) budget to the Flag Lane Baths budget; |
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Background

6. A comprehensive programme of regeneration is already underway in Crewe town centre, building on initial investment by the council in 2015 and including funding secured from Government, notably the Towns Fund, which is overseen by the independent Crewe Town Board with the support of the Council as accountable body and programme manager.
7. In 2021, the Government allocated £22.9m to support a range of regeneration projects in Crewe. This report principally relates to one of those projects – Flag Lane Baths – but also relates to the budgetary allocations of five other projects: Crewe Youth Zone (both sub-projects at Mirion Street and Oak Street), Cumberland Arena, Mill Street Corridor, Pocket Parks and History Centre Public Realm.

Flag Lane Baths

8. Flag Lane Baths is a Council-owned property located to the south-west of Crewe town centre. Until 2016 it operated as the public swimming baths in Crewe, it has remained vacant since the establishment of the new Lifestyle Centre. It has been previously marketed for sale, but the only tangible interest expressed was by a local charity, Always Ahead, who proposed to remodel it for a range of community uses.
9. Having agreed provisional terms with the Council, Always Ahead (AA) developed a business plan for the site, which secured £3.9m support from Crewe Town Board, as part of the Crewe Towns Fund programme. Planning consent was obtained in 2022. However, since then, the project has experienced significant delays, primarily due to concerns about the structure of the building and escalating costs. Although the project was rescope into two phases, in July this year AA indicated that the cost of Phase 1 alone had escalated from £3.9m to £5.9m. There has been limited evidence of additional fundraising by AA for this project, the charity now has the challenge of securing an additional £2.0m that has been exacerbated by the need to secure it by October this year, so that the project could complete by March 2026, when the Towns Fund grant expires.
10. At its meeting of 6th September this year, Crewe Town Board recommended withdrawal of financial support for the project and reallocate the balance of Towns Fund grant. This followed extensive discussions at its previous meeting on 2nd August. The Board is keen to ensure a future use for the former Flag Lane Baths and has received updates from council officers regarding alternative proposals. The preferred approach from officers relates to a proposal for a new Alternative Provision School in Crewe, which is detailed below.

11. The council has previously been engaged regarding a requirement for an Alternative Provision (AP) School in the borough. This is a strategic requirement to ensure that pupils temporarily excluded from mainstream schools can continue to be educated and prepared for reintroduction back into mainstream schools. This is a strategic requirement to ensure pupils have access to alternative provision, with the right support they require to prevent them being permanently excluded from school. Being permanently excluded from school can have a long-term – even life-long – impact on children and young people, changing their outcomes for life. Independent research by the Education Policy Institute (2024) have identified that children who have been suspended or excluded are more likely to be unemployed interact with the criminal justice system, as well as to have mental health difficulties. Leading to long term funding implications for the broader public purse.
12. A local educational trust has been successful in its application to the Department for Education (DfE) for a new alternative provision free school in the borough. The DfE has earmarked capital funding to provide the AP free school which, once fully operational, will accommodate up to 75 pupils. This would represent a change to existing arrangements which would result in significant revenue savings for the council. The initial site identified by the trust was not viable for delivering the new school from. The trust has been clear that it would like to be located in Crewe due to pupil profiles.
13. Council officers have met with the DfE and the trust. The former Flag Lane Baths have jointly been identified as the preferred site due to its proximity to the town centre and the new YouthZone, which will have operational synergies for daytime use.
14. The DfE has a limited window for confirming funding and progressing the scheme to feasibility, so officers will need to engage and work towards determining site suitability, permissions needed and agreeing legal Heads of Terms. Subject to the outcome of these initial assessments, decisions regarding this proposed use will be required from the Economy & Growth and the Children & Families Committee, including matters related to property and funding.
15. The DfE has indicated a preference for a cleared site to allow for the construction of a new-build school, rather than the adaptation of the existing buildings. The Department is mindful of the 'locally listed' status of the eastern façade of the former baths, and officers would seek that this is retained as part of a new development, alongside seeking some form of community facility.
16. There is an expectation that, whilst the construction cost would be borne by DfE, the council would be asked to contribute the cost of demolition. Officers have commissioned estimates of the demolition costs which, if retaining the existing façade, equate to circa £1.353m. The council does not have budget to support this cost in the MTFS, but a mechanism proposed to address this issue is explained below.

Towns Fund budget reallocation

17. Approximately £3.32m Towns Fund grant will become available as a result of the termination of the original Flag Lane Baths project, and the priority of the Town Board is to retain the funding for Crewe, rather than to return to funding to Government.
18. It should be noted that the Towns Fund grant cannot be used outside of Crewe and, indeed, can only be used for existing approved Towns Fund projects, i.e. no new projects will be considered by MHCLG.
19. The Crewe Town Board is keen to facilitate a future use for the Flag Lane Baths. Due to the rules regarding the use of the Towns Fund grant, the funding allocated to the existing project cannot simply be switched to cover the costs of its future use. However, an alternative mechanism has been identified, which effectively swaps funding between projects, as below.
20. As well as being allocated funding from the Towns Fund, the YouthZone project (Oak Street, Crewe) has been allocated £2.2m funding from the Council, through prudential borrowing. It is proposed that up to £1.353m of this amount be funded by additional Towns Fund grant, and that the capital funding released be reflected in a revised allocation for Flag Lane Baths. This has the advantage of deferring Council expenditure and so reducing prudential borrowing costs from 2024-25 into 2025-26 or later.
21. Whilst this mechanism would increase the amount of Towns Fund grant for the YouthZone project, it would not increase the overall amount of grant for this project. This mechanism is subject to formal approval as part of the PAR by MHCLG, to which officials have given broad support.
22. If £1.353m of the £3.32m funding is reallocated in line with the approach above, approximately £1.967m will remain available for other projects within the Crewe Towns Fund programme. On behalf of the Town Board, council officers have engaged with 'project leads' on other projects to identify the priorities for reallocation of Towns Fund grant.
23. Proposals have been categorised as either:
 - 'essential' to secure outputs and benefits of the approved project; or
 - 'preferable' to achieve the original scope/business case of the approved project; or
 - 'desirable' to deliver additional outputs/benefits beyond the original scope/business case of the approved project.
24. It is important to note that the impact of potential funding increases on each project's Benefit Cost Ratio (BCR) has been calculated, and it is not expected that BCRs will be below the minimum threshold of 1.0 for any project. This MHCLG rule also limits the amount of funding that can be allocated to individual projects to deliver 'nice to have items' that are outside the scope of the original

project plans, some of which were considered as part of this reallocation assessment.

YouthZone (Mirion Street Youth Club project).

25. This project is a sub-project of the YouthZone project but is being delivered independently of the main project at Oak Street, by Crewe Youth Club (CYC). It has become apparent over recent months that the costs required to deliver Phase 1 as planned require approximately £248k additional Towns Fund grant. At the August meeting of the Town Board, an 'in principle' agreement was made to fund these costs and this has enabled the project to proceed, albeit this now needs to be confirmed formally.
26. CYC have also requested that the remaining costs for Phase 2 also be funded – this amounts to a further £210k and would enable completion of the whole scheme as originally scoped (£458k in total).
27. The recommendation is to reallocate £458k to the Crewe YouthZone (CYC/Mirion Street) project.

Mill Street Corridor

28. Additional costs have emerged across the Mill Street Corridor project which interfaces with the Southern Gateway scheme (funded by Future High Streets Fund and now underway) and the Nantwich Road scheme (funded by UK Shared Prosperity Fund and expected to commence January 2025).
29. Approximately £350k is sought to address the need for substantial revision of the current scheme design, and a further £57,583 to avoid any value-engineering.
30. The recommendation is to reallocate £407,583 to the Mill Street Corridor project.

History Centre Public Realm

31. As design development for the History Centre has progressed, the need to value-engineer has resulted in some aspects of public realm to be removed/downgraded (delivered in line with the main History Centre, which is now otherwise fully funded). £200k is sought to reintroduce these, to include new public art.
32. The recommendation is to reallocate £200k Towns Fund grant to the History Centre Public Realm project.

Pocket Parks

33. Due to cost inflation relating to supplies and materials, in order to deliver the same range of amenities and quality of materials in the next phase of Pocket Parks as with those already delivered, there is an essential requirement to secure an additional £200k funding.

34. The recommendation is to reallocate £200k Towns Fund grant to the Pocket Parks project.

Cumberland Arena

35. With the Cumberland Arena project it has emerged that there will be a requirement for a new sub-station and connections for either the Cumberland or Youth Club, which had not previously been known or budgeted for, which is considered essential and is expected to cost up to £200k for the Cumberland project.
36. The original proposal for Cumberland Arena including provision of new changing room and shower facilities which would allow for greater use of the football pitch and athletics facilities, which are currently constrained by the current provision and quality. A further £501k would secure the original plans for these elements.
37. It should be noted that:
- The Warm & Healthy Homes project has not been considered for reallocation as any additional reallocation would result in a BCR below the minimum of 1.0.
 - The Repurposing Our High Streets and Valley Brook Corridor projects have sufficient funding to deliver in line with their business cases.
 - The YouthZone (Oak St) project does not require additional funding, and already received an increase (PAR2) earlier this year. The mechanism proposed in this report does propose a substitution of CEC funding with TF grant, but this does not impact the BCR.
38. A summary of the proposed reallocations is provided in the table below.

Project	Current allocation (£)	Additional proposals (£)				Ranking based on benefit
		Substitution for FLB	Critical (recommended)	Preferable (recommended)	Desirable (not recommended)	
Youth Zone @ Oak St. (OnSide)	3,286,302	1,353,000				=1
YouthZone @ Mirion St. (Crewe Youth Club)	732,402		248,000			=1
				210,000		=6
Mill Street Corridor	3,619,603		350,000			4
				57,583		=6
History Centre Public Realm	766,454			200,000		=6
Pocket Parks	1,281,064		200,000			5
					200,000	=10
Cumberland Arena	2,391,984		200,000			3
				501,000		=6
					505,000	=10
TOTAL		1,353,000	998,000	968,583	705,000	

39. It is proposed that budgetary approval is given, subject to securing approval from MHCLG as the grant-awarding body.

Consultation and Engagement

40. Consultation regarding this report's recommendation has primarily been undertaken through the Town Board which comprises representatives from across the local community, including the Leader of Cheshire East Council, (as the Council's nominated representative on the Town Board), the MP for Crewe & Nantwich, and the Leader of Crewe Town Council (also a Cheshire East councillor).
41. In the development of the options to be considered by the Town Board, representatives of organisations leading on the Towns Fund projects were also engaged.
42. It should be noted that many decisions relating to the future of the Flag Lane Baths will be subject to further approvals by one or more council committees, and the appropriate stakeholder and/or public consultation.

Reasons for Recommendations

43. Crewe town centre has the largest regeneration programme in the borough and one of the most significant in the north-west. Cheshire East Council is responsible for managing this programme and most of the projects within it, and it also has responsibilities as the accountable body for the grant funding that has been secured.
44. Previous Full Council and Cabinet decisions have delegated responsibility for most decisions related to the regeneration programme to the Executive Director – Place and/or the Director of Finance & Customer Services. Where appropriate, officers provide briefings to local members.
45. In accordance with MHCLG's guidance for project adjustments, the Crewe Town Board took the decision, at its meeting on 6 September 2024, to withdraw support for Always Ahead's Flag Lane Baths project. It also agreed that the balance of approximately £3.32m Towns Fund grant which has not been spent to date should be reallocated as set out in this report. This has been supported by the constituency MP.
46. As accountable body for the Town Board and the Towns Fund, the Council's S151 Officer is required to approve any change requests to Government, which has been secured. However, as the grant payments are part of the Council's Medium Term Financial Strategy, the reallocation of grant between projects in the Towns Fund programme requires a committee decision.
47. As explained in the background section of this report, the council has previously been engaged regarding a requirement for an Alternative Provision (AP) School in the borough. Without such provision, the Council continues to be liable for significant revenue costs to address the requirements of excluded school children.

48. The OFSTED thematic review of Alternative Provision in February 2024 reports that the children accessing alternative provision are identified with multiple and complex vulnerabilities, the review found that good alternative provision led to improvements in attendance and academic attainment, improvements in behaviour, reductions in suspensions and successful reintegration into mainstream education and post-16 destinations.
49. Secondary schools in the Crewe and surrounding area report that limited access to good quality registered provision is contributing to the significant increase of permanent exclusions in Cheshire east. The only registered alternative provision for secondary pupils is located over 21 miles away in Macclesfield.
50. A data snapshot last year found there were upwards of 150 excluded students in Cheshire East. With only 60 places in the only Pupil Referral Unit, the local authority were responsible for providing alternative provision for numbers over and above that, between £8,000 - £16,000 per place. Preventing exclusions is the only way to improve children and young peoples life chances and embed significant cost avoidance to the local authority.

Other Options Considered

51. The main alternative options considered are as follows:

Option	Impact	Risk
Distribute reallocated funding differently.	Whilst there are innumerable options for reallocation funding, the impact of all such options would be to the detriment of those projects that are assessed to require it the most.	Redistributing on a different basis would increase the likelihood of some projects having insufficient funding to maximise their positive impact (outputs, benefits), and could potentially expose the council to increased capital or revenue pressures if sub-optimal projects are delivered.
Do not reallocate funding.	Towns Fund grant would be clawed back by Government.	This would significantly increase the likelihood of projects having insufficient funding to maximise the positive impact (outputs, benefits), and could potentially expose the council to increased capital or revenue pressures if

		<p>sub-optimal projects are delivered.</p> <p>Reputational impact on ability to defray Government grant funding could impact on future funding allocations.</p>
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Implications and Comments

Monitoring Officer/Legal

52. The decisions that are required to be made are a consequence of the closure of a Towns Fund Project, the Flag Lane Baths project. The Towns Fund is governed by the Crewe Town Board and the Council is the accountable body for the fund.
53. In order to shut down the project, MHCLG's approval is required, and a project adjustment request has been submitted, to remove funding from the Flag Lane Baths project and re-distribute it amongst the other existing Towns Fund projects. This report seeks Committee's approval to make those funding adjustments once MHCLG's approval has been provided.
54. Legal support will be provided to effect the termination of the grant agreement associated with the Flag Lane Baths project.
55. A preferred option for the alternative use of the baths site has been set out, being an Alternative Provision School. Initially Committee's approval is sought to assess the suitability of the site (title and condition), the permissions needed to pursue the use and the Heads of Terms for site transfer. In the event that the proposal appears viable the matter will be subject to further Committee decisions.

Section 151 Officer/Finance

56. The Towns Fund allocation is included within the Capital Programme published as part of the 2024-2028 Medium Term Financial Strategy. Whilst the changes do not necessitate the addition of budget to the programme there will be some movement between individual projects in terms of their value and forecast expenditure by year.
57. The Council has made clear that its financial position precludes further funds being provided from its own resources. There is a risk that this is

not the last time between now and 2026 that a project comes forward with a request for further budget in order to complete. The time taken to develop projects from a standing start means that the vast majority of spend across the projects will be in 2024/25 and 2025/26. There is obviously significant risk that once projects move towards actual spend they will identify further budget pressures. These need to be met within the programme and careful consideration will need to be given as to how value for money and outputs can be maximised within a fixed budget.

58. Consequently, there is a significant ask of programme managers to ensure that the Council is protected from further budget increase requests.

Policy

59. This report relates to the Council's Corporate Plan priority "a thriving and sustainable place", specifically:

- a great place for people to live, work and visit;
- welcoming, safe and clean neighbourhoods;
- a transport network that is safe and promotes active travel; and
- thriving urban and rural economies with opportunities for all

60. This project aligns with the priorities of the Council's existing Crewe Town Centre Regeneration Delivery Framework and Local Plan, as well as Crewe Town Board's Town Investment Plan that has been endorsed by the Council.

Equality, Diversity and Inclusion

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

Human Resources

63. None

Risk Management

64. Risks are articulated elsewhere in this report and relate to the Council and/or MHCLG not approving the reallocation of grant between projects, which would result in the need to undertake significant value engineering/rescoping, or – more likely – result in the termination of at least one project.

Rural Communities

65. Each of the projects will operate in Crewe but be available for use by all all local residents in the borough.

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

66. The council has approved its Children's Vision which contains a priority around children with additional needs.
67. The 0-25 SEND Partnership Strategy sets out the partnership vision for meeting the needs of children and young people with SEND. This strategy has been refreshed to include the delivering better value opportunities and mitigations within the DSG Management Plan.
68. Providing sufficient school places for all children and young people resident in our area is a statutory duty.

Public Health

69. The proposed funding reallocations would help secure public health benefits, particularly in relation to the Cumberland Arena and YouthZone (Mirion Street) facilities which promote sports use, as well as the Mill Street Corridor project, which promotes active travel.

Climate Change

70. A potential new facility at the Flag Lane Baths site should ensure new construction designs and materials that minimise carbon usage.
71. The Mill Street Corridor promotes active travel and the reduction of car usage.

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

OPEN

Extract from Minutes of Council 22nd June 2021.

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

18 RECOMMENDATION TO COUNCIL: SUPPLEMENTARY REVENUE ESTIMATE

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

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

RESOLVED: That Council approves

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

OPEN

Economy and Growth Committee

25 September 2024

First Financial Review 2024/25

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

Report Reference No: EG/06/24-25

Ward(s) Affected: Not applicable

Purpose of Report

- 1 This report provides the current forecast outturn for the financial year 2024/25 based on our income, expenditure and known commitments as at the end of July 2024. It also identifies actions that are being taken to address adverse variances to urgently address our financial sustainability.
- 2 The report provides the forecast outturn for all services, to provide Members with contextual information on the position for the whole Council. Members are asked to focus their scrutiny on the forecasts and supporting information relating to services within the remit of the Committee whilst understanding the overall context as a whole.
- 3 The report highlights any changes and external pressures that are impacting the Council since setting the budget in February 2024. Annex 1, Section 2 of the report highlights what the Council is forecasting to achieve as part of the 2024/25 approved budget changes per line (growth and savings).
- 4 It is clear that further actions need to be identified to bring the Council back to a position where we are living within our means, and it will be important that these actions are closely monitored, and appropriate action taken to manage our resources. This report includes information on the actions that are currently underway.
- 5 Reporting the financial forecast outturn at this stage, and in this format, supports the Council's vision to be an open Council as set out in the Cheshire East Council Plan 2024-25. In particular, the priorities for an open

and enabling organisation, ensure that there is transparency in all aspects of council decision making.

- 6 The report also requests member approval for amendments to the Council's budget in line with authorisation levels within the Constitution.

Executive Summary

- 7 The Council operates a financial cycle of planning, review, management and reporting. This report ensures that we review where we are and provides a forecast **outturn** position for the 2024/25 financial year whilst also identifying the actions that need to be taken to manage our overall resources. The information in this report also supports planning for next year's budget by identifying issues that may have medium term impacts.
- 8 The Council set its 2024/25 annual budget in February 2024. The budget was balanced, as required by statute, with planned use of reserves of £22m, plus £30m of savings to achieve in year, and included important assumptions about spending in the year. The budget is part of the Medium-Term Financial Strategy (MTFS) 2024 to 2028.
- 9 The First Financial Review (FR1) forecast revenue outturn is an **adverse variance of £26.5m**, (prior to application of any Exceptional Financial Support) as detailed below in **Table 1**:

Table 1 2024/25	Revised Budget	Forecast Outturn	Forecast Variance
	(NET) £m	£m	£m
Service Committee			
Adults and Health	138.0	158.7	20.7
Children and Families	91.5	98.8	7.3
Corporate Policy	41.7	41.7	0.0
Economy and Growth	28.1	25.5	(2.6)
Environment and Communities	48.4	49.1	0.6
Highways and Transport	16.0	15.5	(0.5)
Sub-Committee			
Finance Sub:			
Central Budgets	23.9	24.8	0.9
Funding	(387.6)	(387.6)	-
TOTAL	-	26.5	26.5

- 10 The FR1 forecast reserves, after agreed movements budgeted for in the 2024-28 MTFS, are currently £14.0m, being £4.5m of General Fund Reserve and £9.5m of Earmarked Reserves. The Council's level of reserves

is therefore insufficient to cover the current forecast revenue outturn for the year without further action.

- 11 This forecast does not assume use of the Exceptional Finance Support (EFS) that was requested in 2023/24 and 2024/25 that was agreed in principle, subject to a number of conditions being satisfied, including the submission of a transformation plan at the end of August 2024. It also does not assume the cost of accepting that EFS support which would impact on the cost of borrowing over the medium term.
- 12 The FR1 forecast position indicates that further urgent action to reduce the overspend, and bring spending back in line with budget, is required. Failure to do so would require the Council to use the existing conditional Exceptional Financial Support (£17.6m) which would be the only way for the S151 Officer to avoid having to issue a S114 notice to the Council.
- 13 The level of EFS support would need to be agreed and finalised with the government and the financial impact of this would need to be built into the overall financial modelling for the Council. As reported to members in June 2024 in the 'Medium Term Financial Strategy Assumptions and Reporting Cycle for 2024/25 to 2028/29' the Council faces a significant four-year funding gap, with the shortfall in 2025/26 currently estimated at £41.9m. There is a risk that pressures leading to the FR1 forecast position may increase that shortfall figure if rapid action doesn't take place to stabilise our financial position.
- 14 The FR1 forecast position for capital spending for 2024/25 indicates forecast capital expenditure of £164.5m against the MTFS budget of £215.8m. Re-profiling of Capital expenditure to future years to match scheme delivery as well as an ongoing capital review to ensure that our capital borrowing remains affordable is underway and there will be further reporting on this at FR2.
- 15 **Table 2** sets out the capital programme profiling changes:

Table 2		2024/25	2025/26	2026/27	2027/28	2024/28
		Estimate	Estimate	Estimate	Estimate	Total
		£000s	£000s	£000s	£000s	£000s
Capital Programme MTFS		215,779	177,633	66,772	132,054	592,238
Funded by:						-
Borrowing		55,199	53,218	19,318	30,215	157,950
Grants and other contribution:		160,580	124,415	47,454	101,839	434,288
		215,779	177,633	66,772	132,054	592,238
Capital Programme FR1		164,545	141,232	109,679	231,837	647,293
Funded by:						
Borrowing		51,878	53,566	10,180	27,779	143,403
Grants and other contribution:		112,667	87,666	99,499	204,058	503,890
		164,545	141,232	109,679	231,837	647,293
Movement from MTFS		(51,234)	(36,401)	42,907	99,783	55,055

- 16 **Table 3** sets out the summary revised capital programme:

Table 3	MTFS	C/Fwd	SCEs	Virements	Budget	Revised
	Budget	from	in Quarter	in Quarter	Reductions	FR1
	2024/28	2023/24	2024/25	2024/25	2024/25	Budget
	£m		£m	£m	£m	2024/28
						£m
Adults and Health	0.8					0.8
Children and Families	86.8	1.9	21.6	(1.4)		108.9
Highways & Transport	270.2	8.1	9.8		(1.1)	287.0
Economy & Growth	175.6	9.9	1.3	2.1	(4.2)	184.7
Environment &	39.4	2.2	0.4	0.1	(0.1)	42.0
Corporate Policy	19.4	4.4				23.8
	592.2	26.5	33.1	0.8	(5.4)	647.2

- 17 As part of the urgent actions required to reduce the overspend a full review of the capital programme is being undertaken. The forecast borrowing that is included in the capital programme will have the following revenue impact:

Table 4	2024/25	2025/26	2026/27	2027/28	2024-28
	Estimate	Estimate	Estimate	Estimate	Total
	£000s	£000s	£000s	£000s	£000s
Forecast borrowing to fund capital programme	51,878	53,566	10,180	27,779	143,403
MRP	-	3,916	5,392	6,854	16,162
Interest	2,610	3,796	3,469	4,302	14,177
Total annual revenue impact	2,610	7,712	8,861	11,156	30,339

- 18 In order to alleviate the revenue pressure from external borrowing an immediate reduction in capital spend is required. This will reduce the related revenue impact of interest costs and Minimum Revenue Provision (MRP) both of which are charged to revenue through the Capital Financing Budget (CFB). The council must aim to optimise use of all other available sources to fund our capital programme and must minimise the use of borrowing to reduce the pressures on the revenue budget. Identification of any additional capital receipts that can be realised in year would also reduce revenue pressures from borrowing in year or could be used to assist with funding of transformation activity if a capitalisation direction could be agreed to use them in that way with Central Government.
- 19 Due to the long-term nature of capital investment the revenue implications of decisions taken by the council now will extend well beyond the term of the current year and into the medium term.
- 20 In the review of the capital programme the long-term capital repayment commitments (MRP) will be the initial area of focus. Reducing the annual MRP associated with any new borrowing on a scheme-by-scheme basis will be a priority. There will be a secondary impact of reducing forecast interest which will also reduce the effect on the revenue account, but it is the reduction in new borrowing and new commitment to long term capital

repayments that will allow the programme to remain affordable and sustainable.

21 Reductions in borrowing can be achieved through:

- (a) Reduce, delay or remove schemes funded by borrowing;
- (b) Focus on exiting contractual commitments, fulfilling statutory services and public safety requirements;
- (c) Prioritise the capital projects that will have most beneficial impact on the revenue budget in the medium term;
- (d) Remove forward funding;
- (e) Reprioritise use of grants and apply appropriate S106 contributions to schemes.

22 A Strategic Finance Management Board has been set up to lead on a number of key tasks to urgently reduce spend and identify additional savings, including:

- Line by line reviews of all budgets to further identify immediately any underspends and/or additional funding;
- Stop any non-essential spend;
- Actively manage vacancies, particularly agency usage and reduce any overspends on staffing as soon as possible;
- Review of Section 106 legacy budgets;
- Review of capital receipts available and potentially surplus assets that can be sold (for best consideration);
- Identification of any other areas of discretionary spend including grants awarded, where spend can be reduced or stopped.

23 In addition, any directorate that is identified as being off target by more than 5% is now subject to a detailed finance and performance review on a weekly basis through a financial recovery review process. This includes a detailed action plan, identifying what can be done to sustainably reduce the pressure and gaining assurance over the management of those actions to deliver improved financial outturns. This process has been put in place for Adults Services and Children and Families and is being chaired by the S151 Officer.

24 Paragraphs 58-60 below provides a summary overview of the forecast against the approved 2024/25 budget change items, including RAG rating. In addition, there is further detail per change item with accompanying commentary, as reviewed by the Council's Corporate Leadership Team, in respect of each item within **Annex 1, Section 2**.

25 **Annex 1: Detailed First Financial Review 2024/25**

- **Section 1** 2024/25 Forecast Outturn
- **Section 2** 2024/25 Approved Budget Change Items
- **Section 3** Revenue Grants for approval

- **Section 4 Capital**
- **Section 5 Reserves**

RECOMMENDATIONS

The Economy and Growth Committee to:

1. Review the factors leading to a forecast adverse/(positive) Net Revenue financial variance of:

Council: £26.5m against a revised budget of £387.6m (6.8%)

Economy and Growth: (£2.6m) against a revised budget of £28.1m (9.3%)

To scrutinise the contents of **Annex 1, Section 2** relevant to services within the committee's remit, and review progress on the delivery of the MTFS approved budget policy change items, the RAG ratings and latest forecasts, and to understand the actions to be taken to address any adverse variances from the approved budget.

2. Consider the in-year forecast capital spending of:

Council: £164.5m against an approved MTFS budget of £215.8m

Economy and Growth: £48.9m against an approved MTFS budget of £80.3m

due to slippage that has been re-profiled into future years.

3. Note the available reserves position as per **Annex 1, Section 5**.
4. Note that Council will be asked to approve Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding over £1,000,000 as per **Annex 1, Section 3, Table 1**.
5. Note the Capital Virements above £500,000 up to and including £5,000,000 as per **Annex 1, Section 4, Table 3** will be approved in accordance with the Council's Constitution.

Background

- 26 This single view of the financial picture of the Council provides the overall financial context.
- 27 The management structure of the Council is organised into four directorates: Adults, Health and Integration; Children's Services; Place; and Corporate Services. The Council's reporting structure provides forecasts of a potential year-end outturn within each directorate during the year, as well as highlighting activity carried out in support of each outcome contained within

the Corporate Plan. Budget holders are responsible for ensuring they manage their resources in line with the objectives of the Council and within the approved budget.

- 28 For the purposes of each committee, these directorate budgets are aligned to a specific committee and the appendices to this report provides information at a level that the committee should have the ability to be able to scrutinise what is causing any variations in budget and appropriate actions to bring the council back into line in terms of managing its resources.

Key issues causing the pressures

- 29 There are a number of key issues causing the forecast revenue overspend, including:
- Ongoing adverse effects of the extended period of high inflation and interest rates;
 - Continued increasing demand and complexity of care beyond the levels that had been previously identified;
 - Increase in staff costs, including use of agency staff and impact of National Living Wage which also impacts on our third party commissioned contracts;
 - Increased borrowing costs associated with the unfunded Dedicated Schools Grant (DSG) deficit;
 - Non delivery of some previously agreed savings and/or income targets;
 - The financial impact of investment in transformation and improvement activity over the medium term.

Specific commentary on the forecast outturn position by Committee

Adults and Health adverse variance of £20.7m

- 30 The Adults, Health and Integration budget is forecast to overspend by £20.8m. This is in part a consequence of the full year impact of activity levels identified in the 2023/24 year-end outturn. The department started 2024/25 with a higher level of commitment than originally planned for when the MTFS was set in February 2024, and therefore unfunded. An additional £7m of in-year savings would be required to off-set one-off funding received in 2023/24 that will not be received in 2024/25.
- 31 The key drivers of forecast expenditure remain price increases, staff costs and increase in complexity, however, at the beginning of this year we have seen an unusual increase in the number of former self-funders seeking local authority funding to meet the ongoing cost of their care.
- 32 As set out in the 2024/25 to 2027/28 MTFS, the forecast anticipates several serious and significant risks, including pressure on prices due to unfunded increases in the National Living Wage. The department is currently in negotiations with a number of providers who are seeking above inflation increases. The department has recently acquired a negotiation tool to

ensure full cost and price transparency which will be used before agreeing increases, to ensure greater fairness and consistency.

- 33 As in previous years, increases in discharge activity in the NHS continues to drive additional price and activity in adult social care. A reduction of over 50 acute beds across the local NHS trusts is intensifying the impact on adult social care. A review by specialist consultants, commissioned by the Department of Health and Social Care is attempting to analyse the impact.
- 34 The department is undertaking significant work to address the budget pressures. This includes:
- The financial impact of changes agreed to the charging policy for this financial year;
 - Reviewing our pricing strategy;
 - Reviewing our use of agency members of staff;
 - Whole system review of supported living operations to reduce the number of under-utilised placements;
 - Considering transformation options that may be able to be delivered earlier;
 - Reviewing use of technology to support service delivery.

Children and Families adverse variance of £7.3m

- 35 At the end of the last financial year the outturn for Children and Families was an overspend of £8.2m. The Medium-Term Financial Strategy included growth to address the pressures that were emerging throughout 2023/24. The costs of children's social care are a concern for many local authorities and not unique to Cheshire East. The First Financial Review for 2024/25 reflects a £7.3m in-year pressure.
- 36 The key pressure areas for the directorate include:
- 37 Children's social care agency placements where the complexity of children in care has continued to increase and also the number of children in care has increased from 528 at April 2024 to 534 at June 2024 (compared to a decrease from 586 at April 2023 to 576 at June 2023). Placement costs are increasing by significantly more than inflation and more than was projected for growth in-year. This has in part been affected by the disproportionate number of asylum seeking children in Cheshire East.
- 38 The use and cost of agency staff in children's social care to cover vacancies, sick absence, and maternity leave.
- 39 The number of staff is greater than the planned establishment to ensure we are able to meet our statutory needs.
- 40 Home to school transport costs – where a mix of increasing numbers of pupils with an education, health and care plan (EHCP), driver shortages and increasing fuel costs have seen overall costs rise.

- 41 Schools Catering – where the costs of the service are above the current charged income level and base budget.
- 42 Work is underway in the services to look at mitigating actions which can be taken to reduce this forecast position in-year, and these pressures will be considered as part of the developing MTFS for 2025/26. These include:
- Reviewing costs of placements as more detailed reviews are underway focusing on the expected length that some placements may need to be in place for
 - Staffing establishment reviews now scheduled on a 6 weekly basis including a review of agency staff and alternative working
 - Reunification children to be identified with targeted work in place for individual cases
 - Tracking of similar spend across teams to be held in the same place as residential and supported accommodation spend to increase overall grip and understanding
 - Work on Edge of Care Service proposals to identify early intervention that may reduce admissions and costs

Dedicated School Grant (DSG)

- 43 The key pressure on DSG relates to the high needs block where the SEND service continues to see a significant increase in the number of pupils with an EHCPs, and the associated school placement costs.
- 44 This has placed pressure on the grant used to provide funding for children with SEND in various settings and led to a £31.7m deficit in 2023/24. This adds on to the brought forward deficit of £46.9m to take the DSG Reserve to a £78.6m deficit position at the end of 2023/24.
- 45 This is an improvement on the budget gap as determined by the Council's DSG Management Plan that was reported to Children and Families Committee in April 2024 and set out the planned expenditure and income on high needs over the medium term.

Corporate Policy £23,000 overspend

- 46 The Corporate Services Directorate has a net budget of £41.7m. At First Financial Review, the budget is forecast to overspend by £23,000.
- 47 However, it must be noted that, following a recent review of staffing establishments, there are pending staffing budgets realignments to be actioned which will change individual service forecasts but not the overall figure for Corporate Services.
- 48 Vacancy management in Corporate Services has resulted in the majority of services forecasting underspends on staffing budgets totalling just over £2m.

- 49 This has been combined with tighter control on non-pay spending across all services which is achieving a forecast underspend of £0.7m, and additional income of £0.2m is forecast in the Registrations Service.
- 50 However, these underspends have been offset by:
- a forecast £1.3m under-recovery of Rent Allowances;
 - a forecast overspend of £0.4m on the Transactional Service Centre (TSC), hosted by Cheshire West and Chester, mainly due to the additional costs of the stabilisation programme;
 - a £0.5m shortfall in charging staff time to capital projects within ICT Strategy;
 - and a £0.1m overspend in ICT Shared Service due to lower than budgeted project income and schools recharge income.
- 51 There is a forecast overspend of £0.5m in Revenues and Benefits, and Accountancy due to additional costs including Bank Charges and External Audit fees, and a staffing budget pressure of £0.1m across Corporate Services relating to the estimated impact of the latest pay award offer versus the amount included in the MTFS.

Place Directorate favourable variance of £2.5m

- 52 Overall, the Place Directorate is reporting an underspend of £2.5m at the first Financial Review against a £92.6m budget. Pressures from reducing planning application income (£0.5m), increased waste collection and disposal costs (£0.7m) and yet to be secured savings against leisure (£0.2m) have been mitigated through vacancy management, reducing expenditure and maximising funding opportunities.

Economy & Growth favourable variance of £2.6m

- 53 Growth and Enterprise Directorate and Place Directorate have an underspend of £2.6m against a net budget of £28.1m, the key reasons for the underspend are:
- Facilities Management: £1.7m underspend is forecast. This reflects pressures against maintenance budgets of £0.7m (additional pressures and delivery of savings), costs of workplace initiatives and equipment of £0.3m, the transfer of underspends to offset Place MTFS targets across the Directorate £0.6m have been offset by:
 - Savings against gas and electricity compared to much higher budgeted costs £3m.
 - Business rates underspend £0.1m due to revaluations and appeals.
 - Underspends from vacancy management £0.2m.
 - Economic Development: £0.4m forecast underspend from vacancy management, reduced expenditure on supplies and increased income.

- Assets Service: £0.1m underspend from managing vacancies offset by lower property income.
- Housing: £0.2m underspend from vacancy management.

Environment & Communities adverse variance of £0.6m

54 Environment and Neighbourhood Services has an overspend of £0.6m against a net budget of £48.4m. The key reasons for the overspend are:

- Development Management: £0.6m overspend is forecast reflecting pressures from a shortfall in income from planning applications £0.5m plus one-off costs of the new planning system £0.1m. These pressures are offset by vacancy management savings of £0.1m.
- Environmental - Commissioning ANSA: £0.4m overspend comprising pressures of £0.3m relating to the estimated impact of the latest pay award, Ansa Contract pressures of £0.5m (includes £0.1m Emergency HWRC Closures, £0.2m Place Saving Target (MTFS 2023/24), £0.2m waste collection crew costs) and £0.2m Recycling contract pressure. Ansa mitigations £0.1m and additional use of ASDV Reserve £0.5m are offsetting these pressures.
- Libraries: £0.2m overspend. Pressures of £0.5m delivery of MTFS savings offset by £0.2m vacancy management and £0.1m underspend relating to MTFS growth for exploring a charitable trust model.
- Leisure Commissioning: £0.2m overspend relating to delivery of MTFS savings.
- Other service issues: £0.8m net underspend.
 - Building Control: £0.2m building control income pressure offset by £0.3m from vacancy management savings.
 - Local Land Charges and Planning Support: £0.2m underspend from vacancy management savings.
 - Strategic Planning: £0.3m underspend reflecting £0.1m vacancy management plus £0.2m delayed Local Plan costs.
 - Environmental Management Services: £0.1m underspend (capital financing costs offset by Green waste income).
 - Regulatory Services: £0.1m (£0.2m vacancies offset by £0.1m CCTV costs).

Highways & Transport favourable variance of £0.5m

55 Highways & Infrastructure are reporting an underspend of £0.5m against a net budget of £16m. The key reasons for the underspend are:

- Car Parking: £0.4m underspend: through vacancy management £0.1m and increased income £0.3m.

- Strategic Transport: £0.1m underspend from vacancy management.

Finance Sub adverse variance of £0.9m

56 Finance Sub Committee are reporting an adverse variance of £0.9m against a net budget of £23.853m.

- Financing & Investment £0.4m net pressure reflecting £1.6m increased cost of interest payments on borrowing offset by £0.9m increased interest receipts from investments.
- Reserves use (change from MTFS) reflects £0.5m additional Flexible Capital Receipts to offset by £1m reduction in available Capital Financing Reserve at outturn compared to forecast balance reflected in the February 2024 MTFS.

Overall mitigations planned to manage pressures

57 A Strategic Finance Management Board has been set up to lead on a number of key tasks to urgently reduce spend and identify additional savings as noted in paragraphs 22-23 above.

Progress on delivery of the 2024/25 approved budget change items

58 Table 5 presents a summary of the progress on the delivery of the 2024/25 approved budget change items. For items rated as Amber these are for items where there are risks and/or mitigating actions in place. For items rated as red these are for items where services are projecting an adverse variance and there is risk of in year non delivery/achievement. New mitigation items have also been included that have come forward since the approval of the MTFS to help the in year position where identified.

59 As the green and blue columns show, £10.2m of the budget change items are either delivered or on track to be delivered or even exceed in some cases. However, there is also a pressure of £41.4m as shown in the red column that has a high risk of not being achieved within this financial year. There are new in year mitigations of £7.5m, unrelated to the change item rows that has been identified to assist the outturn position. The table below summarises the progress by Committee:

Table 5: Summary of the progress on the delivery of the 2024/25 approved budget change items

Committee	Approved Change Budget £'000	Forecast Outturn £'000	Completed £'000	Could Exceed £'000	Green £'000	Amber £'000	Red £'000	Mitigations £'000
Adults & Health	1,136	21,853	-3,223	0	-6,430	0	34,601	-3,095
Children & Families	9,909	17,238	482	0	14,002	295	915	1,543
Corporate Policy	489	512	-507	0	250	-232	1,581	-580
Economy & Growth	3,316	728	-92	0	3,896	33	690	-3,799
Environment & Communities	-52	623	1,130	-1,480	-3,754	2,456	3,310	-1,039
Finance Sub	-19,667	-18,748	600	0	-19,348	0	0	0
Highways & Transport	4,869	4,393	2,638	0	1,647	245	351	-488
TOTAL	-	26,599	1,028	-1,480	-9,737	2,798	41,448	-7,458

- 60 A complete list of all approved budget change items, with progress noted against each item, can be found in **Annex 1, Section 2**.

Revenue Grants for Approval

- 61 Approvals for Supplementary Revenue Estimates for allocation of additional grant funding are detailed in **Annex 1, Section 3**.

Reserves Position

- 62 On 1 April 2024, Earmarked Reserves totalled £32.278m and the General Fund Reserve Balance totalled £5.580m. Of the total earmarked reserves, more than £22m (70.46%) will be spent in 2024/25, on supporting the revenue budget for 2024/25.
- 63 Table 6 and 7 shows the forecast level of Earmarked and General reserves by the end of 2024/25.

Table 6: Earmarked Reserves

Earmarked Reserves	Opening Balance 1 April 2024 £000	General Fund Transfers £000	Forecast Reserve Movement in year £000	Additional Drawdown Requests* £000	Forecast Closing Balance 31 March 2025 £000
Adults and Health Committee	5,226	(2,795)	(90)	0	2,341
Children and Families Committee	1,724	0	(1,593)	(131)	0
Corporate Policy Committee	20,773	(6,551)	(2,680)	(4,695)	6,847
Economy and Growth Committee	2,777	(662)	(1,004)	(765)	346
Environment and Communities Committee	870	(390)	(402)	(78)	0
Highways and Transport Committee	908	(205)	(415)	(288)	0
EARMARKED RESERVES	32,278	(10,603)	(6,184)	(5,957)	9,534
TOTAL MOVEMENT					

*** All 'Additional Drawdown Requests' are still subject to review and are yet to be approved.**

**** Totals excludes Schools' balances**

Table 7: General Reserves

General Reserves	Opening Balance 1 April 2024 £000	General Fund Transfers £000	Forecast Reserve Movement £000	Additional Drawdown Requests £000	Forecast Closing Balance 31 March 2025 £000
General Fund Reserve	5,580	(1,051)	0	0	4,529
GENERAL FUND RESERVE	5,580	(1,051)	0	0	4,529
TOTAL MOVEMENT					

64 The Council is currently forecast to have £9.534m of earmarked reserves at the end of the financial year 2024/25. Of this £2.279m can be considered ringfenced, with specific conditions limiting their use.

65 A full list of all earmarked reserves can be found in **Annex 1, Section 5**.

Dedicated Schools Grant Reserve

66 The Dedicated Schools Grant (DSG) is ring-fenced funding received for: schools; high needs / special educational needs; and early years provision. In recent years there has been a pressure on the DSG high needs block where funding has not kept pace with the increasing numbers and cost of children with an Education, Health and Care Plan. This has created a deficit DSG reserve balance which is held in an unusable reserve.

- 67 The on-going pressure is regularly reviewed; at the end of 2023/24 the deficit was £78.6m and this is forecast to increase by £43.0m by the end of 2024/25. This is an improvement on the Council's DSG Management Plan approved in April 2024, which sets out the planned expenditure and income on high needs over the medium term. The DSG Management Plan is currently being updated and will be reported to Committee on completion.

Table 8	
Dedicated Schools Grant Deficit	
	£m
Deficit Balance Brought forward	78.6
Additional In-year Pressures	43.0
Deficit Balance at 31st March 2025	121.6

Debt

- 68 Sundry debt includes all invoiced income due to the Council except for statutory taxes (Council Tax and Non-Domestic Rates). The balance of outstanding debt at 31 July 2024 has increased by £0.375m since 2023/24 Outturn (end of March 2024).
- 69 Annually, the Council raises invoices with a total value of over £80m. Around a quarter of the Council's overall sundry debt portfolio relates to charges for Adult Social Care, the remainder being spread across a range of functions including Highways, Property Services, Licensing and Building Control.
- 70 The Revenue Recovery team (using their experience gained in collecting Council Tax and Non-Domestic Rates) engage with services to offer advice and assistance in all aspects of debt management, including facilitating access to debt collection/enforcement agent services (currently provided by Bristow & Sutor).
- 71 After allowing for debt still within the payment terms, the amount of outstanding service debt at the end of July 2024 was £17.3m.
- 72 The total amount of service debt over six months old is £10.5m; provision of £6.8m was made at year ended 31st March 2024 to cover doubtful debt in the event that it needs to be written off.
- 73 The level of Adult Social Care debt can fluctuate depending on when in the month the snapshot is taken, for example if it is before or after the Direct Debit income is received and allocated. The debt also has different levels of risk depending on the type of debt. For example, around £3.5m is linked to deferred arrangements which is debt that is secured on property or assets, and therefore carries a low risk. There is also around £5m of debt which is deemed to be lower risk as its linked to areas such as probate, property sales or deputyship.

Table 9 – Debt Summary as at 31st July 2024

	Outstanding Debt £000			Over 6 months old £000		
	Outturn	FR1	Increase / (Decrease)	Outturn	FR1	Increase / (Decrease)
Adults and Health Committee						
Adults, Public Health and Communities*	13,691	14,534	843	8,556	9,091	535
Children and Families Committee						
Children's Social Care (Incl. Directorate)	219	182	(37)	-	14	14
Prevention and Early Help	141	72	(69)	(5)	(4)	1
Schools	24	22	(2)	(1)	2	3
Highways and Transport Committee						
Highways and Infrastructure	1,598	1,189	(409)	678	751	73
Economy and Growth Committee						
Growth and Enterprise	581	704	123	328	393	65
Environment and Communities Committee						
Environment and Neighbourhood Services	384	355	(29)	189	209	20
Corporate Policy Committee						
Finance and Customer Services	111	109	(2)	73	73	-
Governance and Compliance	20	37	17	1	-	(1)
Human Resources	3	8	5	-	1	1
ICT	184	119	(65)	1	1	-
Total	16,956	17,331	375	9,820	10,530	711

Council Tax and Business Rates

Council Tax

- 74 **Table 10** details each precepting authorities share of the budgeted collectable rates income.

Table 10	Band D	Collectable
Share of Council Tax Collectable Rates	Charge	Rates
		£m
Cheshire East Council	1,792.59	287.1
Town and Parish Councils	71.57	11.5
Cheshire Police and Crime Commissioner	262.94	42.1
Cheshire Fire Authority	90.09	14.4
Total	2,217.19	355.1

- 75 The collectable rates valuation is based on the assumption that of the total amount billed, at least 99% will be collected. **Table 11** demonstrates that, excluding a slight reduction during the Covid-19 pandemic, the target to collect at least 99% of Council Tax within three years continues to be achieved.

Table 11	2020/21	2021/22	2022/23	2023/24	2024/25
Council Tax Collection Rates	%	%	%	%	%
After 1 year	97.4	97.8	98.2	98.0	*28.43
After 2 years	98.6	98.5	98.8	**	**
After 3 years	98.9	99.0	**	**	**

OFFICIAL

* 2024/25 rate is up to 30th June 2024.

** Data is not yet available.

- 76 After accounting adjustments, the Council Tax Collection Fund is forecasting a £0.9m deficit for 2024/25, of which, £0.8m is attributable to Cheshire East Council. This deficit will be repayable in 2025/26 and will be managed through the Collection Fund Earmarked Reserve.

Non-Domestic Rates (NDR)

- 77 Collectable rates are distributed between Cheshire East Council (49%), Cheshire Fire Authority (1%), and Central Government (50%).
- 78 Non-domestic Rates valuations for 2024/25 were set out in the NNDR1 return to Central Government in January 2024. Any variance to this forecast is included in the following years' NNDR1 return and any gain or loss will be recovered in 2025/26. The total Net Rates Payable into the Collection Fund was forecast at £155.7m.
- 79 **Table 12** demonstrates that the target to collect at least 99% of Non-Domestic Rates within three years continues to be achieved.

Table 12 Non-Domestic Collection Rates	2020/21 %	2021/22 %	2022/23 %	2023/24 %	2024/25 %
After 1 year	92.4	95.6	98.2	97.7	*29.19
After 2 years	97.4	98.3	98.8	**	**
After 3 years	99.0	99.2	**	**	**

* 2024/25 rate is up to 30th June 2024.

** Data is not yet available.

- 80 After accounting adjustments, the Non-Domestic Rates Collection Fund is forecasting a £3.8m deficit for 2024/25, of which, £1.9m is attributable to Cheshire East Council. This deficit will be repayable in 2025/26 and will be managed through the Collection Fund Earmarked Reserve.

Treasury Management Strategy update

- 81 Treasury Management income to 31 July 2024 is £895,000 which is higher than the budgeted £620,000. However, borrowing costs are also higher than budgeted at £6m compared to budget of £5.3m. This is caused by a combination of increasing interest rates with an increased borrowing requirement. From the projected cash flows for the remainder of 2024/25 the net additional financing costs (borrowing less investment interest) is expected to be £0.7m in excess of that budgeted.
- 82 Interest rates have seen substantial rises over the last 2 years which has significantly increased the cost of borrowing. The expectation is that borrowing costs will start to fall later in 2024/25 and beyond.

- 83 At the moment, cash shortfalls are generally being met by temporary borrowing from other Local Authorities which for a number of years has been considerably cheaper than other sources of borrowing and allowed the Council to keep financing costs low. The cost of these loans is currently relatively high compared with longer term loans, but interest forecasts suggest it is still the cheaper option in the long term. However, liquidity risk remains an issue as funds become more scarce towards year end and the request to the Government for exceptional financial support has raised credit worthiness concerns with some lenders. To reduce liquidity risk and any potential credit related penalisation on interest costs, consideration is being given to taking more longer term PWLB loans.
- 84 The cost of short term borrowing for the first 4 months of 2024/25 is 5.54% which is an increase from 4.82% for 2023/24. These costs are now expected to reduce as the outlook is for reducing interest rates.

Investment Strategy

- 85 There have not been any material changes to the Investment Strategy since that reported at Final Outturn 2023/24, see link [Final Outturn 2023-24 Annex 1.pdf \(cheshireeast.gov.uk\)](#)

Consultation and Engagement

- 86 As part of the budget setting process the Pre-Budget Consultation provided an opportunity for interested parties to review and comment on the Council's Budget proposals. The budget proposals described in the consultation document were Council wide proposals and that consultation was invited on the broad budget proposals. Where the implications of individual proposals were much wider for individuals affected by each proposal, further full and proper consultation was undertaken with people who would potentially be affected by individual budget proposals.

Reasons for Recommendations

- 87 The overall process for managing the Council's resources focuses on value for money, good governance and stewardship. The budget and policy framework sets out rules for managing the Council's financial affairs and contains the financial limits that apply in various parts of the Constitution. As part of sound financial management and to comply with the constitution any changes to the budgets agreed by Council in the MTFS require approval in line with the financial limits within the Finance Procedure Rules.
-

- 88 This report provides strong links between the Council's statutory reporting requirements and the in-year monitoring and management processes for financial and non-financial management of resources.

Other Options Considered

- 89 None. This report is important to ensure Members of the Committee are sighted on the financial pressure the Council is facing and the activity to date to try and mitigate this issue and are given an opportunity to scrutinise this activity and identify any further actions that could be taken to learn to live within our means Do nothing. Impact – Members are not updated on the financial position of the Council. Risks – Not abiding by the Constitution to provide regular reports.

Implications and Comments

Monitoring Officer/Legal

- 90 The Council must set the budget in accordance with the provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility. Sections 25 to 29 of the Local Government Act 2003 impose duties on the Council in relation to how it sets and monitors its budget and require the Council to make prudent allowance for the risk and uncertainties in its budget and regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.
- 91 The provisions of section 25 of the Local Government Act 2003, require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the chief finance (s.151) officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.
- 92 The Council should therefore have robust processes in place so that it can meet statutory requirements and fulfil its fiduciary duty. It must ensure that all available resources are directed towards the delivery of statutory functions, savings and efficiency plans. Local authorities are creatures of statute and are regulated through the legislative regime and whilst they have in more recent times been given a general power of competence, this must operate within that regime. Within the statutory framework there are specific obligations placed upon a local authority to support communities. These duties encompass general and specific duties and there is often significant local discretion in respect of how those services or duties are discharged. These will need to be assessed and advised on as each circumstance is considered.
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- 93 The financial position of the Council must therefore be closely monitored, and Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings or alternative mitigations.
- 94 This report provides an update on progress for 2024/25 for all services.
- 95 It also provides updates and comments regarding the Council's request for Exceptional Financial Support under The Levelling-up and Regeneration Act 2023 which inserted an amended Section 12A as a trigger event within the Local Government Act 2003, in relation to capital finance risk management. The legislation also provides for risk mitigation directions to be given to the Council which limit the ability to undertake certain financial action. The limitations are based on identified risk thresholds.

Section 151 Officer/Finance

- 96 The Council's financial resources are agreed by Council and aligned to the achievement of stated outcomes for local residents and communities. Monitoring and managing performance helps to ensure that resources are used effectively, and that business planning and financial decision making are made in the right context.
- 97 Reserve levels are agreed, by Council, in February each year and are based on a risk assessment that considers the financial challenges facing the Council. If spending associated with in-year delivery of services is not contained within original forecasts for such activity it may be necessary to vire funds from reserves.
- 98 The unplanned use of financial reserves could require the Council to deliver a greater level of future savings to replenish reserve balances and / or revise the level of risks associated with the development of the Reserves Strategy in future.
- 99 As part of the process to produce this report, senior officers review expenditure and income across all services to support the development of mitigation plans that will return the outturn to a balanced position at year-end.
- 100 Forecasts contained within this review provide important information in the process of developing the Medium-Term Financial Strategy. Analysis of variances during the year will identify whether such
-

performance is likely to continue, and this enables more robust estimates to be established.

- 101 The risk associated with the scale of these challenges is that the Council could act illegally, triggering the requirement for a s.114 report from the Chief Financial Officer. Illegal behaviour in this context could materialise from two distinct sources:
- i) Spending decisions could be made that exceed the available resources of the Council. This would unbalance the budget, which is unlawful.
 - ii) Spending decisions to restrict or hide pressures could be made that avoid an immediate deficit, but in fact are based on unlawful activity.
- 102 The consequences of the Council undermining a budget with illegal activity, or planned illegal activity, is the requirement to issue a s.114 report. Under these circumstances statutory services will continue and existing contracts and commitments must be honoured. But any spending that is not essential or which can be postponed must not take place.
- 103 Further consequences would be highly likely and could include the appointment of Commissioners from the MHCLG, and potential restrictions on the decision-making powers of local leaders.

Policy

- 104 This report is a backward look at Council activities and predicts the year-end position. It supports the Corporate Plan aim Open and priority to be an open and enabling organisation.
- 105 The forecast outturn position, ongoing considerations for future years, and the impact on general reserves will be fed into the assumptions underpinning the 2025 to 2029 Medium-Term Financial Strategy.
- 106 The approval of supplementary estimates and virements are governed by the Finance Procedure Rules section of the Constitution.

Equality, Diversity and Inclusion

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

Human Resources

- 108 This report is a backward look at Council activities at outturn and states the year end position. Any HR implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

Risk Management

- 109 Financial risks are assessed and reported on a regular basis, and remedial action taken if required. Risks associated with the achievement of the 2023/24 budget and the level of general reserves were factored into the 2024/25 financial scenario, budget, and reserves strategy.

Rural Communities

- 110 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)

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

Public Health

- 112 This report is a backward look at Council activities at the first review and provides the forecast year end position. Any public health implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

Climate Change

- 113 There are no direct implications for climate change.
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Access to Information	
Contact Officer:	<p>Adele Taylor, Interim Director of Finance and Customer Services (s151 Officer) adele.taylor@cheshireeast.gov.uk</p> <p>Paul Goodwin, Head of Finance & Deputy Chief Finance Officer paul.goodwin@cheshireeast.gov.uk</p>
Appendices:	<p>Annex 1 including:</p> <ul style="list-style-type: none"> • Section 1 2024/25 Forecast Outturn • Section 2 2024/25 Approved Budget Change Items • Section 3 Revenue Grants for approval • Section 4 Capital • Section 5 Reserves
Background Papers:	<p>The following are links to key background documents:</p> <p>Medium-Term Financial Strategy 2024-2028</p>

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First Financial Review 2024/25

Results to end of July 2024

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Section 1: 2024/25 Forecast Outturn

- 1.1. Table 1 provides a service summary of financial performance based on information available as at the end of July 2024. The current forecast is that services will be £25.6m over budget in the current year.
- 1.2. It also shows that central budgets are forecast to be £0.9m over budget resulting in an overall outturn of £26.5m overspend against a net revenue budget of £387.6m.
- 1.3. The overall revenue position does not include the impact of applying any Exceptional Financial Support.
- 1.4. The forecast outturn position is based on a full financial management review across all service and reflects the following assumptions:
 - Includes those savings that have been identified as non-achievable though the tracker on our High Level Business Cases (HLBC) with no/some alternative actions currently presented;
 - A review of the on-going impacts of adverse variances identified in 2023/24;
 - Any identified, emerging items of significance:
 - Within Adult Social Care, significant growth is forecast for care costs in line with position seen year to date, less mitigations linked to delivery of the Impower savings;
 - Includes the assumptions around additional revenue resources in Childrens Services to resource the draft improvement plan in relation to the recent OFSTED inspection;
 - Forecast impact of the proposed increased 2024/25 pay award £1.6m (unfunded);
 - Detailed review of any vacancy underspends in all areas;
 - One-off items that have been identified so far through line by line reviews and/or identification of additional funding that has been announced since the MTFS was set.
- 1.5. Further items impacting on the level of the Council's balances are detailed in **Section 5**.

Table 1 Service Revenue Outturn Forecasts 2024/25	Revised Budget £m	Forecast Outturn £m	Forecast Variance £m
Adult Social Care - Operations	146.1	167.8	21.7
Commissioning	(8.1)	(9.1)	(1.0)
Public Health	-	-	-
Adults and Health Committee	138.0	158.7	20.7
Directorate	1.6	2.9	1.3
Children's Social Care	56.5	61.1	4.6
Education, Strong Start & Integration	33.4	34.8	1.4
Children and Families Committee	91.5	98.8	7.3
Directorate	(0.3)	(0.4)	(0.0)
Growth & Enterprise	28.5	25.9	(2.6)
Economy and Growth Committee	28.1	25.5	(2.6)
Environment & Neighbourhood Services	48.4	49.1	0.6
Environment and Communities Committee	48.4	49.1	0.6
Highways & Infrastructure	16.0	15.5	(0.5)
Highways and Transport Committee	16.0	15.5	(0.5)
Directorate	1.4	1.2	(0.2)
Finance & Customer Services	12.1	14.1	1.9
Governance & Compliance Services	10.9	9.7	(1.2)
Communications	0.7	0.7	(0.0)
HR	2.4	2.1	(0.3)
ICT	12.2	12.0	(0.1)
Policy & Change	2.0	1.9	(0.0)
Corporate Policy Committee	41.7	41.7	0.0
TOTAL SERVICES NET EXPENDITURE	363.7	389.3	25.6
CENTRAL BUDGETS			
Capital Financing	31.7	32.0	0.4
Transfer to/(from) Earmarked Reserves	(18.3)	(17.2)	1.1
Parish Precepts & Other Operating Expenditure	11.5	11.4	(0.1)
Income from Use of Capital Receipts	(1.0)	(1.5)	(0.5)
Finance Sub-Committee - Central Budgets	23.9	24.8	0.9
TOTAL NET EXPENDITURE	387.6	414.1	26.5
FUNDING	(298.5)	(298.5)	-
Council Tax	(56.6)	(56.6)	-
Business Rates Retention Scheme	(32.4)	(32.4)	-
Unringfenced Grants			
Finance Sub-Committee - Net Funding	(387.6)	(387.6)	-
NET (SURPLUS) / DEFICIT	-	26.5	26.5

Section 2: 2024/25 Approved Budget Change Items

The following table provides up detailed commentary on the progress against the approved budget change items that were agreed as part of the budget agreed in February 2024. These are split by relevant committee.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
	Adults and Health Committee	+1.136	+21.853	+20.717	
1	Fees and Charges	-1.800	-1.800	0	Green
2	Client Contributions Increase	-0.800	-2.097	-1.297	Green
3	Working Age Adults - Prevent, Reduce, Delay	-1.467	-1.467	0	Green - Multiple activities contributing to these savings. Validation of delivery and measures being developed by SROs and Finance.
4	Older People – Prevent, Reduce, Delay	-1.566	-1.566	0	Green - Multiple activities contributing to these savings. Validation of delivery and measures being developed by SROs and Finance.
5	Market Sustainability and Workforce grant	-1.100	-1.100	0	Completed
6	Revenue grants for Adult Social Care	-2.480	-2.480	0	Completed
7	Pension Costs Adjustment	-0.493	-0.493	0	Completed
8	Investment in Adult Social Care	+7.600	+32.497	+24.897	Red – MTFS growth for Care Costs not sufficient to cover the pressure seen in 2023/24 plus the expected growth in 2024/25. Mitigations to reduce pressure reported separately.
9	Pay Inflation	+1.892	+2.104	+0.212	Red - NJC Pay Claim process has started - over spend against budget is based on £1,290 or 2.5% increase. Compared to flat percentage budget increase of 3%
10	Resettlement Revenue Grants – reversal of 2023/24 use	+0.850*	+0.850*	0	Completed
11	Adult Social Care Transformation Earmarked Reserve Release – reversal of 2023/24 use	+0.500*	+0.500*	0	Green

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
12	Market Sustainability and Fair Cost of Care – Removal of Grant Income	-	-	-	Green
13	Asset Management	TBC	TBC	-	Green - It is expected that the NHS will confirm their intentions for usage of one of the key CEC sites in question by September 2024. Once this is received, the business case for future usage of the site will be revisited and taken through the appropriate CEC governance procedures. The model of care in relation to high-cost adult social care and health provisions will be part of this work.
14	Investigate potential agency creation	TBC	TBC	-	Green - This proposal has been consistently delivered in relation to the usage of a Care Workers agency in all but name. Care4CE, the Council's in house care provider, has been utilising workers, both casual and agency, as a bank of workers for several years to successfully deliver operational requirements. The establishment of a CEC.
In year	Other variances to reconcile to 2024/25 FR1 forecast	0	+4.612	+4.612	
In year	Mitigations reducing the FR1 reported forecast position	0	-7.707	-7.707	

* Item represented a one-off spend in 2023/24. As it is not a permanent part of the budget, the value of the proposal is reversed in 2024/25.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets (some of the budget change items have been separated out since the publication of the MTFS)	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
	Children and Families Committee	+9.909	+17.238	+7.329	
15	Discretionary offer to children with disabilities	-0.900	-0.901	-0.001	Green - On track, project team progressing multiple improvements to redesign the service offer, ensuring consistency and efficiency.
16	Remove school catering subsidy	-0.516	+0.027	+0.543	Red - In progress, rate uplift to be applied in September 2024 in order to cover the costs of the service through to the end of March 2025 when it ends.
17	Review of structure to further integrate children and families services	-1.000	-0.167	+0.833	Red - Delivery Planning in progress to address saving. Including: further Establishment review, service redesign, cross directorate risk management.
18	Reduce discretionary Post-16 Travel Support	-0.400	-0.250	+0.150	Red - Agreed by Committee so progressing, too early to confirm take-up.
19	Achieve the Family Hub model	-0.250	-0.250	0	Green - Committee approved permission to consult. Following the consultation period, a report will go back to Committee in November for a decision to move forward with the new model. Savings are not going to be delivered in year therefore alternative saving being found to cover this.
20a	Other Service Reviews – Review of commissioned services across the C&F directorate. Review of the current Domestic Abuse Service	-0.100	-0.132	-0.032	Completed.
20b	Other Service Reviews – Maximise grant allocation to cover all costs	-0.100	0	+0.100	Red - Plan to explore current / future grants to ensure where T&Cs allow, contribution to fund base costs (e.g. staffing and on costs) is maximised.
20c	Other Service Reviews – Traded services	-0.050	+0.017	+0.067	Red - Part delivered but may need to look for alternative options to cover the remaining saving for this year.
21a	Reduce Growth in expenditure – review of high cost, low outcome external residential placements	-1.000	-1.000	0	Red - Whilst work has been happening to open CE Children's Homes and our first open is now open, with our second due imminently and our collaboration with foster 4 working well to increase our foster carers, we still are seeing more children coming into care, with a steady increase. There is also increasing instability with the residential market, driving up prices. Complex young people need high packages of support, which are extremely expensive. We are due to review all high cost placements and weekly on-going Triple S (Stability, Step up and Step Down) meetings are happening to review placement outcomes and costs.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets (some of the budget change items have been separated out since the publication of the MTFS)	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
21b	Reduce Growth in expenditure – increase commissioning approach to establish greater opportunities to provide accommodation for +16 young people	-0.400	-0.400	0	Amber - 16+ and 18+ Commissioning Plans / Market Shaping in Progress. Responding to increasing demand and complexity.
21c	Reduce Growth in expenditure – Foster Care	-0.250	-0.250	0	Amber - Developing a Delivery Plan to increase Foster Care provision.
21d	Reduce Growth in expenditure – reduced spend on expert assessment in court proceedings and services post public law proceedings	-0.250	-0.250	0	Amber - Establishing a Task & Finish Group to explore and develop processes and capacity to reduce costly legal proceedings.
22	Pension Costs Adjustment	-0.515	-0.451	+0.064	Red. CEC pension reduction completed. Teacher's pension legacy costs are not reducing as anticipated.
23	Growth to deliver statutory Youth Justice service, and growth to ensure budget is sufficient to meet Safeguarding Partnership duties	+0.170	+0.200	+0.030	Red.
24	Growth to provide capacity to deliver transformation for SEND	+0.500	+0.500	0	Green.
25	Wraparound Childcare Programme (funded)	+0.587	+0.587	0	Amber - Currently reviewing sufficiency and funding details to manage delivery within budget.
25	Wraparound Childcare Programme (funded)	-0.587	-0.587	0	Amber - Currently reviewing sufficiency and funding details to manage delivery within budget.
26	Legal Proceeding - Child Protection	+0.770	+0.532	-0.238	Amber.
27	Growth in School Transport budget	+0.936	+1.286	+0.350	Red.
28	Pay Inflation	+1.374	+1.915	+0.541	Red - NJC Pay Claim process has started - over spend against budget is based on £1,290 or 2.5% increase. Compared to flat percentage budget increase of 3%

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets (some of the budget change items have been separated out since the publication of the MTFS)	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
29	Use of Children & Families Transformation Reserve – reversal of 2023/24 use	+1.065*	+1.065*	0	Completed.
30	Growth in Childrens Placement costs	+10.825	+14.203	+3.378	Red - Will need to be closely monitored throughout the year to ensure that funding is sufficient to meet demand and complexity.
31	Revenue costs for the Crewe Youth Zone (as above) aligned to Supporting Families Funding	-	-	-	Amber.
31	Early Help budget to support funding towards the Crewe Youth Zone	-	-	-	Amber.
32	SEND Capital Modification	TBC	TBC	-	Amber - Contingent upon wider asset management and associated timelines. Extensive work underway to plan and progress development opportunities. Captured as part of the Capital Program reported to Committee.
33	Childrens Social Work Bank	TBC	TBC	-	Red - Various options currently being explored as part of wider C&F Establishment review and potential peripatetic resource options.
34	Safe Walking Routes to School	TBC	TBC	-	Green - Features as part of School Transport Programme.
35	Withdrawal of the CEC School Meals Service	TBC	TBC	-	Green - Features as part of School Catering subsidy project - CF2428-16.
In year	In-year emerging variance Education, Strong Start and Integration	0	-0.500	-0.500	Green. Underspend relates to vacancy management, reduced spend and income generation across services.
In year	In-year emerging variance Children and Families Directorate	0	+0.427	+0.427	Red. Overspend relates to supplier compensation payment, external Quality Assurance Agency costs and cost of establishment.
In year	In-Year emerging variance Children's Social Care	0	+1.616	+1.616	Red. Overspend mainly relates to staffing costs.

* Item represented a one-off spend in 2023/24. As it is not a permanent part of the budget, the value of the proposal is reversed in 2024/25.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets (some of the budget change items have been separated out since the publication of the MTFS)	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
	Corporate Policy Committee	+0.489	+0.512	+0.023	
36	Reduce leadership and management costs	-0.540	-0.190	+0.350	Red - The feedback from the DMA review is that senior management vacancies will require recruitment to in order to complete the complement of Corporate Managers. In year vacancy savings will continue but will be time limited. There is potential to increase costs by additional management support during transformation. This will result in increased budget pressure. This pressure is being mitigated through the four in-year items at the end of this table. Most of those will be permanent and used to deliver this saving. Presentation will be reviewed for FR2.
37	Close the Emergency Assistance Scheme	-0.220	-0.220	0	Completed
38	Reduce election costs and increase charges where possible	-0.150	-0.150	0	Green - The proposal is to make a payment during 2024/25 of £70k-£80k from the existing election account, as part of this one-off saving. The remainder will be delivered by reducing the sum which would normally be paid into the election reserve. This might be mitigated in the year of the next local elections by monies which will be raised by charging town and parish councils for their elections in 2027. However, this will not be sufficient and will be likely to lead to the need for a supplementary estimate.
39a	Accelerate Digital Transformation (ICT Operational efficiencies)	-0.100	-0.100	0	Green – third party costs have been reduced and there are plans to reduce further during the year.
39b	Accelerate Digital (Digital efficiencies)	-0.150	-0.150	0	Green – Removal of temporary budget for Solutions Architect Resource, now covered by an Earmarked Reserve.
40	Enforce prompt debt recovery and increase charges for costs	-0.150	-0.150	0	Completed - The award of costs is a matter for the Magistrates at each court hearing. However, only by exception will they vary from the level already agreed by us with the Court Manager. The approach to the Court Manager has been made and the revised level agreed. The action is therefore complete, but the financial benefits will accrue as we continue the regular recovery process during the year.
41a	Other efficiencies and reductions across Corporate Services – School Subsidy (ICT)	-0.032	-0.032	0	Green

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets (some of the budget change items have been separated out since the publication of the MTFS)	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
41b	Other efficiencies and reductions across Corporate Services – Organisational Development	-0.100	-0.100	0	Completed
41c	Other efficiencies and reductions across Corporate Services – Registration Services	-0.050	-0.050	0	Green
41d	Other efficiencies and reductions across Corporate Services – School Subsidy	-0.018	0	+0.018	Amber - Part of the £50k School Subsidy saving - Finance team to assist in identifying options. These are listed at the end of the table.
41e	Other efficiencies and reductions across Corporate Services	-0.010	0	+0.010	Amber - Finance team to assist in identifying options. These are listed at the end of the table.
41f	Other efficiencies and reductions across Corporate Services – Printing	-0.050	-0.010	+0.040	Amber - Finance team to assist in identifying options. These are listed at the end of the table.
41g	Other efficiencies and reductions across Corporate Services – Hybrid working / mileage	-0.050	0	+0.050	Amber – Options being considered regarding reduced travel spend including ensuring efficient planning around meeting attendance and minimising unnecessary movements across the area. This maximises efficient use of time as well for teams.
42	Pension Costs Adjustment	-0.378	-0.378	0	Completed
43	Mitigation of reduction in the Dedicated Schools Grant	+0.136	+0.136	0	Completed
44	Pay Inflation	+1.446	+1.581	+0.135	Red - NJC Pay Claim process has started - over spend against budget is based on £1,290 or 2.5% increase. Compared to flat percentage budget increase of 3%. Mitigations are listed at the end of the table. Presentation will be reviewed for FR2.
45	Legal Services Capacity	+0.455	+0.455	0	Completed
46	ICT Review 1	+0.450	+0.450	0	Green
47	Workforce Strategy Review	TBC	-	-	Amber - There are no savings attributed to this area in 2024/2025. Opportunities to explore workforce options are being considered alongside transformation

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets (some of the budget change items have been separated out since the publication of the MTFS)	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
					work. Any savings are likely to be realised in 2025/26 at the earliest. It is recommended that this item is removed from the list.
48	Parish Compacts – it is recommended that this item is removed.	TBC	-	-	Red - An extension of parish compacts would provide a budget for every parish council. This has been assessed but is considered unaffordable to progress this year. Presentation will be reviewed for FR2.
In year	Recognising the increased level of Registration service income of £350k.	0	-0.350	-0.350	This will be a permanent change to deliver the Red ranked items above.
In year	Recognising the receipt of £45k of Police and Crime Commissioner grant income.	0	-0.045	-0.045	This will be a permanent change to deliver the Red / Amber ranked items above.
In year	Taking the underspend on phones in corporate services (mobiles and rental) compared to budget.	0	-0.060	-0.060	This will be a permanent change to deliver the Red / Amber ranked items above.
In year	Additional mitigations to balance to FR1 position of +£23k for corporate incl ICT.	0	-0.125	-0.125	These will be a mix of permanent and temporary items to assist the in-year position.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
	Economy and Growth Committee	+3.316	+0.728	-2.588	
49	Service Restructures within Place based Services	-0.787	0	+0.787	Red – achievement through permanent savings remains challenging without a full restructure – which is pending the LGA review. This item is being mitigated by the items at the end of the table which are a mix of permanent and temporary measures. Presentation will be reviewed for FR2.
50	Reduce opening hours for main offices	-0.050	-0.050	0	Completed
51	Office estate rationalisation	-0.550	-0.250	+0.300	Red - due to the timeline for the transfer of buildings being extended. This item is being mitigated by the items at the end of the table which are a mix of permanent and temporary measures. Presentation will be reviewed for FR2.
52	Tatton Park	-0.046	-0.046	0	Amber rating reflects the fact that the Tatton Vision capital programme is currently under review.
53	Transfer of Congleton Visitor Information Centre	-0.020	-0.020	0	Green - Transfer of Congleton VIC to the Town Council has already occurred.
54	Pension costs adjustment	-0.157	-0.157	0	Completed
55	Tatton Park ticketing and electronic point of sale (EPOS) upgrade	+0.005	+0.005	0	Green - A procurement process is currently underway to source a supplier who can ensure onsite and web-based delivery of a new system which aligns with present and future needs.
56c	West Park collection	+0.012	+0.012	0	Green - Cost for vital conservation and storage of West Park Museum collections and ongoing temporary storage requirements.
56d	CEC archives	+0.008	0	-0.008	Amber - Timescales for implementation of the Archives capital project have slipped due to grant funding decisions, with revised opening date of Spring 2026.
57	Property Information and Management System - Estates – Revenue Adjustment	+0.030	+0.030	0	Green - Procurement of new contract to commence shortly.
58	Housing	+0.035	+0.035	0	Green - Consultation on the Housing Restructure commences 22nd May and includes the post that the funding is attributed to. The new structure will be implemented by 1st August 2024
59	Environmental Hub Waste Transfer Station	+0.040	+0.040	0	Green - Project on track delivery Q1/2. The replacement of bay 1 in the Councils Environmental Hub Residual Waste Transfer Station building with a new design

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
					more likely to provide long-term resilience to wear and tear, to enable the continuation of waste processing at the transfer station.
60	Rural and Visitor Economy	+0.045	+0.045	0	Green - Additional revenue support is required to cover the increase in electricity charges for the Rural and Culture Economy Service to maintain existing service provision at Tatton Park and Countryside sites.
61	Minimum energy efficiency standards (MEES) - Estates - Revenue Adjustment	+0.079	+0.079	0	Amber – Prioritised negotiations with 3rd parties/tenants occupying premises being expedited to avoid delays on obtaining access for surveys, completing necessary improvement works and legally completing lease renewals.
62	Public Rights of Way Income Realignment	+0.115	+0.115	0	Completed. Adjustments made to budget forecasts 2024-25
63	Pay inflation	+0.788	+0.940	+0.152	Red - NJC Pay Claim process has started - over spend against budget is based on £1,290 or 2.5% increase. Compared to flat percentage budget increase of 3%. This item is being mitigated by the items at the end of the table which are a mix of permanent and temporary measures. Presentation will be reviewed for FR2.
64	Crewe town centre maintenance and operation	+0.650	+0.630	-0.020	Green
65	Assets - Buildings and Operational	+3.119	+3.119	0	Green
66	Landfill Site Assessments revenue adjustment - Estates – CE Owned Landfill sites (53 sites) Review and Risk Assessment completions	-	-	-	Amber - £10k cost growth in for 25/26. Second stage of the review to commence shortly. Internal capacity within Environmental Service to be identified.
67	Tatton Park Estate Dwellings Refurbishment	-	-	-	Completed - Provision for response maintenance issues for 8 onsite dwellings to ensure properties meet standards required as part of tenancy agreements and the National Trust lease.
68	Improving Crewe Rented Housing Standards	-	-	-	Green
In year	Growth & Enterprise 2024/25 mitigations to balance back to finance review position	0	-2.984	-2.984	

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
In year	Place Directorate 2024/25 mitigations to balance back to finance review position	0	-0.815	-0.815	

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
	Environment and Communities Committee	-0.052	+0.558	+0.610	
69	Refresh wholly owned company overheads and contributions	-1.000	-1.500	-0.500	Green - ASDV Review recommendations have now been approved in full by Finance Sub-Committee in their role as shareholder of the wholly owned companies. The process of insourcing these services is now underway which will release an element of their reserves in year to meet this one-off contribution.
70	Strategic Leisure Review (Stage 2)	-1.305	-1.250	+0.055	Amber - Initial savings secured via committee decision on 11th March 2024. Proposals are being developed with EHL and town and parish councils to secure the residual £250k amount - dialogue is ongoing.
71	Mitigate the impact of contract inflation and tonnage growth	-0.490	-0.490	0	Completed - Mitigate the impact of contract inflation and tonnage growth.
72	Emergency reduction of Household Waste Recycling Centres (HWRC) to four core sites	-0.263	-0.200	+0.063	Red - Full saving on basis of original HLBC will not be achieved due to introduction of mobile provision offer as a result of Full Council decision and costs associated with trial of booking system. Following implementation of temporary closures final negotiations with supply chain are nearing conclusion in relation to savings in year, which include adjustment for waste diversion. This item is being partly mitigated by the item at the end of the table which is a mix of permanent and temporary measures. Presentation will be reviewed for FR2.
73	Libraries Strategy	-0.365	-0.200	+0.165	Red - Development of and consultation on Libraries Strategy ongoing. Need to secure committee decisions to implement final Strategy (target Nov 2024) – engagement with Town and Parish Councils undertaken to shape the Strategy proposals and seek funding contributions, which is continuing. This item is being partly mitigated by the item at the end of the table which is a mix of permanent and temporary measures. Presentation will be reviewed for FR2.
74	Reduce costs of street cleansing operations	-0.200	-0.200	0	Green - Value of saving now reduced from ANSA Management Fee for 2024/25, proposals to achieve which include immediate reductions in service resilience, due to removal of any vacancies and under utilised fleet.
75	Reduce revenue impact of carbon reduction capital schemes	-0.336	0	+0.336	Red – Carbon Neutral Council target deferred from 2025 to 27, as agreed at Full Council on 27.02.24, large scale prudential borrowing funded schemes spend now reprofiled to suit, however budget not sat within E&C Committee. Discussion with Corporate Financing team to re-allocate.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
					This item is being partly mitigated by the item at the end of the table which is a mix of permanent and temporary measures. Presentation will be reviewed for FR2.
76	Increase Garden Waste charges to recover costs	-0.045	-0.045	0	Green – Increase Garden Waste charges for the calendar year 2025 to recover costs
77	MTFS 80 (Feb 23) – Waste Disposal – Contract Inflation and Tonnage Growth (updated forecast)	+3.577	+3.977	+0.400	Amber – Amber rating due to fluctuations in waste markets relating to recyclates and continued levels of inflation, outside CEC control and not aligned to projections. Mitigation is to continue with monthly financial monitoring and detailed update of forecasting to year end, based on market intelligence from suppliers and historical seasonal trends data.
78	Pay Inflation – CEC & ASDV	+1.861	+2.397	+0.536	Red - NJC Pay Claim process has started - over spend against budget is based on £1,290 or 2.5% increase. Compared to flat percentage budget increase of 3%. This item is being partly mitigated by the item at the end of the table which is a mix of permanent and temporary measures. Presentation will be reviewed for FR2.
79	Pension Costs Adjustment	-0.151	-0.151	0	Completed
80	MTFS 90 (Feb 23) Strategic Leisure Review	+1.250	+1.250	0	Completed - Growth item budget adjustment only - replacing 2023/24 £1.3m savings target.
81	MTFS 91 (Feb 23) – Green Spaces Maintenance Review	-0.200	-0.200	0	Green - Year 2 saving - Policy now implemented and full saving secured from ANSA contract.
82	MTFS 92 (Feb 23) - Review Waste Collection Service - Green Waste	-3.150	-3.150	0	Green - Subscription levels in line with original business model.
83	Review MTFS 92 (Feb 23) Garden waste subscription financial model in line with latest subscription levels and with actual observed position on any waste migration	-0.429	-0.429	0	Green - Continued monitoring of subscription levels and any adverse impacts is already in place, update to original business plan assumptions.
84	MTFS 93 (Feb 23) Libraries - Service Review	-0.200	-0.200	0	Amber - Year 2 of Service Review - reduction in staffing levels have been implemented and now include vacancy management in year to ensure achievement of saving. Currently covered temporarily by vacancy savings

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
85	Explore a Trust delivery model for Libraries and other services	+0.150	+0.020	-0.130	Green - Growth item to cover one off costs relating to implementation of alternative delivery model(s) for libraries service. Aligned to development of Libraries Strategy.
86	CCTV – Service Efficiencies	-0.030	-0.030	0	Green – Ongoing actions to increase customer base for existing services, identification of new chargeable services/customers and service efficiency savings as well as increased fees and charges to meet the target.
87	Congleton Town Council Collaboration Agreement – Grounds Maintenance	-0.062	-0.062	0	Completed - Congleton Town Council Collaboration Agreement on Grounds Maintenance Cheshire East Contribution reduced in line with reductions in Cheshire East Maintained green space.
88	Closed Cemeteries	+0.005	+0.005	0	Completed - Inflationary adjustment to previous budget allocation only.
89	Environmental Hub maintenance	+0.023	+0.023	0	Completed - Inflationary adjustment to previous budget allocation only.
90	Review Closed Landfill Sites	+0.300*	+0.300*	0	Completed - The Council has responsibility for a number of closed landfill sites across the borough for which it holds a provision.
91	Land Charge Income Adjustment	+0.050	+0.064	+0.014	Amber - Uncertainty around implementation timescales of HMLR changes to centralise some aspects of land charges functions hence understanding of actual impact, to be regularly monitored.
92	Building Control Income Alignment	+0.203	+0.403	+0.200	Red - Due to current national trend of downturn in planning and related building control income. To be monitored through more regular financial forecasting in service. This item is being partly mitigated by the item at the end of the table which is a mix of permanent and temporary measures. Presentation will be reviewed for FR2.
93	Local Plan Review	+0.255	+0.255	0	Completed - Budget adjustment to provide additional one-off funding towards development of new Local Plan, now commenced.
94	Planning income	+0.400	+0.910	+0.510	Red – Forecast reduced income due to current national trend of downturn in planning applications and hence income. To be monitored through more regular financial forecasting in service. Partially mitigated by continued high level of vacancies and the item at the end of the table. Presentation will be reviewed for FR2. Recent planning reforms announced by Govt now subject to consultation process may help to alleviate the income position, but will require vacancies to be filled to cater for the likely increase in applications.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
95	Planning Service Restructure	-	-	-	Green - No action for 2024/25. Growth for 2025/26 to be kept under review.
96	Review of Household Waste Recycling Centres	+0.100	+0.100	0	Green - Additional one-off funding to support procurement of new contract permanent service provision of HWRCs.
In year	Environment & Neighbourhood Services mitigations 2024/25 to balance back to finance review position	0	-1.039	-1.039	

* Item represented a one-off saving in 2023/24. As it is not a permanent part of the budget, the value of the proposal is reversed in 2024/25.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
	Highways and Transport Committee	+4.869	+4.393	-0.476	
97	Highway maintenance savings	-0.750	-0.750	0	Green - Savings are being achieved through: - reducing the number of cuts on grass verges from 10 to 8; - directly employing staff to carry out surveys, rather than sub-contracting; - reductions in staffing and vacancy management; and - reliance on the council's adverse weather reserve for snow clearance. Service budgets have been reduced to reflect the savings being made.
98	Introduce annual increases to car parking charges	-0.150	-0.150	0	Green - Annual inflation adjustment to existing P&D tariffs can be implemented by 1st July 2024, in advance of bringing charges into effect in the "free towns". This is 3 months earlier than planned.
99	Pension Costs Adjustment	-0.052	-0.052	0	Completed
100	Highways	-0.031	-0.031	0	Completed - This saving was delivered by changes to response times to defects in 2023/24.
101	Safe Haven outside schools (Parking)	-0.023	-0.023	0	Amber - WARN procedure has been used for sole-source procurement of type-approved equipment from the supplier authority.
102	Transport and Infrastructure Strategy Team - Restructure	+0.120	+0.120	0	Green - Vacancies in existing structure provide some flexibilities of resourcing and recruitment planning.
103	Pay Inflation	+0.339	+0.351	+0.012	Red - NJC Pay Claim process has started - over spend against budget is based on £1,290 or 2.5% increase. Compared to flat percentage budget increase of 3%. This item is being mitigated by the item at the end of the table which is a mix of permanent and temporary measures. Presentation will be reviewed for FR2.
104	Parking - PDA / Back Office System contract	+0.100	+0.100	0	Green - Market testing completed - exploring a direct award opportunity with implementation testing and data migration.
105	Flood and Water Management Act 2010 SuDS & SABs Schedule 3 Implementation	+0.100	+0.100	0	Green - The requirement is to be ready to implement changes when regulations are implemented nationally. A training plan for existing staff has been identified. Recruitment is to be progressed.
106	Energy saving measures from streetlights	+0.242	+0.242	0	Completed - This entry was in the MTFS to cancel an unachievable saving from 2022-3. There is no further action.

MTFS Ref No	Detailed List of Approved Budget Changes – Service Budgets	2024/25 MTFS £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
107	Parking	+0.245	+0.245	0	Amber - Following decisions in January 2024, arrangements are in place to adjust existing Pay & Display tariffs from 1st July 2024 and extend pay and display to car parks in "free towns" by October 2024. Statutory consultations on Sunday and Evening charges will start in July. A trial of demand-responsive tariffs will begin with the opening of the new multistorey car park in Crewe.
108	Highways Revenue Services	+2.479	+2.479	0	Completed - This is a growth item. The growth has been factored into 2024/25 service levels and business plans. No further action.
109	Local Bus	+2.250	+2.250	0	Green
110	FlexiLink Service Improvement Plan	-	-	-	Green - A bus service review consultation is underway, including proposals relating to flexible transport.
111	Highways Depot Improvements	-	-	-	Red - This later year saving is subject to the approval of the business case for capital investment in depots. This will be reviewed during 2024/25.
112	Bus Stop Advertising Revenue Generation	-	-	-	Amber - Opportunity to shadow CWAC council's extension of the existing contract in the interim period.
In year	Highways & Infrastructure 2024-25 mitigations to balance to finance review	0	-0.488	-0.488	

MTFS Ref No	Detailed List of Approved Budget Changes – Central Budgets	2024/25 £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
	Finance Sub-Committee	-19.667	-18.748	+0.919	
113	Capital Financing - Minimum Revenue Provision	+9.508	+9.903	+0.395	Amber – assumes use of reserve of £2.135m (not yet approved). Ongoing capital review seeking to significantly reduce spend funded by borrowing.
114	Central Bad Debt Provision adjustment	+0.600	+0.600	0	Completed - budget adjustment.
115	Use of Earmarked Reserves – MTFS Reserve	+0.255	+0.255	0	Completed - budget adjustment / planned use of reserve.
115	MTFS Reserve – reversal of 2023/24 use	+1.536	+1.536	0	Completed - budget adjustment / planned use of reserve.
116	Collection Fund Reserve - Use of Earmarked Reserves	-0.834	-0.834	0	Completed - budget adjustment / planned use of reserve.
116	Collection Fund Reserve – reversal of 2023/24 use of reserves	+2.234	+2.234	0	Completed - budget adjustment / planned use of reserve.
117	Brighter Futures Transformation – reversal of 2023/24 use of reserves	+1.271	+1.271	0	Completed - budget adjustment / planned use of reserve.
118	Use of General Reserves – Fund in-year budget shortfall [NEW]	-11.654	-11.654	0	Completed - Drawn down in line with the MTFS forecast.
Amber19	Council Tax - % increase	-13.527	-13.527	0	Green - Council tax and business rates income collection managed through the Collection Fund therefore no impact on current year funding target.
120	Council Tax – Base increase	-2.461	-2.461	0	Green - Council tax and business rates income collection managed through the Collection Fund therefore no impact on current year funding target.
121	Business Rates Retention Scheme – use of S31 compensation grants	-1.350	-1.350	0	Green - Grants to be received in line with final settlement from MHCLG.

MTFS Ref No	Detailed List of Approved Budget Changes – Central Budgets	2024/25 £m	2024/25 Forecast Outturn £m	2024/25 Forecast Outturn Variance £m	Progress 2024/25 (RAG rating and commentary)
122	Unring-fenced Grants + Revenue Support Grant	-5.245	-5.245	0	Green - Grants to be received in line with final settlement from MHCLG.
123	Council Tax and Business Rates Collection [NEW]	TBC	-	-	Initial case was to implement a working group to review council tax collection. No savings value was assigned to the case. The intention now is to bring forward via an informal briefing to include options around the council tax support scheme review (FS2428)
124	Council Tax Support [NEW]		-	-	Preparations to be made during 24-25 with a view to amending the council tax support scheme in 25-26. No value is assigned to 24-25 as any savings/growth will be realised in 25-26. Consultation dates / material to come via Finance Sub-Committee for summer launch. Final decision point will be December Council meeting 2024.
In year	Adjustment to use of Earmarked reserves budgeted figure within Service Budgets		+0.525	+0.525	

Section 3: Revenue Grants for approval

- 3.1. Cheshire East Council receives two main types of Government grants; specific purpose grants and general use grants. Specific purpose grants are held within the relevant service with a corresponding expenditure budget. Whereas general use grants are held in central budgets with a corresponding expenditure budget within the allocated service area.
- 3.2. Spending in relation to specific purpose grants must be in line with the purpose for which it is provided.
- 3.3. **Table 1** shows additional specific purpose grant allocations that have been received over £1m that **Council** will be asked to approve.
- 3.4. **Table 2** shows additional specific purpose grant allocations that have been received which are over £500,000 and up to £1m, and are for **Committee** approval.

Table 1 – Council Decision

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

Committee	Type of Grant	£000	Details
Children and Families – Schools	Teachers Pay Additional Grant (Specific Purpose)	1,645	This grant is from the Education & Skills Funding Agency (ESFA). In July 2023, alongside the increase for last financial year, an additional £900 million was announced in 2024 to 2025 to support schools with the 2023 teachers' pay award. The ESFA will pay the teachers' pay additional grant (TPAG) funding to local authorities for mainstream maintained schools.
Children and Families – Schools	Teachers Pension Grant (Specific Purpose)	2,393	This grant is from the Education & Skills Funding Agency (ESFA). The Teachers' Pension Employer Contribution Grant (TPECG) supports schools and local authorities with the cost of the increase in employer contributions to the teachers' pension scheme. Local authorities must follow the terms and conditions set out in the conditions of grant.
Children and Families – Children's Services	Household Support Fund (Specific Purpose)	2,200	This grant is from the Department for Work and Pensions. This is an extension to the Household Support Fund (HSF) and will cover the period from April 2024 to September 2024. The HSF is to provide crisis support to financially vulnerable households most in need.
Economy and Growth	Homelessness Prevention Grant (Specific Purpose)	1,054	<p>This grant is from the Department for Levelling-Up and Communities (DLUHC). The purpose of the grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred by them in supporting local authorities to discharge their homelessness duties under homelessness legislation. The grant is ring-fenced for 2023-2024 and is to be spent in adherence with the following principles:</p> <ol style="list-style-type: none"> 1. To fully enforce the Homelessness Reduction Act and contribute to ending rough sleeping by increasing activity to prevent single homelessness. 2. Reduce family temporary accommodation numbers through maximising family homelessness prevention and reduce the use of unsuitable B&Bs for families. <p>This grant is from the Home Office (HO). Available where an individual or family has settled in the borough, to provide ongoing integration support.</p>

Committee	Type of Grant	£000	Details
Highways and Transport	Bus Service Improvement Plan+ (BSIP+) Phase 2 (Specific Purpose)	1,188	This a grant from the Department for Transport DfT). This is a continuation of the Bus Service Improvement funding and allows Local Authorities to support existing bus services and/or create new services with the overall aim of ensuring long term sustainability of this provision.This is the second phase of allocations.
Highways and Transport	Bus Service Improvement Plan+ (BSIP+) Phase 3 (Specific Purpose)	2,268	This a grant from the Department for Transport DfT). This is a continuation of the Bus Service Improvement funding and allows Local Authorities to support existing bus services and/or create new services with the overall aim of ensuring long term sustainability of this provision.This is the third phase of allocations.

Table 2 – Committee Decision

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

Committee	Type of Grant	£000	Details
Adults and Health	OHID SSMTR Supplementary Substance Misuse Treatment & Recovery Grant (Specific Purpose)	525	This grant is from the Department of Health and Social Care and is additional funding for drug and alcohol treatment recovery services as part of Local Authorities' public health responsibilities.

Section 4: Capital

Table 1: Financial Parameters for 2023/24 to 2026/27

Parameter	Value (£m)			
	2023/24	2024/25	2025/26	2026/27
Repayment of Borrowing				
Minimum Revenue Provision*	17.5	18.8	23.3	25.2
External Loan Interest	14.3	18.0	16.5	15.0
Investment Income	(3.8)	(3.8)	(2.1)	(1.8)
Contributions from Services Revenue Budgets	(1.2)	(1.3)	(2.0)	(2.7)
Total Capital Financing Costs	26.8	31.7	35.7	35.7
Use of Financing EMR	(7.9)	(2.1)	0	0
Actual CFB in MTFS	19.0	28.5	35.2	35.5
Budget Deficit	(0)	1.1	0.5	0.2
Capital Receipts targets*	1.0	1.0	1.0	1.0
Flexible use of Capital Receipts	1.0	1.0	1.0	1.0

*Anticipated MRP based on achieving capital receipts targets

1.1. The revised programme is funded from both direct income (grants, external contributions) and the Council's own resources (prudential borrowing, revenue contributions, capital reserve). A funding summary is shown in **Table 2**.

1.2. **Table 3** lists details of

- Capital Supplementary Estimates over £500,000 and up to £1,000,000 that requires approval by Committee and
- Capital Virements over £500,000 and up to and including £5,000,000 that requires Relevant Member(s) of CLT and Chief Finance Officer in consultation with Chair of the relevant Committee and the Chair of Finance Sub-Committee to approve.

Table 2: Capital Programme Update

CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY					
CAPITAL PROGRAMME 2024/25 - 2027/28					
	Forecast 2024/25 £000	Forecast 2025/26 £000	Forecast 2026/27 £000	Forecast 2027/28 £000	Total Forecast 2024-28 £000
Committed Schemes - In Progress					
Adults and Health	800	0	0	0	800
Children and Families	36,127	21,515	16,356	17,749	91,747
Highways & Transport	44,910	31,161	26,296	130,138	232,505
Economy & Growth	45,786	30,397	41,366	64,065	181,614
Environment & Communities	14,752	17,444	1,418	0	33,614
Corporate Policy	11,710	6,998	3,276	1,834	23,818
Total Committed Schemes - In Progress	154,085	107,515	88,712	213,786	564,098
	Forecast 2024/25 £000	Forecast 2025/26 £000	Forecast 2026/27 £000	Forecast 2027/28 £000	Total Forecast 2024-28 £000
New Schemes					
Adults and Health	0	0	0	0	0
Children and Families	1,738	7,200	5,248	3,000	17,186
Highways & Transport	895	23,500	15,051	15,051	54,497
Economy & Growth	3,124	0	0	0	3,124
Environment & Communities	4,703	3,017	668	0	8,388
Corporate Policy	0	0	0	0	0
Total New Schemes	10,460	33,717	20,967	18,051	83,195
Total	164,545	141,232	109,679	231,837	647,293
Funding Requirement					
Indicative Funding Analysis: (See note 1)					
Government Grants	96,620	76,091	67,707	122,543	362,961
External Contributions	15,406	10,698	13,611	65,226	104,941
Revenue Contributions	389	0	0	0	389
Capital Receipts	252	877	18,181	16,289	35,599
Prudential Borrowing (See note 2)	51,878	53,566	10,180	27,779	143,403
Total	164,545	141,232	109,679	231,837	647,293

Note 1:

The funding requirement identified in the above table does not currently represent a balanced and affordable position, in the medium term. The Council will need to transform the capital programme to reduce the number of schemes requiring Cheshire East Resources and the need to borrow. The level of capital receipts are based on a prudent approach based on the work of the Asset Management team and their most recently updated Disposals Programme.

Note 2:

The schemes marked **and highlighted in the MTFS cannot proceed until the Capital Programme Review has been completed. Any urgent requests to continue prior to the reviews completion will require approval from the Chair of Finance Sub Committee and the S.151 Officer

Note 3:

Appropriate charges to the revenue budget will only commence in the year following the completion of the associated capital asset. This allows the Council to constantly review the most cost effective way of funding capital expenditure.

Table 3: Requests for Supplementary Capital Estimates (SCEs) and Virements

Committee	Capital Scheme	Amount Requested £	Reason and Funding Source
Service Committee are asked to approve the Supplementary Capital Estimates and Virements			
Supplementary Capital Estimates above £500,000 up to and including £1,000,000			
Highways & Transport	Transport		
	Department for Transport - Traffic Signal Obsolescence Grant (TSOG)	577,003	Additional grant to upgrade traffic signal systems, replacing unreliable and obsolete equipment to improve reliability.
Highways & Transport		577,003	
Total Supplementary Capital Estimates Requested		577,003	
Capital Budget Virements above £500,000 up to and including £5,000,000			
Children & Families	Education and 14-19 Skills		
	WorkplaCE	1,000,000	Virement to Facilities to support the transfer out of Westfields
Children & Families		1,000,000	
Corporate	ICT Hybrid Model	1,896,161	Virement from Infrastructure Investment Programme (IIP) to ICT Hybrid Model as project work funded from IIP now falls under the ICT Hybrid work programme
Corporate		1,896,161	
Economy and Growth	Facilities Management		
	Premises Capital	1,140,086	Due to the change in scope in the "PSDS - 3B - Lot 1" scheme, Cheshire East funding previously allocated from the Premises Capital Programme as "match" funding to be returned for use in Future Years.
Economy & Growth		1,140,086	
Total Capital Virements requested		4,036,247	
Total Supplementary Capital Estimates and Virements		4,613,250	

Section 5: Reserves

Management of Council Reserves

- 5.1. The Council's Reserves Strategy states that the Council will maintain reserves to protect against risk and support investment.
- 5.2. The opening balance at 1 April 2024 in the Council's General Fund Reserves was £5.6m, as published in the Council's Statement of Accounts for 2023/24.
- 5.3. The closing balance at 31 March 2025 in the Council's General Fund Reserve is forecast to reduce further still, to £4.5m.
- 5.4. The current balance on reserves is insufficient in order to provide adequate protection against established and newly emerging risks, such as inflation and particularly the DSG deficit, which is projected to rise to £121.6m by year end and has been highlighted in the MTFS as having no alternative funding.
- 5.5. The Council also maintains Earmarked Revenue Reserves for specific purposes. The opening balance at 1 April 2024 was £32.3m.
- 5.6. During 2024/25, a net total of £10.6m has been drawn down to the support the in-year deficit position. A further £6.2m is being forecast to fund expenditure specifically provided for by services. These balances fall within the forecasts approved during the MTFS budget setting process.
- 5.7. Additional drawdown requests, above those forecast during MTFS, have been made by various services to support specific expenditure totalling £6.0m. These drawdowns, as detailed in the tables below, will be subject to approval by the Section 151 Officer.
- 5.8. The closing balance at 31 March 2025, is forecast at £9.5m.
- 5.9. Unspent schools' budgets that have been delegated, as laid down in the Schools Standards Framework Act 1998, remain at the disposal of the school and are not available for Council use. These balances are therefore excluded from all reserve forecasts.

Table 1 - Reserves Position	2023/24 Outturn £m	2024/25 Forecast £m
General Reserves	5.6	4.5
Earmarked Reserves (Excluding Schools)	32.3	9.5
Total Reserves Balance at 31st March	37.9	14.0

Table 2 - Earmarked Reserves Summary

Committee Reserves	Opening Balance 1st April 2024 £000	Transfers to General Fund £000	Forecast Movement in Reserves £000	Additional Drawdown Requests £000	Forecast Closing Balance 31 March 2025 £000
Adults and Health	5,226	(2,795)	(90)	0	2,341
Children and Families	1,724	0	(1,593)	(131)	0
Corporate Policy	20,773	(6,551)	(2,680)	(4,695)	6,847
Economy and Growth	2,777	(662)	(1,004)	(765)	346
Environment and Communities	870	(390)	(402)	(78)	0
Highways and Transport	908	(205)	(415)	(288)	0
TOTAL EARMARKED RESERVE MOVEMENT	32,278	(10,603)	(6,184)	(5,957)	9,534

* All 'Additional Drawdown Requests' are subject to review and are yet to be approved.

* Total excludes schools' balances

Table 3 - Adults and Health Committee

Reserve Account	Opening Balance 1 Apr 24 £000	Transfers to General Fund £000	Forecast Movement in Reserves £000	Additional Drawdown Requests £000	Forecast Closing Bal 31 Mar 25 £000	Notes
Adults Social Care Commissioning						
PFI Equalisation - Extra Care Housing	2,857	(2,795)	0	0	62	Surplus grant set aside to meet future payments on existing PFI contract and the anticipated gap at the end of the agreement.
Public Health						
Public Health Reserve	2,369	0	(90)	0	2,279	Ring-fenced underspend to be invested in areas to improve performance against key targets; including the creation of an Innovation Fund to support partners to deliver initiatives that tackle key health issues.
ADULTS AND HEALTH TOTAL	5,226	(2,795)	(90)	0	2,341	

Table 4 - Children and Families Committee

Reserve Account	Opening Balance 1 Apr 24 £000	Transfers to General Fund £000	Forecast Movement in Reserves £000	Additional Drawdown Requests £000	Forecast Closing Bal 31 Mar 25 £000	Notes
<u>Childrens Social Care</u>						
Domestic Abuse Partnership	131	0	0	(131)	0	To sustain preventative services to vulnerable people as a result of partnership funding in previous years.
<u>Strong Start, Family Help and Integration</u>						
Troubled Families Initiative	1,593	0	(1,593)	0	0	Crewe Youth Zone and ACT have been assigned funding from shared outcomes of the Supporting Families Programme.
CHILDREN AND FAMILIES TOTAL	1,724	0	(1,593)	(131)	0	

* All 'Additional Drawdown Requests' not forecast as part of MTFS 24-28 are subject to review and are yet to be approved.

Table 5 - Corporate Policy Committee

Reserve Account	Opening Balance 1 Apr 24 £000	Transfers to General Fund £000	Forecast Movement in Reserves £000	Additional Drawdown Requests £000	Forecast Closing Bal 31 Mar 25 £000	Notes
<u>Corporate Directorate</u>						
Corporate Directorate	1,164	(935)	0	0	229	To support a number of widespread projects within the Corporate Directorate.
<u>Finance and Customer Services</u>						
Collection Fund Management	8,154	(1,235)	(2,915)	0	4,004	To manage cash flow implications as part of the Business Rates Retention Scheme.
Capital Financing Reserve	4,531	0	0	(4,531)	0	To provide for financing of capital schemes, other projects and initiatives
MTFS Reserve	2,914	(741)	255	0	2,428	To support the financial strategy and risk management. £1.2m of the remaining reserve balance had previously been earmarked for future voluntary redundancy costs.
Section 31 Revenue Grants	14	0	0	(14)	0	Unspent specific use grant carried forward into 2024/25.

*Corporate Policy Committee reserves continued overleaf

Table 5 - Corporate Policy Committee Continued

Reserve Account	Opening Balance 1 Apr 24 £000	Transfers to General Fund £000	Forecast Movement in Reserves £000	Additional Drawdown Requests £000	Forecast Closing Bal 31 Mar 25 £000	Notes
<u>Governance and Compliance</u>						
Insurance Reserve	3,098	(3,098)	0	0	0	To settle insurance claims and manage excess costs. The full reserve has been released to the general fund to support the in-year deficit pressure.
Elections General	132	0	0	0	132	To provide funds for Election costs every 4 years.
Brexit Funding	13	(13)	0	0	0	Residual reserve balance has been released to the general fund to support the in-year deficit pressure.
<u>Human Resources</u>						
HR (CARE4CE Review, Culture Change, Pay realignment, Learning Mgt System)	59	(59)	0	0	0	Residual reserve balance has been released to the general fund to support the in-year deficit pressure.
Pay Structure (M Grade Review)	54	0	0	0	54	Created to help fund ongoing changes to pay structure.
<u>Governance and Compliance</u>						
Brighter Futures Transformation Programme	490	(470)	(20)	0	0	To fund the Council's four year transformation programme and its five outcomes of Culture; Estates and ICT systems; Customer Experience, Commercial Approach and Governance.
<u>ICT</u>						
Digital Solutions Architect	150	0	0	(150)	0	New reserve created in 23/24 to fund a role for the Digital Customer Enablement programme and will be key to realising the cost savings and efficiencies across the Council from the deployment of a number of digital initiatives.
CORPORATE POLICY TOTAL	20,773	(6,551)	(2,680)	(4,695)	6,847	

* All 'Additional Drawdown Requests' not forecast as part of MTFS 24-28 are subject to review and are yet to be approved.

Table 6 - Economy and Growth Committee

Reserve Account	Opening Balance 1 Apr 24 £000	Transfers to General Fund £000	Forecast Movement in Reserves £000	Additional Drawdown Requests £000	Forecast Closing Bal 31 Mar 25 £000	Notes
Directorate						
Place Directorate	1,164	0	(473)	(385)	306	To support a number of widespread projects within the Place Directorate.
Investment (Sustainability)	610	0	(427)	(143)	40	To support investment that can increase longer term financial independence and stability of the Council.
Growth and Enterprise						
Legal Proceedings	212	0	(104)	(108)	0	To enable legal proceedings on land and property matters.
Investment Portfolio	534	(534)	0	0	0	The full reserve has been released to the general fund to support the in-year deficit pressure.
Homelessness & Housing Options - Revenue Grants	129	0	0	(129)	0	Grant committed for the purchase and refurbishment of properties to be used as temporary accommodation to house vulnerable families.
Tatton Park Trading Reserve	128	(128)	0	0	0	The full reserve has been released to the general fund to support the in-year deficit pressure.
ECONOMY AND GROWTH TOTAL	2,777	(662)	(1,004)	(765)	346	

* All 'Additional Drawdown Requests' not forecast as part of MTFS 24-28 are subject to review and are yet to be approved.

Table 7 - Environment and Communities Committee

Reserve Account	Opening Balance 1 Apr 24 £000	Transfers to General Fund £000	Forecast Movement in Reserves £000	Additional Drawdown Requests £000	Forecast Closing Bal 31 Mar 25 £000	Notes
Environment and Neighbourhood Services						
Strategic Planning	568	(281)	(287)	0	0	To meet costs associated with the Local Plan - site allocations, minerals and waste DPD.
Trees / Structures Risk Management	139	(55)	(55)	(29)	0	To help respond to increases in risks relating to the environment, in particular the management of trees, structures and dealing with adverse weather events.
Air Quality	36	0	(17)	(19)	0	Air Quality Management - DEFRA Action Plan. Relocating electric vehicle chargepoint in Congleton.

*Environment and Communities Committee reserves continued overleaf

Table 7 - Environment and Communities Committee Continued

Reserve Account	Opening Balance 1 Apr 24 £000	Transfers to General Fund £000	Forecast Movement in Reserves £000	Additional Drawdown Requests £000	Forecast Closing Bal 31 Mar 25 £000	Notes
Licensing Enforcement	8	0	0	(8)	0	Three year reserve to fund a third party review and update of the Cheshire East Council Taxi Licensing Enforcement Policies.
Flood Water Mngmt (Emergency Planning)	2	0	(2)	0	0	Relating to Public Information Works.
Neighbourhood Planning	82	(41)	(41)	0	0	To match income and expenditure.
Spatial Planning - revenue grant	13	(13)	0	0	0	Residual reserve balance has been released to the general fund to support the in-year deficit pressure.
Street Cleansing	22	0	0	(22)	0	Committed expenditure on voluntary litter picking equipment and electric blowers.
ENVIRONMENT AND COMMUNITIES TOTAL	870	(390)	(402)	(78)	0	

* All 'Additional Drawdown Requests' not forecast as part of MTFS 24-28 are subject to review and are yet to be approved.

Table 8 - Highways and Transport Committee

Reserve Account	Opening Balance 1 Apr 24 £000	Transfers to General Fund £000	Forecast Movement in Reserves £000	Additional Drawdown Requests £000	Forecast Closing Bal 31 Mar 25 £000	Notes
Highways and Infrastructure						
HS2	385	(185)	(200)	0	0	To support the Council's committed costs in relation to Government's cessation of the HS2 rail network in borough.
Flood Recovery Works	400	0	(200)	(200)	0	To help the service manage risks such as the impact of adverse weather, specifically flooding or extensive periods where winter maintenance is required.
Highways Procurement Project	104	(20)	(15)	(69)	0	To finance the development of the next Highway Service Contract. Depot mobilisation costs, split over 7 years from start of contract in 2018.
LEP-Local Transport Body	19	0	0	(19)	0	Contribution to LEP transport studies/consultancy. Ongoing working around Transport Legacy issues.
HIGHWAYS AND TRANSPORT TOTAL	908	(205)	(415)	(288)	0	

* All 'Additional Drawdown Requests' not forecast as part of MTFS 24-28 are subject to review and are yet to be approved.

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Economy and Growth Committee Work Programme 2024/25

Report Reference	Committee Date	Title	Purpose of Report	Lead Officer	Consultation	Equality Impact Assessment	Corporate Plan Priority	Part of Budget and Policy Framework	Exempt Item	Decision or Scrutiny
12 November 2024										
EG/08/24-25	12/11/24	Second Financial Review of 2024/25	To note and comment on the Second Financial Review and Performance position of 2024/25, and (if necessary) approve Supplementary Estimates and Virements.	Director of Finance and Customer Service – Section 151 Officer	No	No	Open	Yes	No	Scrutiny and Decision
EG/12/24-25	12/11/24	Medium Term Financial Strategy Consultation 2025/26 - 2028/29	To provide feedback in relation to their financial responsibilities as identified within the Constitution and linked to the budget alignment approved by the Finance Sub-Committee in March 2024.	Director of Finance and Customer Service – Section 151 Officer	No	No	Open	Yes	No	Scrutiny and Decision
EG/17/24-25	12/11/24	Housing Strategy 2025-2028 Consultation	To seek approval to consult publicly on the draft 2025-2028 Housing Strategy	Head of Housing	Yes	Yes	Green	No	No	Decision

EG/19/24-25	12/11/2024	Home Repairs and Adaptations for Vulnerable People Policy 2024	To seek approval to changes proposed to the Home Repairs and Adaptations for Vulnerable People Policy 2024	Head of Housing	TBC	Yes	Fair	No	No	Decision
14 January 2025										
EG/03/24-25	14/01/25	Westfields - Progress update	To provide an update on Progress on the Westfields Offices.	Acting Executive Director of Place	Yes	Yes	Open	Yes	Yes, in part.	Scrutiny and Decision
EG/07/24-25	14/01/25	West Park Museum Review	To brief members on the review and future options for West Park Museum	Acting Executive Director of Place	No	No	Green	No	No	Scrutiny and Decision
EG/04/24-25	14/01/25	Handforth Garden Village Delivery Strategy	To receive an update on the high-level business case for Handforth Garden Village and advise of options appraisal and recommended delivery strategy	Acting Executive Director of Place	No	Yes	Open; Green; Fair	TBC	No	Scrutiny and Decision
EG/09/24-25	14/01/25	Farms Review	To brief Members on the review and future options for CEC Farms	Head of Rural and Cultural Economy	No	TBC	Green	No	TBC	Scrutiny and Decision
EG/10/24-25	14/01/25	Third Financial Review of 2024/25	To note and comment on the Third Financial Review and Performance position of 2024/25, and (if necessary) approve	Director of Finance and Customer Service – Section	No	No	Open	Yes	No	Scrutiny and Decision

			Supplementary Estimates and Virements.	151 Officer						
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EG/11/24-25	14/01/25	Rural Action Plan	To update Members on progress on the Rural Action Plan 2022-2026	Head of Rural and Cultural Economy	No	No	Green	No	No	Scrutiny and Decision
EG/14/24-25	14/01/25	Medium Term Financial Strategy Consultation 2025/26 - 2028/29 Provisional Settlement Update	To provide feedback in relation to their financial responsibilities as identified within the Constitution and linked to the budget alignment approved by the Finance Sub-Committee in March 2024.	Director of Finance and Customer Service – Section 151 Officer	No	No	Open	Yes	No	Scrutiny and Decision
11 March 2025										
EG/12/24-25	11/03/25	Service Budgets 2025/26	To set out the allocation of approved budgets for 2025/26 for services under the Committee's remit, as determined by Finance Sub Committee	Director of Finance and Customer Service – Section 151 Officer	No	No	Open	Yes	No	Scrutiny and Decision

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